

FREQUENTLY ASKED QUESTIONS

Oracle Applications Strategy

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. Technical Support Services are provided in accordance with Oracle's Technical Support Policies, which can be accessed at <http://www.oracle.com/support/policies.html>. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

Q 1. What is Oracle's Application Strategy?

Oracle's Application's strategy helps customers transform their business to gain more value & agility – while lowering costs and risks. Oracle's Application strategy is centered on 3 principles- Complete, Open and Integrated. Oracle offers more value with less complexity, by providing *complete* industry solutions, with comprehensive breadth and depth of business processes delivered on an integrated technology stack. Oracle offers more choice and less risk with solutions built on an *open*, standards-based architecture. Oracle applications strategy aims to lower cost and provide greater flexibility through *integrated* and adaptable business processes, a state-of-the-art user experience and integrated business intelligence.

Q 2. Does Oracle have applications for every industry?

Oracle's complete industry solutions offer more value with less complexity, because Oracle has assembled best-in-class industry portfolios through acquisitions and organic R&D. Oracle has solutions for over 20 industries, and is rapidly growing in other industries as well. Solutions include both Oracle and partner offerings to deliver complete industry footprints. Please visit <http://www.oracle.com/industries/index.html> for more information.

Q 3. What is the strategic rationale behind Oracle's acquisitions?

Oracle's goal is to offer complete, open, and integrated industry solutions to customers. By acquiring strategic companies, Oracle strengthens its product offerings, accelerates innovation, meets customer demand more rapidly, and expands partner opportunities. An integral part of Oracle's mergers and acquisitions philosophy is its commitment to customer service and product support, while achieving our financial return objectives and creating value for our shareholders. Oracle has acquired companies to bring together the best and brightest industry talent, advanced technologies, and state-of-the-

art products. Oracle maintains high standards for acquisitions and all must meet the following criteria:

- 1) Best in class functionality
- 2) Product(s) must be delivered on an open platform and be capable of supporting a global enterprise
- 3) The developed and support staff must be excellent.

Q 4. How is Oracle integrating the various products that it acquires?

Oracle's strategy for integrating the enterprise involves:

Integrated Business Processes: Oracle delivers pre-built integrations for standard industry business processes. These integrations, built with Oracle Fusion Middleware, can be used for Oracle's portfolio of applications and non-Oracle applications. These pre-built processes are flexible: they can be adjusted based on the competitive environment; have a common object model; and are extensible, upgradeable, and available to third parties

Integrated Business Intelligence: Oracle's integrated Business Intelligence solution offers real-time insights in the context of business process for faster, more accurate decision-making. Providing integrated business intelligence within the context of business processes enables faster, more accurate decision-making. Built on open standards, Oracle's business intelligence solution consolidates data from any source into a common information repository from which it can render in multiple formats –dashboard, reports and alerts – and on any device.

Integrated User Interface: The tools in Oracle Fusion Middleware (OFM) enable Java developers to break down the boundaries between web-based portals and enterprise applications. As a result, developers can rapidly create flexible, context-sensitive work environments that are based on rich, Ajax-based components, portlets, and

content in an open, standards-based architecture. With OFM, knowledge workers use a single web interface to access a wide range of enterprise services, including: business applications, enterprise content, business intelligence, enterprise search, communication and collaboration services, and Web 2.0-centric applications. OFM improves productivity of developers and end-users alike.

Q 5. What is Oracle Application Integration Architecture?

Oracle Application Integration Architecture provides an open standards based framework for creating cross-application business processes that support the way you run your business today, while paving the way for your long term, strategic, business transformation plans.

Its application independent framework enables you to utilize the applications of your choice to create composite business processes unique to your business, on a flexible service-oriented architecture. Rapidly automate end-to-end business processes across your front- and back-office systems to increase user productivity. Reuse, update and replace processes more easily. Start moving at the speed of business and create the differentiating application capabilities you need, when business demands.

Oracle Application Integration Architecture is comprised of three key components:

Best Practice Processes: Optimize business performance through documented industry best practices processes. Best Practice Processes enable you to use documented industry best practices to build a more responsive IT infrastructure, while protecting your existing technology investment. They provide documented business processes that allow you to create unique, integrated process flows across heterogeneous environments

Process Integration Packs (PIPs): Quickly integrate Oracle applications to create the business processes you need, without the risk. PIPs are pre-built integrations

between specific Oracle applications that can be implemented quickly, and extended and upgraded over time as IT landscapes evolve.

Foundation Pack: Accelerate time to value through a pre-built SOA designed for maximum flexibility, maintainability and reuse. This is proven reference architecture and reusable web services that enable customers to create integrations across any application, leveraging standards based, service-oriented architecture.

Together, these components provide the foundation for adaptability within a business process and include the essential tools you need to create cross application business processes, allowing you to bring your applications together in a way that yields the greatest competitive advantage to your business all while keeping your costs low.

Q 6. How will Application Integration Architecture benefit Oracle customers?

Application Integration Architecture enables Oracle customers to more nimbly integrate, adapt, and optimize application functionality across disparate departments, units and lines of businesses. As a result, enterprises gain greater business agility and the ability to seamlessly deliver value to their customers. Application Integration Architecture delivers sustainable integrations that are designed to survive application upgrades and will not break when new applications are inserted helping protect the value of your integration investments. Built for adaptability, Application Integration Architecture provides a methodology and extension framework that allows Oracle customers to optimize business processes for their specific environment and to be quickly redesigned as needed. Lastly, with its Oracle Service Oriented Architecture (SOA) Suite foundation, Application Integration Architecture enables Oracle customers to more easily transition to a SOA environment and achieve their goals with reduced integration risks and costs.

Q 7. What is the value of Open Applications?

IT cost and complexity can sometimes act as a barrier to business change and expansion. This is mainly due to lack of standards that require special IT skills, big bang upgrades, or inability to plug and play or integrate with partners. Oracle's open, standards-based applications help develop new capabilities and integrations faster, cheaper, and with higher quality. Due to their modularity, customers will find it easier to create an ecosystem of staff to build, integrate and extend applications – increasing the lifespan of their current investments. Open standards offer customers more choice, enable them to connect more quickly with partners, and offer new business services faster with lower risk.

Q 8. What is Oracle Applications Unlimited and how is it beneficial to Oracle customers?

Applications Unlimited is Oracle's commitment to continue providing enhancements to current Oracle EBS, JD Edwards, PeopleSoft, Siebel Agile, G-Log and Demantra product lines beyond the delivery of Oracle Fusion Applications. Applications Unlimited will provide customers with more visibility into our existing product road maps and help them achieve continual success with their current applications by delivering dedicated, world-class development and support for years to come. Applications Unlimited is driven by Oracle's commitment to protecting its customers' investments. In 2007, Oracle delivered significant releases for each of its product lines- E Business Suite 12, PeopleSoft 9.0, Siebel 8.0, JD Edwards EnterpriseOne 8.12 and JD Edwards World A9.1. The next releases for each of the applications unlimited product lines are currently in development. Oracle is giving customers the option to choose what is best for their business. Customers can continue to derive value from their existing applications -- which Oracle plans to continuously update -- or they can upgrade to future technologies if there is a business case to do so. It is entirely the customer's choice.

Q 9. How can Oracle continue to make investments in acquired product lines?

One of Oracle's unique competitive advantages is having the size, scale, and revenue to support and enhance existing product lines while simultaneously developing the next-generation of enterprise software, Oracle Fusion Applications. When Oracle acquired PeopleSoft, JD Edwards, Siebel, Agile, G-Log and Demantra a vast majority of their development and support teams were retained. In addition, we plan to leverage our Oracle Fusion Middleware platform and infrastructure investments across all product lines. Prior to the acquisitions, each of the product lines had significant resources allocated to individual next-generation initiatives. The combined companies have more resources than the acquired companies had separately. These resources can be focused on functional enhancements instead of overlapping development of infrastructure for each of the product lines.

Also, our strategy is a rationalized portfolio strategy. We are not investing in every area. For example PeopleSoft was never very successful in Manufacturing and had only a small customer base, but a large development team. We are working with the customers to give them options over time to move over to another portfolio product. Another example: Oracle Campus solutions – only 10 customers and a large development team prior to acquisition. Since PeopleSoft is the market leader in that area, we are working with those customers to help them move over time. But, we are not continuing to invest in the Oracle Campus Solution product. On the other hand, we are making heavy investments in PeopleSoft HCM and Financials – which have many successful customers.

Additionally, each one of the acquired companies had the overhead of back-office and corporate administration. Acquisitions are onto the Oracle systems within 6 months, leveraging Oracle Corporation's highly efficient corporate operations to quickly integrate and consolidate redundant administrative functions.

So, there is significant savings gained by bringing the acquired companies into the Oracle family and with those

savings, we are able to continue both investments for the current install base, as well as invest in the next generation of applications, Oracle Fusion Applications.

Q 10. What is Oracle Lifetime Support policy?

Oracle leads the industry with the most comprehensive and flexible support policy, our Lifetime Support policy. Simple and predictable, our support policy covers the entire technology environment, from database to middleware to applications. This level of coverage is an industry first, and it's only from Oracle.

Oracle Lifetime Support policy consists of three support stages: Premier Support, Extended Support, and Sustaining Support. With Oracle Lifetime Support, you know up front and with certainty how long your Oracle products are supported, and you will get access to technical experts for as long as you license your Oracle products.

Oracle Lifetime Support delivers maximum value by providing you with rights to major product releases so you can take full advantage of technology and product enhancements. Oracle's Lifetime Support also puts you in control of your upgrade strategy. Our flexible support policy stages make it easier for you to plan and budget for Oracle's exclusive product upgrades. You will enjoy peace of mind knowing that we'll always be there to support your business. When it's time to upgrade, if you are current on technical support, you will have rights to future releases that are available to all supported customers.

Q 11. What support is included in the three stages of Lifetime Support?

Premier Support provides maintenance and support on Oracle Database, Oracle Fusion Middleware, and Oracle Applications for five years from their general availability date. Premier Support provides:

- Major product and technology releases
- Technical support

- Updates, fixes, security alerts, and critical patch updates
- Tax, legal, and regulatory updates
- Upgrade scripts
- Certification with new third-party products/versions
- Certification with new Oracle products

Extended Support provides an extra three years of support for specific Oracle releases for an additional fee. Extended Support provides:

- Major product and technology releases
- Technical support
- Updates, fixes, security alerts, and critical patch updates
- Tax, legal, and regulatory updates
- Upgrade scripts
- Certification with existing third-party products/versions
- Certification with new Oracle products

Extended Support may not include certification with new third-party products/versions.

Sustaining Support provides technical support, including access to our online support tools, knowledge bases and technical experts for as long as you license your Oracle products. Sustaining Support includes:

- Major product and technology releases
- Technical support
- Access to Oracle MetaLink/ PeopleSoft Customer Connection/ Siebel SupportWeb
- Pre-existing fixes for your solutions

Sustaining Support does not include:

- New updates, fixes, security alerts, and critical patch updates
- New tax, legal, and regulatory updates
- New upgrade scripts
- Certification with new third-party products/versions
- Certification with new Oracle products

Customers can also obtain customer-specific fixes on a time- and materials-based fee.

Q 12. How is Oracle taking input from customers as it develops the next product releases?

Oracle is working closely with its customer communities—including our CIO Advisory Board, product and industry strategy councils, and customer advisory boards—as well as with individual customers to determine product direction. We are also dedicating extensive time to analyzing customer enhancement requests across all product lines.

Q 13. What has Oracle done to service-enable the existing product lines?

Each product line has a standards-based approach to exposing Web services within our applications. Oracle customers can utilize these Web services to integrate and configure SOA-based composite applications today. Oracle E-Business Suite provides this through the XML gateway, JD Edwards provides it through its Web services gateway (XBPs created using the XPI infrastructure), and PeopleSoft Enterprise provides it through the PeopleSoft Integration Broker. No additional products are needed to access these Web service interfaces. Oracle E-Business Suite APIs that are exposed through the integration repository are accessible as standards-based services through BPEL Process Manager. There are more than 1,000 predefined business events in the Oracle E-Business Suite Business Event System that can be used to produce and consume services. PeopleSoft Enterprise already has more than 1,500 Web services, and JD Edwards EnterpriseOne has more than 200 core Web services. All these Web services are WS-I 1.0-compliant and are described in WSDL1.1 format. By utilizing Oracle's service orchestration capabilities, you can leverage existing application services that are exposed through the repositories to configure cross-application, service-enabled, and adaptive business processes.

Q 14. What are Oracle Fusion Applications?

Oracle Fusion Applications are an integrated suite of applications built on standard middleware that will help

customers transform their business into a next-generation organization. This next-generation organization will have more adaptable business processes, more productive people, and more manageable systems. Next-generation *adaptability* will come from a native service-oriented architecture that allows for easier integration with other applications and configurable business processes. Embedded business intelligence, a rich, pervasive, and personalized user experience, and enterprise 2.0 business processes will power next-generation *productivity*. Finally, centralized security, audit, and controls, and the ability to deploy applications on premise, as a service, or through business process outsourcing will deliver next-generation *manageability*.

Q 15. Will customers have to wait for Oracle Fusion Applications to get new functionality?

No. New functionality is available in scheduled new releases of all application product lines. Dedicated development teams are working closely with customer advisory boards and user groups to design new releases and functional enhancements to current Oracle Applications product families. As part of these enhancements, Oracle plans to deliver next-generation application capabilities, such as XML reporting, data hubs, Business Process Execution Language (BPEL), Business Activity Monitoring (BAM), and industry-specific analytics to current Oracle Applications. These next-generation enhancements will leverage the same industry standards and technologies that we plan to use in Oracle Fusion Applications, preserving investments of our customers.

Q 16. Is there something customers can be doing now to prepare for Fusion Applications?

Absolutely. Customers should consider moving to the latest release of their Oracle application products (i.e., Oracle E Business Suite 12, Siebel 8.0, PeopleSoft 9.0, JD Edwards EnterpriseOne 8.12, and JD Edwards A 9.1). In most cases, customers will find new features relevant to business problems they are trying to solve. The next step is to start looking at things outside their current product

line for cross-pollination. For example, look at applications that are on the periphery of core ERP, SCM and CRM applications and provide the critical link between a company and its trading partners. Applications, such as Agile PLM, G-Log Transportation Management and Demantra Demand Planning and Trade Promotions Management, have the potential for “game-changing” business value. Customers can also evaluate the benefits of Oracle Fusion Middleware and how it might apply to their business problems. Oracle Fusion Middleware is a complete product line—much more than an application server. It includes a process orchestration modeling tool, Business Activity Monitoring (BAM), data hubs, an enterprise services bus, and much more. With Oracle Fusion Middleware, customers can orchestrate a process between our industry vertical applications such as Retek and our horizontal applications such as Oracle E-Business Financials, for example. Other vendors just talk about it; Oracle delivers service-oriented architecture (SOA) today through Oracle Fusion Middleware.

Q 17. Where can I get more information on Oracle Applications Strategy?

Please visit <http://www.oracle.com/applications/home.html> for more information or contact your local sales representative.