



ORACLE®



Oracle Buys Interlace Systems

Extends Oracle's Industry-leading Enterprise Performance Management System

November 9, 2007



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What We Are Announcing

- **Oracle has acquired strategic operational planning technology provider Interlace Systems**
 - Expected to extend integrated business planning capabilities of Oracle's Industry-leading Enterprise Performance Management (EPM) System
 - Transaction closed November 9, 2007
- **Interlace Systems is a leading edge provider of strategic operational planning software**
 - Headquartered in San Mateo, California
 - Interlace Systems' Dynamic Planning Server contains unique changed-based data modeling engine that allows for cross-functional modeling and interactive business impact analysis
 - Expected to integrate disconnected functional planning processes to rapidly and collaboratively address strategic operational planning challenges
 - Expected to accelerate momentum with marquee customers across key verticals
- **Interlace Systems technology expected to become part of Oracle's EPM System**
 - Allows customers to extend Oracle's financial planning solutions and complements capabilities in Supply Chain Management (SCM) and Customer Relationship Management (CRM) suites
 - Enables rapid cross functional business and strategic planning
 - Advances Oracle's EPM capabilities by creating a common perspective across financial and operational planning through an integrated business planning framework

Strategic Rationale

- **Integrated business planning is a critical component in the evolution of EPM**
 - Evolution from function-centric planning to strategically aligned planning across the organization is a top priority for management at global organizations
 - Enables businesses to deliver sustainable performance improvements and effectively respond to rapidly changing business environment
 - Develop direct correlation between operational decisions and financial results
- **Interlace Systems expected to extend Oracle's leadership in EPM**
 - Adds technology that enables strategic operational planning as a new dimension to integrated business planning within the EPM system
 - Change-based modeling for cross-functional modeling and interactive business impact analysis addresses strategic operational planning problems at enterprises
 - Provides the speed organizations need to match planning cycles to the rate of change in business, including changing operational assumptions, reevaluating scenarios, and updating plan of record
- **Why now?**
 - Customers are increasingly looking for an integrated financial and operational planning suite to improve the effectiveness of business planning
 - Proven technology that is compatible with Oracle
 - Significant time-to-market advantage compared to competition that must rationalize multiple, overlapping planning solutions

A Dynamic Business Environment Drives Need for Integrated Business Planning

- Increased competitive pressures
- Higher customer expectations
- Shorter product lifecycles
- Product proliferation

INDUSTRY

**Integrated
Business
Planning**

STAKEHOLDERS

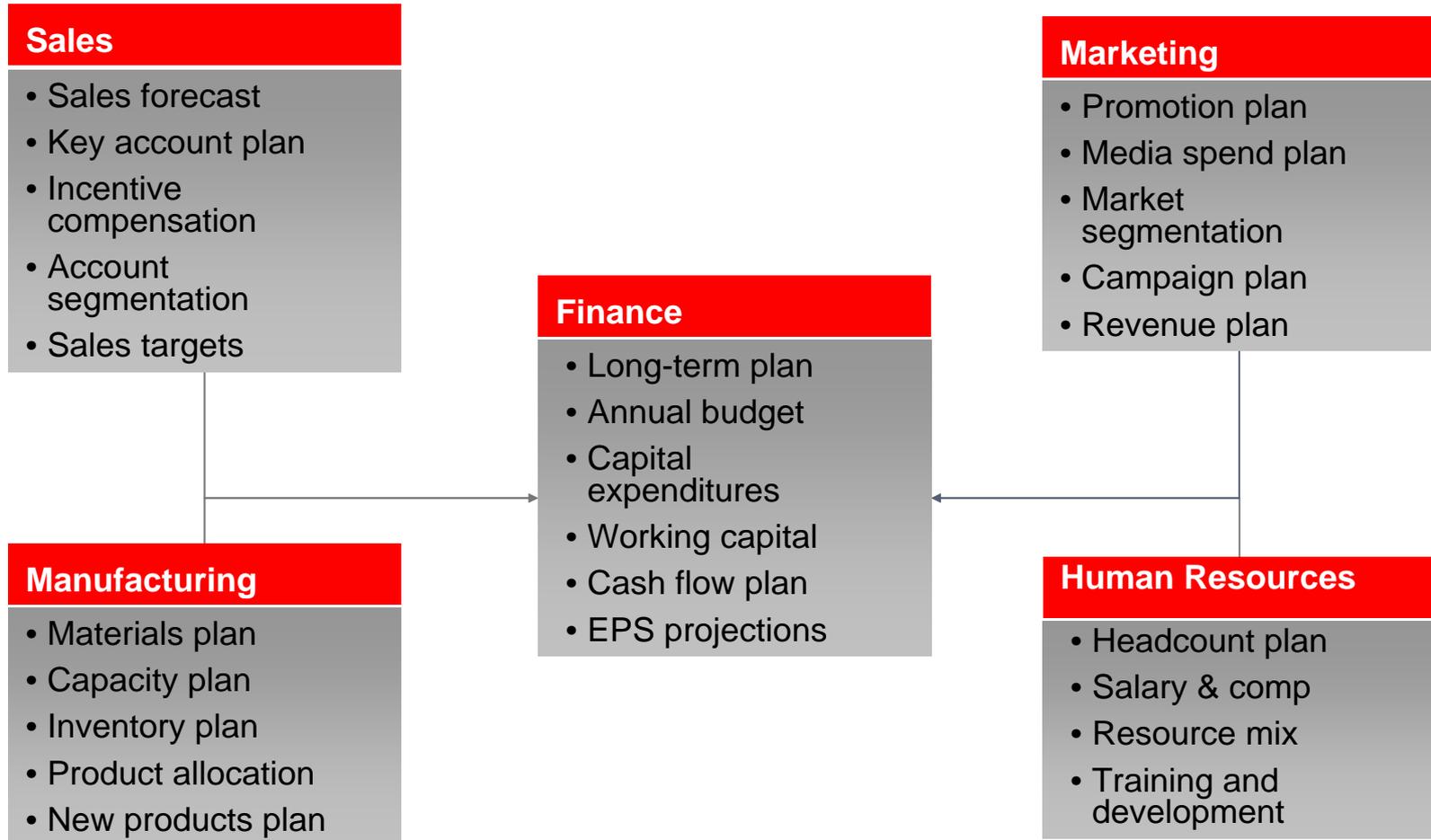
- Intensified investor scrutiny
- Expected value creation
- Sustainable profits
- Correlate operational decisions with financial results

ORGANIZATION

- Growing operational complexity
- Disconnected functional silos
- Pressures to manage operational costs
- Increased time-to-market pressures

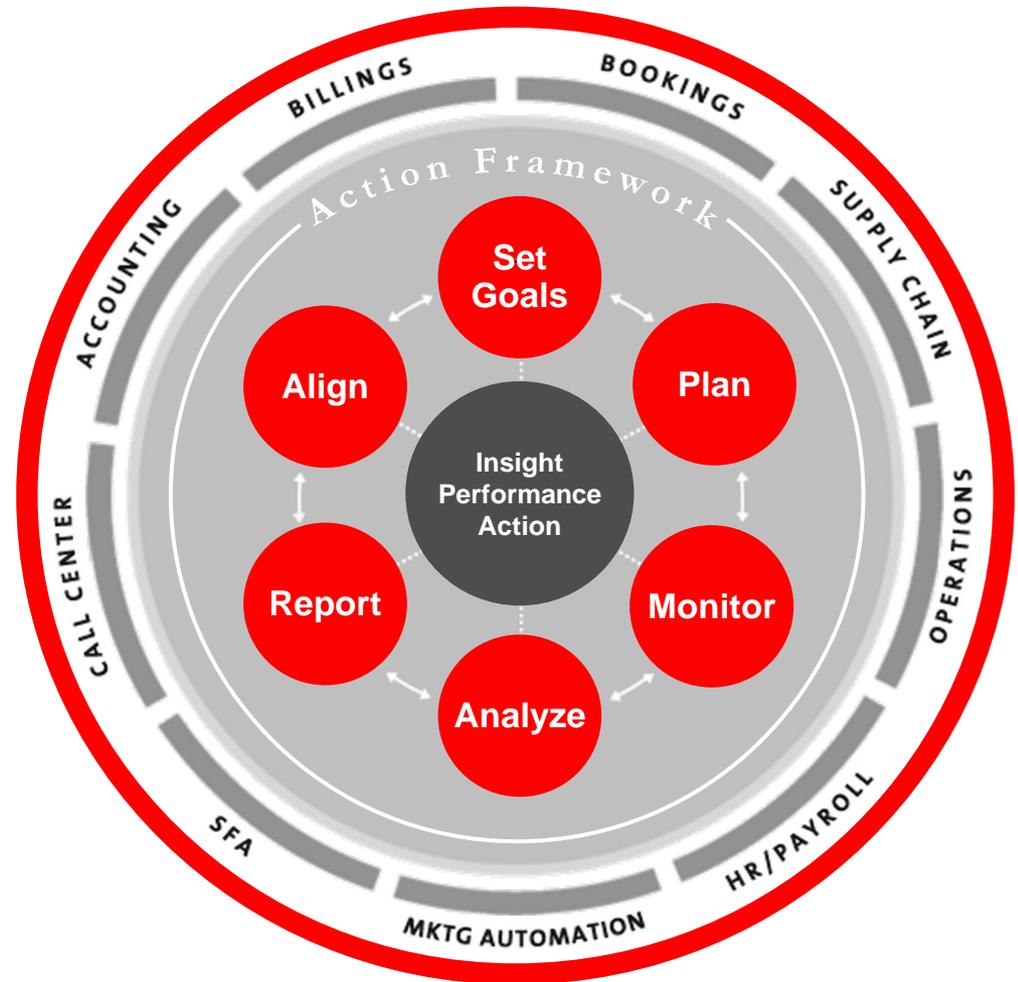
All Planning Roads Lead to Finance

- Match strategic operational feasibility to financial objectives



Oracle's Enterprise Performance Management Vision

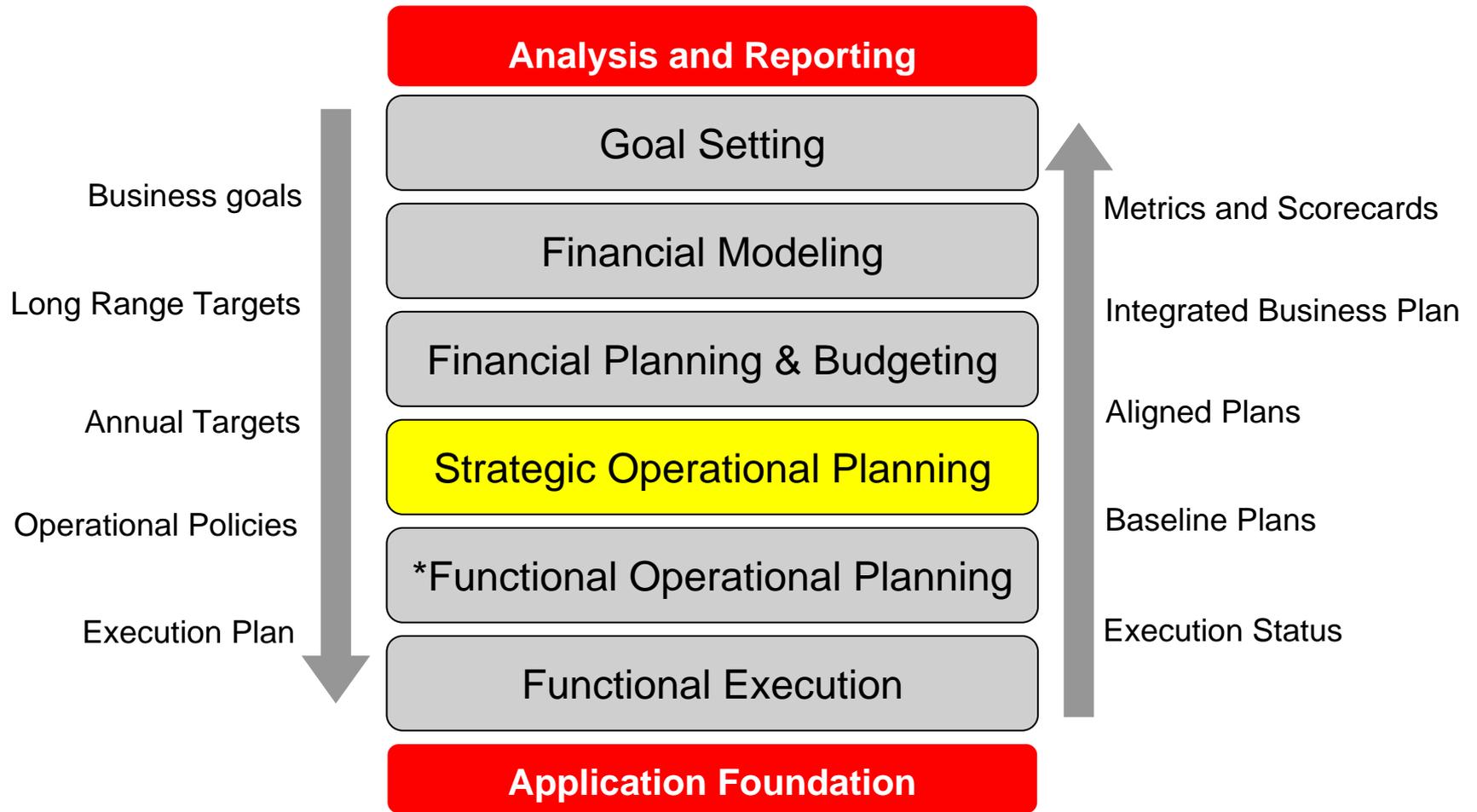
- Link strategic goals to operational decisions
- Transform financial management processes
- Monitor execution in real-time
- Deliver consistent, reliable insights to drive business decisions and execution
- Lower costs and reduce system complexity



Why Interlace Systems?

- **Leading innovator in strategic operational planning**
 - Interlace Systems Dynamic Planning Server is a best-in-class technology for integrated business planning
 - World-class R&D team with deep domain knowledge in complex business modeling
 - Momentum with industry leaders such as Seagate, Sara Lee and Eaton
- **Critical enabler for integrated business planning**
 - Deliver key capabilities for sophisticated cross-functional modeling, interactive scenario analysis and dynamic planning to determine the best profitability and risk alternatives
 - Model complex relationships across business entities, propagate changes efficiently and assess business impact
 - Manage a system of record for business assumptions to keep global, cross-functional teams aligned in planning and execution
 - Provides core technology for addressing a wide range of strategic operational planning problems, eliminating the trade-off between planning scope and speed of decision making
- **Adds key technology elements to Oracle's EPM System**
 - Integrated planning model across business functions
 - Rapid scenario analysis resulting from Interlace Systems' change-based modeling engine
 - Extends OLAP technology to incorporate constraint-based network

Integrated Business Planning Overview



*Such as Sales and Operations Planning

 Oracle – Infrastructure & Tools

 Oracle - Planning Solutions

 Interlace Systems

Interlace Systems Dynamic Planning Server



- Review exceptions
- Evaluate alternative scenarios
- Assess business impact
- Approve plan revisions
- Update Plan of Record

Strong Momentum with Industry Leaders

High Tech and Electronics	Discrete and Industrial Manufacturing	Consumer Goods
 	 	 

Seagate Case Study



Product Allocation Decisions Aligned With Business Priorities

Business Challenges	<ul style="list-style-type: none">• Product proliferation and volatile demand required responsive strategic operational planning decisions• Lack of visibility and coordination in demand-supply alignment involving hundreds of planning templates• Limited scalability due to Excel-based processes• Lack of business and financial impact analysis
Solution	<ul style="list-style-type: none">• Interlace Systems Dynamic Planning and Oracle Hyperion Planning• Interlace Systems model integrated to Oracle E-Business Suite data source
Business Results	<ul style="list-style-type: none">• Rapid decision making based on what-if analysis using common planning models and templates across functional groups• Prioritized demand fulfillment decisions across geography, product and channel• Proactive identification and management of supply hot-spots in response to demand variability• 40% improvement in planner efficiency

Sara Lee Case Study

Moving From Function-Centric Planning To Aligned Performance Across The Business

Business Challenges	<ul style="list-style-type: none"> • Disconnected functional planning silos • Lack of visibility and alignment across sales, marketing, operations and financial plans • Manual processes and hundreds of spreadsheets • Long planning cycle times due to batch oriented planning modules
Solution	<ul style="list-style-type: none"> • Interlace Systems Dynamic Planning and Oracle Hyperion Planning
Business Results	<ul style="list-style-type: none"> • Reduced planning cycle times with integrated planning models across sales, marketing and operations functions • Improved alignment across demand plan, sales promotion plan, capacity plan and financial plan • Comprehensive assessment of financial impact of operational decisions

Clearly Different

Only Oracle and Interlace Systems can deliver **ALL** of the following:

- An EPM system that aligns all financial and strategic operational planning decisions to business objectives**
- Integrated business planning that links business strategy to plans and execution**
- Modeling richness and flexibility that addresses a wide range of planning needs across business functions**
- Collaborative scenario based financial and strategic operational planning that drives consensus**
- Change-based modeling technology that enables rapid decisions for integrated business planning**

Expected Customer and Partner Benefits

- **Interlace Systems customers**
 - Increased R&D investment in Interlace Systems products
 - Investment protection for critical strategic operational planning solutions
 - Access to Oracle's global support and services organizations
 - A broad suite of products in Oracle's EPM, SCM and CRM suite that are expected be integrated with Interlace Systems' products
- **Oracle customers**
 - Enable Integrated financial and strategic operational planning activities to expedite collaborative decision making
 - Draw on technology to increase overall effectiveness of existing ERP and EPM investments
- **Oracle and Interlace Systems partners**
 - Increased strategic opportunities for large System Integrators to create planning solutions that span finance and operations functions
 - Extend scope of consulting services to include strategic operational planning
 - Provide existing Interlace Systems partners access to Oracle's global partnering, go-to-market, and support infrastructure

Status

- **Public announcement**
 - October 24, 2007
- **Communication with all stakeholders**
 - Press and analyst briefings
 - Customer and partner briefings
- **More information can be found at**
 - www.oracle.com/interlacesystems



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