

ORACLE®

 **LogicalApps®**

Oracle Buys Automated Applications Controls Leader LogicalApps
To strengthen Oracle's Governance, Risk and Compliance Suite with
Real-time Policy Enforcement

October 26, 2007

Disclaimer

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. 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.

What We Are Announcing

- **Oracle has acquired LogicalApps**
 - To strengthen Oracle's GRC applications suite with real-time policy enforcement
- **LogicalApps is a leading provider of automated GRC controls for enterprise applications**
 - Headquartered in Irvine, CA; 122 employees
 - LogicalApps' GRC solutions enforce proper access controls in enterprise applications, automatically monitor and verify that business process controls are operating effectively, and provide evidence of proper control environments
 - Over 300 customers worldwide across multiple industries
- **Combination with LogicalApps is expected to extend Oracle's GRC application suite to deliver enterprise-class GRC controls management**
 - GRC is a strategic focus for Oracle and our customers
 - Combination of LogicalApps and Oracle is expected to deliver a closed-loop solution that manages both enterprise-wide GRC processes and enforcement of automated controls within one system

Strategic Rationale

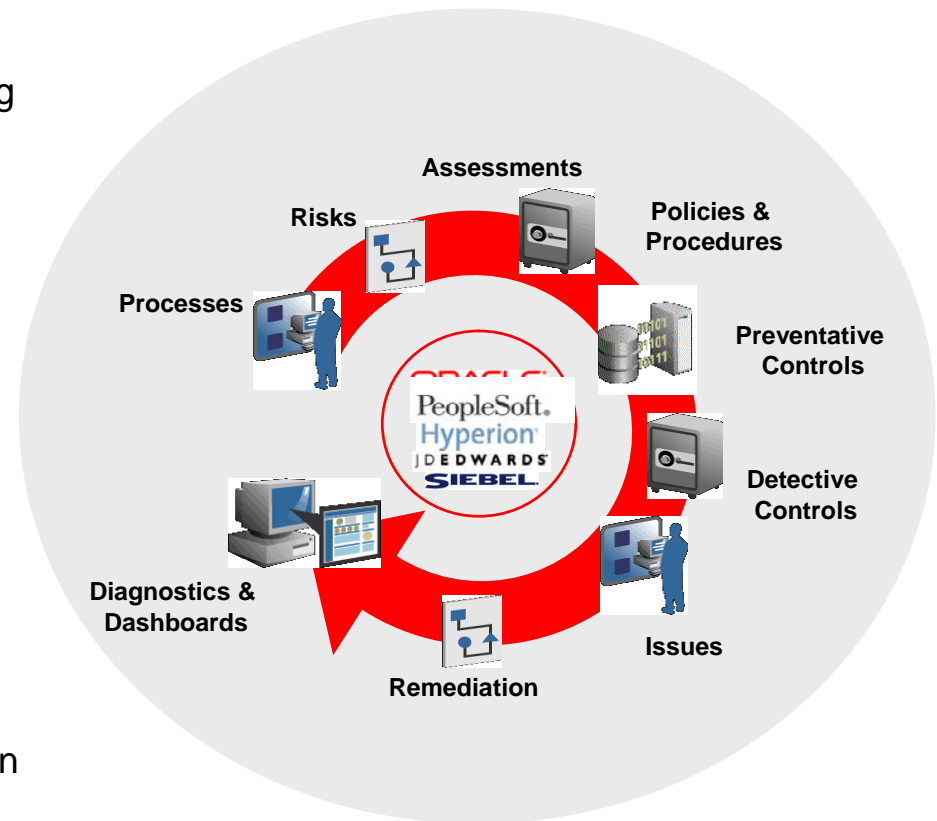
Brings Integrated Controls Management to Oracle's GRC Applications Suite

- **GRC is a rapidly growing software segment**
 - Top priority for corporate executives and Boards of Directors
 - Enterprise-wide cross-functional discipline that touches all LOBs
 - Forecasted over \$9 billion spend on GRC technology for 2007*
- **LogicalApps complements Oracle's existing solution strengths**
 - Improves Oracle's ability to compete in GRC applications
 - Extends Oracle's GRC application suite with the addition of automated GRC controls for all major business processes
 - Integrated with Oracle Applications and Oracle Fusion Middleware
- **Why now?**
 - Most organizations have a fragmented GRC strategy
 - Customers want an open, but pre-integrated GRC application suite to address evolving requirements
 - LogicalApps combined with Oracle expected to deliver a closed-loop solution that mitigates business risk

* Source: AMR, 2007.

Oracle's GRC Applications Value Proposition

- **Effectively manage regulatory compliance on a global basis**
 - Reduce cost and complexity by managing global mandates within one system
 - Align policies and processes with best-practice risk mitigating controls
 - Rely on tamper-proof chain of evidence for all compliance processes
- **Proactively monitor enterprise risk and enhance corporate governance**
 - Reduce risk of fraud with continuous monitoring and enforcement of business policies
 - Control user access and enforce segregation of duties with business-driven rules
 - Optimize business decisions with greater accountability and transparency



Oracle's GRC Application Strategy

- **Comprehensive suite of GRC applications**
 - Support all mandates and regulations, including SOX 302, 404, Gramm-Leach-Bliley, HIPAA, FDA, FAA, OSHA, EPA and trade compliance
 - Designed as complete, purpose-built business solutions for key initiatives such as financial compliance, IT governance, business risk and regulatory compliance
 - Covers key end-to-end processes, including Order to Cash, Procure to Pay, Reconcile to Report and Hire to Retire
- **Open, pre-integrated and supports heterogeneous environments**
 - Pre-integrated with enterprise applications from Oracle – Oracle E-Business Suite, PeopleSoft, Siebel, Hyperion and JD Edwards
 - Pre-integrated with Oracle Fusion Middleware and Oracle Database products related to GRC initiatives
 - Deploy against any enterprise application including SAP and other non-Oracle applications

Why LogicalApps?

- **LogicalApps is a category leader in automated GRC controls management**
 - Leading provider of automated controls solutions with over 300 customers
 - Provides a spectrum of automated controls management across any enterprise application
 - Preventative controls that can be embedded within ongoing business processes for real-time policy enforcement
 - Innovative process management solutions for financial close and public sector compliance
- **LogicalApps' products and expertise improves Oracle's competitiveness**
 - LogicalApps has deep domain and industry expertise that complements Oracle
 - LogicalApps provides strong and strategic relationships with leading risk advisory firms; GRC consultants from each of the top-tier firms already trained on ACTIVE Governance
- **LogicalApps' product suite is most complementary to Oracle**
 - Currently offered with Oracle Applications and Oracle Fusion Middleware
 - LogicalApps is a member of Oracle PartnerNetwork (OPN)

LogicalApps To Extend Oracle GRC Applications Suite



Financ



R&D



Mfg



HR

Oracle GRC Diagnostics

Dashboards Reports Alerts
Key Risk & Control Indicators

Oracle GRC Manager

Processes Risks Assessments Issues
Procedures Remediation Policies

LogicalApps - GRC Controls Management

Access Controls Setup Controls Transaction Controls

Applications

ORACLE | Hyperion | PeopleSoft | SIEBEL | JDE | EDWARDS | SAP

Infrastructure



Supplier



Sales



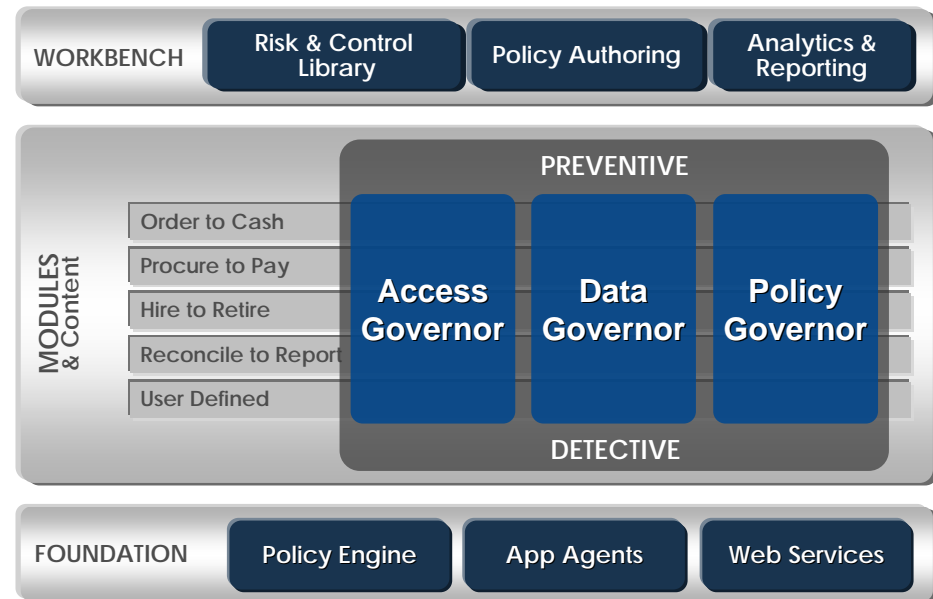
Legal



Customers

LogicalApps' ACTIVE Governance Product Suite

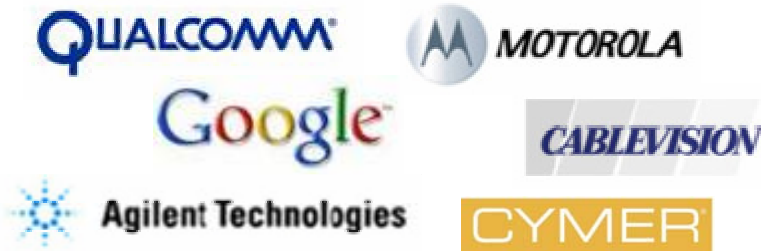
- Provides a single system to manage, monitor and verify the performance of GRC controls across all enterprise applications
- **ACTIVE Access Governor**
 - Granular application user controls that can enforce access policies
 - Identify and remediate Segregation of Duties (SOD) conflicts
 - Simulation to assess the impact of changes to user privileges
- **ACTIVE Data Governor**
 - Provides control over enterprise application setups and configurations settings
 - Delivers audit trail of what, when and why changes were made, and who made them
 - Integrated, customizable approval workflows for overriding policy exceptions
- **ACTIVE Policy Governor**
 - Monitors business transactions to identify patterns or out-of-policy conditions
 - Streamlines the audit process and collects detailed evidence for control certifications
 - Best practice controls for operational policies, risk analysis and reportable events



Selected LogicalApps Customers

Over 300 Customers Across Multiple Industries

High Tech / Communications



Consumer / Retail



Financial Services



Manufacturing



Public Sector



Life Sciences/Pharmaceuticals



Agilent Case Study



Agilent Technologies

Business Challenges	<ul style="list-style-type: none">• Identify and eliminate Segregation of Duties (SOD) conflicts for 90 operating units, with 20,000 active users and 50,000 responsibilities for the world's largest single Oracle E-Business Suite instance
Solution	<ul style="list-style-type: none">• ACTIVE Governance• Oracle GRC Manager
Business Results	<ul style="list-style-type: none">• Implemented 200 controls in 8 weeks• Eliminated SOD conflicts to meet SOX compliance requirements on time• Avoided 6-month customization effort and saved millions of dollars

BMO Financial Group Case Study



Business Challenges	<ul style="list-style-type: none">• Broad user access; corporate assets not protected effectively• Not able to track changes to ERP application data, including who, what, when and why changes were made• Going through expensive and distracting SOD analysis process
Solution	<ul style="list-style-type: none">• ACTIVE Governance
Business Results	<ul style="list-style-type: none">• Cut SOD review time from 2 months to 2 days• Eliminated all known SOD conflicts• Created detailed access rules protecting corporate assets• Created comprehensive audit trails

Federal Aviation Administration Case Study



Business Challenges	<ul style="list-style-type: none">• Mask sensitive data to comply with Privacy Act• Lack of tools to identify and remediate control violations, and establish effective monitoring process• Difficulty satisfying management and audit requirements
Solution	<ul style="list-style-type: none">• ACTIVE Governance – Access and Change Management
Business Results	<ul style="list-style-type: none">• Eliminated programming time for application customization• Reduced detection and remediation time for control violations• Developed a sustainable model to manage regulatory compliance

Clearly Different

***Only Oracle and LogicalApps can deliver
ALL of the following:***

- Manage risks, compliance processes and automated controls within one integrated system**
- Real-time policy enforcement with automated preventative controls**
- Covers all processes - order to cash, procure to pay, reconcile to report and hire to retire**
- Deploy against any enterprise application and IT environment**
- Pre-integrated with Oracle Applications
E-Business Suite, PeopleSoft, Hyperion, Siebel and JD
Edwards**
- Pre-integrated with Oracle Fusion Middleware
Identity Management, Content Management and Business Intelligence**

Expected Customer and Partner Benefits

- **LogicalApps Customers**

- Increased R&D investment in LogicalApps products
- Investment protection, extension and enhancements as LogicalApps and Oracle implement plans to provide better integration of their complementary solutions
- Access to Oracle's global support and services organizations

- **Oracle Customers**

- Extends Oracle's GRC application suite to deliver enterprise-class GRC controls management
- Plans for combined solution will deliver an integrated closed-loop solution that manages both enterprise-wide GRC processes and enforcement of automated controls within one system
- Access to LogicalApps domain expertise in real-time GRC controls enforcement

- **Oracle and LogicalApps Partners**

- ISVs: Broader opportunities to embed technology
- SIs: Benefit from working with a single vendor to address customer needs for GRC
- VARs: Expanded opportunities for value-added solutions

Next Steps

- **Public announcement**
 - October 9, 2007
- **Communicate with all stakeholders**
 - Press and analyst briefings
 - Customer and partner briefings
- **More information can be found at:**
 - www.Oracle.com/LogicalApps



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