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## Overview and Frequently Asked Questions

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### Overview

#### **Oracle Buys Strategic Operational Planning Technology Provider Interlace Systems: Extends Oracle's Industry-leading Enterprise Performance Management (EPM) System**

Oracle has completed its acquisition of Interlace Systems, a provider of strategic operational planning software, a key part of Enterprise Performance Management. The combination of Interlace Systems' technology and Oracle's Enterprise Performance Management (EPM) system is expected to enable fast and collaborative decision making by integrating functional operational and financial planning systems.

A dynamic global economy requires that organizations use a streamlined planning process that links line-of-business operational plans to the enterprise's core financial plan. It also requires rapid evaluation of the impact of changes to business assumptions across all plans. Traditional spreadsheet-based and function-specific planning solutions often do not provide the combined flexibility, speed, integrity and accuracy organizations need to plan effectively.

The combination of Interlace Systems' technology, which integrates functional processes to rapidly and collaboratively address strategic operational planning needs, and Oracle's leading EPM System is expected to provide a common perspective across financial and operational planning through an integrated business planning framework.

A key differentiator of this combined solution is Interlace Systems' patent-pending, change-based data modeling server that connects functional plans in an integrated model, allowing planners across business functions to change operational assumptions, reevaluate scenarios, assess business impact and rapidly update the plan of record.

Used by Fortune 500 organizations, Interlace Systems' advanced strategic operational planning capabilities complement Oracle's leading financial planning and budgeting capabilities in Oracle's Hyperion Planning, as well as the planning capabilities in Oracle's Supply Chain (SCM) Management and Customer Relationship Management (CRM) suites.

## EXPECTED CUSTOMER BENEFITS

Interlace Systems customers are expected to benefit from:

- Increased R&D investment in Interlace Systems products
- Investment protection for critical strategic operational planning solutions that have been deployed or are in the process of being deployed
- Support from the world's largest enterprise software vendor. Oracle has global sales and support capabilities supporting customers in over 145 countries in multiple languages, and has over 19,500 global partners to better serve our customers
- A broad suite of products in EPM, SCM and CRM that will be integrated with Interlace Systems' products to offer customers additional choices as they expand the scope of their planning solutions

Oracle customers are expected to benefit in the following ways:

- Customers who currently have a disconnected or loosely linked process to connect their financial and operational planning activities will now have the choice of implementing Interlace Systems strategic operational planning solutions to more directly link financial and operational planning and increase the speed of collaborative decision making
- Customers who have gaps in their current operational planning processes can use Interlace Systems strategic operational planning solutions to build custom operational planning applications to address these gaps and increase the overall effectiveness of their existing ERP and planning investments

## EXPECTED PARTNER BENEFITS

Partners are expected to benefit in the following ways:

- Partners with customer implementations involving planning and budgeting products such as Hyperion Planning will have an opportunity to extend the scope of these planning solutions to include strategic operational planning using Interlace Systems products
- Access to Oracle's global partnering, go-to-market, and support infrastructure, allowing existing Interlace Systems partnerships to be broadened, while providing new ones as well

- Increased strategic opportunities for system integrators by creating a planning solution that spans organizational financial and operational plans

## FREQUENTLY ASKED QUESTIONS

### Product Overview and Strategy

#### What products does Interlace Systems currently develop and support?

Interlace Systems develops and supports a product called Dynamic Planning Platform. Interlace Systems' technology has been deployed at global companies in discrete manufacturing, high-tech and consumer goods businesses to address a range of high-value problems in strategic operational planning.

This product helps customers with the following:

- Define the structure and content of their strategic operational planning models – typically these models span business functions and link into financial plans
- Integrate relevant data and metadata from ERP and functional planning systems into these models
- Specify the calculations that link the elements of the planning models
- Define business scenarios on top of baseline models
- Interact with the planning models to perform what-if scenario analysis and business impact assessment, and make decisions on plan revisions
- Push plan revisions and assumption changes back into functional planning system

Key features of Dynamic Planning Platform include:

- Data-driven declarative modeling – there is no hard coding of business semantics as all elements of the model are data driven
- Business user control of planning models – users have the flexibility to revise model elements as business needs and planning assumptions evolve over time
- Change-based calculations – a recalculation engine that responds interactively in relation to the number of user changes to the model, without being limited by the amount of underlying data.

End users benefit from being able to define the planning model to match their business needs and having it respond interactively to plan revisions or assumption changes

- Scenario Management – web-based user interface defines and manages linked business scenarios that overlay a baseline plan, enabling customers to define and analyze a virtually unlimited number of planning scenarios
- Planning – spreadsheet-based user interface for planners to specify their assumptions about the plan and review the impact of these changes to other parts of the plan
- Exception-based planning – a mechanism to flag exception messages when constraints specified up front by planners are violated. Planners can drill down from exception messages to specific parts of the plan to take corrective action

#### **How is this acquisition expected to impact on-going development of Interlace Systems solutions?**

Interlace Systems and Oracle plan to provide continuity in roadmap and direction. Oracle plans to support and protect customers' investments in Interlace Systems applications. Research and development investments in Interlace Systems solutions are expected to increase as it will then be able to share in Oracle's \$2.1B R&D budget.

#### **How does Interlace Systems fit into Oracle's overall EPM strategy?**

Interlace Systems' products are expected to become part of Oracle's leading EPM System. Oracle's EPM strategy is to provide an EPM system that combines best-of-breed functional value with better integrated, synergistic EPM elements. Integrated Business Planning (IBP) is one of these elements.

Oracle believes IBP is an emerging area of Enterprise Performance Management. Our vision for IBP extends the role of the planning process within the EPM system. IBP links the management processes that EPM systems enable and the operational processes that ERP, SCM and CRM systems enable.

Interlace Systems will add a critical and new dimension to Oracle's IBP solution within the context of the EPM system – the ability to construct strategic operational planning models that can be rapidly recalculated to reflect changes to plans or business assumptions. Integrating these strategic operational planning models to Oracle's Hyperion Planning enables financial and operational planners an easy exchange of assumptions and decisions. The result will be a

collaborative, fast and effective decision-making process – a key success criterion for EPM.

Interlace Systems products will complement Oracle's existing planning offerings in the EPM, SCM and CRM space by enabling the delivery of a leading comprehensive solution for IBP.

Oracle expects to continue to offer Interlace Systems products on a standalone basis. In addition, Oracle will integrate Interlace Systems products into its leading EPM System.

#### **How does Interlace Systems differ from or complement Oracle's existing operational planning applications?**

Customers can use Interlace Systems software to construct strategic planning models that help determine solutions to a variety of business problems. These solutions use a relevant subset of overall enterprise data and help business users formulate strategic decisions by rapidly iterating planning scenarios and assessing business impact. Interlace Systems typically is used without direct real-time integration to operational systems and does not replace the domain-specific optimization-oriented solutions provided by other Oracle operational planning solutions. In contrast, these other products, such as Oracle Demantra Demand Management and Oracle Demantra Real-Time Sales and Operations Planning, are purpose-built packaged applications designed to address specific functional business problems such as Demand Management and Sales & Operations Planning. Interlace Systems is complementary to these existing Oracle Applications capabilities and addresses a customer's higher level strategic planning challenges. The combination of Interlace Systems and Hyperion Planning should be used along with other Oracle operational planning solutions.

#### **Will Oracle continue to support customers running Interlace Systems solutions on non-Oracle databases and application server platforms?**

Interlace Systems products currently support Tomcat 5.5, Websphere 6 and SAP Netweaver 2004 application servers and Oracle 9i & 10g and Microsoft SQL Server as the database. Oracle plans to continue to support Interlace Systems products on these alternative application server platforms to serve customer needs, as it does today with other Oracle EPM offerings.

#### **Will Oracle continue to support customers running Interlace Systems solutions with non-Oracle ERP and CRM applications?**

Oracle plans to continue to support Interlace Systems solutions with alternative ERP and CRM applications to serve customer

needs, as it does today with other Oracle EPM offerings.

### **How compatible are Interlace Systems products with Oracle's products?**

Interlace Systems and Oracle products are very compatible. Interlace Systems products are built using a standards-based approach—they leverage a J2EE based 3 Tier architecture and support interfaces such as JDBC, HTTP/SOAP and XMLA. These capabilities will facilitate ease of integration between Interlace Systems and the complementary capabilities in the Oracle suite of products. Interlace Systems also supports the Oracle 9i and 10g databases.

### **How does Oracle plan to maintain Interlace Systems' industry and domain expertise?**

The goal of the combination is to complement Oracle's EPM offerings. Interlace Systems brings significant domain expertise in the area of strategic operational planning and is acknowledged by industry analysts as a key vendor in this area. Interlace Systems management and employees will be an integral part of the EPM business within Oracle for the combined companies. Given the broad reach of Oracle products and its immense customer base, Interlace Systems employees will be able to benefit from Oracle's experience in developing and marketing planning solutions across a wide range of vertical and functional needs.

## **Customers and Partners**

### **How is the combination of Oracle and Interlace Systems expected to benefit Interlace Systems customers?**

Interlace Systems and Oracle have complementary products and a shared focus on providing integrated business planning solutions to customers. Interlace Systems customers are expected to benefit from this transaction in a number of ways:

- Access to Oracle's global reach, 24x7 support capabilities, and global ecosystem of technology and deployment partners
- The backing and R&D budget of the world's largest enterprise software company
- Alignment with other Oracle products spanning middleware, database and applications
- Additional product functionality, supportability and third-party integration

### **How will customers' investments in Interlace Systems solutions be protected by Oracle?**

Customer investments in Interlace Systems solutions will be supported and protected. Oracle intends to continue to enhance the standalone Interlace Systems product and also integrate it into the EPM suite of products.

### **As an Oracle customer, how can I benefit from Interlace Systems products and services capabilities?**

Current Oracle customers are expected to benefit from this addition of Interlace Systems products in several ways:

- Improved linking of financial and operational planning assumptions
- Addressing key gaps in current strategic operational planning processes
- Integration of strategic operational planning capabilities into the Oracle EPM System to drive management decisions
- Increased speed of business decision making through Interlace Systems' patented technology that enables rapid recalculations upon user changes to the plan

### **How is the combination of Oracle and Interlace Systems expected to benefit partners?**

Partners are essential to Oracle's economy and growth strategy. Oracle is committed to their success and the satisfaction and retention of their customers. Oracle partners know that their foundation for success with Oracle is the Oracle PartnerNetwork (OPN), a worldwide ecosystem of more than 19,500 partners, a management portal, a network of interaction centers for partner support, and a global business program. Through partnership with Oracle, businesses will have the opportunity to gain access to Oracle's premier products coupled with education, technical services and go-to-market engagements.

Oracle and Interlace Systems partners are expected to benefit by working with a single vendor to address customer needs for all varieties of planning solutions that make up a comprehensive EPM system. Oracle partners, especially those with experience in Oracle/Hyperion EPM deployments, are expected to benefit from Interlace Systems' solutions for strategic operational planning problems that complement the planning capabilities within Oracle's EPM solution. Interlace Systems partners are expected to benefit from

Oracle's increased support and investment in Interlace Systems and Oracle EPM products. Both companies' partners are expected to benefit from the complementary solutions that provide an opportunity to increase the effectiveness of EPM solutions in managing the decision-making process within an enterprise.

#### **How will Oracle continue to support and broaden relationships with Interlace Systems partners?**

The message for Interlace Systems partners today is one of continuity – business as usual. To provide for a smooth transition, existing Interlace Systems partner contracts for support, professional services, and sales are expected to remain in effect until they expire or until further notice. As contact information changes, we will communicate these changes through normal channels. Interlace Systems management will be reaching out to Interlace Systems partners to answer any questions. Partners may also use their current Oracle channels for support to answer any questions.

#### **How is this acquisition expected to impact any existing project, deployment or services engagements?**

It is not expected that this transaction will significantly impact any existing project, deployment or services engagement.

#### **How will Oracle provide for a smooth integration of the two companies?**

Oracle is very focused on customer satisfaction and plans to provide for a smooth transition without customer disruption. We are experienced with integrating companies quickly and efficiently. Oracle will provide dedicated personnel from key functional areas for integration and utilize proven templates and processes for repeatable success in integration. In addition, we will communicate regularly throughout this process to keep our customers and employees well informed.

### **Business Continuity**

#### **Can I still purchase Interlace Systems products?**

Yes. Please contact your existing Interlace Systems sales representative to assist you, or visit [www.interlacesystems.com/oracle](http://www.interlacesystems.com/oracle) for contact information.

#### **Should Interlace Systems customers continue to call the Interlace Systems support services?**

Yes. Interlace Systems customers should continue to use existing Interlace Systems contacts for support, professional services and

sales to address immediate and ongoing needs. We will communicate all changes and transitions occurring well in advance through these familiar channels.

#### **Should Interlace Systems customers continue to contact their Interlace Systems sales representative?**

Yes. Until further advised, customers should continue to rely on existing relationships.

#### **Will training on Interlace Systems products continue?**

Yes. We plan to combine the Interlace Systems education program with Oracle University. We want to ensure that our customers' software provides the best possible service for their organizations, and we know excellent training is critical to reach that goal.

#### **Will the Interlace Systems leadership and employees be retained?**

The goal of this combination is to complement the offerings of Oracle. The acquisition of Interlace Systems increases Oracle's commitment to EPM. Interlace Systems employees, who have significant domain expertise in core technology that supports strategic operational planning solutions, will be an integral part of the EPM business within Oracle for the combined companies.

#### **What is the acquisition integration timeline?**

We will communicate any updates on future integration plans to customers when they become available.

#### **Where can I find out more information about the combination of Oracle and Interlace Systems?**

For more information, please visit [oracle.com/interlacesystems](http://oracle.com/interlacesystems)

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