

Overview and Frequently Asked Questions

Overview

Oracle Buys Virtual Iron:

Adds advanced virtualization management software to enhance Oracle VM

On May 13, 2009, Oracle announced it has agreed to acquire Virtual Iron Software, Inc. (Virtual Iron), a provider of server virtualization management software.

Companies are turning to virtualization to help reduce IT cost, shorten software deployment times, and implement “green” strategies. Virtual Iron’s virtualization management products are known for their comprehensive and dynamic resource management functionality and ease of use. Like Oracle VM, Virtual Iron’s hypervisor is based on Xen open source software. The combination of Virtual Iron technology and Oracle VM’s scalable, high performance and highly available server virtualization product is expected to provide more comprehensive and dynamic resource management across the full software stack.

Customers are expected to benefit from rapid application deployment, streamlined virtualization server configuration and improved visibility and control across the enterprise software stack. In addition, we anticipate that the combination of Virtual Iron technology with Oracle Enterprise Manager will enable customers to be more agile in meeting application service levels for virtual environments.

CUSTOMER BENEFITS

The combination is expected to provide customers with virtualization management that:

- More dynamically performs resource management to optimize capacity utilization
- Provides automation to reduce server power consumption
- Enhances a company’s ability to manage their complete software stack through deeper insight into performance and utilization at every layer

PARTNER BENEFITS

The combination is expected to provide partners with the following benefits:

- System integrators are expected to be better enabled to provide a single integrated virtualization management solution that can meet the requirements of physical and virtual environments
- Virtual Iron’s partners are expected to gain access to Oracle’s worldwide resources and partner ecosystem

Frequently Asked Questions

BUSINESS RATIONALE

What is the rationale for this acquisition?

Demand for virtualization is large and growing, fueled by pressures to reduce IT cost, demands to shorten software deployment times, and the desire of companies to implement “green” strategies. IT management is also interested in virtualization as an easy way to provide a highly available platform for their hosted software.

Virtualization can contribute significantly to reducing operating expenses by improving hardware utilization through consolidating multiple virtual servers on to a single physical server. Because fewer physical servers are needed, expenses associated with power, cooling, and real estate are reduced while maintaining or improving quality of service.

Virtualization changes the way applications can be managed and deployed. By isolating the enterprise software from the constraints of the physical server hardware, ready-to-run applications “pre-packaged” as complete virtual machines (VMs) can be deployed with no additional requirements for configuration or hardware provisioning. This can dramatically reduce the time needed to deploy a new software instance. Once VMs are deployed, resources and capacity can be managed to dynamically improve performance, resource utilization, and optimize power consumption. By combining full stack enterprise management with dynamic resource and capacity management for virtual environments, the visibility, control, and efficiency of enterprise software is improved and better decisions can be made than when virtualization is managed in isolation.

The combination of Virtual Iron technology and Oracle VM’s scalable, high performance and highly available server virtualization product supports Oracle’s strategy to provide complete, full stack management across the virtual and physical enterprise and is expected to provide more comprehensive and dynamic resource management. Customers are expected to benefit from the combination with Oracle VM and Oracle Enterprise Manager through faster application deployment, streamlined virtualization server configuration and improved visibility and control across Oracle’s enterprise software stack.

Why did Oracle select Virtual Iron?

Virtual Iron products offer advanced virtualization management capabilities and are complementary to Oracle software. Virtual Iron products are proven with customers spanning industries such as government, health sciences, financial services, manufacturing, communications and IT software and services. Virtual Iron’s Server technology is based on Linux and the Xen open source software which is also leveraged by Oracle VM. Virtual Iron’s technology for rapidly provisioning servers enables faster provisioning of new application instances, and its dynamic resource management provides for more efficient capacity utilization without a reduction in service levels.

How will the acquisition of Virtual Iron accelerate Oracle’s strategy to become the leading server virtualization management provider for the enterprise?

The acquisition of Virtual Iron supports Oracle’s strategy to provide complete and open Grid solutions that include both clustering and virtualization management solutions and seamless enterprise management across the virtual and physical enterprise. Oracle expects to be the only provider of comprehensive Grid infrastructure with top-down management capability combined with advanced virtualization capabilities.

PRODUCT OVERVIEW AND STRATEGY

What capabilities do the Virtual Iron products provide?

Virtual Iron’s products are known for their advanced dynamic server virtualization management capabilities, and for their ease of use. Their main product, the Virtual Iron Extended Enterprise Edition includes VI-Center which provides a centralized management server and user console to manage large groups of virtualization servers that can each host many virtual machines. Virtual Iron’s virtualization server is based on Linux and Xen open source software. The VI-Center includes an extensive feature set focused on automating and dynamically performing capacity, power, and resource management as well as streamlining configuration tasks that are normally highly manual and time-intensive. Virtual Iron’s virtual machines support both Linux and Windows guest operating systems.

How will the Virtual Iron products fit into Oracle's overall virtualization management strategy?

The combination of Oracle and Virtual Iron products supports Oracle's strategy to provide complete, full stack management across the virtual and physical enterprise and is expected to provide customers with comprehensive and dynamic virtualization management. The combined suite of products is expected to simplify the deployment and configuration of physical servers, virtual machines, and applications while providing a highly available platform for hosting Oracle software and other enterprise applications. In addition, dynamic virtualization management software will help maintain virtual machine performance, improve data center utilization, and optimize power consumption. Virtual Iron combined with Oracle VM and Enterprise Manager, is expected to provide a functionally rich virtualization management product suite that can efficiently manage the entire software stack across virtual and physical environments to make applications easier to deploy, manage, and support.

How will the acquisition of Virtual Iron impact the development of Oracle VM?

Oracle intends to continue to support and develop Oracle VM software.

How is this acquisition expected to impact ongoing development of Virtual Iron's products?

Oracle plans to fully integrate Virtual Iron technology into Oracle VM products, and any enhancements will be delivered as a part of the combined solution.

How is this expected to impact Oracle Enterprise Manager's product roadmap?

Oracle intends to continue to support and develop the Oracle VM management capabilities within Enterprise Manager.

How complementary are Virtual Iron's products with Oracle's products?

Virtual Iron products are complementary to Oracle's. Virtual Iron's server technology is based on Linux and Xen open source software, which is also leveraged by Oracle VM. Further, Virtual Iron's dynamic resource and capacity management technology complement the extensive core features already available with Oracle VM to make enterprise software easier to deploy, manage, and support.

How does Oracle plan to maintain Virtual Iron's expertise after the closing?

Since employees from Virtual Iron have deep domain expertise in operating systems and virtualization development and support employees are expected to continue with Oracle.

CUSTOMERS AND PARTNERS**How is the proposed transaction between Oracle and Virtual Iron expected to benefit Virtual Iron customers?**

Virtual Iron customers are expected to benefit from the combination of Virtual Iron's technology with Oracle's products. This combination is expected to provide a more complete virtualization management capability than is available today and from improved service and support through the breadth and scale of Oracle's service and customer support organizations. Further, the scale of the combined business is expected to accelerate innovation for customers via Oracle's \$3 billion R&D investments.

How will customers' investments in Virtual Iron solutions be protected by Oracle?

Oracle plans to fully integrate Virtual Iron technology into Oracle VM technology.

How is the proposed transaction expected to benefit partners?

System integrators will be able to provide customers with a single technology partner to address their needs for virtualization and enterprise management. Partners are expected to have the opportunity to access Oracle's worldwide resources and partner ecosystem providing access to resources, information, support and education from one global partner.

How will Oracle continue to support and broaden relationships with Virtual Iron partners?

Partners are essential to Oracle's economic and growth strategy. In addition to the expected increased product support and investment, Virtual Iron partners are expected to benefit from Oracle PartnerNetwork, our world-class, global partner program, which provides access to a broader portfolio of solutions, comprehensive resources to support partner business and opportunities for growth with Oracle.

BUSINESS CONTINUITY

Can I still purchase Virtual Iron products?

Oracle is planning to integrate Virtual Iron technology into Oracle VM software. We will notify customers as soon as this combined solution becomes available.

Should Virtual Iron customers continue to call Virtual Iron customer support?

Yes, Virtual Iron support personnel will continue to support Virtual Iron products. Virtual Iron customers should continue to use existing Virtual Iron contacts for support to address immediate and ongoing needs. We will communicate all changes and transitions well in advance through familiar channels.

Should Virtual Iron customers continue to contact their Virtual Iron sales representative?

Virtual Iron customers should continue to rely on existing relationships with Virtual Iron partner sales representatives. Or, if you would like to contact someone from Virtual Iron directly, you can send an email to sroberts@virtualiron.com.

Will the Virtual Iron employees be retained?

The goal of the combination is to complement Oracle offerings. The acquisition of Virtual Iron demonstrates Oracle's commitment to providing virtualization solutions including advanced management capabilities. As a result, Virtual Iron's development and support employees are expected to continue with Oracle.

Where can I find out more information about the proposed Oracle and Virtual Iron combination?

For more information, please visit oracle.com/virtualiron

The above is for informational purposes and may not be incorporated into a 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. THE DEVELOPMENT, RELEASE AND TIMING OF ANY FEATURES OR FUNCTIONALITY DESCRIBED FOR VIRTUAL IRON'S PRODUCTS REMAINS AT THE SOLE DISCRETION OF VIRTUAL IRON.

This acquisition is subject to the satisfaction of a variety of conditions.

Oracle is not affiliated with Virtual Iron and Virtual Iron is not affiliated with Oracle until the official close of the transaction.