



ORACLE® | **Ksplice®**

Oracle Buys Ksplice

Oracle Linux Enhanced with Zero Downtime Software Updates

July 21, 2011

Oracle is currently reviewing the existing Ksplice product roadmap and will be providing guidance to customers in accordance with Oracle's standard product communication policies. Any resulting features and timing of release of such features as determined by Oracle's review of Ksplice's product roadmap are at the sole discretion of Oracle. All product roadmap information, whether communicated by Ksplice or by Oracle, does not represent a commitment to deliver any material, code, or functionality, and should not be relied upon in making a purchasing decision. It is intended for information purposes only, and may not be incorporated into any contract.

Cautionary Statement Regarding Forward-Looking Statements

This document contains certain forward-looking statements about Oracle Corporation and Ksplice Corporation, including statements that involve risks and uncertainties concerning: Oracle's proposed acquisition of Ksplice; plans for Ksplice's business and products upon completion of the proposed acquisition; anticipated customer and partner advantages and benefits; and general business outlook. When used on this document, the words "will", "plans", "believes", "expects" or "expected", similar expressions and any other statements that are not historical facts are intended to identify those assertions as forward-looking statements. Any such statement may be influenced by a variety of factors, many of which are beyond the control of Oracle or Ksplice, that could cause actual outcomes and results to be materially different from those projected, described, expressed or implied in this document due to a number of risks and uncertainties. Potential risks and uncertainties include, among others, the possibility that the transaction will not close or that the closing may be delayed, the anticipated synergies of the combined companies may not be achieved after closing, the combined operations may not be successfully integrated in a timely manner, if at all, and the possibility that Oracle or Ksplice may be adversely affected by other economic, business, and/or competitive factors. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of Oracle or Ksplice. In addition, please refer to the documents that Oracle files with the U.S. Securities and Exchange Commission (the "SEC") on Forms 10-K, 10-Q and 8-K. These filings identify and address other important factors that could cause Oracle's financial and operational results to differ materially from those contained in the forward-looking statements set forth in this document. You are cautioned to not place undue reliance on forward-looking statements, which speak only as of the date of this document. Neither Oracle nor Ksplice is under any duty to update any of the information in this document.

What We Are Announcing

- Oracle buys Ksplice
 - Creator of innovative zero downtime update technology for Linux
 - The transaction has closed
- About Ksplice
 - Privately-held company, founded in 2008 and based in Cambridge, MA
 - Over 700 customers across multiple industries including High Tech, Public Sector, Financial Services, Utilities and Media and Entertainment
- Oracle plans to make zero downtime updates a standard feature of Oracle Linux Premier Support for the Unbreakable Enterprise Kernel
 - Because rebooting after applying Linux updates is costly and disruptive, many administrators must delay applying security updates and other critical fixes
 - Ksplice technology will enable Oracle customers to apply updates without rebooting – increasing the security, reliability, and availability of Oracle Linux
- Oracle is expected to be the only enterprise Linux vendor that can offer zero downtime updates

Strategic Importance to Oracle

- Oracle customers use Linux for mission critical systems
 - High performance engineered systems such as Exadata and Exalogic run on Oracle Linux
 - Significant percentage of business critical applications are deployed on Linux
- Linux kernel security updates are released monthly and system reboots are costly and disruptive
 - Industry regulations require companies to apply security updates and patches regularly
 - Security is compromised by failure to update
 - System administrators are forced to choose between known best practices and added operational costs
- Oracle Linux zero downtime technology, combined with hot patches for Oracle database, further extends Oracle's security, reliability, and availability leadership

Traditional Update Approach

Disruptive, Downtime and Delays

Security Update Released



- System administrator negotiates with management to schedule outage windows
- System administrator schedules downtime the following week
- System administrator notifies users of planned downtime

...One Week Later



- Shut down application server
- Shut down database
- Apply Linux OS update
- Start up database
- Start up application server
- Sanity check application

...And Another 4 Hours Later



- Updates applied and tested
- Back in business after first notification of security update - typically *over one week has passed*

There Is a Better Way to Update with Ksplice

Always Accessible Systems – No Reboot Necessary

Improved Availability

- Apply critical updates and security patches without rebooting
- Eliminate downtime and disruption for your users and customers - updates happen while applications are running

Enhanced Security

- Reduce your window of vulnerability
- Dramatically increase compliance with OS updates

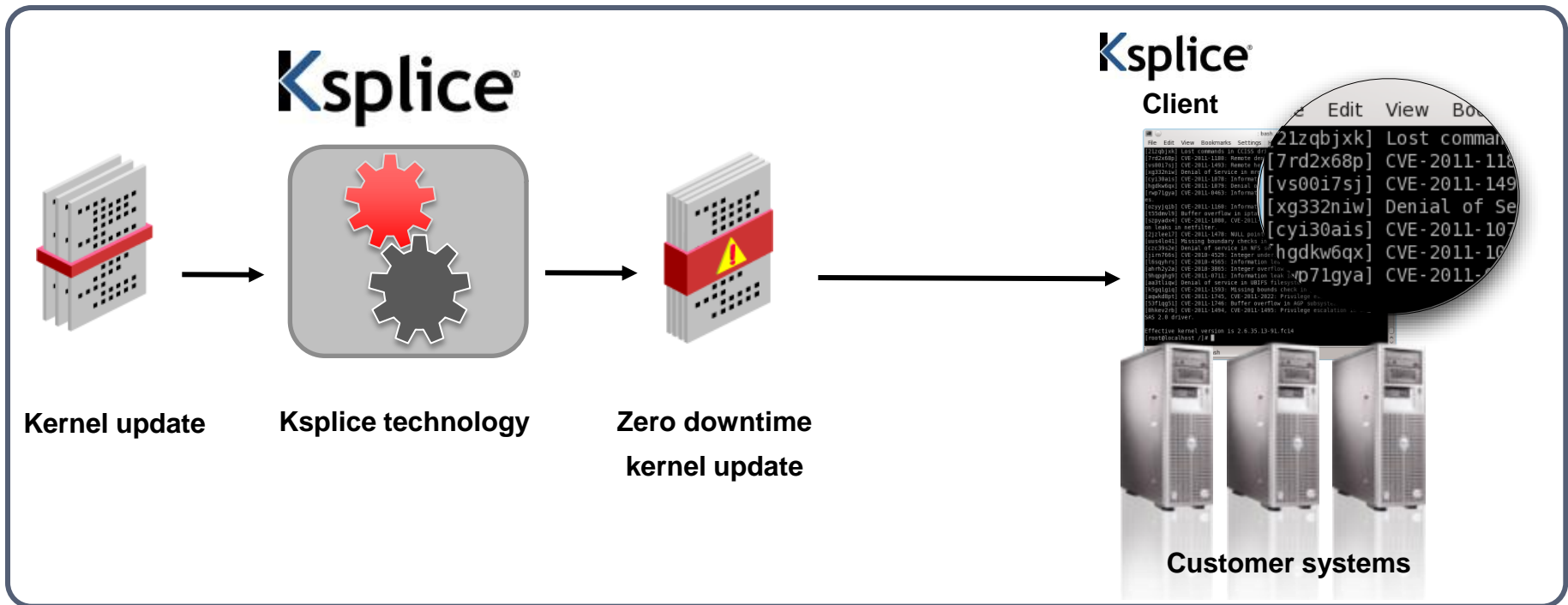
Reduced Operational Cost

- No more long nights and weekends spent rebooting servers for kernel updates
- No need to coordinate with system users about outages caused by reboots



Ksplice Solution Overview

- Ksplice technology takes Oracle's kernel updates and transforms them into zero downtime updates
- Linux servers within the customer environment connect to an Oracle Linux update server to download and apply updates while the system is running
- Customers can track the status of their servers via an intuitive web interface and can integrate zero downtime updates into existing management tools via an API



Proven Technology Validated by Leading Enterprise Customers

“Ksplice is superb. It reduces one of the biggest costs associated with any server-system administrator maintenance time, and helps us improve the quality of service we can provide to our customers.”

Dave Collins, CTO of HostGator

“Ksplice enables our technical staff to reduce the amount of time we spend on routine maintenance. We’re reducing both costs and headaches at the same time.”

Nick Zyren, CTO of FutureHosting

“Inspires utter awe and delight in our system administrators and strengthens our business by letting us maintain servers more effectively.”

Zak Boca, CEO of SingleHop

Industry Recognition of Ksplice's Technology



“Until a system can be updated, it can be vulnerable to security flaws. By allowing users to install kernel updates without downtime, Ksplice technology reduces the cost of system administration and reinforces security, increasing the actual rate of compliance with security updates.” (09/8/2010)



“Ksplice came up with a technology that can patch or install a new kernel on the fly. This takes the minimal reboots of Linux to zero reboots. Ideally, this allows a machine running Linux to run indefinitely.” (09/1/2010)



“When a vendor releases software updates, Ksplice makes those updates into a module that can be applied to a server without rebooting it. This saves you the hassle of notifying customers of downtime and planning for staff members to work at 2:00 a.m. on a Sunday morning. The update can be applied painlessly and without any disruption to anyone's work.” (02/12/2010)

Oracle Linux Premier Support



- **True Enterprise Support for Linux**
 - Premier backports - fixes for the OS version you run; no forced upgrades
 - Single number to call for the entire stack
- **Full Indemnification without Financial Limits**
- **Dedicated, Global Linux Support Team**
 - Backed by 28 global support centers, speaking 29 local languages across 145 countries
- **Lower Overall Costs**
 - Integrated management and monitoring tools
 - Free server lifecycle management and clustering software
- **Included in Oracle Premier Support for Systems on Oracle x86 Architecture Hardware**

Oracle Linux with Premier Support

Zero Downtime Updates to be a Standard Feature in Oracle Linux Premier Support

	ORACLE[®] Oracle Linux Premier	Red Hat Enterprise Linux Server Premium*
Access to Updates and Patches	✓	✓
24x7 Phone and Web Support	✓	✓
No Forced Upgrades to Obtain Bug Fixes	✓	
Lifetime Support	✓	
Integrated Management and Monitoring	✓	
Includes Clustering Software and File System	✓	
Indemnification without Financial Limits	✓	
<i>Zero Downtime Updates with Ksplice</i>	✓	
Pricing	\$2,299	\$6,498 (2 X \$3,249 per socket pair)

* No add-ons

** Based on 4 socket comparison and 1 year term, Oracle pricing based on Oracle Linux Premier

ORACLE[®]

More Than 7,000 Customers...and Growing

Rely on Oracle Linux and Oracle VM



Bar-Ilan University



MANY PARTS. *One* PARTNER.



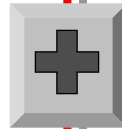
ORACLE

Oracle Linux with Ksplice

Best Linux Available

Ksplice Capabilities:

- ✓ **Improved Availability**
Updates applied, with no system downtime
- ✓ **Enhanced Security**
Infrastructure is up to date and secure
- ✓ **Reduced Operational cost**
Less system administrator time



Oracle Linux Differentiators:

- ✓ **Enterprise-class Support**
Enterprise quality at a lower cost
- ✓ **Integrated Full Stack Support**
One number to call for entire software stack
- ✓ **Fast, Modern & Reliable Linux**
Designed to run Oracle software well

For more information please visit oracle.com/ksplice

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