

INFORMATION CREATES ADVANTAGE

Applications Unlimited: An Executive Update

Oracle's Mission, Strategy, Portfolio, and Promise

The year 2007 marks 30 years since the founding of Oracle. For the past three decades, we've been guided by a simple principle: make software that's a source of continual competitive advantage for our customers.

In the 1980s, the introduction of Oracle's relational database software revolutionized how people managed and shared data. Over the past decade, our pioneering work in Web applications and grid computing has helped drive the global expansion of the internet. Today, we're focused on helping customers transition to a new generation of service-enabled applications by building the industry's most integrated, best-in-class enterprise software portfolio and applications development platform.

Many things have changed over the past 30 years, but our mission to help you compete and win remains the same. In reading this paper, we hope you see how Oracle can help you with your business goals by simplifying your software portfolio, unifying your enterprise, and tapping into the continual competitive advantage that comes from Oracle.

Oracle's Mission: Investing in You

Proven Innovation

- Oracle won five *Intelligent Enterprise* 2007 Readers' Choice Awards, including Best CRM Suite, Best ERP Software, Best Supply Chain Management System, Best Database Management System, and Best Customer Data Integration Software.
- In Goldman Sachs' 2007 IT spending survey of Fortune 1000 companies, Oracle was ranked as the most important SOA partner among all top-tier software and middleware vendors—above Microsoft, SAP, IBM, and BEA Systems. (Goldman Sachs, "IT Spending Survey: Mapping 2007," December 5, 2006)
- In 2006, Oracle was ranked first among software companies serving the retail industry by *RIS News*, based on the breadth and depth of Oracle's retail offerings, customer satisfaction, and total annual sales in the retail segment.

Since Oracle's 2004 acquisition of PeopleSoft, our management team has met with thousands of customers worldwide to discuss how we can best improve the enterprise software experience for you. You told us you wanted more innovation, less complexity and customization, and a lower total cost of ownership—all from fewer vendor relationships. You also told us you wanted more choice in the upgrade process—choices based on your technology strategy and your unique business needs.

Oracle has a 30-year history of listening to customers, responding to their needs, and anticipating their future requirements with breakthrough technologies that have revolutionized entire industries. Now, we're taking advantage of industry consolidation and the shift to service-oriented architecture (SOA) to improve your software ownership experience, delivering the innovation and choice you demand, the best-in-class customer service you expect, and the lowest total cost of ownership in the industry.

More Innovation

When it comes to innovation, you asked Oracle to incorporate more industry-specific functionality into our enterprise applications. You also asked us to help you prepare for the transition to SOA by delivering next-generation solutions that you can integrate incrementally into your existing IT infrastructure, without having to undergo a wholesale upgrade.

Here's how we've delivered on your requests.

- **Customer-driven innovation.** In January 2007, Oracle delivered five significant new product releases under the Oracle Applications Unlimited portfolio. Each release incorporated thousands of customer-driven innovations—including next-generation middleware technologies such as role-based analytics, identity management, secure search, and master data management—to reduce your investment risk and help you build a strong foundation for upgrading to Oracle Fusion Middleware applications.
- **Industry-specific innovation.** Oracle has invested over US\$18 billion since 2004 to acquire and successfully integrate 25 software companies into a portfolio of best-in-class, horizontal, vertical, and niche solutions that deliver end-to-end business flows for every customer in every industry. All these solutions are now certified on Oracle Fusion Middleware, eliminating any potential integration burdens.
- **Architectural innovation.** Analysts already consider Oracle Fusion Middleware a powerful SOA-enabling technology stack, and our February 2007 launch of Oracle WebCenter Suite promises to secure our growing lead. Oracle WebCenter Suite is the new foundation for the user interface of Oracle Fusion Middleware applications, as well as a tool for immediate use with existing versions of Oracle Applications. It lets developers create interactive, customizable applications—including rich client front ends, wikis, mashups, and other Web 2.0 technologies—and then integrate them into Oracle's enterprise applications.

Less Complexity and Customization

You asked Oracle to reduce the complexity of your software applications and decrease the need for customizations by acquiring, integrating, and managing those applications for you. Our response has been to build the industry's most integrated portfolio of enterprise resource planning (ERP), customer relationship management (CRM), and industry-specific applications on a common, standards-based platform. This lets you reduce IT spending on nonmission-critical functions and invest instead in new technologies that will enhance your unique competitive advantages.

- **Complete industry solution footprints.** Starting with our 2005 acquisition of Retek, Oracle has created new, independent business units—for retail, financial services, communications, and utilities—that deliver complete solution footprints in these industries. Today, based on market share and the completeness of our solutions, Oracle is ranked as the leading provider of software applications to the retail, financial services, communications, and public sector industries.
- **Prebuilt integrations are standard.** In January 2007, Oracle announced standard, prebuilt integrations across our ERP, CRM, and industry-specific suites that will eliminate potential integration upgrade burdens. With all of our enterprise applications now certified on Oracle Fusion Middleware, customers can easily extend the value of their current applications by integrating across product lines, vertical offerings, and niche solutions. For example, PeopleSoft customers can extend the value of their investments by using Siebel CRM, Oracle Fusion Middleware, Oracle XML Publisher, or Oracle Business Activity Monitoring. Retailers using Oracle E-Business Suite can now optimize their inventory and profitability by integrating our retail applications into their systems.
- **Easier integration with third-party products.** In January 2007, Oracle also announced one-stop application integration for our 9,000 independent software vendors (ISVs). These integrations, based on standard Business Process Execution Language (BPEL), are available to partners at no fee and allow ISVs to offer faster solution development, inherent flexibility using a service-oriented approach, and a significant reduction in the time and cost of integrating ISV solutions with Oracle Applications.

Customer Results

- Ninety-eight percent of all Oracle Applications customers plan to use, expand, or upgrade their current implementations in 2007.
- Customer satisfaction among Oracle E-Business Suite, JD Edwards, PeopleSoft, and Siebel applications customers increased by 16 percent in 2006.

“Those customers who have actually understood and heard the message about Applications Unlimited are absolutely delighted with it. Customers want reassurance that we really are committed to Applications Unlimited, but it’s breathed new life into the JD Edwards World community because they’re seeing that commitment come through.”

John Schiff

Vice President and
General Manager
JD Edwards World Applications
Oracle

Lower Total Cost of Ownership

You told Oracle you wanted more choice in the upgrade process—choices based on your technology strategy and your unique business needs. You also wanted more value from your investments in Oracle—more value from your current applications, as well as more value from the associated upgrades, patches, and installations.

With the launch of Applications Unlimited, we’ve committed to protecting the value of your software by continuing to support and invest in the applications you’re already running. We’re also working to deliver a superior ownership experience that includes

- **Lifetime support.** In 2006, Oracle announced its groundbreaking Lifetime Support Policy—the first in the industry to cover the entire technology stack of database, middleware, and applications. What this means to you is that you can choose to stay with your current version of an Oracle application or you can migrate forward and upgrade. You determine the timetable that’s best for your business.
- **Simplified pricing.** We’re simplifying pricing so you can have more flexibility in how you choose to license additional applications. Upgrade licenses on applications you already own are still free.
- **Easier upgrades.** We made upgrading easier by streamlining the process. We’re offering more-detailed upgrade documentation and tools, a faster implementation, and superior user interfaces.
- **More flexibility.** Oracle On Demand is now available for each new product in Oracle’s Applications Unlimited portfolio, giving you the option of outsourcing the upgrade and software application management processes entirely.
- **Best-in-class customer service and support.** In 2006, Oracle became the first enterprise software provider to receive the J.D. Power and Associates Global Certification, for delivering “An Outstanding Customer Service Experience” worldwide.

High Returns

Recent customer satisfaction surveys indicate that our investments in you are working. In late 2006, we did extensive customer surveys that showed an increase of 16 percent in customer satisfaction among Oracle E-Business Suite, JD Edwards, PeopleSoft, and Siebel applications customers. This increase was attributed to Oracle’s investments in innovation, our expanded portfolio of products, our world-class support, and our commitment—under Applications Unlimited—to deliver continued enhancements to current Oracle Applications even after the release of our next-generation Oracle Fusion Applications in 2008. The surveys also showed that our customers believe that we have a better path for them than the competition. As a result, 98 percent of all Oracle Applications customers are planning to use, expand, or upgrade their current Oracle implementations.

Oracle's Strategy: Building the Next-Generation Platform for Business Change

Fortune magazine's October 2006 cover story, "Managing in Chaos," sums up perfectly what it's like to manage companies in today's global economy. Rapid shifts in markets, technologies, customers, and products are disrupting entire industries and forcing companies to rethink the business models and corporate strategies that have sustained them for decades. The risks have never been higher, but the rewards are potentially greater than ever for those who can adapt and thrive in a world of continuous change.

Today, a new class of entrepreneurs is embracing change by abandoning the rigid hierarchies of the past in favor of more-flexible organizations. These organizations encourage collaboration, innovation, and information-sharing across the extended enterprise and use new, breakthrough technologies to drive their transformation. As companies leave behind static, content-driven client/server applications, they are adopting interactive, people-driven Web 2.0 applications that are enabled by open source software, commoditized computing, and service-oriented architecture.

Toward a Service-Oriented Architecture

Organizations are especially keen to adopt service-oriented architecture because it provides the layer that orchestrates the execution of business processes between people-centric Web 2.0 applications and data-centric legacy applications. Making the shift to SOA can be complex—especially for companies that are still running disparate systems, legacy applications, and ad hoc business processes.

Because many Web-services standards are still emerging, reengineering your existing systems to support SOA can be expensive. Enforcing security in an open environment can also be a challenge.

Increasingly, companies are looking to enterprise software vendors to be their trusted partners in the transition to SOA. In Goldman Sachs' 2007 IT spending survey, Fortune 1000 companies ranked Oracle as the most important SOA partner among all the top-tier software and middleware vendors—above Microsoft, SAP, IBM, and BEA Systems. (Goldman Sachs, "IT Spending Survey: Mapping 2007," December 5, 2006.)

Service-enabled applications let you change business processes on the fly. Business-unit managers gain the flexibility and adaptability they need to manage successfully. IT organizations can reduce the time they spend maintaining applications and focus instead on the demands of the business, deploying innovative technologies that affect the productivity and profitability of your organization.

With these kind of benefits, it's not surprising that 36 percent of Fortune 1000 companies surveyed by Goldman Sachs are now using SOA to increase business agility and alignment and to lower IT complexity and costs; another 36 percent plan to deploy SOA within the next 12 to 24 months.

Get Ready: Web 2.0

Web 2.0 is the term applied to the ongoing transition of the internet from a collection of Web sites to a full-fledged computing platform serving Web applications to end users. Common Web 2.0 consumer services include Google, Wikipedia, YouTube, and MySpace.com, but Web 2.0 applications are expected to ultimately replace desktop applications for many purposes.

Interest in Web 2.0 applications for the enterprise is being driven by the need to provide richer, more-collaborative front ends on disparate applications. Enterprise applications can be enhanced by weaving wikis, "mashups," Web conferences, and other collaborative capabilities into traditional business applications through a single user interface.

Understanding SOA

Service-oriented architecture (SOA) is the architectural layer that orchestrates the business process execution between Web 2.0 applications and existing enterprise applications.

- Web services: Groups of software components that carry out business processes
- SOA and Web services: Web-services standards help to facilitate a good implementation of SOA, although the two are not dependent upon each other
- Enterprise service bus: A software infrastructure that uses a standard interface and messaging to integrate applications
- Enterprise business event: Any business event—from the arrival of an order to the hiring of a new employee—that triggers several responses across an organization

Oracle Fusion Middleware

We developed Oracle Fusion Middleware to provide an open, comprehensive, standards-based approach for deploying service-oriented architectures using Web services, an enterprise service bus, and Oracle BPEL Process Manager. The Oracle Fusion Middleware portfolio includes products for integration, business process management, business intelligence, and data management; developer tools; and many other components.

Oracle Fusion Middleware is fundamental to Oracle's applications strategy. It provides the ability to integrate diverse products into a unified portfolio and paves the way for the development of our next-generation applications. Because of its strategic importance, Oracle Fusion Middleware is one of our fastest-growing products, generating more than US\$1 billion in revenue since we launched the brand in April 2005.

According to analysts, Oracle Fusion Middleware has emerged as a powerful SOA-enabling stack because of Oracle's understanding of technology, focused strategy, and diligent execution. Today, more than 30,000 customers—including 35 of the world's 50 largest companies and many of SAP's marquee customers—and more than 9,000 ISVs are using some or all of the tools in Oracle Fusion Middleware to develop, manage, integrate, and upgrade applications.

Although Oracle Fusion Middleware is largely a product of Oracle's internal research and development efforts, we've rounded out our middleware portfolio with best-of-breed acquisitions such as Stellent (for content management), Collaxa (for business process management), Oblix (for identity management), and Sunopsis (for data integration). We've also launched new products such as Oracle WebCenter Suite, that let customers enhance their enterprise applications with a variety of collaborative Web 2.0 technologies.

With Oracle Fusion Middleware, you can incrementally adopt a powerful, flexible, service-oriented IT infrastructure based on your business needs today, thereby "future-proofing" your IT investments and eliminating the disruption associated with a wholesale platform upgrade. Our own development team relied on Oracle Fusion Middleware to add next-generation SOA enhancements—including role-based analytics, master data management, integrated system management, XML reporting, and secure search—to our newest releases of Oracle, PeopleSoft, JD Edwards, and Siebel applications.

	Oracle E-Business Suite 12	PeopleSoft Enterprise 9	Siebel CRM 8	JD Edwards EnterpriseOne 8.12
Enterprise Business Services (out of box)	More than 150	More than 200	More than 100	More than 100
Enterprise Service Operations	More than 1000	More than 2000	More than 1000	More than 500
Enterprise Business Events	More than 1000	More than 200	More than 1000	More than 300
Modeled Business Process Support	More than 5000	More than 800	More than 1000	More than 300
Services Repository Available	YES	YES	YES	YES

The new releases of Oracle Applications include significant SOA enhancements that allow you to leverage SOA today.

We also used Oracle Fusion Middleware to eliminate potential integration burdens, by delivering prebuilt integrations that come standard across the latest ERP and CRM releases and industry suites. Some of the prebuilt integrations already delivered in the new Applications Unlimited releases include:

- Siebel hosted telephony to PeopleSoft HelpDesk and Oracle E-Business Suite service applications
- Retek to Oracle E-Business Suite Financials
- Oracle Transportation Management (formerly G-Log) to Oracle E-Business Suite

In addition, we're working on more prebuilt integrations in these areas:

- Cross-industry
- Siebel CRM
- Consumer packaged goods (CPG)
- Financial services
- Life sciences
- Communications

"I decided to use Oracle software as the foundation for our SOA because it supported open standards and J2EE, which was more robust and scalable than .NET. At the time, I bet my career on Oracle. I put a lot of faith in the company, and I haven't been disappointed."

Rich Colton
Application Integration Manager
Washington Group International

Oracle's Portfolio: Solutions for Business Agility

"Oracle has begun to deliver a cohesive set of products, while tackling the daunting task of making them all work together.... It is quite remarkable that Oracle has started to harness the synergies among its acquired products."

Albert Pang

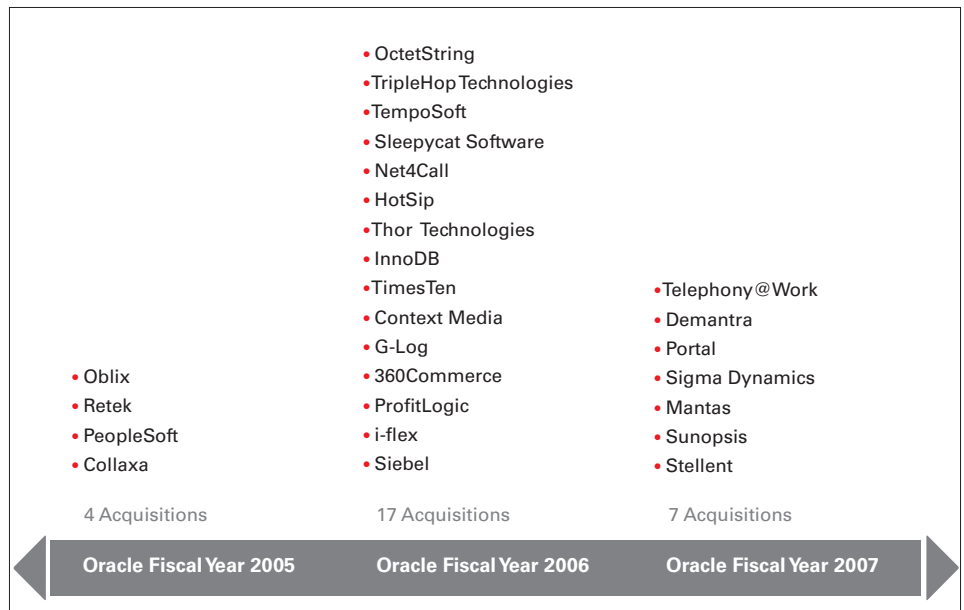
Research Director
Enterprise Applications Research
IDC
("Oracle Unleashes Applications Unlimited," February 2, 2007)

Creating a portfolio of best-in-class applications isn't just about accumulating raw technologies and stitching them together. It's also about having the insight and the design skills necessary to build a unified collection of applications that can help organizations—like yours—tackle today's most challenging business requirements. It's about having the technology leadership and financial resources required to buy or build applications that support a software unification strategy. And, it's about having the best customers and partners in the world supporting our efforts to build a platform that can truly enable business change.

Oracle's business strategy has been to leverage all of these advantages and build a best-in-class enterprise applications portfolio that frees customers from the cost and complexity of acquiring, integrating, and managing their own applications portfolio. To build our portfolio, we consulted with user groups, strategy councils, and thousands of customers who are active in our early-adopter programs, so we could understand which business processes were essential to their success and which horizontal, vertical, and niche software vendors offered best-in-class solutions.

Oracle's Acquisition Strategy

To complement our investments in organic research and development growth, Oracle is leveraging strategic acquisitions that will strengthen our product offerings, accelerate innovation, meet customer demand more rapidly, and expand partner opportunities. An integral part of our acquisition strategy is our consistent commitment to customer service and product support.



Scale, technology, and vertical specialization drive Oracle acquisitions across all product lines.

Over the past three years, Oracle has spent more than US\$18 billion dollars to acquire 25 software vendors that we had identified as strategic in key horizontal, vertical, and niche markets. The driving force behind those purchases was our goal to become the first enterprise software vendor to support the four application domains used by customers today: ERP and CRM applications, industry-specific applications, third-party ISV applications, and custom applications.

To achieve our goal, we employ a rigorous strategy to evaluate acquisitions for strategic fit, sales fit, integration fit, and financial fit. All acquisitions must complement Oracle's existing footprint, must be capable of being integrated quickly into Oracle's infrastructure, and must help the company achieve its financial return objectives.

The acquisitions we've made to date underscore the benefits of our focused strategy to offer end-to-end business processes for every customer in every industry. The PeopleSoft and Siebel acquisitions helped Oracle achieve critical mass in the ERP and CRM spaces, where we now lead. To provide the additional functionality that our customers require, we've enriched those offerings through the acquisition of niche solution vendors like G-Log in logistics and Demantra in demand planning. Vertical acquisitions such as Retek, ProfitLogic, and 360Commerce in retail; i-flex in banking; Portal and MetaSolv in communications; and SPL in utilities have vaulted Oracle to the top of these industry markets, and acquisitions such as Stellent for content management, Oblix for identity management, and TimesTen for database management strengthen our already robust software infrastructure offerings.

With each acquisition, Oracle retains its strong focus on customer satisfaction and support, and we're being rewarded with increased customer satisfaction rates. Customers cite improved support, account management, commitment, and customer trust as reasons for their increased satisfaction. Another key metric of customer satisfaction is the license-renewal rates for acquired companies. We have seen these numbers remain world-class—with 98 percent of Oracle customers telling us they plan to use, expand, or upgrade their current implementations.

Oracle: No. 1 in Public Sector

- Over 100 U.S. federal government agencies run Oracle Applications, including all 15 cabinet-level agencies
- 15 of the 25 European Union member nations run Oracle Applications
- 38 U.S. states run Oracle Applications—21 of them statewide
- 8 of the 10 Canadian provinces and 2 of the 3 territories run Oracle Applications
- 16 Latin American and Caribbean countries run Oracle Applications
- 9 Asia Pacific countries run Oracle Applications

Oracle Industry Solutions

- Aerospace and Defense
- Automotive
- Chemicals
- Communications
- Consumer Products
- Education and Research
- Engineering and Construction
- Financial Services
- Healthcare
- High Technology
- Industrial Manufacturing
- Life Sciences
- Media and Entertainment
- Natural Resources
- Oil and Gas
- Professional Services
- Public Sector
- Retail
- Travel and Transportation
- Utilities

As a result of Oracle's focused acquisition strategy, we are the only vendor today that offers an award-winning, common middleware platform where ERP and CRM suites, industry suites, ISV applications, and custom applications can all converge. The market is beginning to recognize the synergies we've achieved with our acquisition strategy, including

- The critical mass we've gained from our acquisitions
- The ability to increase our research and development rate and accelerate innovation
- The ability to offer customers a richer, broader footprint of solutions across all industries
- The ability to become a more strategic vendor for customers and industry partners

Thanks to those synergies, Oracle is demonstrating unprecedented strength in the enterprise software market, underscored by the following industry rankings:

- No. 1 in database worldwide
- No. 1 in database share on Linux
- No. 1 in applications in North America
- No. 1 in applications in the United Kingdom
- No. 1 in supply chain management, CRM, retail, and human capital management globally
- No. 1 in banking, financial services, communications, public sector, and professional services globally

Oracle's Industry Strategy

When it comes to innovation, our customers have consistently asked us to provide additional industry-specific functionality in our enterprise applications offerings. In response, we've focused on delivering increased industry innovation by acquiring top-tier vendors in specific vertical markets. We then seamlessly integrate those companies into our core infrastructure and applications software solutions so we can deliver the end-to-end industry solutions your organization needs to compete and win.

Oracle currently offers a broad portfolio of solutions for 20 industries. We've created independent business units for industries that are transaction-intensive and where Oracle enjoys a significant market presence, such as retail, financial services, communications, and utilities. Through key acquisitions in each of these industries, we've retained the best executives and developer talent to support these business units. In turn, Oracle provides acquired companies with world-class infrastructure technologies such as identity management, application servers, and Oracle Fusion Middleware—technologies that typically account for 20 to 30 percent of a company's research and development budget before acquisition.

The more than 30,000 customers that currently use our horizontal ERP and CRM applications contribute to our industry strategy by giving Oracle the scale and the resources necessary to acquire industry-specific product lines. For example, we're able to invest in innovative new applications that help our customers eliminate the need for custom development to address their industry's specific needs. We're also building industry-specific strategy, sales, support, and rapid implementation teams to provide additional resources to our customers in specific industries.

With the powerful combination of industry business-unit expertise, Oracle's global sales channels, and our world-class technologies, we have dramatically expanded the vertical footprint we can offer to customers. For example, today Oracle is ranked first in the retail, financial services, professional services, and public sector markets. A majority ownership in i-flex, the world's leading core banking solution, gives us access to 723 banking customers in 127 countries. All 10 of the top 10 largest global banks now run Oracle Applications. And with the acquisitions of Portal and MetaSolv, Oracle is now the global leader in the communications industry, with 19 of the world's top 20 communications companies using Oracle software.

"Oracle is in a leading position to compete in that future, next-generation world where the line between communications apps and IT apps diminishes and the focus is on delivering tangible business value. With both Portal Software and MetaSolv assets as part of the solution, Oracle has the key technology pieces to create and build an order-to-cash-to-care solution for its communications customers."

Paul Hughes
Vice President
Yankee Group

A good example of the synergies we have achieved through our focus on specific vertical markets is the retail market. In 2005, the retail applications market was very fragmented and served by innovative, but small, software providers that lacked the scale and resources to meet the needs of large retailers. Oracle acquired Retek, the No. 1 retail applications provider, followed by best-in-class acquisitions across all strategic retail processes, from profit optimization (ProfitLogic) to point-of-sale software (360Commerce), workforce management (TempoSoft), and transportation management (G-Log). By the end of 2006, Oracle ranked first among software companies serving the retail industry, based on the breadth and depth of our retail offerings, customer satisfaction, and total annual sales in the retail segment.

										Oracle		ISV Partners											
										Web Store		Loyalty		Call Center		Sales		Order Mgmt/Pricing/CTO		Field Service		Marketing	
										Business Operations													
Analytics Customer Demand & Enterprise										Retail Planning and Optimization										Merchandise Operations			
										Demand Forecasting				Merchandise Financial Planning						Trade Mgmt		Invoice Match	
										Assortment Execution				Item Planning		Category Mgmt				Merchandising Mgmt			
										Markdown Opt				Space Opt		Promotion Opt		Price Mgmt		Sales Audit			
										Supply Chain Planning					Supply Chain Execution					Store Operations			
										Supply Chain Optimization					PLM		Sourcing			Point-of-Service		Workforce Scheduling	
										Advanced Inventory Planning					Warehouse Mgmt					Store Inventory Mgmt		Learning Mgmt	
										Supply Network Optimization					Transportation Mgmt					Returns Mgmt		Store Help Desk	
															Home Delivery					Task Management		Workforce Comms	
																				Corporate Administration			
CPM		Financials		Human Resources		Compensation		Real Estate		Projects		Indirect Procurement		HR Help Desk		IT Help Desk							
										Integration & Collaboration Enterprise Infrastructure													

Oracle Retail's solutions footprint before acquisitions

By integrating these retail applications into a common portfolio, Oracle can show retailers how to achieve quick wins by implementing our profit optimization software in just a matter of weeks. They can then roll out solutions for inventory optimization, demand forecasting, merchandising, and supply chain execution to further improve their operations and profitability.



Web Store	Loyalty	Call Center	Sales	Order Mgmt/Pricing/CTO	Field Service	Marketing		
Analytics Customer Demand & Enterprise	Business Operations							
	Retail Planning and Optimization			Merchandise Operations				
	Demand Forecasting	Merchandise Financial Planning		Trade Mgmt	Invoice Match			
	Assortment Execution	Item Planning	Category Mgmt	Merchandising Mgmt				
	Markdown Opt	Space Opt	Promotion Opt	Price Mgmt	Sales Audit			
	Supply Chain Planning		Supply Chain Execution		Store Operations			
	Supply Chain Optimization		PLM	Sourcing	Point-of-Service	Workforce Scheduling		
	Advanced Inventory Planning		Warehouse Mgmt		Store Inventory Mgmt	Learning Mgmt		
	Supply Network Optimization		Transportation Mgmt		Returns Mgmt	Store Help Desk		
			Home Delivery		Task Management	Workforce Comms		
Corporate Administration								
CPM	Financials	Human Resources	Compensation	Real Estate	Projects	Indirect Procurement	HR Help Desk	IT Help Desk
Integration & Collaboration Enterprise Infrastructure								

Oracle Retail's solutions footprint after acquisitions

Retail Success

The results Oracle achieved in 2006 bear out the success of our retail acquisition strategy. In 2006, we expanded Oracle Retail into 21 countries, tripled our retail revenues, added 30 new retail customers, and took another 80 customers live on the software.

Today, Oracle serves 1,900 retailers worldwide, including 17 of the top 20 largest publicly traded retailers in the world. And in December 2006, Oracle was voted the No. 1 provider of retail solutions by *RIS News*, based on customer satisfaction, return on investment, speed to value, ease of implementation, service levels, and product quality.

Applications Unlimited: The New Releases

Oracle E-Business Suite 12: The
Global Business Release

- 18 new products
- 2,443 enhancements

PeopleSoft 9.0: The Extended
Value Release

- 2 new products
- 1,478 enhancements

Siebel CRM 8.0:
Transformational CRM

- 10 new products
- 366 enhancements

JD Edwards EnterpriseOne 8.12:
The Continued Innovations Release

- 5 new products
- 291 enhancements

JD Edwards World A9.1: The
Renaissance Release

- 4 new products
- 1,297 enhancements

Oracle's Applications Unlimited

Following the announcement of Applications Unlimited in April 2006, Oracle hosted more than 1,000 events in cities around the globe to explain our plans to protect, extend, and evolve the value of customers' application investments in Oracle, PeopleSoft, JD Edwards, and Siebel. More than 94,000 customers, partners, and prospects in 92 countries attended the information-packed events, strategy updates, and specialized sessions to discuss our Applications Unlimited customer commitment, future plans for current applications, and the path to Oracle Fusion Middleware.

On January 31, 2007, Oracle achieved a major milestone in the Applications Unlimited program with the simultaneous delivery of five new product releases:

- Oracle E-Business Suite 12
- PeopleSoft Enterprise 9.0
- Siebel CRM 8.0
- JD Edwards EnterpriseOne 8.12
- JD Edwards World A9.1

We also announced the delivery of prebuilt integrations that were standard across all our ERP, CRM, and industry suites using our award-winning Oracle Fusion Middleware development platform.

A launch of this size and scope is unprecedented in the history of enterprise software. It was hailed by analysts as proof of Oracle's ability to acquire, integrate, and maintain a complex portfolio of software applications on behalf of its customers. Our customers were excited about the thousands of innovations and enhancements in each release, many of which were the result of input from the thousands of customers, partners, and ISVs that make up Oracle's innovation ecosystem.

As part of the Applications Unlimited announcement, Oracle also announced new ways it would make the upgrade process easier across all enterprise applications:

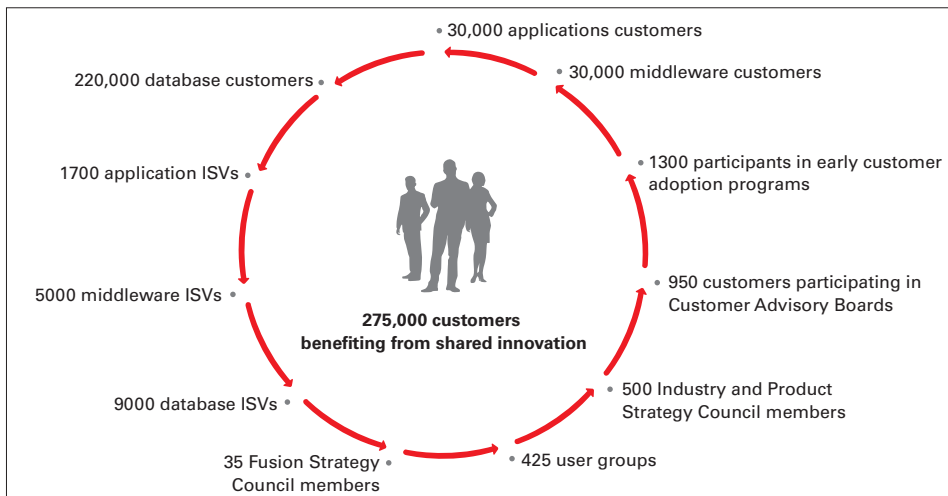
- **Simplify pricing.** Our new simplified pricing provides you with more flexibility in how you choose to license additional applications. Upgrade licenses on applications you already own are still free.
- **Provide better documentation, quality, and tools.** In addition to providing more-detailed documentation, we've undertaken more regression testing to improve release quality, improved the quality of upgrade tools, streamlined user interfaces to reduce training time, and delivered rapid-implementation business processes such as Oracle Business Accelerators for Oracle E-Business Suite and JD Edwards EnterpriseOne customers.
- **Eliminate integration burdens.** With the delivery of standard, prebuilt integrations across our ERP, CRM, and industry suites, we're able to eliminate the upgrade burden many businesses have shouldered in the past.
- **Offer Oracle On Demand.** Oracle On Demand is available for each new product family, giving you the option of outsourcing the entire upgrade and software application management process.

"Partners are key to our overall success: customers can get a lot of value from working with them, and it is our responsibility to provide technology that makes it easier for our partners to implement, extend, and support our applications."

Steve Miranda
Senior Vice President
Application Development
Oracle

"We will continue to support the technologies that we have today, including the database platforms, application servers, reporting tools such as nVision and SQR—those are not going away. We will continue to bring innovative technology into our current stack to help our customers evolve. We will continue to deliver new releases with new enhancements and solutions."

Doris Wong
Vice President and
General Manager
PeopleSoft Enterprise Applications
Oracle



The customers, partners, and ISVs in Oracle's innovation ecosystem play a key role in the development and enhancement of future products.

Oracle's Promise: A Superior Ownership Experience

"Oracle has once again shown its strong commitment to technology innovation in support delivery. Oracle has clearly demonstrated the importance of ongoing innovation and its commitment to providing customers with an outstanding customer service experience."

Bill Rose

Executive Director
Service and Support
Professionals Association

As Oracle's customer base has grown and diversified, we've pioneered innovative, proactive customer services and support to enhance the user experience for our 275,000 customers worldwide. Oracle's global reach provides services and support to customers in 27 languages, anywhere in the world that our customers do business. More than 14,000 application and technology developers and more than 7,000 highly skilled support professionals offer maintenance and problem resolution for Oracle technology and application products.

To improve the software ownership experience, we recently expanded our service continuum to give our customers even more choices with their services and support.

- **Premier Support** offers continuous product enhancements, global support for rapid resolution, advanced support technologies, and lifetime support
- **Advanced Customer Services** offers technical assessments, business-critical assistance, our Solution Support Center, and assisted services
- **Oracle On Demand** offers infrastructure management, software management, security management, service-level management, and IT governance

Premier Support

Recent third-party customer surveys and industry awards confirm that Oracle Support services contribute to a superior ownership experience for Oracle customers worldwide. In 2006, Oracle became the first enterprise software provider to receive global certification under the J.D. Power and Associates Certified Technology Service and Support (CTSS) Program. Our worldwide support business encompasses 17 major hubs across 5 continents.

Additionally, Oracle Customer Services received two 2006 Software Technical Assistance Recognition (STAR) Awards for superior customer service from the Service and Support Professionals Association (SSPA). The SSPA STAR Awards have become one of the highest honors in the support industry. The awards demonstrate Oracle's continued success in driving innovation and our commitment to delivering a superior ownership experience to customers.

Oracle On Demand

One of the most important services we offer customers is Oracle On Demand, a subscription-based solution that offers managed application and software management services. Oracle On Demand simplifies enterprise computing by reducing the need to handle software upgrades, patches, and the day-to-day maintenance required to keep customer solutions available and secure.

With revenues growing by 50 percent annually, Oracle On Demand is one of Oracle's fastest-growing and most important businesses. In 2006, Oracle On Demand surpassed a key milestone of 1.7 million users, representing more than 2,200 customers. Growth in 2006 was driven by a significantly expanded portfolio of on-demand services across Oracle's software products, including the addition of Oracle On Demand for PeopleSoft Enterprise, Oracle On Demand for Siebel CRM, and three new releases of Siebel CRM On Demand.

For customers concerned about the upgrade process going forward, Oracle On Demand has been certified to handle upgrades to Oracle's newest enterprise applications releases. In 2007, Oracle plans to integrate applications from ProfitLogic, Retek, and G-Log, and offer Oracle On Demand services to our retail customer base as well.

Oracle Support: The World's Largest Software Support Organization

- 7,000 engineers, 23 global hubs, 27 languages
- Ongoing customer access to all of Oracle's continuous product innovation and enhancements
- Knowledgebase of more than 400,000 solutions
- 1.4 million resolutions filed electronically, 465,000 via phone
- Over 113 million Web knowledge transfers

Your Opportunity Is Here

Further Resources

To help you in the decision-making process, we've created an Applications Unlimited resource page with executive overviews for each product line, product highlight demos, white papers ("Why Upgrade?" and "Upgrade Best Practices"), and more.

To access the resources page, visit oracle.com/applications/applications-unlimited.html

At Oracle, we're leveraging our 30-year heritage as a technology infrastructure leader to make your transition to a services-enabled environment as smooth as possible and to help you take advantage of the business flexibility and adaptability delivered by Web services. Through a focused strategy of acquisitions and organic research and development investments, we've built the industry's most integrated portfolio of best-in-class enterprise software solutions—all from a single vendor, all using the latest standards-based technologies, and all while protecting your current investments in Oracle, third-party, and legacy applications.

The opportunity to simplify your software portfolio and unify your enterprise is here today, and customers worldwide are using our solutions to meet their full range of business requirements. Whichever technology strategy you choose, you can feel confident that Oracle has a path that's right for you. Whether you want to be on the cutting edge in taking advantage of Oracle Fusion technology and applications, or whether you want to continue using the applications you're running today, Oracle wants to be your partner in that journey.

Take Advantage Now and Later

No matter when you decide to migrate to an SOA environment and Oracle Fusion Middleware, you may want to consider the following strategies to make your transition as seamless as possible.

- **Protect your current investments by adopting the latest releases**
 - Gain significant additional functional value; retire customizations
 - Unify operational infrastructure with Oracle Fusion Middleware and Oracle Grid Computing
- **Extend the value of existing implementations**
 - Gain experience with Oracle Fusion Middleware capabilities
 - Create a composite application framework with portals and identity and access management
 - Gain better business insight with Oracle Business Intelligence tools, reporting, and analytics
 - Standardize, optimize, or specialize enterprise business processes
 - Improve master data management with customer and product data hubs
- **Evolve to Oracle Fusion Applications**
 - Scope and prioritize the business value for your company
 - Use modeling tools to provide prepackaged business processes, solutions, and analytics
 - Develop skills and gain experience in Oracle Fusion Middleware: BPEL, business activity monitoring (BAM), master data management, portals, identity and access management, and analytics and reporting technologies

CONTACT US

For more information, visit oracle.com/applications/applications-unlimited.html or call **+1.800.ORACLE1** to speak to an Oracle representative.

Outside North America, visit oracle.com/corporate/contact to find the phone number for your local Oracle office.



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