



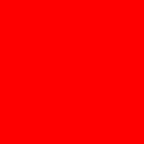
**ORACLE®**



## **Oracle Buys Primavera**

**Creates First, Comprehensive Enterprise Project Portfolio Management Solution for Project-intensive Industries**

November 7, 2008



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 a purchasing decision. The development, release, and timing of any features or functionality described for Primavera products remains at the sole discretion of Primavera. The development, release, and timing of any features or functionality described for Oracle's products, whether communicated by Primavera or by Oracle after the close of the acquisition, remains at the sole discretion of Oracle.

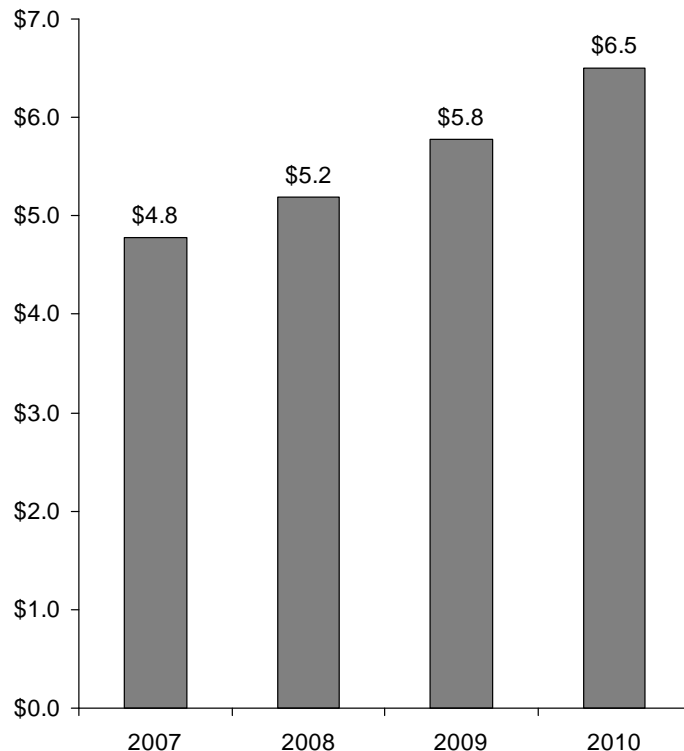
# What We Are Announcing

- Oracle buys Primavera
  - Creates first, comprehensive Enterprise Project Portfolio Management (PPM) solution for project-intensive industries
  - Transaction closed November 7, 2008
- Primavera is a leading provider of PPM solutions with deep industry and domain expertise
  - 25 years as recognized global PPM leader
  - Helps companies propose, prioritize and select project investments, and plan, manage, and control even the most complex projects
  - Supports the unique business processes of project-intensive industries
  - Proven solution relied on by more than 5,000 global enterprises
- Combined Enterprise PPM solution is expected to optimize resources, reduce costs, meet delivery dates and make better decisions, all by using real-time data
  - Primavera is a leader in managing projects, schedules, resources, contracts, changes, costs, and risk
  - Oracle is a leader in managing project financials, human resources, supply chain, business intelligence, and infrastructure software
- Primavera's management and employees are expected to continue as a dedicated global business unit (GBU) within Oracle focused on Enterprise PPM
  - Retains unparalleled product differentiation and customer relationships
  - Ensures smooth transition for customers and partners

# Strategic Importance to Oracle

- Supports Oracle's strategy to provide mission-critical operational applications for key industries
  - Project-intensive industries are critical to Oracle and include: aerospace and defense, engineering and construction, utilities, oil and gas, manufacturing, and IT and services
  - PPM is the strategic application that drives successful project execution for project-intensive industries
- PPM is evolving into an enterprise-wide application that drives business success
  - Enterprises must manage project delivery with competing priorities and limited resources
  - Customers and project sponsors expect faster project delivery without sacrificing quality
  - Increasing project complexity requires tighter collaboration across the enterprise
  - Standardization and consolidation on a single platform improves business processes for cost control, risk management, and governance
- Combination is expected to create the first, comprehensive Enterprise PPM solution
  - Brings together complex scheduling and industry-specific PPM processes with project financial management, skills and inventory management, and other enterprise solutions
  - Provides end-to-end visibility and control for improved decision making, coordination, and collaboration

# Industry Dynamics are Driving Enterprise PPM Value and Growth



PPM Revenue Forecast 2007 – 2010<sup>1</sup>  
(in Billions)

## Need for PPM solutions is increasing






- Projects becoming increasingly complex
- Executives demanding project visibility
- Distributed teams require around-the-clock collaboration and coordination
- Project portfolios must create value and competitive advantage
- Project-intensive industries require support for unique processes and regulations
- Too many projects fail to meet customer expectations<sup>2</sup>

## PPM experiencing rapid growth

- Worldwide PPM market grew 25% faster than the software industry average<sup>1</sup>
- 20% of world's GDP (\$12T) spent annually on projects<sup>3</sup>

# Project-intensive Industries Require Enterprise PPM

- Deliver high-quality projects on-time and within budget
- End-to-end visibility for improved, timely decision making

	Architecture, Engineering & Construction	Public Sector, Aerospace & Defense	Utilities, Oil & Gas	High Tech & Manufacturing	IT and Services
<b>Key Industry Requirements</b>					
	<ul style="list-style-type: none"> <li>• Improve coordination and collaboration</li> <li>• Avoid and protect against claims</li> </ul>	<ul style="list-style-type: none"> <li>• Manage large programs with multiple suppliers and subcontractors</li> <li>• Improve accountability and meet regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Manage short-duration, high-intensity outages and shutdowns</li> <li>• Increase productivity and speed of project delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Bring the right products to market within market windows</li> <li>• Collaborate across the global supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritize projects based on strategic objectives</li> <li>• Optimize assignment of scarce resources</li> </ul>

# Overview of Primavera

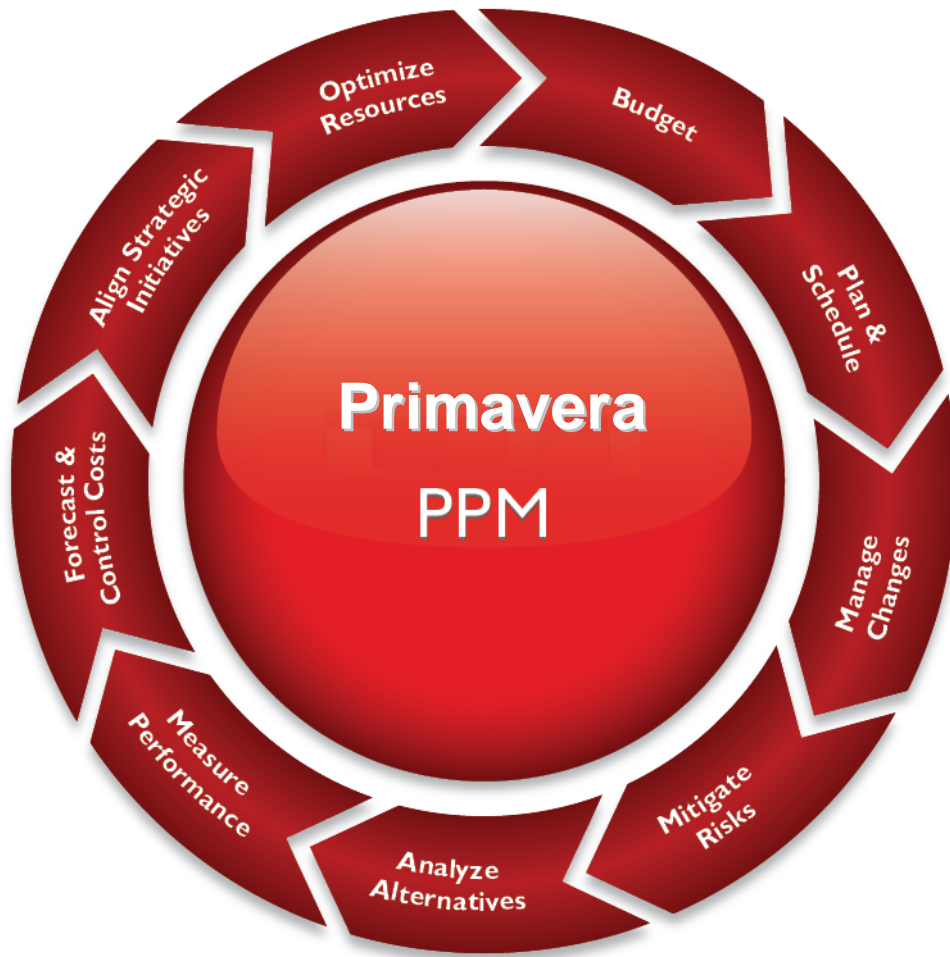
**Primavera's mission is to “*Rid the world of project failure*”**

- 5,000 global enterprises, 18,000 medium-sized customers, and 2.5 million users in 85 countries
- More than \$6 trillion in project value managed with Primavera
- Consistently recognized as a leader by industry analysts
- Global reach: 43% of revenue from outside North America, localized products in 13 languages
- Award-winning customer service
- Industry-specific business processes
- Standard, pre-built integrations with leading ERP vendors
- Open standards-based integration with industry applications

**25 years as proven PPM leader for project-intensive industries**

- 375 of top 400 engineering and construction firms
- 17 of top 20 power companies
- 9 of top 10 oil companies
- All 5 US military branches
- 12 of 16 US Federal agencies
- 9 of top 10 aerospace and defense contractors

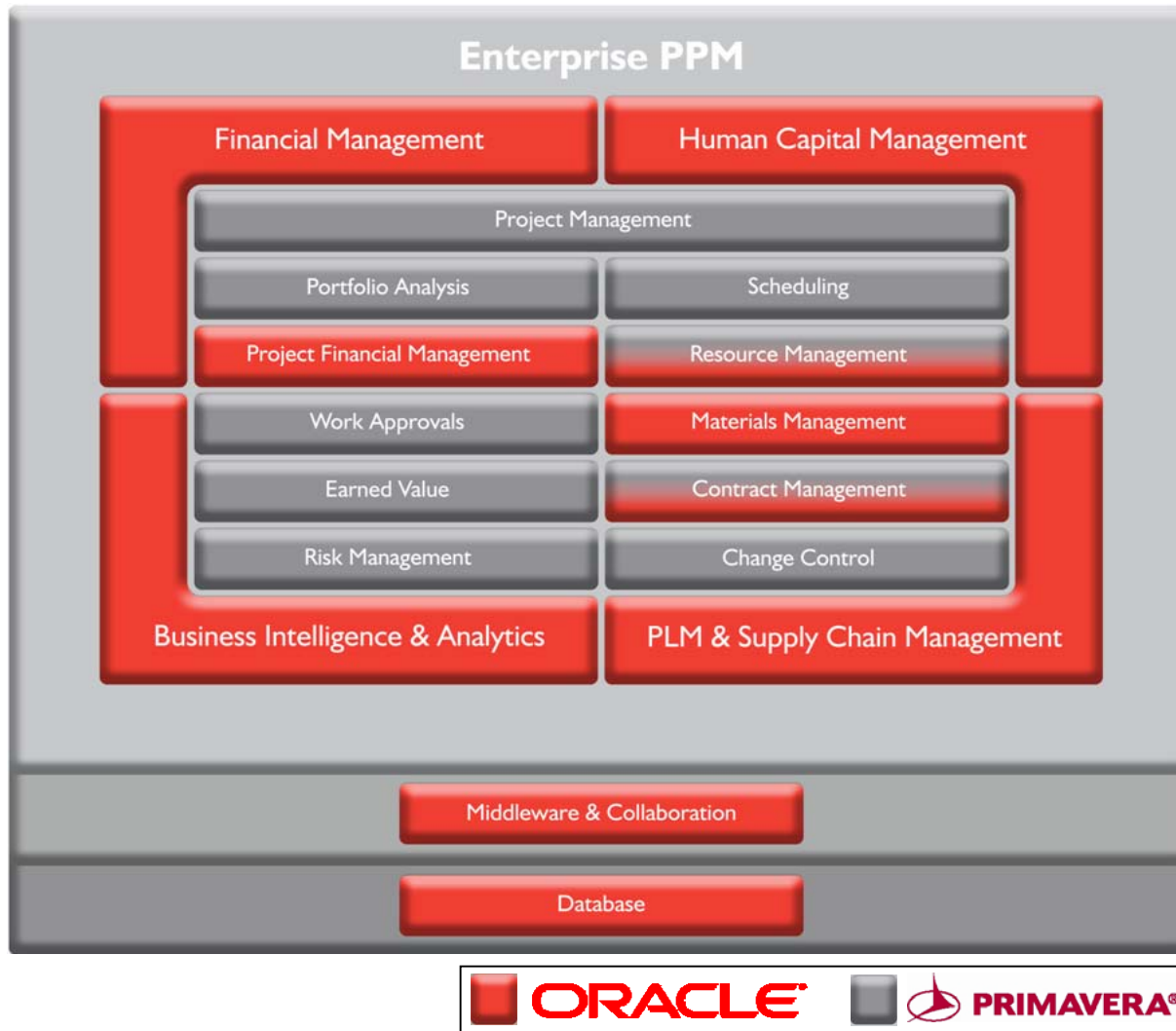
# Primavera PPM Delivers a Best-in-Class Solution



- Plan, execute and deliver projects on time and within budget
- Manage industry-specific business processes
- Manage demand for critical resources
- Choose project portfolios with highest risk-adjusted returns
- Improve coordination, monitor contractor performance and negotiate changes
- Mitigate project risk and uncertainty
- Collaborate securely anytime and anywhere

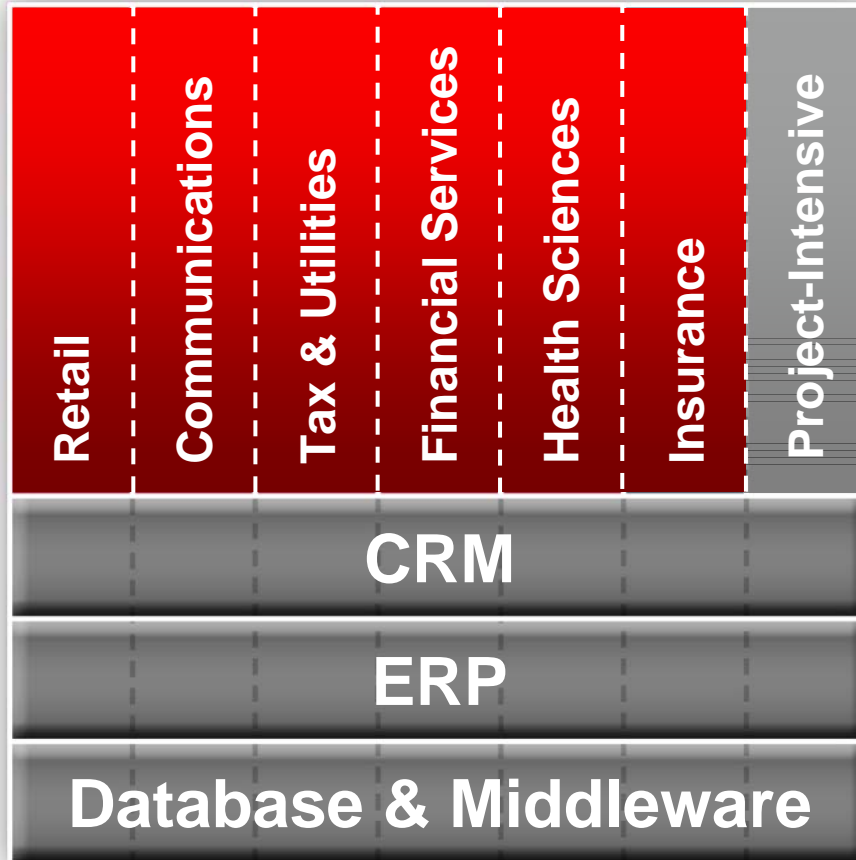


# Creates First, Comprehensive Enterprise PPM Solution



- Align project operations with business strategy
- Accurately forecast costs, schedules and resources
- Provide enterprise-wide transparency of project portfolios
- Optimize resource utilization and supply chain
- Gain real-time visibility into impacts of project changes
- Collaborate across functions for better decision making
- Reduce total cost of ownership
- Integrates leading PPM with Oracle project financials, HR, supply chain, BI and infrastructure software

# Primavera to Join Oracle as a Global Business Unit for Project-intensive Industries



## Enterprise PPM focus and expertise

- Leading domain knowledge
- Industry-focused R&D investment
- Comprehensive solution with ERP integration
- Specialized sales and delivery organization
- Continued partner management and engagement
- Primavera management and employees maintain solution momentum
- Continuity of existing customer relationships

# Large Portfolio of Loyal Customers Rely on Primavera for Their Mission-Critical Projects

Architecture, Engineering & Construction	Public Sector, Aerospace & Defense	Utilities, Oil & Gas	High Tech & Manufacturing	IT & Services
				
<p><b>KBR</b></p> <p><b>PARSONS</b></p> <p><b>FLUOR</b></p> <p><b>JE JACOBS</b></p> <p><b>HILL</b></p> <p>Hill International</p> <p><b>CH2MHILL</b></p> <p><b>Bovis</b> Lend Lease</p> <p><b>BECHTEL</b></p>	<p><b>LOCKHEED MARTIN</b></p> <p>Transportation Security Administration</p> <p><b>THALES</b></p> <p>U.S. DEPARTMENT OF HOMELAND SECURITY</p> <p><b>U.S. ARMY</b></p> <p><b>NORTHROP GRUMMAN</b></p> <p><b>BAE SYSTEMS</b></p> <p>FEDERAL AVIATION ADMINISTRATION</p> <p><b>NASA</b></p>	<p><b>ExxonMobil</b></p> <p>bp</p> <p><b>Duke Energy</b></p> <p><b>Ameren</b></p> <p>SOUTHERN COMPANY Energy to Serve Your World®</p> <p><b>Shell</b></p> <p><b>Chevron</b></p>	<p><b>SIEMENS</b></p> <p><b>MOTOROLA</b></p> <p><b>CATERPILLAR</b></p> <p><b>Honeywell</b></p> <p>freescale™ semiconductor</p> <p><b>ALSTOM</b></p> <p><b>FMC Technologies</b></p> <p><b>BOMBARDIER</b></p> <p><b>GE</b></p>	<p>Principal Financial Group</p> <p><b>nab</b></p> <p><b>GUARDIAN</b></p> <p><b>PROGRESSIVE</b></p> <p><b>Aflac</b></p> <p><b>SUNTRUST</b></p> <p><b>EDS</b></p>

# Construction Company Successfully Manages Thousands of Projects



*“It gives us a strategic advantage to say that we use Primavera software, because our clients trust the Primavera name.”*

*Cost and Scheduling Manager  
Parsons Infrastructure and Technology*

**PARSONS**

## **Business challenges:**

- Provide clients with consistent and profitable engineering and construction management services
- Deliver project management, detailed design, procurement and management of one-of-a-kind projects

## **Business results:**

- Over 4,000 projects managed and 6,000 team members coordinated
- Consistent project control across the enterprise
- Decreased schedule development time by 50%
- Accurate and timely performance data to support management decisions

# Oil Company Streamlines Shutdowns and Standardizes Processes



*“From the initial quotes to awarding of contracts and beyond, we can track all elements of purchasing and payments, as well as the progress of the work itself.”*

*Project Management Professional (PMP)  
Kuwait National Petroleum Company*



## **Business challenges:**

- Increase oil production without further capital investment
- Replace 31 legacy systems used to manage maintenance and turnaround work

## **Business results:**

- Standardized on Primavera for project management and scheduling and integrated with IBM's Maximo and Oracle's Human Capital Management and Financials
- 7% reduction in shutdown duration
- Savings of US\$21 million per year, with US\$3 million from manpower reduction
- Quicker procurement cycles, including faster payments to contractors

# Aerospace & Defense Contractor Improves Productivity



*“Primavera provides us with the toolset and visibility to... take an idea and transform it into a complex product that flies away and saves lives.”*

*Program Planning and Control Manager  
Military and Commercial Programs*



**Sikorsky**

A United Technologies Company

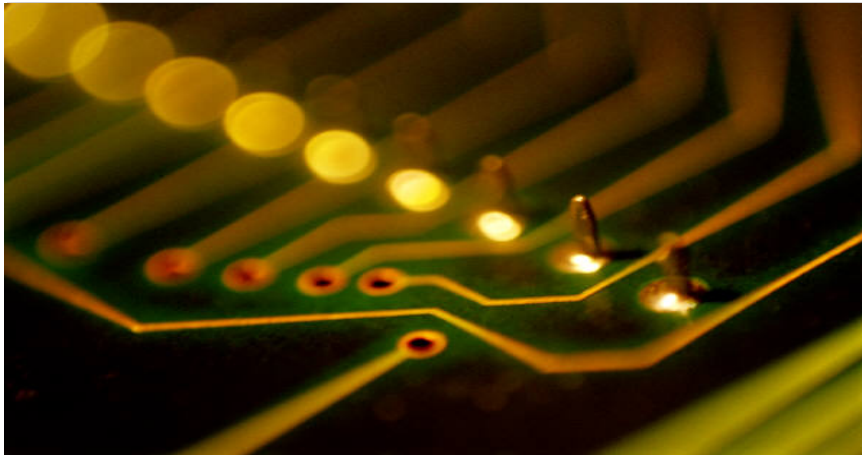
## **Business challenges:**

- Manage lifecycles of billion-dollar programs – from contract award through delivery
- Comply with government reporting requirements
- Collaborate with customers

## **Business results:**

- Managing more than 350 projects, with 50 to 30,000 tasks each, including the Blackhawk Helicopter program
- Integrated with SAP and other internal systems
- Improved productivity and efficiencies, providing greater value to customers
- Gained visibility into contract performance

# High-Tech Company Gains Visibility and Control of Development Projects Worldwide



*“We had immediate visibility into our project portfolio and resources, along with status against official baselines based on business rules we defined. The information is right there, and everyone can trust that it’s accurate.”*

*Operations Manager  
Freescale Semiconductor*



## **Business challenges:**

- Provide accurate project information to all stakeholders across all functional groups
- Manage both functional and matrixed organizational structures
- Manage both waterfall and spiral development models

## **Business results:**

- 160 product releases per year
- “Real-time, all the time” dashboards showing end-to-end PPM information
- Eliminated redundant work
- Better control of commitments, resources and deliverables
- 50% productivity gain in scheduling and reporting
- Saving 8 hours per week in administrative time

# Insurance Company Standardizes Platform to Improve IT Performance and Control Costs



*“Our business units and IT have the same objectives, the same agenda, the same priorities. Primavera’s software plays a major role in making that happen.”*

*IT Executive  
The Guardian Life Insurance Company*



## **Business challenges:**

- Run IT like a business while reducing IT budget by US\$40 million over two years
- Establish a sound financial management structure for IT

## **Business results:**

- Eliminated US\$20 - \$50 million of non-strategic projects from the IT budget each year
- Increased rate of delivering projects on time, on budget and within scope from 35% to 69%
- Reduced routine IT maintenance costs from 30% of the budget to only 18%



# Strong Dedicated Partner Base to Drive Growth

## Primavera Authorized Resellers (PARs)

- Primavera customers to continue to be served by 123 PARs spread across 128 countries
- Customers will continue to benefit from PAR expertise and customer relationships
- Global business unit to continue to rely on PARs to provide support and services to customers worldwide
- Dedicated partner management to continue uninterrupted as part of Global Business Unit
- PARs can expect to see opportunities to expand business with broader portfolio of related products and will benefit from Oracle's strong brand

## Systems integrators

- Systems Integrators gain a strategic partner in Oracle for comprehensive Enterprise PPM
- Opportunities for enterprise-wide rollout of end-to-end solutions

## Technology partners

- Continued support for integrations with Oracle and non-Oracle enterprise software and third-party industry applications

## Enhanced support and services for all partners

- Access to Oracle PartnerNetwork resources
- Enhanced 24x7 support through Oracle's global support organization
- Access to Oracle University's global training centers and online courses

# Oracle and Primavera Together are Committed to Customer Success

- Create a best-in-class, comprehensive Enterprise PPM solution from a single enterprise software provider
  - Industry-leading PPM solution, combined with Oracle Project Financials, Human Resources, and Supply Chain applications, and infrastructure software
  - Open Enterprise PPM solution integrated across multiple ERP applications
  - Lower TCO through a single-vendor solution
- Primavera products will become key offering in Enterprise PPM solution for Oracle
  - Maintain standalone support for Primavera products as well as integrations with other enterprise ERP and third-party applications
  - Continue product development, enhancement and support, including industry-specific functionality within solutions
  - Accelerate product innovation by leveraging Oracle's \$2.7B R&D budget
- Worldwide 24x7 enterprise-level local support and global training centers
- Establish Primavera as dedicated business unit to ensure continuity and consistency
  - Focus on project-intensive industries to benefit customers from 25 years of domain expertise
  - Enable customers to continue to work with existing Primavera PARs and partners

# Next Steps

- Public announcement
  - October 8, 2008
- Communications with all stakeholders
  - Press and analyst briefings
  - Partner and reseller briefings
  - Ongoing communications with customers, partners, resellers and employees throughout transition
- More information can be found at
  - [www.oracle.com/primavera](http://www.oracle.com/primavera)