

Overview and Frequently Asked Questions

Oracle Buys SPL WorldGroup: Expands Oracle's Applications into Utilities and Public Sector

Overview

On November 3, 2006, Oracle announced that we have acquired SPL WorldGroup (SPL), a leading provider of revenue and operations management software for the utilities industry.

SPL delivers best-in-class solutions for customer care and billing, mobile workforce management, outage and distribution management, and asset management that are specifically designed for electric, gas, and water utilities. Founded in 1968, SPL has a long history of helping utilities around the world enhance customer service, improve operations, gain competitive advantage, and achieve excellence in business performance. SPL is headquartered in San Francisco and has assembled one of the world's largest teams focused on utilities solutions.

With this acquisition, Oracle plans to deliver the most-complete suite of end-to-end packaged revenue and operations management solutions for utilities to meet unique industry needs. Oracle and SPL have complementary products and a shared belief that information and adaptive business processes are keys to achieving corporate revenue and profitability goals. Oracle plans to accelerate the pace of innovation and integration of SPL's products. Oracle also plans to combine the strengths of SPL's solutions for utilities with our industry-leading database, middleware, and enterprise applications. Oracle is committed to supporting our respective customers, which include many of the most successful companies in the world.

SPL management and employees will form a dedicated utilities global business unit focused on revenue and operations management. SPL CEO Larry Hagewood will lead the unit as general manager.

In addition, SPL offers a public sector tax management solution that provides the foundation to manage all the financial relationships a governmental entity has with its constituents. Oracle plans to support this effort to deliver an integrated revenue and tax management solution to public sector enterprises.

Customer Benefits

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

- **Advanced insight and care of customers:** A combined Oracle and SPL solution is expected to provide a real-time 360-degree view of the customer that helps utilities maximize lifetime value and increase service profitability.
- **Enhanced revenue and operations management:** Utilities should now be able to avoid revenue leakage across end-to-end transactions, and increase visibility and auditability of key business processes. The integrated Oracle and SPL solution is expected to allow customers to proactively manage enterprise operations, cost effectively bill for services, and utilize best practices to enhance revenues and profitability.
- **Improved competitive advantage:** The combined solutions will help facilitate the transformation of utility operations based on a leading edge infrastructure that improves competitive advantage.
- **A dynamic environment:** By combining the talents of both organizations, we will be better able to address evolving customer needs and effectively respond to industry trends that are driving the demand for customer-centric, cost-effective solutions.
- **A single global vendor:** Customers will have access to proven best-in-class utility management solutions combined with comprehensive, world-class capabilities in applications and technology infrastructure—all from the same vendor. Customers will benefit from Oracle's global 24/7 distribution and support network, with the backing of 7,000 support service personnel, 14,000 software developers, and access to more than 17,700 partners. This is expected to reduce total cost of ownership while satisfying customer demand for a global integrated platform

that supports varied business processes, services, markets, and geographies.

- **Protection of investments:** Oracle plans to support and protect customers' investments in SPL applications as the revenue and operations management standard.

Partner Benefits

The combination of Oracle and SPL is expected to provide partners with the following benefits:

- **A single vendor to address customer needs for utility solutions, CRM, ERP, analytics, and infrastructure software:** Oracle partners are expected to benefit from SPL's best-in-class solutions for utilities revenue and operations management. It is expected that SPL partners will benefit from Oracle's worldwide resources and partner ecosystem, as well as from their investments and experience with SPL products. Both companies' partners should benefit from the complementary solutions that create the first end-to-end packaged enterprise software suite for the utilities industry.
- **Expanded opportunity for System Integrator partners:** System Integrators specializing in utilities should now have the opportunity to provide world-class solutions to customers through an expanded application footprint and strengthened go-to-market capabilities from Oracle's global sales force.
- **Continued commitment to support Independent Software Vendor (ISV) relationships:** Oracle plans to broaden existing ISV and developer partnerships and establish new partnerships to complete the combined footprint. Oracle will work to develop joint product road maps with our customers that include customer-driven requirements. Oracle is committed to helping other utility ISVs build and deploy their solutions on Oracle's infrastructure software, including our relational database, middleware, and analytics. Oracle is also committed to helping enable integrations between utility ISVs and Oracle's other enterprise applications.

Frequently Asked Questions

Business Rationale

What is the rationale for this acquisition?

The acquisition of SPL extends Oracle's industry applications focus into utilities by adding the world-class portfolio of SPL's revenue and operations management solutions, called enSUMIT (Enterprise Strategic Utility Management IT). Utilities are a strategic industry segment for Oracle, with growth focused on integrated packaged applications. A changing regulatory environment, technology advances, new standards, and energy conservation initiatives are creating a fresh cycle of information technology investments in the utilities industry. Mission-critical systems' operational functions represent priority software spends for utilities. SPL provides a broad suite of industry-leading solutions that support critical operational business processes, services, markets, and geographies.

In addition, SPL's complementary world-class Enterprise Taxation Management solution helps consolidate Oracle's leadership in the public sector.

Why did Oracle select SPL as the foundation for its utilities strategy?

SPL offers the utilities industry's most-comprehensive solutions for revenue and operations management. SPL delivers best-in-class solutions for customer care and billing, mobile workforce management, outage and distribution management, and asset management that are specifically designed for electric, gas, and water utilities. Founded in 1968, SPL has a long history of helping utilities around the world enhance customer service, improve operations, gain competitive advantage, and achieve excellence in business performance. SPL has a premier and diverse global customer base and a proven ability to support high scalability and performance. More than 185 customers worldwide are drawing on SPL software to deliver utility services. SPL's management and employees bring extensive industry, domain, and product experience, and they will be the foundation of Oracle's newly formed utilities global business unit.

How will the acquisition of SPL help to accelerate Oracle's strategy to build out mission critical applications for the utilities industry?

With the combination of Oracle and SPL, Oracle plans to provide an end-to-end packaged software solution for utilities, including revenue and operations management, CRM, ERP, and analytics. This will cover processes that span from a utility's initial customer interaction, to financial management, billing, network management, and asset management. SPL's leading enSUMIT product portfolio, coupled with Oracle's complementary infrastructure and applications software and extensive R&D budget, will position Oracle to help customers transform their operations into leading edge infrastructure.

Product Overview, Product Road Map, and Strategy

What products does SPL sell?

SPL provides a suite of mission-critical revenue and operations management software solutions for utilities. SPL's product portfolio is highly complementary to Oracle's and consists of:

- **Customer Care and Billing:** Integrated customer information system and customer relationship management software for billing, call center, credit, and collection applications for utilities
- **Outage and Distribution Management System:** Assists utilities in managing outages by predicting outage failure locations using multichannel feedback mechanisms and managing them after they have occurred
- **Mobile Workforce Management:** Software for planning, scheduling, routing, and dispatching mobile field technicians. This product category also includes Real-Time Scheduling, a product SPL acquired from Sidewinder
- **Enterprise Asset Management:** Software for tracking, maintenance, and compliance for asset-intensive industries

In addition, SPL offers Enterprise Taxation Management, a public sector tax and revenue management solution.

What is SPL Enterprise Taxation Management?

Enterprise Taxation Management is a highly configurable, world-class tax solution that is complementary to SPL's utilities solutions portfolio. It includes functionality that is critical to public sector enterprises such as governmental accounting, complex collections, and offset management.

What is SPL's architecture and technology?

SPL's core architecture is Web services-based and extensible, drawing on an underlying metadata-driven application framework and a rich data model. The ease of configurability and flexible architecture design has enabled SPL to reuse the core architecture for utilities to build out other solutions such as Enterprise Taxation Management.

How compatible are these technologies with Oracle Applications?

Very compatible. SPL's products have been written from the ground up using current application development approaches, including the same open standards-based J2EE technology that Oracle employs. They are very well aligned with Oracle Fusion Architecture. Oracle and SPL have worked together for years and already have numerous installations where both sets of applications are fully integrated.

How does this fit into Oracle's Fusion Applications strategy?

Very well. SPL's products and current service-oriented architecture provide deep industry functionality, rich configurability, Web services support, and mechanisms for plug-and-play integrations with other product suites.

Will this acquisition impact the product road map of SPL's solutions?

SPL and Oracle plan to provide continuity in road map and direction for SPL products, including Customer Care and Billing, Enterprise Asset Management, Outage and Distribution Management System, Mobile Workforce Management, and Enterprise Taxation Management. Currently, we plan to continue with SPL's existing release schedule, while delivering cross-suite integrations in the near term.

What should existing users of Oracle's PeopleSoft Enterprise Revenue Management do and what should they expect?

- CC&B is planned to be Oracle's flagship billing product for the Utilities industry
- Oracle plans to release V9 of the PS ERM product
- The content of this release is planned to be developed in consultation between the current PS ERM customers and Oracle
- The Premium support provisions of the current PS ERM products are as follows:
 - o ERM 8.8 - GA Date 3/12/2003, Premier Support Expiration: 3/12/2008,
 - o ERM 8.9 - GA Date 6/23/2004, Premier Support Expiration: 6/23/2009,
 - o ERM 8.95 - GA Date 6/25/2005, Premier Support Expiration: 6/25/2010,

Sustaining Support for the above releases and release VP will fall under existing Oracle guidelines.

Will you continue to sell SPL into otherwise non-Oracle application situations?

Yes. We plan to pursue SPL opportunities that do not involve other Oracle applications. SPL has demonstrated its ability to compete for and win business from customers running varied applications suites, including SAP and others, due to SPL's leading functionality, scalability, and ease of integration.

Does SPL support multiple languages?

Yes. SPL products have been successfully sold and implemented in many countries across the globe. Currently, SPL Customer Care and Billing is available in English, French, Portuguese, Russian, Arabic, and Chinese (traditional).

How does SPL compare with Oracle's billing and revenue management solutions for communication services providers, acquired through the Portal Software transaction?

SPL products are very complementary to Oracle's existing product portfolio. SPL products are built specifically for electric, gas, and water utilities and will be part of Oracle's newly formed utilities global business unit, which will have a sole focus on utilities. Oracle's billing and revenue management solutions for communications services providers is part of Oracle's communications global business unit, which has a sole focus on communications.

Customers

How will this acquisition impact SPL's customers?

Oracle plans to protect customers' investments in SPL applications as the revenue and operations management standard. R&D in SPL solutions will now have the backing of Oracle's R&D budget, and significant technology and applications assets.

How can existing SPL customers benefit from this acquisition?

Oracle plans to protect SPL customers' investments. SPL customers will also have access to Oracle's comprehensive software portfolio, global resources, worldwide sales, consulting, support, and R&D organizations. The combination is expected to result in the most-complete suite of end-to-end integrated packaged solutions for revenue and operations management for the utilities industry.

How can public sector enterprises benefit from this acquisition?

In addition to SPL products being offered to municipal utilities, SPL also offers Enterprise Taxation Management, a world-class tax solution for public sector enterprises. It includes functionality that is critical to public sector enterprises, such as governmental accounting, complex collections, and offset management. Oracle plans to support this effort to deliver an integrated revenue and tax management solution to public sector enterprises. The combination of SPL's utilities solutions and Oracle's comprehensive software portfolio should enable public sector enterprises to integrate tax and revenue processes, create a 360-degree view of the constituent, improve collections, create a common view of services, achieve governmental objectives such as resource conservation, and improve operational efficiencies.

Partners

How will this acquisition benefit SPL's partners?

Partners are essential to Oracle's economy and growth strategy. Oracle is committed to our partners' success and the satisfaction and retention of our mutual customers. As current partners know, the foundation of partner success with Oracle is the Oracle PartnerNetwork, a worldwide ecosystem of more than 17,700 partners, a management portal, a network of interaction centers for partner support, and a global business program. Partnership with Oracle offers access to Oracle's premier products, education, and support from across all lines of business within Oracle. Oracle seeks to maintain and enhance the relationships with existing SPL partners through our global partner program.

How can Oracle partners benefit from this acquisition?

Oracle partners can benefit from SPL's best-in-class solutions for utilities revenue and operations management. Oracle and SPL provide complementary solutions that create the first end-to-end packaged enterprise software suite for the utilities industry.

System Integrators specializing in utilities should be better able to provide world-class solutions to customers due to the expanded application footprint and strengthened go-to-market capabilities from Oracle's global sales force.

Oracle plans to broaden existing ISV and developer partnerships to complete the combined footprint. Oracle plans to develop joint product road maps with our customers that include customer-driven requirements. Oracle is committed to helping other utility ISVs build and deploy their solutions on Oracle's infrastructure software, including our relational database, middleware, and analytics. Oracle is also committed to helping enable integrations between utility ISVs and Oracle's other enterprise applications.

How will SPL partners learn more about the Oracle PartnerNetwork program and partnerships with Oracle?

The Oracle PartnerNetwork portal is the best source of information about the program. Partners may also contact an Oracle PartnerNetwork representative directly by going to partner.oracle.com and clicking **Contact Us**.

How will Oracle support SPL partners through the integration and beyond?

Oracle is deeply committed to our partners' success. The message for SPL partners today is one of continuity—business as usual. Appropriate steps are being taken to ensure that business continues uninterrupted. As we blend SPL education delivery with Oracle University, we want to ensure that partners are fully prepared to take advantage of the new opportunities available through this combination. The Oracle PartnerNetwork portal will feature upcoming training announcements.

Throughout the transition, we will communicate with partners and provide the latest information and resources to address questions and highlight new opportunities. Partners not yet enrolled in the Oracle PartnerNetwork program will be invited to join the program to gain access to some of the highest levels of support and resources in the industry today.

For those who are both SPL partners and members of Oracle PartnerNetwork, will SPL contracts be honored?

Yes. To provide a smooth transition, existing SPL partner contracts remain in effect, and existing SPL contracts for support, professional services, and sales remain the same. As contact information changes, we will communicate these changes through the usual channels. SPL representatives will be reaching out to SPL partners to answer any questions. These partners may also use their current Oracle channels for support for any questions.

How will this acquisition impact any existing project, deployment, or service engagements?

It is not expected that this transaction will impact any existing project, deployment, or services engagement. With the depth, breadth, and scale of Oracle, it is anticipated that customers will continue to derive even more value from SPL's product portfolio. The utilities global business unit will continue to provide its world-class products as well as its unparalleled services and product management portfolio.

Does this acquisition affect Oracle's relationship with other utilities and public sector vendors?

Many utilities and public sector enterprises have multivendor environments and use a variety of revenue and operations management applications. Oracle is committed to the ongoing support of other utilities and public sector applications vendors.

Business Continuity

Can I still purchase SPL products?

Yes. Please contact your SPL sales representative, or visit www.splwg.com for contact information.

How will Oracle provide for the smooth combination of the two companies?

Oracle is very focused on customer satisfaction and plans to provide a smooth transition without customer disruption. Oracle is 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. We will communicate regularly throughout this process to keep our customers well informed.

Critical integration goals for SPL include:

- Focus on 100% customer satisfaction
- Provide smooth transition for customers without interruption
- Maintain communication throughout the integration
- Provide customer continuity
- Maintain relationships with partners
- Retain SPL management and employees as part of a newly formed utilities global business unit

Should SPL customers continue to call the SPL Support Center?

Yes. SPL customers will continue to receive support and services from SPL, and should continue to use existing SPL contacts for support, professional services, and sales to address immediate and ongoing needs. We will communicate all changes and transitions that occur, if any, well in advance through these familiar channels.

Should SPL customers continue to contact their SPL sales and services representative?

Yes. Until further notice, customers should continue to rely on existing relationships. We will communicate any changes, if necessary.

Will training on SPL products continue?

Yes. We currently plan to combine the SPL 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 existing SPL customer contracts be honored?

Yes. Oracle intends to honor the terms and conditions of existing SPL contracts for all existing license and service projects. Technical support will continue to be governed by the terms of the SPL maintenance agreement until the current support term expires. At the first renewal with Oracle, customers' support services (but not licenses) will be migrated to an Oracle License and Services Agreement (OLSA), which will govern the next support term. The OLSA will not govern customers' SPL license(s). New orders under existing SPL contracts may include order-specific modifications to meet the requirements of Oracle's order-taking policies.

Will the SPL leadership and employees be retained?

Yes. The goal of this combination is to complement the offerings of Oracle. Oracle intends to maintain SPL as a separate unit within Oracle and to retain the existing SPL management team to lead the utilities global business unit for the combined companies.

What will happen to the SPL user conference, Encompass, in November?

SPL's user conference in Orlando from November 5–8 is continuing as planned. Oracle representatives will be available to answer questions that customers and partners may have.

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

For more information, please visit oracle.com/SPL

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 DECISION. THE DEVELOPMENT, RELEASE, AND TIMING OF ANY FEATURES OR FUNCTIONALITY DESCRIBED FOR ORACLE'S OR SPL'S PRODUCTS REMAINS AT THE SOLE DISCRETION OF ORACLE.