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**360Commerce®**

# **Oracle and 360Commerce**

Acquisition Announcement

January 18, 2006

# Agenda

- What We Are Announcing
- Strategic Rationale
- Anticipated Benefits to Retailers
- Background on 360Commerce
- Combined Solution and Post-transaction Integration Plan

# What We Are Announcing

- **Oracle has acquired 360Commerce**
  - Terms undisclosed
- **About 360Commerce**
  - **Most proven and widely deployed** open store solutions
  - **Over 14 years experience and 22 customers** worldwide:  
North America, Europe, Asia and Latin America
  - Approximately **220 employees**
  - **Highly complementary** solutions

# Strategic Rationale

- Store solutions represent the **highest spend in retail** as retailers seek to differentiate on the in-store experience to better compete
- Fits the Oracle Retail “**Best of the Best**” M&A Strategy
  - Best people: Recognized thought leadership, domain expertise, and vision
  - Best products: **#1 provider of Java-based Point-of-Sale** solutions with marquee retail customer references
- Solves **time to market in stores & improves competitive advantage**
  - 2-3 year speed to market over current Point-of-Sale and Back Office build-out plans
- Combination of Oracle and 360Commerce will bring together the store solutions, merchandising, supply chain and optimization solutions across the enterprise, from the back office to the store, enabling **Customer-Centric Retailing**
- Will provide retailers with a **single retail technology stack and point of integration**

# Business Benefits to Retailers

- Competitive advantage in the marketplace by **delivering a superior customer shopping experience**
- **Increased revenue and lower operating and service costs**
- **Increased brand recognition and differentiated stores**

# Store Solutions Continue to be the Focus of Retailers

## Large pent-up demand

“In the next 12 months, **57% of retailers** plan to replace or upgrade their POS systems.”

*Retail Horizons: Forecasts for 2005*

“**44% of retailers** are planning to purchase WFM in the next 12-18 months.”

*Year of the Store?, IHL Consulting, January 2005*

## Retailers plan to address the need

“**58% of retailers** said **store systems** is the **#1 focus** of their strategic investments over the next 12 months.”

*Retail Industry Leaders Assoc.*

“Over the next two years, **eight out of 10 retail IT initiatives** will be focused on **store systems.**”

*NRF 2005*

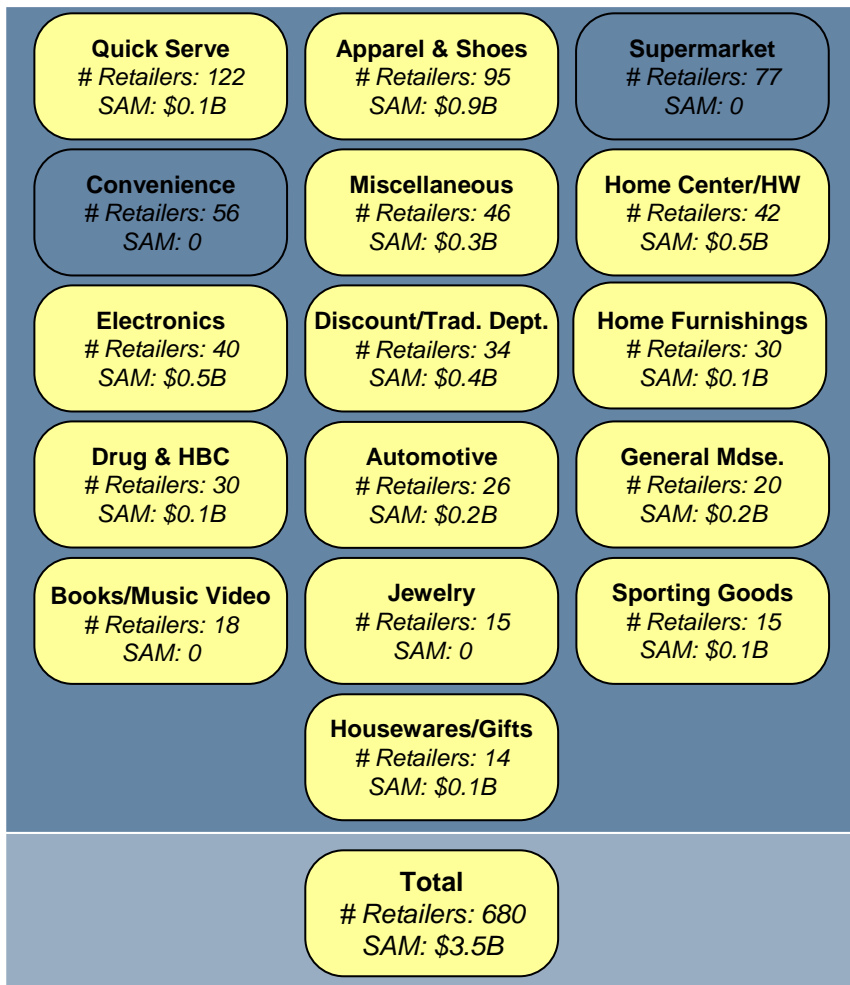
“**52% of retailers** plan to **increase IT spending in 2006.**”

*15<sup>th</sup> Annual Retail Technology Study*

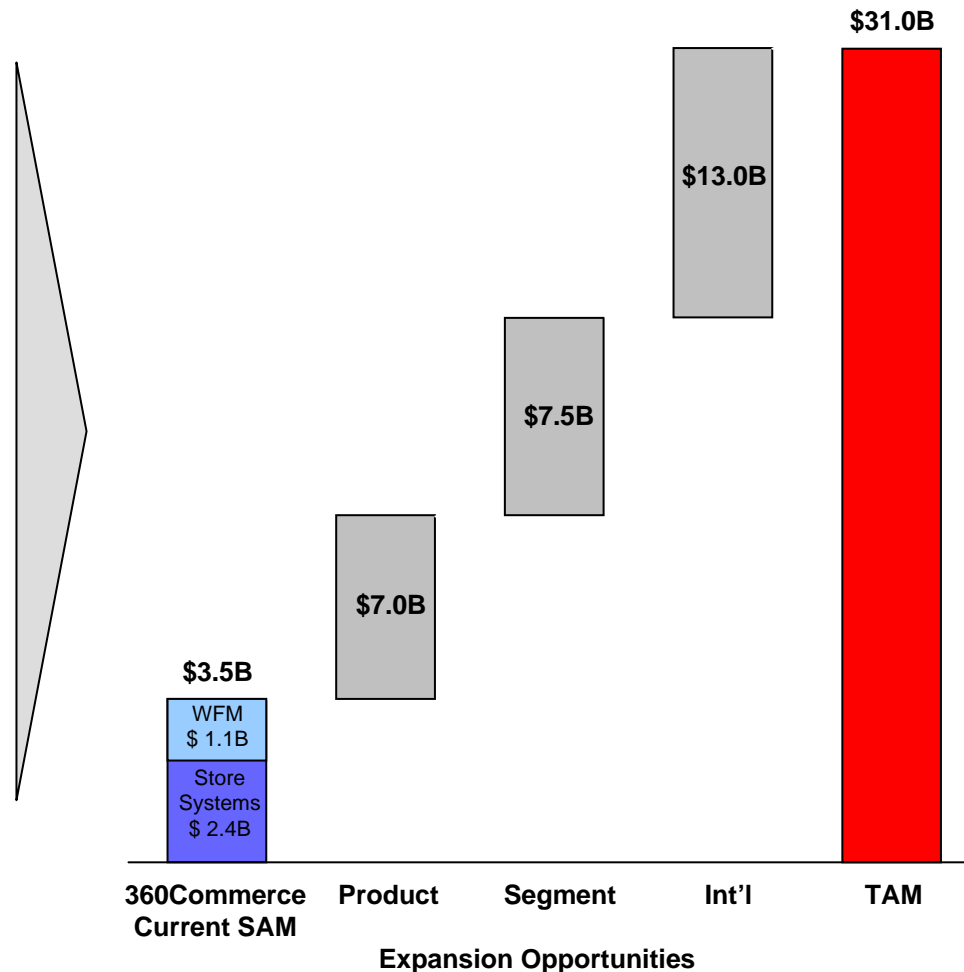


# Retail Software Market Opportunity

## Retail Market Framework\*



## Retail Market Opportunity



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# 360Commerce Customers

22 customers worldwide: North America, Europe, Japan, and Latin America.

Joint Oracle/360Commerce customers include Best Buy, Circuit City, Gap Inc., The Home Depot, and Stein Mart, among others.



Grupo Sanborns

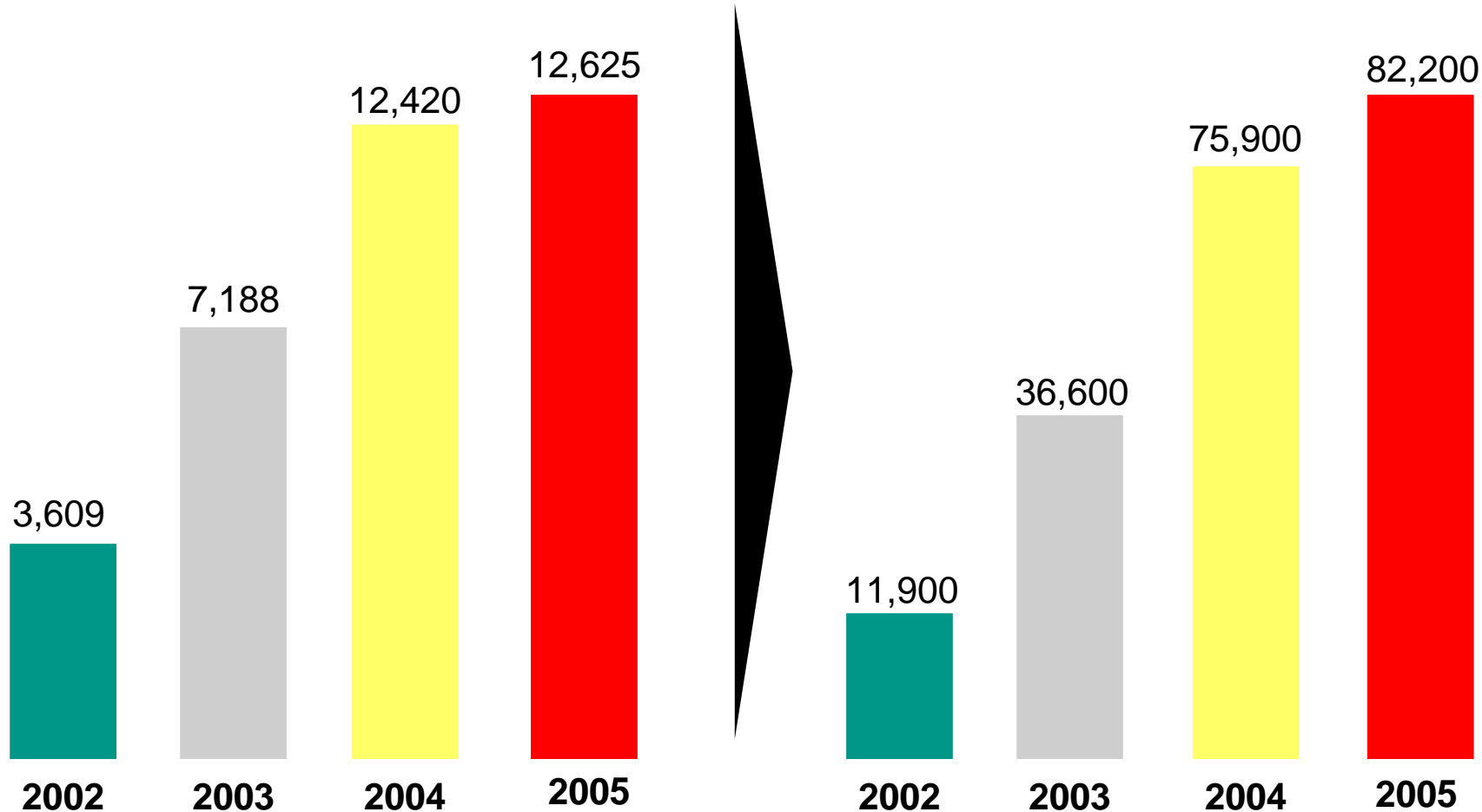


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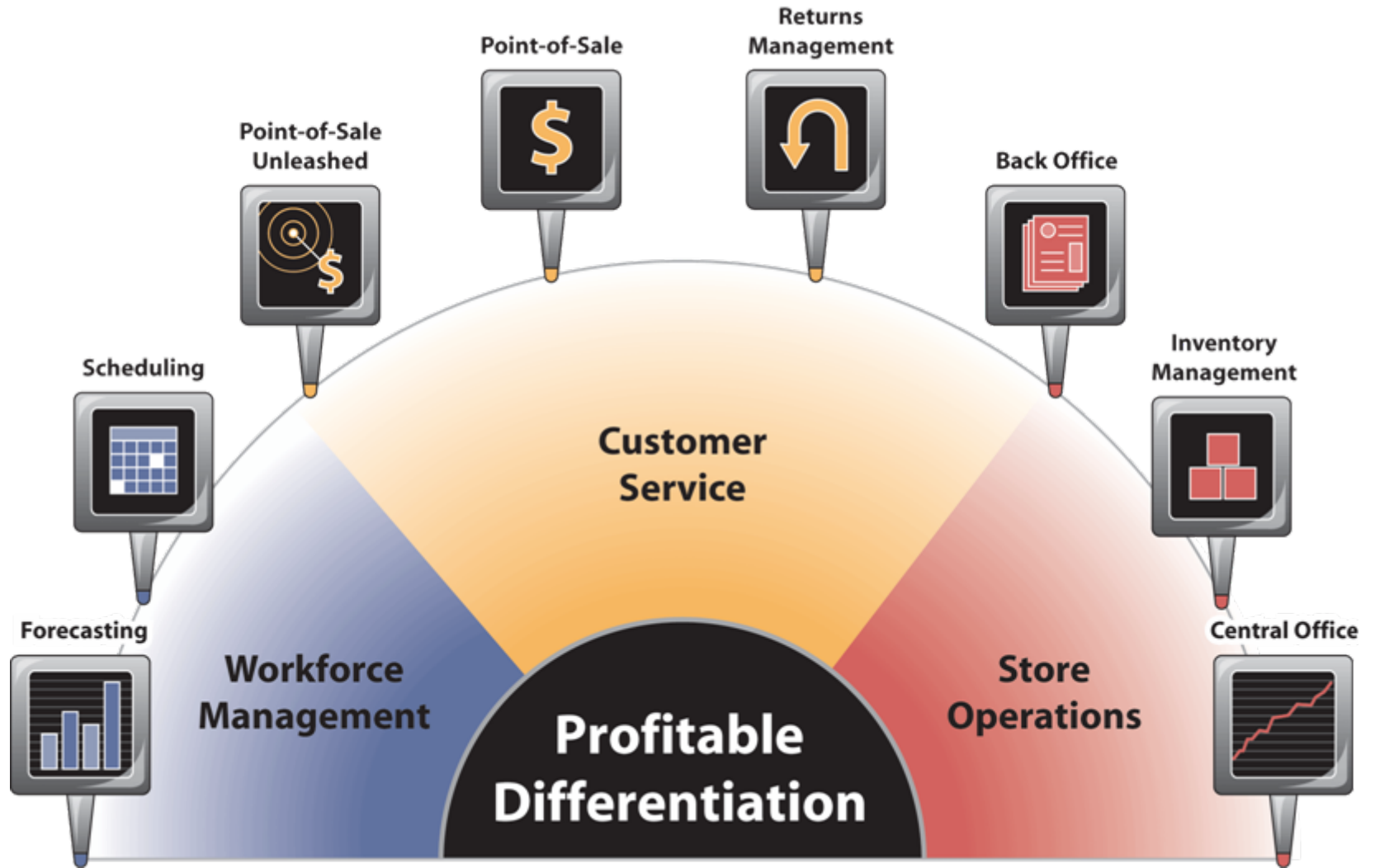
# Proven Next-Generation Store Solutions

360Commerce Total Stores

360Commerce Installed Clients

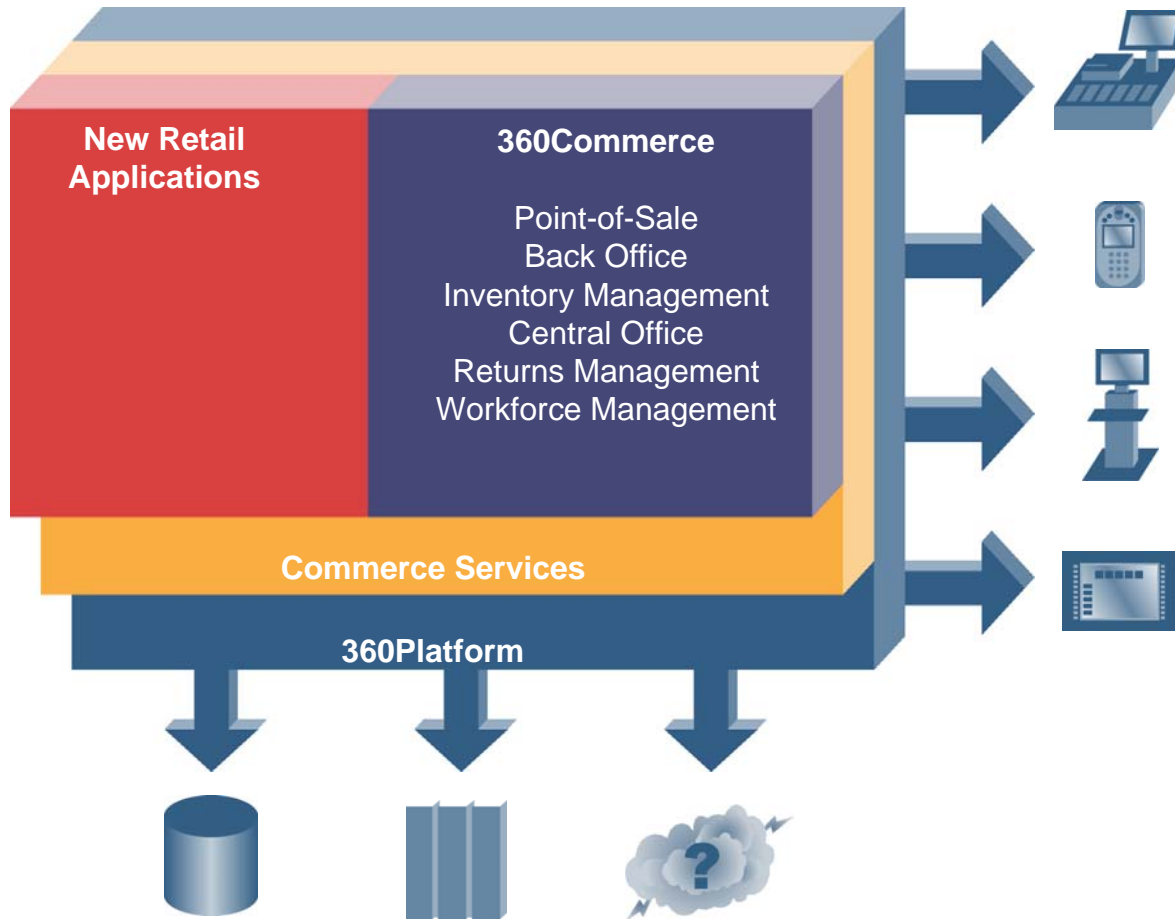


# 360Commerce Solutions



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# 360Commerce Technology Architecture



## 360Commerce<sup>®</sup> Architecture

- Enterprise-class solution provides retailers with benefits of best-of-breed and integration.
- Reusable components reduce the cost of customization and creation of new applications.
- Service-oriented, standards-based application framework reduces risks and total cost of ownership.
- J2EE-based architecture enables hardware, OS and database agnostic solution.

# Oracle Retail Enterprise-wide Solution

**360Commerce**

- Store Solutions

 **Retek**

- Merchandise and Supply Chain

  
ProfitLogic

- Retail Profit Optimization

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- Enterprise applications, middleware and database technologies

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RETAIL

- *Combination creates a stronger retail enterprise solution*

- Powerhouse of talent focused on retail
- Global reach and resources
- Value – Vitality – Vision

# Customer Centric Retailing

## 1 Insight Driven Retailing

We believe that the majority of critical retail decisions made today can be dramatically improved by the infusion of demand-insight and optimization.

## 2 Store & Multi-Channel Retailing

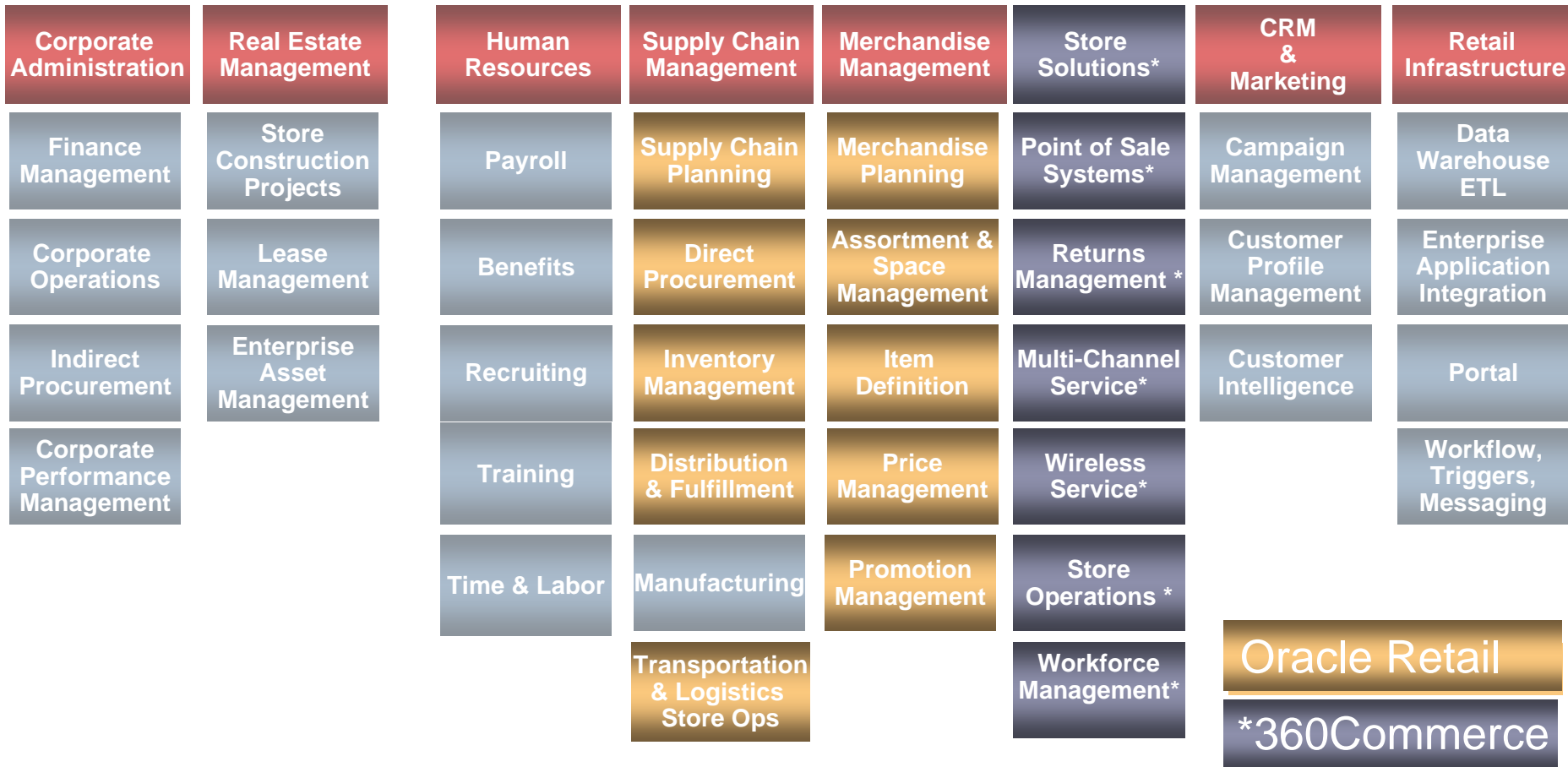
We believe there is a great opportunity to lower the cost of service and to dramatically improve the customer experience with next generation store & multi-channel solutions.

# Insight and Customer-Driven Retailing





# Oracle Retail Solution Footprint



Technology

Database, Tools, Application Server, Collaboration Suite

Note 1: Time & Labor requirements at Store Level, Associate Budget and Planning.

Note 2: POS – E.g Multi-channel servicing, Customer loyalty. Coverage includes POS for apparel.

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The above is for informational purposes only and may not be incorporated into a contract.

# Post-transaction Integration Plan

- Integrate 360Commerce store solutions with Oracle Retail Store Inventory Management (SIM) systems for complete supply chain and demand management.
- Integrate 360Commerce store solutions clock in/out functionality into Oracle Retail Workforce Management solution.
- Integrate 360Commerce Back Office employee maintenance functionality with PeopleSoft solution.
- Integrate 360Commerce Central Office solution with Oracle Retail's data warehouse and business intelligence solutions.

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