



Overview of Strategy and Direction

Mike Cochran
Group Vice President

Agenda

- About Oracle: Corporate Background
- Market Evolution: Trends and Impact
- Oracle Evolution:
 - Current State
 - Strategic Direction
 - Implications

Oracle Corporation

- Largest Enterprise Software Company
- \$11.8 Billion Revenue, FY05
- 275,000 Customers
- 60,000 Employees
- Operating in 145 Countries



Oracle's Database Business

- 230,000 Database Customers
 - #1 Database Market Share
 - #1 Market Share on Linux

Oracle's Application Business

- 30,000 Applications Customers
 - #1 in North America
 - #1 in Human Resource Management globally
 - #1 in Supply Chain Management globally
 - #1 in Customer Relationship Management globally

Ellison at OracleWorld... Oracle's Focus

- **Open Standards = Choice**
 - Coexistence
 - Pluggability
 - SOA, Java, Web
- **Virtualization – iFlex, Retek, G-log, Profitlogic**
- **Security Focus – “It’s #1 Issue Today...”**
- **BI -**
 - Information exploitation
- **Automation**

Oracle Evolution

Current State, Strategic
Direction and Implications

Oracle is Transforming

- Strategic Consolidation: 1999 – 2004
 - Financials
 - Infrastructure
 - Standardization
 - Automation
- Results:
 - >\$1B in savings

Case Study: Oracle Corporation

Gartner Group & Harvard Business Review

- Problem: 1998
 - Not operating as a Global Business
 - 52 separate app instances
 - No global view for financial performance
- Objective: Rationalize Application Infrastructure
 - Consolidate to single instance
 - Standardize processes and function
 - Gain economies of scale

Case Study: Oracle Corporation

- Consolidate information
- Move to shared service centers
- Automate processes and adopt self-service
- Manage internal controls
- Build a culture of compliance
- ***Gain better visibility, control and efficiency***

Oracle's M & A Strategy

“We have no plans to buy anything that doesn't contribute to our long term strategy and profit growth targets of 20 percent per year, for the next five years.”

Larry Ellison

Applications Recent Acquisitions

- **Glogic**
- **PeopleSoft**
- **JDE**
- **Retek**
- **i-flex Solutions**
- **Profit Logic**
- **Siebel**
- **360 Commerce**
- **TempoSoft**

Technology's Recent Acquisitions

- **Oblix**
- **Thor**
- **Octeststring**
- **Times Ten**

OpenSource Acquisitions

- **Innobase**
- **SleepyCat**

Oracle Velocity

- Strategic Growth by Acquisition
 - Adding the right companies for the right reasons
- Integrated PSFT people, processes and assets
 - <9 months
- Paid off debt issue: \$7B +
 - <9 months

What this means to Customers...

Oracle Fusion

- Half way through the development process
- On track for 2008 delivery
- Fusion Customer Council has been enthusiastic

PeopleSoft Customers

- Have registered substantially improved satisfaction levels
- Customers are now renewing their support contracts at a higher rate than when PeopleSoft was a stand-alone company

Nobody predicted that. They're happy, we're happy."

Larry Ellison, December 2005

http://www.oracle.com/corporate/investor_relations/index.html

Project Fusion: Oracle's Information Age Applications



- **Fusing world class applications – Project Fusion**
- **Delivering a standards based, secure, service-oriented Fusion Architecture**
- **Built on Fusion Middleware**
 - **industry leading technology available today!**

Built to address today's business challenges

Fusion Strategy

Fusion Architecture

- Blueprint for SOA-based Enterprise Solutions

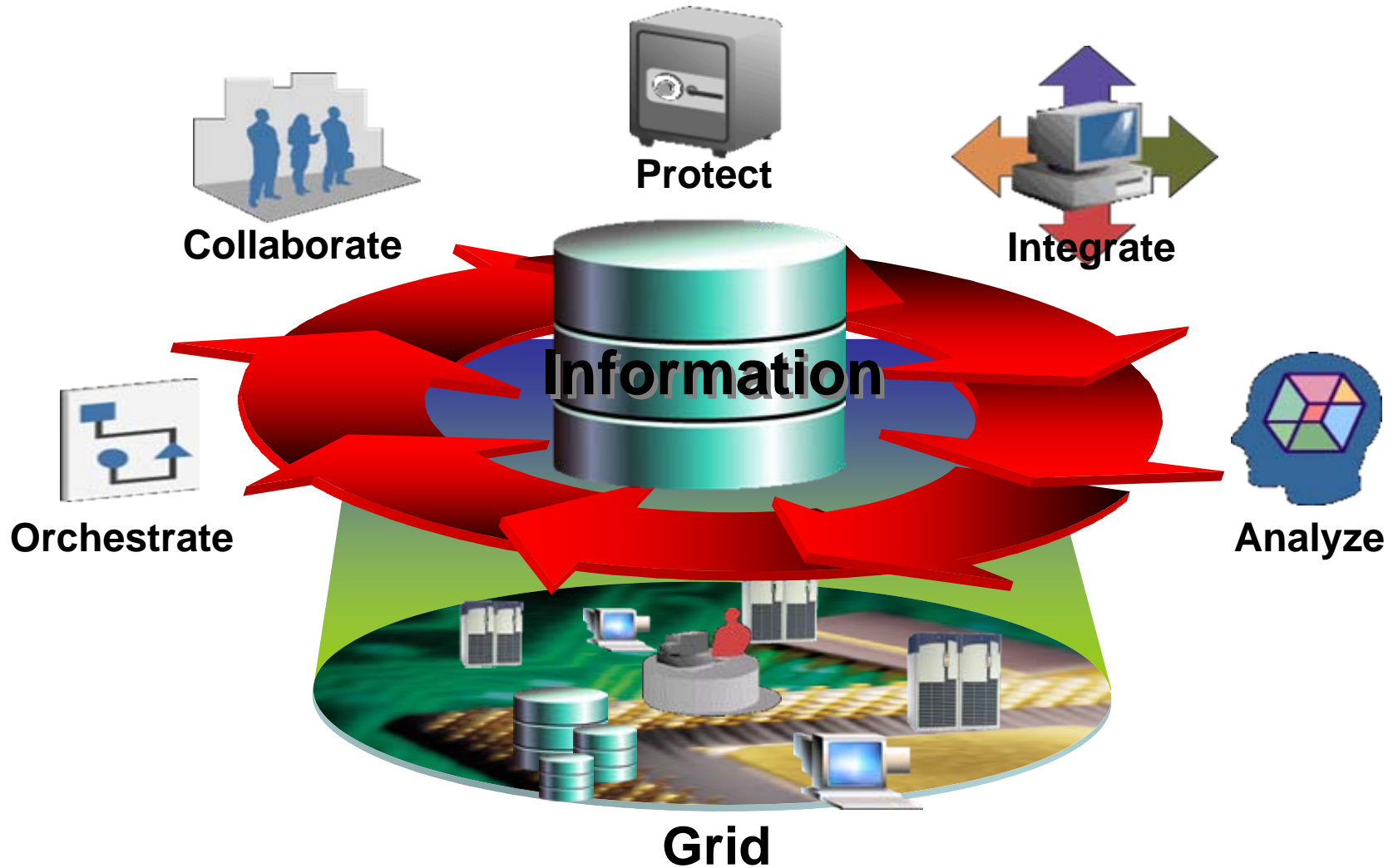
Fusion Middleware

- Technology Infrastructure for Fusion Architecture

Fusion Applications

- Adaptable Business Processes

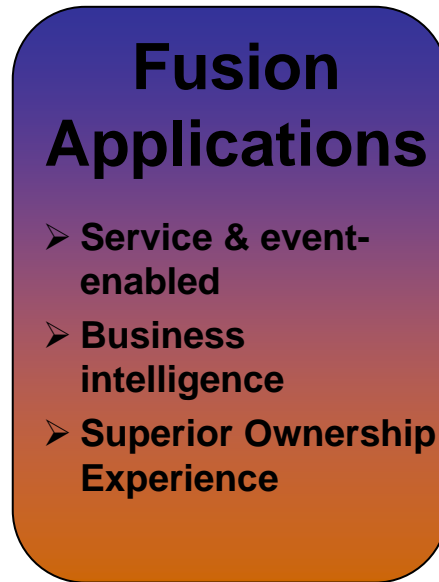
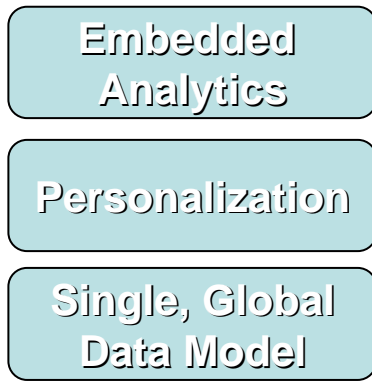
Fusion Middleware



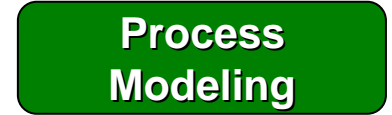
Fusion Applications

“The Best of All Worlds”

Oracle E-Business Suite



JD Edwards EnterpriseOne



PeopleSoft Enterprise



Enabled by Fusion Architecture and Fusion Middleware

Fusion Roadmap

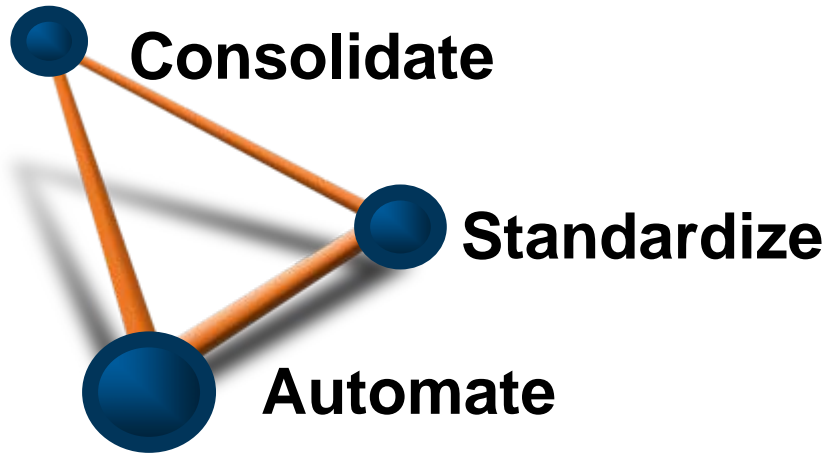
<ul style="list-style-type: none">• Fusion Middleware Certification• Fusion Architecture• Continue releasing PeopleSoft Enterprise 8.9• Integration with RETEK (BPEL)	<ul style="list-style-type: none">• PeopleSoft Enterprise 9.0• JD Edwards Enterprise One 8.12• Oracle EBS 12• First use of Fusion technology• Data Hubs and Transaction Bases	<ul style="list-style-type: none">• Product Data Hub for Retail• JD Edwards Enterprise One 9.0• JD Edwards World 9.1• Individual Fusion Applications	<ul style="list-style-type: none">• Fusion Applications Suite
2005	2006	2007	2008

Why Oracle is Uniquely Able to Deliver

- 60,000 Employees Worldwide
- 15,000 developers
 - 8,000 Applications / 5,000 DB and AS
- 6,000 Support Staff
- 260,000+ Total Customers
 - 23,000 Applications Customers
- Supplier for Enterprise, Mid-Market and Medium Size Companies.

FY 2005: \$2B in R and D

How...



“The typical enterprise, with mainframe, Unix and Windows deployments, could save between 8.5% & 10.5% of the data center budget by implementing standardization, automation and consolidation.”

Gartner Research
July 2003

A large, stylized graphic of the letters 'Q' and 'A' in red, with a blue ampersand between them. The letters are thick and have a slight shadow effect. The 'Q' is on the left, the ampersand is in the center, and the 'A' is on the right. The text 'QUESTIONS' and 'ANSWERS' is overlaid on the graphic in a bold, black, sans-serif font.

QUESTIONS
ANSWERS