ORACLE®

Quarter-In-Review

Q2 Fiscal Year 2003
Ended November 30, 2002

Oracle Corporation
Q2 Fiscal Year 2003
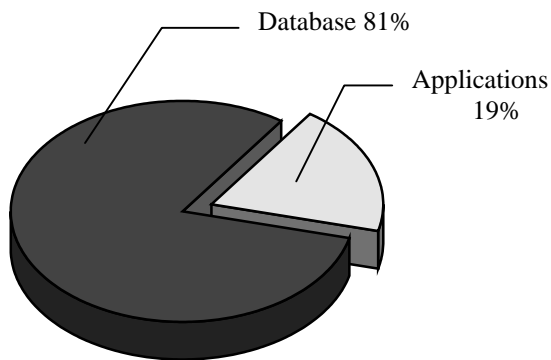# Quarter-In-Review

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ORACLE-AT-A-GLANCE
Q2 Fiscal Year 2003

ORACLE®

DESCRIPTION

Oracle Corporation is the world's largest enterprise software company. With annual revenues of $9.35 billion, the company offers its database, tools, application server and applications products, along with related consulting, education, and support services, in more than 145 countries around the world.

SECOND QUARTER FISCAL YEAR 2003 RESULTS, ENDING NOVEMBER 30, 2002

| **LICENSE REVENUE BY PRODUCT*** | **REVENUE BY LINE OF BUSINESS*** |

Database 81%

Applications 19%

Services 65%

License & Other 35%

REVENUE BY GEOGRAPHY*

Asia Pacific 18%

EMEA 36%

Americas 46%
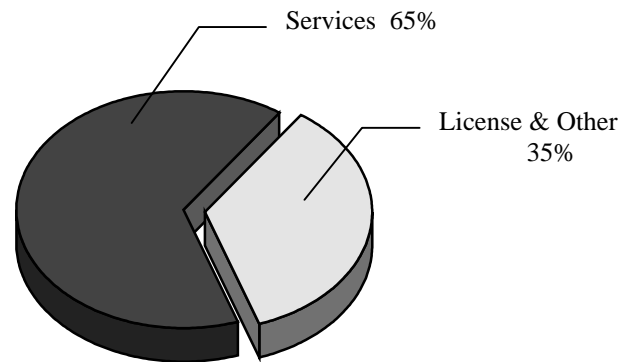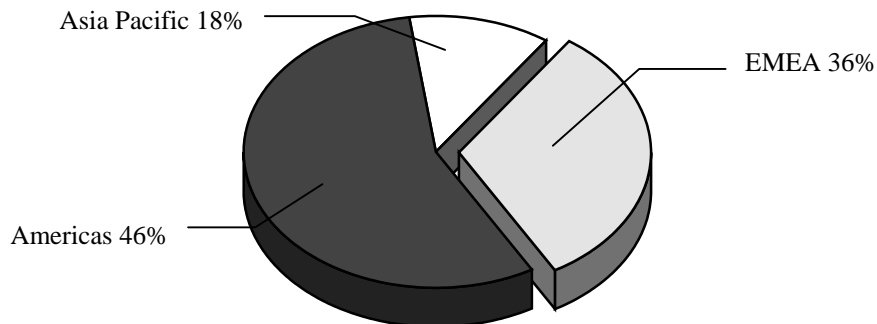
*TTM

AT-A-GLANCE

Founded:	**Employees:**	**Revenue:**
1977	International: 22,225	$9.35 Billion
	Domestic: 18,420	(Trailing 12 Month)
	Total: 40,645	

INVESTOR RELATIONS CONTACT INFORMATION

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INVESTOR RELATIONS WEB SITE

http://www.oracle.com/investor

Available information:
- Financial News
- Analyst Spreadsheets
- Live and Archived Web Broadcasts
- Frequently Asked Questions
- Presentations (Investor and Analyst Day Presentations)
- Historical Price Look up
- Financials/SEC Fillings (Link to Oracle SEC Filings)
- Contacts & Information Requests (10K, 10Q, & Proxy)
- Annual Reports
- Corporate History
- Fundamentals
- Research Coverage
- Board of Directors Profiles
- Executive Profiles
- Calendar of Events
- Stock Charts

Investor Frequently Asked Questions

Q: When has Oracle's stock split?

March 9, 1987	2 for 1	April 16, 1996	3 for 2
December 21, 1987	2 for 1	November 15, 1997	3 for 2
June 16, 1989	2 for 1	May 26, 1999	3 for 2
November 8, 1993	2 for 1	January 18, 2000	2 for 1
May 22, 1995	3 for 2	October 12, 2000	2 for 1

Q: When is the next earnings release? When is Oracle's fiscal year end?

Oracle's fiscal year ends May 31

Quarter	Est. Report Date
Q2 ended August 31	Mid September
Q2 ended November 30	Mid December
Q2 ended February 28	Mid March
Q2 ended May 31	Mid June

Q: When is Oracle's next Analyst Day?

Our next Analyst Day will take place on Tuesday, January 21, 2003, at AppsWorld in San Diego, California. Analyst Day is a bi-annual event for institutional investors and financial analysts.

Q: How can an analyst be updated or added to our database?

E-mail us at: investor_us@oracle.com with your (1) name, (2) company name, (3) telephone number, (4) e-mail, and (5) indicate if you are a sell side or buy side analyst.

Q: How long has CEO Larry Ellison been at Oracle and when was Oracle founded?

Larry has been at Oracle since it was founded in 1977.

Q: When did Oracle's incorporation/reincorporation occur?

- Oracle Corporation incorporated in California on June 16, 1977.
- Oracle Systems Corporation incorporated in California on October 29, 1982.
- Oracle Systems incorporated in Delaware on October 29, 1986.
- Oracle Systems Corporation merged with Oracle Corporation (eliminated holding company structure) and is renamed Oracle Corporation on June 1, 1995.

Q: When was Oracle's initial public offering?
- Initial Public Offering (IPO) of 2,100,000 shares on March 12, 1986 (Merrill Lynch & Co., Alex Brown & Sons, Inc.). Offering Price: $15.00
- Second Public Offering of 2,305,262 shares on April 8, 1987 (Alex Brown & Sons, Inc., Donaldson Lufkin & Jenrette Securities Corp). Offering Price: $24.00
- Issuance of $300,000,000 principal amount of senior debt securities on May 19, 1997. (Morgan Stanley & Co. Inc., Goldman, Sachs & Co., Merrill Lynch & Co.)

Q: When is the next Annual Shareholders' Meeting?

Oracle's Annual Shareholders' Meeting is traditionally held in October.

Q: When is Oracle's Quiet Period?

Quiet period begins 10 business days before the end of the quarter and ends once Oracle announces its quarterly earnings.

Q: Who are Oracle's auditors?

Ernst & Young, LLP

Q: What is Oracle's CUSIP number?

68389X105

Q: What investor events/conferences has Oracle participated in this quarter?

Q2 Investor Events

September 23-27, 2002
CSFB European Tour
Jeff Henley, EVP and CFO
Europe

October 14, 2002
Annual Shareholders Meeting
Board of Directors
Redwood Shores, CA

October 29, 2002
RBC Capital Markets Tech Conference
Jeff Henley, EVP and CFO
San Francisco, CA

October 30, 2002
Prudential Securities Technology Conference
Thomas Kurian, SVP, 9iAS
New York, NY

October 30, 2002
Collaboration Suite Product Briefing
Senior Management
New York, NY

November 5, 2002
Goldman Sachs Technology Retreat
Kevin Fitzgerald, SVP, OGEH
Laguna Nigel, CA

November 11, 2002
Financial Analyst Briefing & Reception (at OpenWorld, San Francico)
Senior Management
San Francisco, CA

EARNINGS PRESS RELEASE
Q2 Fiscal Year 2003

ORACLE

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                 Investor Relations   Corporate Communications
                 Oracle Corporation   Oracle Corporation
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ORACLE Q2 EARNINGS 10 CENTS PER SHARE
Q2 Operating margin is 34%

Redwood Shores, Calif., December 18, 2002—[http://www.oracle.com/tellmemore/?1544286] Today, Oracle Corporation announced second quarter revenue of $2.31 billion and net income of $535 million or $0.10 per share.   This compares to $2.38 billion in revenue and net income of $549 million and $0.10 per share a year ago. License revenues were $765 million, down 7%, while License updates and product support revenues were $954 million, up 8%. Services revenues were $590 million, down 11%. Second quarter operating margin was 34%, equal to last year.

"Even during an economic downturn Oracle's installed base of customers continues to grow, so our revenues from license update rights continue to rise.   That's the underlying strength in our business model. That's what allows us to maintain our profitability at high levels even though we increased research and development spending by 15%," said Oracle CFO Jeff Henley.

"We're pleased that our database business started to grow again this quarter," said Oracle CEO Larry Ellison. "We have never been in a stronger position relative to our competitors. Morgan Stanley's December 2002 Enterprise Software Survey asked CIOs to name their preferred database: 54% chose Oracle, Microsoft was second at 26%, and IBM was a distant third at 9%. This survey shows that Oracle is preferred by more than 2 to 1 over Microsoft, and fully 6 to 1 over IBM."

Oracle is the world's largest enterprise software company. For more information about Oracle, including supplemental financial information, please call Investor Relations at (650) 506-4073 or visit Oracle on the web at **www.oracle.com/investor.**

-more -

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ORACLE EXHIBITS CONTINUED CUSTOMER MOMENTUM WITH Q2 CUSTOMER WINS

Market Leader Captures Global Adoption for End-to-End Integrated Solutions

REDWOOD SHORES, Calif., Dec. 18, 2002 — (http://www.oracle.com/tellmemore/?1561892) Oracle Corporation (Nasdaq: ORCL), the world's largest enterprise software company, today announced key customer wins signed during the second quarter of its fiscal year 2003, the results of which were announced today. Oracle continues to build momentum as businesses across industries and regions choose Oracle® software and services to help lower information technology (IT) costs and achieve new levels of efficiency. Increasingly, businesses are purchasing or upgrading to the Oracle E-Business Suite 11*i*, Oracle9*i* Database, Oracle9*i* Application Server and Oracle Collaboration Suite to realize the benefits associated with a single data model that stores information across a full range of integrated applications.

Oracle E-Business Suite

The Oracle E-Business Suite enables companies to automate and manage entire business processes across customer management, manufacturing, marketing, order management and supply chain management and from one global system. Primary reasons customers select the Oracle E-Business Suite include Oracle's single architecture and open data model, which allow applications to be deployed as individual modules, business flows or an entire integrated suite.

Customers around the world who purchased Oracle's Applications during Oracle's second quarter include: Agilent, ALSO IT Services AG, Arab African International Bank, Banfield, The Pet Hospital, Biogen, Bolton Metropolitan Council,

Club Corporation of America, CIGNA, Contraloria General de la Republica de Colombia (CGR), Credit Agricole, Cruz Roja NH Hoteles, Ducati Motor Holding SpA, Garmin International, Giesecke & Devrient GmbH, the French Gendarmerie Nationale, Hanover Compression Company, Herbalife International of America Inc., Indian Hotels Company Ltd., Juken Technology (S) Pte Ltd, Matsushita Electric Asia Pte Ltd (MA), NSTAR Electric and Gas, Pan-United Corporation Ltd., PGR, Sate JSC Latvenergo, Scandinavian IT Group Denmark A/S, Silicon Image Inc., Smart Communications, Inc., Suratep, Stantec, Telia AB, and USANA.

"With the Oracle E-Business Suite, we expect to dramatically streamline our business processes, resulting in reduced costs and increased productivity," said Brian Pokorny, director of Operations for Garmin International. "Oracle was the only vendor that offered us a completely integrated enterprise solution that will support our organization's growth in the years to come."

Oracle9*i* Database, Oracle9*i* Application Server and Oracle Collaboration Suite

Oracle's information management software products include the world's leading database — Oracle9*i* Database — and Oracle9*i* Application Server. Because e-business Web sites, as well as transactional and decision support applications require both a database and an application server, Oracle9*i* Database and Oracle9*i* Application Server are an ideal choice for companies that want the performance and cost saving benefits of a complete and integrated infrastructure. Oracle9*i* Database and Oracle9*i* Application Server enable companies around the world to run mission-critical business applications with a highly reliable, available and scalable foundation.

Oracle Collaboration Suite builds on Oracle's leading information management software by providing companies with a unified collaboration environment built on Oracle's highly secure and reliable software infrastructure. Oracle Collaboration Suite provides users with the right information when and where it is needed—via e-mail, voice mail, calendaring, file sharing, search and wireless access.

Customers around the world who purchased Oracle9*i* Database and/or Oracle9*i* Application Server and Oracle Collaboration Suite during Q2 include: ANPE, Aspect Communications, Boston Communications Group Inc., Calpine Corporation, Central

Bank of India, CEZ, a.s., CIGNA, Community College of Philadelphia, Contraloria General de la Republica de Colombia (CGR), Department of Veterans Affairs, Direktorat Jenderal Pajak, Directorate of Treasuries and Accounts, EON AG, Flagstar, Garmin International, Government of Madhya Pradesh, Hanover Compression Company, Interflora British Unit Limited, H3G, La Caixa, Madhya Pradesh State Electricity Board, Metropolitan Electricity Authority, the Turkish Ministry of Justice, North Carolina Department Of State Treasurer, NH Hoteles, NTT DoCoMo, OTP Bank, Potash Corporation of Saskatchewan Inc., Printemps, Salcobrand, Saskatchewan Inc., Smart Communications, SNT Group NV, Standard Life group, Stephen F. Austin University, SunGard Asset Management Systems, Tata Engineering, Telefonica de Espana S.A., Travelocity, Trinity Health Novi Michigan, T-Systems ITS, and UTI Bank Limited.

"We use Oracle as the database engine for Global Plus, our multi-currency, asset management/accounting application that we offer on an ASP basis. The decision to go with Oracle was based purely on its ability to perform well in a high volume processing environment," said Daniel Ross, vice president of Data Center Services, SunGard Asset Management Systems. "Not only have we seen excellent performance on the high volume processing side, we have also been extremely pleased with the performance in data reporting and the ability to recover data quickly in our disaster recovery testing."

About Oracle

Oracle is the world's largest enterprise software company. For more information about Oracle, visit our Web site at www.oracle.com.

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Tellmemore:
I'd like to read Oracle's Q2 earnings statement.
http://www.oracle.com/corporate/investor_relations/

Tell me more about the Oracle E-Business Suite.
http://www.oracle.com/applications/

I'm interested in learning more about Oracle9*i* Database.
http://www.oracle.com/ip/deploy/database/oracle9i/

I'm interested in learning more about Oracle9i Application Server.
http://www.oracle.com/ip/deploy/ias/index.html

Where can I see, try and buy Oracle products?
http://oraclestore.oracle.com/

I'm a member of the media; whom can I contact for more information?
Amy. swanson@oracle.com

ANALYST SPREADSHEETS
Q2 Fiscal Year 2003

ORACLE CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
($ in thousands, except per share data)
(unaudited)

	Three Months Ended November 30,		Six Months Ended November 30,	
	2002	**2001**	**2002**	**2001**
REVENUES				
Licenses and other	$ 764,887	$ 819,324	$ 1,327,921	$ 1,550,756
License updates and product support (1)	953,622	881,135	1,858,717	1,724,300
Services (1), (2)	589,999	679,978	1,149,418	1,370,436
Total Revenues	2,308,508	2,380,437	4,336,056	4,645,492
OPERATING EXPENSES				
Sales and marketing	512,327	571,152	983,594	1,106,633
Licenses updates and product support	117,377	116,676	234,358	233,235
Services (1)	480,619	516,264	952,930	1,032,588
Research and development	295,331	257,484	581,410	510,783
General and administrative	108,913	98,917	210,707	196,531
Total Operating Expenses	1,514,567	1,560,493	2,962,999	3,079,770
OPERATING INCOME	793,941	819,944	1,373,057	1,565,722
Net investment losses related to equity securities (3)	(21,849)	(3,388)	(102,420)	(6,689)
Other income, net	27,947	28,770	51,126	71,904
INCOME BEFORE TAXES	800,039	845,326	1,321,763	1,630,937
Provision for income taxes (4)	265,173	295,864	444,169	570,828
NET INCOME	$ 534,866	$ 549,462	$ 877,594	$ 1,060,109
EARNINGS PER SHARE				
Basic	0.10	0.10	0.16	0.19
Diluted	0.10	0.10	0.16	0.18
SHARES OUTSTANDING				
Basic	5,308,868	5,528,372	5,353,843	5,554,092
Diluted	5,419,831	5,695,860	5,467,405	5,737,940

(1) On March 1, 2002, Oracle adopted Financial Accounting Standards Board Emerging Issues Task Force No. 01-14, *Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred.* EITF 01-14 requires reimbursements received for out-of-pocket expenses be reflected as revenues and to reclassify prior period financial statements to conform with the current period presentation. Prior to the adoption of EITF 01-14, reimbursable out-of-pocket expenses were reflected as net amounts in "Services" expenses. Reimbursable out-of-pocket expenses reclassified as revenues in the three months ended November 30, 2001 were $23,102. Reimbursable out-of-pocket expenses reclassified as revenues in the six months ended November 30, 2001 were $46,112.

(2) Services revenues include consulting, advanced product services and education. Advanced product services was previously included in license updates and product support.

(3) Net investment losses related to equity securities in the three months ended November 30, 2002 of $21,849 include a $15,030 impairment charge related to Oracle's investment in Liberate Technologies. Excluding the effect of the Liberate Technologies impairment charge, the effective income tax rate and provision for income taxes would have been 33.3% and $271,185, respectively, and net income and fully diluted earnings per share would have been $543,884 and $0.10, respectively. Net investment losses related to equity securities in the six months ended November 30, 2002 of $102,420 include an $87,174 impairment charge related to Oracle's investment in Liberate Technologies. Excluding the effect of the Liberate Technologies impairment charge, the effective income tax rate and provision for income taxes would have been 34% and $479,038 and net income and fully diluted earnings per share would have been $929,899 and $0.17.

(4) Provision for income taxes in the three months ended November 30, 2002 of $265,173 includes a $5,939 cumulative catch-up adjustment related to a decrease in Oracle's effective income tax rate on operating and other income from 35% to 34%. Excluding the effect of this adjustment, the provision for income taxes would have been $ 271,112 and net income and fully diluted earnings per share would have been $528,927 and $0.10.

ORACLE CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS DATA
(unaudited)

	Percentage of Revenues Three Months Ended November 30,		Percentage of Revenues Six Months Ended November 30,		Percentage Change Three Months FY03 vs. Three Months FY02	Percentage Change Six Months FY03 vs. Six Months FY02
	2002	**2001**	**2002**	**2001**		
REVENUES						
Licenses and other	33%	34%	31%	33%	(7%)	(14%)
License updates and product support	41%	37%	43%	37%	8%	8%
Services	26%	29%	26%	30%	(13%)	(16%)
Total Revenues	100%	100%	100%	100%	(3%)	(7%)
OPERATING EXPENSES						
Sales and marketing	22%	24%	24%	24%	(10%)	(11%)
License updates and product support	5%	5%	5%	5%	0%	0%
Services	21%	22%	22%	22%	(7%)	(8%)
Research and development	13%	11%	13%	11%	15%	14%
General and administrative	5%	4%	5%	4%	10%	7%
Total Operating Expenses	66%	66%	69%	66%	(3%)	(4%)
OPERATING INCOME	34%	34%	31%	34%	(3%)	(12%)
Net investment losses related to equity securities	(1%)	0%	(2%)	0%	545%	1431%
Other income, net	1%	1%	1%	1%	(3%)	(29%)
INCOME BEFORE TAXES	34%	35%	30%	35%	(5%)	(19%)
Provision for income taxes	11%	12%	10%	12%	(10%)	(22%)
NET INCOME	23%	23%	20%	23%	(3%)	(17%)

ORACLE CORPORATION
SUPPLEMENTAL ANALYSIS OF EFFECT OF
IMPAIRMENT CHARGE FOR EQUITY INVESTMENTS
(unaudited, $ in thousands, except per share data)

	Three Months Ended November 30, 2002			Six Months Ended November 30, 2002		
	GAAP Basis	Adjustment for Impairment Charge for Liberate Technologies	As Adjusted	GAAP Basis	Adjustment for Impairment Charge for Liberate Technologies	As Adjusted
REVENUES						
Licenses and other	$ 764,887	$ -	$ 764,887	$ 1,327,921	$ -	$ 1,327,921
License updates and product support	953,622	-	953,622	1,858,717		1,858,717
Services	589,999	-	589,999	1,149,418	-	1,149,418
Total Revenues	2,308,508	-	2,308,508	4,336,056	-	4,336,056
OPERATING EXPENSES						
Sales and marketing	512,327	-	512,327	983,594	-	983,594
License updates and product support	117,377	-	117,377	234,358		234,358
Services	480,619	-	480,619	952,929	-	952,929
Research and development	295,331	-	295,331	581,410	-	581,410
General and administrative	108,913	-	108,913	210,708	-	210,708
Total Operating Expenses	1,514,567	-	1,514,567	2,962,999	-	2,962,999
OPERATING INCOME	793,941	-	793,941	1,373,057	-	1,373,057
Net investment losses related to equity securities (1)	(21,849)	15,030	(6,819)	(102,420)	87,174	(15,246)
Other income, net	27,947	-	27,947	51,126	-	51,126
INCOME BEFORE TAXES	800,039	15,030	815,069	1,321,763	87,174	1,408,937
Provision for income taxes	265,173	6,012	271,185	444,169	34,869	479,038
NET INCOME	$ 534,866	$ 9,018	$ 543,884	$ 877,594	$ 52,305	$ 929,899
EARNINGS PER SHARE						
Basic	$ 0.10	$ 0.00	$ 0.10	$ 0.16	$ 0.01	$ 0.17
Diluted	$ 0.10	$ 0.00	$ 0.10	$ 0.16	$ 0.01	$ 0.17

(1) Net investment losses related to equity securities in the three months ended November 30, 2002 of $21,849 include a $15,030 impairment charge related to Oracle's investment in Liberate Technologies. Excluding the effect of the Liberate Technologies impairment charge, the effective income tax rate would have been 33.3%. Net investment losses related to equity securities in the six months ended November 30, 2002 of $102,420 include a $87,174 impairment charge related to Oracle's investment in Liberate Technologies. Excluding the effect of the Liberate Technologies impairment charge, the effective income tax rate would have been 34.0%.

ORACLE CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
($ in thousands)

	November 30, 2002	May 31, 2002
	(unaudited)	
ASSETS		
Current Assets		
Cash, cash equivalents and short-term investments	$ 5,481,336	$ 5,841,178
Trade receivables, net	1,528,761	2,034,996
Deferred tax assets	447,448	451,994
Other current assets	330,533	399,776
Total Current Assets	7,788,078	8,727,944
Long-term investments	413,648	405,883
Property, net	948,869	986,970
Deferred tax assets	231,612	233,359
Intangible and other assets	369,766	446,206
TOTAL ASSETS	$ 9,751,973	$ 10,800,362
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 216,672	$ 227,393
Income taxes payable	1,011,631	1,091,293
Other current liabilities	1,282,745	1,399,660
Deferred revenues	1,248,307	1,241,471
Total Current Liabilities	3,759,355	3,959,817
Long-term debt	312,543	298,391
Deferred tax liabilities	168,839	204,073
Other long-term liabilities	212,649	220,791
Stockholders' equity	5,298,587	6,117,290
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 9,751,973	$ 10,800,362

ORACLE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in thousands)
(unaudited)

	Six Months Ended November 30,	
	2002	2001
Cash Flows From Operating Activities:		
Net income	$ 877,594	$ 1,060,109
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	122,218	124,247
Amortization of intangible assets	43,866	36,647
Net investment losses related to equity securities	102,420	6,689
Changes in assets and liabilities:		
Decrease in trade receivables	528,147	616,247
Decrease in prepaid expenses and other assets	85,847	4,667
(Increase) decrease in tax related assets	9,428	(199,130)
Decrease in accounts payable and accrued liabilities	(95,327)	(208,491)
Increase (decrease) in tax related liabilities	(184,786)	188,154
Increase (decrease) in deferred revenues	(12,623)	(126,848)
Increase (decrease) in other long-term liabilities	(8,164)	7,364
Net cash provided by operating activities	1,468,620	1,509,655
Cash Flows From Investing Activities:		
Purchases of investments	(2,464,610)	(3,503,483)
Proceeds from sale of investments	2,740,190	1,878,883
Capital expenditures	(75,067)	(159,652)
Increase in other assets	(67,544)	(26,510)
Net cash provided by (used for) investing activities	132,969	(1,810,762)
Cash Flows From Financing Activities:		
Payments for repurchase of common stock	(1,707,168)	(1,857,865)
Proceeds from issuance of common stock	147,019	189,287
Settlement of forward contract	(166,260)	-
Payments under notes payable	-	(1,742)
Net cash used for financing activities	(1,726,409)	(1,670,320)
Effect of exchange rate changes on cash and cash equivalents	42,607	(10,224)
Net decrease in cash and cash equivalents	(82,213)	(1,981,651)
Cash and cash equivalents at beginning of period	3,095,109	4,449,166
Cash and cash equivalents at end of period	$ 3,012,896	$ 2,467,515

ORACLE CORPORATION

Q2 FISCAL 2003 RESULTS

SUPPLEMENTAL ANALYSIS OF OPERATIONS, GEOGRAPHIC REVENUES AND HEADCOUNT

(unaudited, $ in thousands, except per share & headcount data)

	Fiscal 2002					Fiscal 2003				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
OPERATIONS										
REVENUES										
New license	$ 711,108	$ 803,391	$ 776,953	$ 1,149,978	$ 3,441,430	$ 548,552	$ 751,536			$ 1,300,088
License updates (1)	568,668	600,515	589,948	642,628	2,401,759	619,505	653,120			1,272,625
Total new license and license updates	1,279,776	1,403,906	1,366,901	1,792,606	5,843,189	1,168,057	1,404,656			2,572,713
Product support (2)	274,497	280,620	276,449	306,911	1,138,477	285,591	300,501			586,092
Consulting (7)	524,675	510,937	458,813	487,372	1,981,797	432,098	454,874			886,972
Advanced product services (3), (7)	77,664	83,201	74,867	84,672	320,404	64,014	63,819			127,833
Education (7)	88,119	85,840	63,665	79,578	317,202	63,306	71,307			134,613
Other (4)	20,324	15,933	12,625	22,642	71,524	14,482	13,351			27,833
Total revenues	2,265,055	2,380,437	2,253,320	2,773,781	9,672,593	2,027,548	2,308,508			4,336,056
OPERATING EXPENSES										
Sales and marketing	535,481	571,152	514,816	587,532	2,208,981	471,267	512,327			983,594
Services (5), (7)	632,883	632,940	571,444	568,244	2,405,511	589,292	597,996			1,187,288
Research and development	253,299	257,484	283,231	282,142	1,076,156	286,079	295,331			581,410
General and administrative	97,614	98,917	105,090	109,592	411,213	101,794	108,913			210,707
Total operating expenses	1,519,277	1,560,493	1,474,581	1,547,510	6,101,861	1,448,432	1,514,567			2,962,999
OPERATING INCOME	745,778	819,944	778,739	1,226,271	3,570,732	579,116	793,941			1,373,057
Net investment losses related to equity securities (6)	(3,301)	(3,388)	(7,510)	(229,316)	(243,515)	(80,571)	(21,849)			(102,420)
Other income, net	43,134	28,770	10,271	(1,188)	80,987	23,179	27,947			51,126
INCOME BEFORE TAXES	785,611	845,326	781,500	995,767	3,408,204	521,724	800,039			1,321,763
Provision for income taxes	274,964	295,864	273,525	339,846	1,184,199	178,996	265,173			444,169
NET INCOME	$ 510,647	$ 549,462	$ 507,975	$ 655,921	$ 2,224,005	$ 342,728	$ 534,866			$ 877,594
EARNINGS PER SHARE										
Basic	$ 0.09	$ 0.10	$ 0.09	$ 0.12	$ 0.40	$ 0.06	$ 0.10			$ 0.16
Diluted	$ 0.09	$ 0.10	$ 0.09	$ 0.12	0.39	$ 0.06	$ 0.10			$ 0.16
WEIGHTED SHARES OUTSTANDING										
Basic	5,579,811	5,528,372	5,492,297	5,471,617	5,518,024	5,398,818	5,308,868			5,353,843
Diluted	5,780,020	5,695,860	5,669,334	5,610,626	5,688,960	5,514,980	5,419,831			5,467,405
GEOGRAPHIC REVENUES										
REVENUES										
Americas	$ 1,245,976	$ 1,281,692	$ 1,259,177	$ 1,506,001	$ 5,292,846	$ 1,105,528	$ 1,157,720			$ 2,263,248
Europe/Middle East/Africa	678,598	752,561	720,183	898,974	3,050,316	627,306	817,441			1,444,747
Asia Pacific	340,481	346,184	273,960	368,806	1,329,431	294,714	333,347			628,061
Total Revenues	$ 2,265,055	$ 2,380,437	$ 2,253,320	$ 2,773,781	$ 9,672,593	$ 2,027,548	$ 2,308,508			$ 4,336,056
HEADCOUNT										
GEOGRAPHIC AREA										
International	22,171	22,250	22,333	22,536		22,603	22,225			
Domestic	20,128	20,193	19,602	19,470		18,893	18,420			
Total Company	42,299	42,443	41,935	42,006		41,496	40,645			

(1) License updates represent the portion of support revenues that relate to license updates, and are priced at 15% of net license fees based on the Company's current pricing model.

(2) Product support represents the portion of support revenues that relate to product support, and are priced at 7% of net license fees based on the Company's current pricing model.

(3) Advanced product services consist of remote database management, performance monitoring and tuning, on-site technical support services and hosting services, which relate to the outsourcing of the management and maintenance of our database and application products.

(4) Includes systems integration, documentation and miscellaneous other revenues.

(5) Services include license updates and product support, consulting, advanced product services and education related expenses.

(6) Net investment losses related to equity securities in Q2 fiscal 2003, Q1 fiscal 2003 and Q4 fiscal 2002 include impairment charges of $15,030, $72,144 and $173,452, respectively, related to Oracle's investment in Liberate Technologies.

(7) On March 1, 2002, Oracle adopted Financial Accounting Standards Board Emerging Issues Task Force No. 01-14, *Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred.* EITF 01-14 requires reimbursements received for out-of-pocket expenses be reflected as revenues and to reclassify prior period financial statements to conform with the current period presentation. Prior to the adoption of EITF 01-14, reimbursable out-of-pocket expenses were reflected as net amounts in "Services." Reimbursable out-of-pocket expenses reclassified as revenues for Q1 fiscal 2002, Q2 fiscal 2002 and Q3 fiscal 2002 were $23,010, $23,102 and $23,977, respectively.

ORACLE CORPORATION
Q2 FISCAL 2003 RESULTS
SUPPLEMENTAL REVENUE ANALYSIS
(unaudited, $ in thousands)

	Fiscal 2002					Fiscal 2003				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
APPLICATIONS BUSINESS										
REVENUES										
New License and Updates Revenues (1)	$ 267,658	$ 291,211	$ 276,233	$ 385,309	$ 1,220,412	$ 246,593	$ 251,702			$ 498,295
Applications Related Services (2)	371,726	374,378	349,110	391,222	1,486,435	318,186	336,166			654,352
Total Revenues	$ 639,384	$ 665,589	$ 625,343	$ 776,531	$ 2,706,847	$ 564,779	$ 587,868			$ 1,152,647
AS REPORTED REVENUE GROWTH RATES										
New License and Updates Revenues	4%	(26%)	(25%)	(16%)	(18%)	(8%)	(14%)			(11%)
Applications Related Services	31%	(5%)	(4%)	0%	4%	(14%)	(10%)			(12%)
Total Revenues	18%	(16%)	(14%)	(9%)	(7%)	(12%)	(12%)			(12%)
LOCAL CURRENCY GROWTH RATES										
New License and Updates Revenues	5%	(26%)	(24%)	(17%)	(17%)	(9%)	(15%)			(12%)
Applications Related Services	35%	(4%)	(2%)	(0%)	5%	(16%)	(13%)			(14%)
Total Revenues	21%	(15%)	(13%)	(9%)	(6%)	(13%)	(14%)			(13%)
DATABASE TECHNOLOGY BUSINESS										
REVENUES										
New License and Updates Revenues (1)	$ 1,012,118	$ 1,112,695	$ 1,090,668	$ 1,407,297	$ 4,622,778	$ 921,464	$ 1,152,954			$ 2,074,418
Database Technology Related Services (2)	613,553	602,153	537,309	589,953	2,342,968	541,305	567,686			1,108,991
Total Revenues	$ 1,625,671	$ 1,714,848	$ 1,627,977	$ 1,997,250	$ 6,965,746	$ 1,462,769	$ 1,720,640			$ 3,183,409
AS REPORTED REVENUE GROWTH RATES										
New License and Updates Revenues	(1%)	(11%)	(16%)	(19%)	(13%)	(9%)	4%			(2%)
Database Technology Related Services	(15%)	(7%)	(20%)	(16%)	(15%)	(12%)	(6%)			(9%)
Total Revenues	(7%)	(10%)	(17%)	(18%)	(13%)	(10%)	0%			(5%)
LOCAL CURRENCY GROWTH RATES										
New License and Updates Revenues	2%	(10%)	(12%)	(19%)	(11%)	(11%)	2%			(4%)
Database Technology Related Services	(12%)	(7%)	(17%)	(16%)	(13%)	(13%)	(7%)			(10%)
Total Revenues	(4%)	(9%)	(14%)	(18%)	(12%)	(12%)	(1%)			(6%)
TOTAL REVENUE										
REVENUES										
New License and Updates Revenues	$ 1,279,776	$ 1,403,906	$ 1,366,901	$ 1,792,606	$ 5,843,189	$ 1,168,057	$ 1,404,656			$ 2,572,713
Product Support	274,497	280,620	276,449	306,911	1,138,477	285,591	300,501			586,092
Consulting	524,675	510,937	458,813	487,372	1,981,797	432,098	454,874			886,972
Advanced Product Services	77,664	83,201	74,867	84,672	320,404	64,014	63,819			127,833
Education	88,119	85,840	63,665	79,578	317,202	63,306	71,307			134,613
Other	20,324	15,933	12,625	22,642	71,524	14,482	13,351			27,833
Total Revenues	$ 2,265,055	$ 2,380,437	$ 2,253,320	$ 2,773,781	$ 9,672,593	$ 2,027,548	$ 2,308,508			$ 4,336,056
AS REPORTED REVENUE GROWTH RATES										
New License and Updates Revenues	(0%)	(15%)	(18%)	(18%)	(14%)	(9%)	0%			(4%)
Product Support	2%	9%	(2%)	5%	4%	4%	7%			6%
Consulting	(5%)	(12%)	(18%)	(14%)	(12%)	(18%)	(11%)			(14%)
Advanced Product Services	27%	29%	6%	(2%)	13%	(18%)	(23%)			(21%)
Education	(1%)	(23%)	(33%)	(31%)	(23%)	(28%)	(17%)			(23%)
Other	(44%)	(36%)	(48%)	(40%)	(42%)	(29%)	(16%)			(23%)
Total As Reported Revenue Growth	(1%)	(11%)	(16%)	(16%)	(12%)	(10%)	(3%)			(7%)
LOCAL CURRENCY GROWTH RATES										
New License and Updates Revenues	3%	(14%)	(15%)	(18%)	(12%)	(11%)	(2%)			(6%)
Product Support	6%	10%	2%	6%	6%	2%	5%			4%
Consulting	(2%)	(11%)	(16%)	(13%)	(11%)	(19%)	(13%)			(16%)
Advanced Product Services	30%	28%	9%	(3%)	14%	(19%)	(25%)			(22%)
Education	4%	(23%)	(31%)	(31%)	(21%)	(30%)	(19%)			(24%)
Other	(42%)	(35%)	(46%)	(40%)	(41%)	(30%)	(18%)			(25%)
Total Local Currency Growth	2%	(11%)	(14%)	(16%)	(10%)	(12%)	(5%)			(8%)

(1) New license revenues and license updates revenues represent the Company's estimate of revenues related to its product revenue categories.

(2) Services revenues represent the Company's estimate of product support, consulting, advanced product services and education revenues related to its product revenue categories.

ORACLE CORPORATION
Q2 FISCAL 2003 RESULTS
SUPPLEMENTAL GEOGRAPHIC NEW LICENSE REVENUE ANALYSIS
(unaudited, $ in thousands)

	Fiscal 2002					Fiscal 2003				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
AMERICAS										
NEW LICENSE REVENUES										
Database Technology	$ 221,188 $	269,637 $	290,113 $	421,875 $	1,202,813	$ 190,904 $	256,872			$ 447,776
Applications	98,854	102,150	97,778	131,070	429,852	60,037	51,529			111,566
Total New License Revenues	$ 320,042 $	371,787 $	387,891 $	552,945 $	1,632,665	$ 250,941 $	308,401			$ 559,342
AS REPORTED REVENUE GROWTH RATES										
Database Technology	(26%)	(32%)	(28%)	(43%)	(35%)	(14%)	(5%)			(9%)
Applications	(2%)	(45%)	(49%)	(37%)	(37%)	(39%)	(50%)			(44%)
Total New License Revenues	(20%)	(36%)	(35%)	(42%)	(35%)	(22%)	(17%)			(19%)
LOCAL CURRENCY GROWTH RATES										
Database Technology	(25%)	(31%)	(26%)	(42%)	(34%)	(12%)	(0%)			(6%)
Applications	(1%)	(45%)	(49%)	(36%)	(37%)	(38%)	(49%)			(44%)
Total New License Revenues	(19%)	(35%)	(34%)	(41%)	(34%)	(20%)	(14%)			(17%)
Europe/Middle East/Africa										
NEW LICENSE REVENUES										
Database Technology	$ 176,144 $	214,890 $	227,763 $	331,527 $	950,324	$ 152,155 $	257,421			$ 409,576
Applications	35,998	38,667	36,485	85,148	196,298	29,986	41,270			71,256
Total New License Revenues	$ 212,142 $	253,557 $	264,248 $	416,675 $	1,146,622	$ 182,141 $	298,691			$ 480,832
AS REPORTED REVENUE GROWTH RATES										
Database Technology	5%	(6%)	(19%)	0%	(6%)	(14%)	20%			5%
Applications	(13%)	(41%)	(5%)	(8%)	(17%)	(17%)	7%			(5%)
Total New License Revenues	1%	(14%)	(17%)	(2%)	(8%)	(14%)	18%			3%
LOCAL CURRENCY GROWTH RATES										
Database Technology	9%	(9%)	(14%)	(2%)	(5%)	(20%)	10%			(4%)
Applications	(11%)	(42%)	(1%)	(11%)	(18%)	(22%)	(2%)			(12%)
Total New License Revenues	5%	(16%)	(13%)	(4%)	(8%)	(20%)	8%			(5%)
ASIA PACIFIC										
NEW LICENSE REVENUES										
Database Technology	$ 167,845 $	155,731 $	111,204 $	150,868 $	585,648	$ 94,675 $	129,124			$ 223,799
Applications	11,079	22,316	13,610	29,490	76,495	20,795	15,320			36,115
Total New License Revenues	$ 178,924 $	178,047 $	124,814 $	180,358 $	662,143	$ 115,470 $	144,444			$ 259,914
AS REPORTED REVENUE GROWTH RATES										
Database Technology	14%	(18%)	(34%)	(28%)	(18%)	(44%)	(17%)			(31%)
Applications	(18%)	(23%)	(25%)	(25%)	(23%)	88%	(31%)			8%
Total New License Revenues	11%	(19%)	(33%)	(27%)	(19%)	(35%)	(19%)			(27%)
LOCAL CURRENCY GROWTH RATES										
Database Technology	27%	(11%)	(28%)	(27%)	(12%)	(45%)	(17%)			(32%)
Applications	(12%)	(18%)	(21%)	(25%)	(20%)	80%	(32%)			5%
Total New License Revenues	23%	(12%)	(27%)	(26%)	(13%)	(37%)	(19%)			(28%)
TOTAL COMPANY										
NEW LICENSE REVENUES										
Database Technology	$ 565,177 $	640,258 $	629,080 $	904,270 $	2,738,785	$ 437,734 $	643,417			$ 1,081,151
Applications	145,931	163,133	147,873	245,708	702,645	110,818	108,119			218,937
Total New License Revenues	$ 711,108 $	803,391 $	776,953 $	1,149,978 $	3,441,430	$ 548,552 $	751,536			$ 1,300,088
AS REPORTED REVENUE GROWTH RATES										
Database Technology	(8%)	(21%)	(26%)	(29%)	(23%)	(23%)	0%			(10%)
Applications	(6%)	(42%)	(41%)	(27%)	(31%)	(24%)	(34%)			(29%)
Total New License Revenues	(8%)	(27%)	(29%)	(29%)	(25%)	(23%)	(6%)			(14%)
LOCAL CURRENCY GROWTH RATES										
Database Technology	(4%)	(20%)	(23%)	(29%)	(21%)	(24%)	(1%)			(12%)
Applications	(5%)	(41%)	(40%)	(28%)	(31%)	(25%)	(35%)			(31%)
Total New License Revenues	(4%)	(25%)	(27%)	(29%)	(24%)	(24%)	(8%)			(16%)

ORACLE CORPORATION

Q2 FISCAL 2003 RESULTS

SUPPLEMENTAL NEW LICENSE & LICENSE UPDATES REVENUE ANALYSIS
(unaudited, $ in thousands)

	Fiscal 2002					Fiscal 2003				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
NEW LICENSE & LICENSE UPDATES REVENUES										
Database Technology	$ 1,012,118	$ 1,112,695	$ 1,090,668	$ 1,407,297	$ 4,622,778	$ 921,464	$ 1,152,954			$ 2,074,418
Applications	267,658	291,211	276,233	385,309	1,220,411	246,593	251,702			498,295
Total License and Updates Revenues	$ 1,279,776	$ 1,403,906	$ 1,366,901	$ 1,792,606	$ 5,843,189	$ 1,168,057	$ 1,404,656			$ 2,572,713
AS REPORTED REVENUE GROWTH RATES										
Database Technology	(1%)	(11%)	(16%)	(19%)	(13%)	(9%)	4%			(2%)
Applications	4%	(26%)	(25%)	(16%)	(18%)	(8%)	(14%)			(11%)
Total License and Updates Revenues	(0%)	(15%)	(18%)	(18%)	(14%)	(9%)	0%			(4%)
LOCAL CURRENCY GROWTH RATES										
Database Technology	2%	(10%)	(12%)	(19%)	(11%)	(11%)	2%			(4%)
Applications	5%	(26%)	(24%)	(17%)	(17%)	(9%)	(15%)			(12%)
Total License and Updates Revenues	3%	(14%)	(15%)	(18%)	(12%)	(11%)	(2%)			(6%)

Note: This schedule, which combines new license revenues and license updates revenues, offers a more comprehensive view of the Company's total license business.
New license revenues and license updates revenues represent the Company's estimate of revenues related to its product revenue categories.

KEY TOPIC
Oracle ROI Assessments

ORACLE®   **intersil®**

Intersil Corporation
Anticipates Savings of $13 Million and 246% ROI in 5 Years
with Oracle Advanced Planning

The Challenge:
Attacking Emerging Markets with Rapid Product Innovation and Improved Agility

After spinning out of Harris Corporation, semiconductor manufacturer Intersil faced stiff competition. With the average investment for new fab surpassing $2 billion, Intersil could not keep pace with other competing broad line manufacturers. Instead, the company decided to refocus and aggressively pursue emerging markets while shedding manufacturing in favor of a "mixed-mode manufacturing" model. Previously, Intersil had internally manufactured 90 percent of what it sold. Under the new model, the company would outsource 40 to 60 percent of total production volume to contract

manufacturers.

Moreover, just as Intersil was developing its strategy, the semiconductor industry also hit its worst recession to date. Intersil needed better visibility across its supply chain to improve responsiveness to fluctuating supply and demand.

In order to succeed with its mixed-mode manufacturing strategy and to respond to this challenging environment, Intersil had to improve its collaborative planning capabilities due to the added complexities of globally outsourced manufacturing. Scalability and extensibility were also critical to support rapid growth and integration of new acquisitions.

> *"We do not want to guess and let our customers and suppliers live with our failures. We needed better 'what if' capabilities for the global supply chain."*
> **- Don Cross, Director of Operations Planning and Customer Service**

The Answer:
Running Oracle Advanced Supply Chain Planning on Windows 2000

Seeking to surpass its legacy system's capabilities and to support its corporate standard of Windows 2000, Intersil turned to Oracle. Selected after a trial that included 13 highly complex scenarios and more than 600 planning parameters, Oracle Advanced Supply Chain Planning and Oracle Demand Planning exceeded all program requirements. Oracle's scalability, ease of use, integration, and Windows 2000 support, provided a platform that would enable true collaborative supply chain planning.

> *"The ability to collaborate with our supply chain partners was key. This is the heart of the company; a less than optimal solution will leave us exposed to our customers."*
> **- Tim Muth, VP of Supply Management**

Using Oracle Advanced Supply Chain Planning and Oracle Demand Planning, Intersil is making the transformation from a vertically integrated business model to a collaborative virtual supply chain.

Implementing Under Budget

Intersil assembled a cross-functional group, the Virtually Integrated Planning/Enterprise Resource (VIPER) Team, to design and implement its collaborative planning system.

Key Benefits
- Expected increase in upside production flexibility to 50%
- Supply chain response for critical products reduced from 336 to 24 hours
- Projected IT support costs savings of $1.1 million over 5 years
- Improved supply chain planning efficiency by 15%
- Improved WIP, BOM, and routing accuracy to 99.5%
- Expected inventory reduction of 30%
- Expected total hard dollar benefit of $13 million and 246% ROI in 5 years
- Improved ability to integrate acquisitions into supply chain

Corporate Profile
Intersil Corporation
Irvine, Calif.
www.intersil.com
Intersil is the leading provider of semiconductors in the high growth segments of wireless LANs, CD/DVD burners, flat panel displays, and power management devices for Intel- and AMD-based processors.
...
Industry
High Technology
Employees
2,000+
Annual Gross Revenue
$576 million
President and CEO
Rich Beyer

Oracle Products and Services Used

- ? Oracle Advanced Supply Chain Planning
- ? Oracle Demand Planning
- ? Oracle9 *i* Database

By proactively partnering with Oracle and maintaining strong links to the APS development team, the VIPER team delivered the system in a year and under budget.

The VIPER Team identified the following elements as essential to the project's success:

- ✍ Cross-functional Approach: "We saw it as a business process reengineering effort and not a software implementation effort," comments John Stefanelli, senior manager of customer supply chain.
- ✍ Focus: The team identified data clean-up as its primary focus and clearly prioritized the remaining requirements, such as cost optimization.
- ✍ Data Integrity: Intersil had used constrained optimization for a decade and knew the importance of data integrity.
- ✍ Executive Buy -in: Intersil executives gave the implementation high visibility and priority. It was clear that if staff members were not comfortable with making decisions based on the data coming from Oracle, then they needed to fix the data going in.
- ✍ Partnership: Intersil and Oracle leveraged a strategic relationship to guide the implementation. "The Oracle team got to know our business as well as us. We were able to implement a completely vanilla solution to meet our needs," explains Michael Ashline, senior manager of operation planning.

Combining Oracle Demand Planning and Key Process Change

Its Oracle implementation allows Intersil to respond to regional demand volatility by optimally shifting to suppliers better able to meet the need. Oracle Demand Planning also enables Intersil to generate consensus demand forecasts—an improvement achieved with a combination of Oracle functionality and key business process change across multiple departments.

> *"We have been able to retire our legacy demand planning systems by going to Oracle Demand Planning. The previous system did not provide the flexibility for our sales and marketing teams to participate in demand planning."*
>
> **- Chris Henningsen, VP of Marketing**

Boosting On-Time Deliveries from 75% to 95%

With Oracle Advanced Supply Chain Planning, Intersil can plan on demand while limiting nervousness inherent in many advanced planning implementations. Before using Oracle, Intersil was limited to a weekly planning cycle and response times exceeding two weeks.

While Intersil's legacy system provided capabilities beyond typical MRP and MRP II systems, the Oracle solution achieved even more substantial gains. Benchmarked against Intersil's legacy system, Oracle Advanced Supply Chain Planning has enabled the following improvements:

Metric Improvements

Metric/Capability	IMPReSS	Oracle
Planning run time	8.5 hrs	13 mins
Data accuracy	94%	99.5%
Data collection time	10 hrs	20 mins
Supply chain response time	336 hrs	24 hrs
Replan time	weekly	daily
Delivery to request	75%	95%
Support kitting/family planning	no	yes
Demand buckets	lumped	line item

Intersil's Oracle project focused on improving customer responsiveness and supply chain agility. On track to achieve its goal of doubling upside flexibility, Intersil is already seeing improvements in on-time delivery. Over the next five years, Intersil expects bottom- and top-line improvements and conservatively estimates a hard-dollar benefit of $13 million.

Anticipated Benefits
Present value of benefits in $ millions over 5 years

Margin Enhancement $5.0
Inventory Reduction $4.4
Reduced Support Cost $1.0
Reduced Carrying Cost $10

Intersil also expects its Oracle solution to enable continued aggressive growth of more than 20 percent annually over the next five years. These benefits and reduced support and implementation costs are projected to result in a five-year ROI of 246 percent.

READ more about INTERSIL's Oracle implementation.

ROI ASSESSMENTS

SHACK & TULLOCH

This study was prepared by Shack & Tulloch, Inc., an independent consulting firm.

ORACLE®

C-COR.net

C-COR.net Corporation
Reduces Accounts Receivable by $3.7 Million
With Oracle E-Business Suite 11 *i*

The Challenge:
Integrating Acquisitions and Streamlining Globally

C-COR.net Corporation is a complex global organization providing products and support to broadband network operators throughout North and South America, Europe, and the Asia/Pacific region. Comprised of three distinct business units, broadband communications products, broadband management solutions, and broadband network services, the company has grown rapidly through global expansion and acquisition.

In this environment of multiple, disparate business cultures and fast-paced change, C-COR has focused on developing its business agility, supporting its manufacturing and service businesses, maximizing operating productivity, accelerating its worldwide ERP implementations, and creating efficient organization-wide support.

"We recently acquired Philips Broadband Networks, a global company with facilities in New York, France, Spain, and the Netherlands. Oracle E-Business Suite has the depth and breadth of global functionality to enable C-COR to assimilate this multinational organization in significantly less time than similar acquisitions required in the past. As a result, we could focus on getting this newly acquired business contributing to our bottom line instead of on conversion activities."

- Barbara Lyke, IT Director

The Answer:
Oracle E-Business Suite 11 *i* Consolidates Systems and Enhances Functionality

To answer the challenges associated with global growth and acquisition, C-COR focused on achieving three objectives: increasing cost productivity, increasing asset productivity, and providing an industry-leading customer experience. Oracle E-Business Suite 11 *i* offered the integration, functionality, and scalability that C-COR required, and Oracle Consulting provided the speed, value, and simplicity needed to meet C-COR's objectives.

C-COR ambitiously planned to implement 17 Oracle E-Business Suite applications in multiple locations during the first phase of the project. Using Oracle Consulting's FastForward methodology, parts of C-COR's organization were fully operational on all 17 applications across all locations within five months.

"The depth and breadth of Oracle E-Business Suite 11¡ has allowed us to meet the business needs of three diverse business units. Oracle offers Advanced Planning and Scheduling for our manufacturing division and Projects Accounting for our software and technical service divisions, as well as CRM for an enterprise view of customer data. This has allowed C-COR all of the advantages of deploying the entire corporation within a single suite of ERP and CRM products."

- Barbara Lyke, IT Director

Oracle Business Flow Accelerators Cost 19% Less and Implement 3 Months Sooner

As part of a recent major business unit acquisition, C-COR committed to an aggressive three-month departure from the parent company's financial system. Oracle Consulting's Business Flow Accelerators enabled C-COR to meet this deadline,

Key Benefits

- Number of journal entries posted each month cut from hundreds to ten
- Monthly closing time cut from 10 days to 5—a 50% reduction
- Days sales outstanding decreased from 60 days to 55—an 8% and a one-time $3.7 million reduction in the accounts receivable balance
- Engineering change order process time cut by 85%
- Anticipated reduction in inventory week supply by 20% for savings of $11 million
- Targeted improvement in inventory turns of 25% for savings of $11 million
- Planned reduction in obsolete inventory write-off's of 20% and $800,000 annual savings
- Business Flow Accelerators cut implementation time by 3 months and cost by 19%

Corporate Profile
C-COR.net Corporation
State College,
Pennsylvania
www.c-cor.net

C-COR is a leading supplier of high quality hybrid fiber coax technology and services used to facilitate and manage delivery of video, high-speed data, and voice-over advanced broadband networks.
...
Industry
High Technology
Communications
Annual Gross Revenue
$266 million
Chief Executive Officer
David A. Woodle

Oracle Products and Services Used

- ✍ Financials
- ✍ Manufacturing
- ✍ Projects
- ✍ CRM
- ✍ Business Flow Accelerators: Procure to

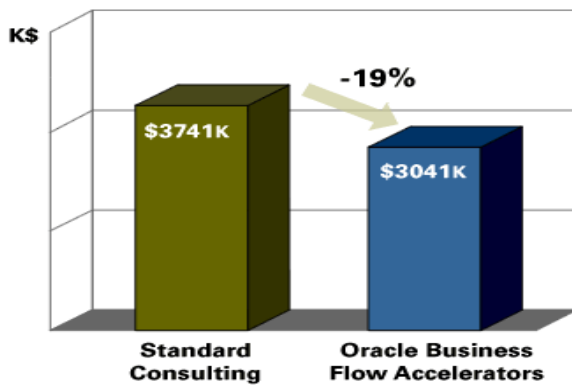avoiding an initial $500,000 fee and associated penalties each month thereafter.

"In addition to operating efficiencies in finance and other functional areas, a compelling reason to move to the Oracle E-Business Suite was the speed with which it could be implemented. We would have incurred substantial financial penalties if this acquisition was not converted by January 1, 2002. There was no way this could have been possible with our legacy systems. The rapid implementation achieved with Oracle's Business Flow Accelerators enabled us to save substantial penalties and brought all of our operations into one financial platform for the first time. A true bottom-line cost savings."

- Bill Hanelly, CFO

C-COR's account manager from Oracle Sales worked closely with Oracle Consulting to create a "one -stop shop" approach to the company's needs. C-COR had access to the technical expertise and support needed to ensure the implementation was finished on time, and the project set a standard for future acquisitions and conversions. "Using a business flow approach for our implementation not only helped us meet a very aggressive schedule, it also provides us with a repeatable process we can use to deploy Oracle applications at future sites," comments Barbara Lyke, IT director.

In comparison to a standard implementation, Oracle Consulting's Business Flow Accelerators saved C-COR 19 percent in project costs—and the implementation was finished three months sooner.
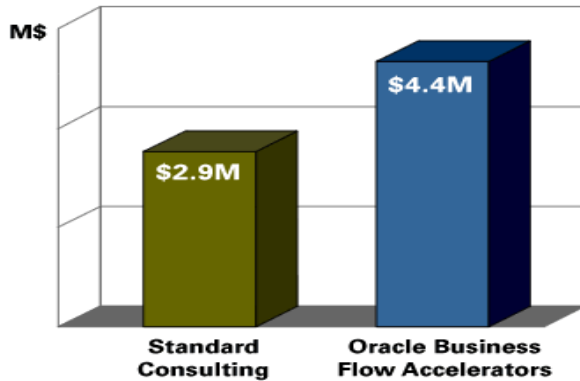
Implementation Cost Efficiency

K$

-19%

$3741K — Standard Consulting

$3041K — Oracle Business Flow Accelerators

Return on Investment (ROI)

ROI

24% — Standard Consulting

30% — Oracle Business Flow Accelerators

Net Present Value (NPV)

M$

| Standard Consulting	Oracle Business Flow Accelerators
$2.9M	$4.4M
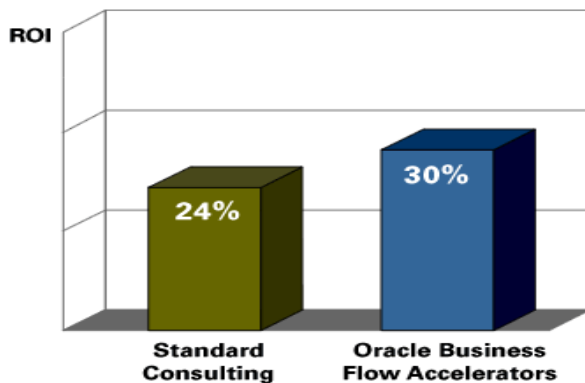
Oracle Financials Cuts Monthly Close from 10 Days to 5

Having undertaken eight acquisitions in three years, C-COR found itself with six financial systems. Oracle Financials enabled the company to consolidate its entire organization on a single global instance with enhanced multilingual and multi-currency functionality. Also, with Oracle 11*i*, C-COR was able to establish credit at the corporate level, mitigating credit risk. For the first time, the company has a consistent methodology and one source of financial data.

With its legacy systems, C-COR posted hundreds of journal entries manually each month. Today Oracle Financials has reduced that number to just 10, and the time required for monthly closing has dropped 50 percent, from 10 days to 5. These added efficiencies represent $100,000 in annual savings for the company.

Financial Closing Cycle
$100K Annual Savings

Days to Close

| 2001 Pre Oracle	2003 Oracle 11*i*
10 days	5 days

50% Closing Cycle Reduction
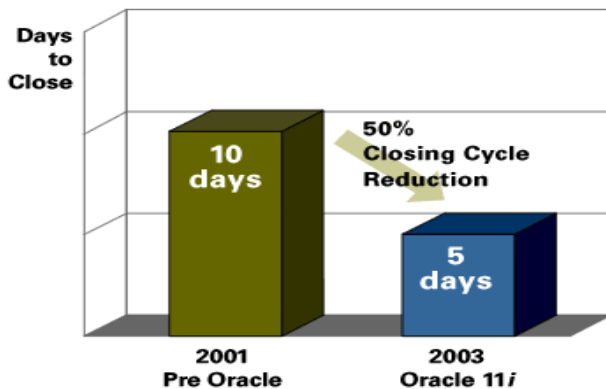
"Since moving to Oracle, we've seen a major difference in the efforts needed for our monthly close. With our previous system, the configuration was not friendly, and we were manually posting hundreds of journal entries each month. With Oracle 11i, we are now posting 10 journal entries monthly, and the ease of using the system has taken 5 days out of our closing cycle."

- Mike Simaitis, Cost Accounting Manager, BCP

Similarly, by consolidating to one Oracle accounts receivable application, C-COR is able to manage its aged receivables globally and has decreased their days sales outstanding (DSO) from 60 to 55 days—a reduction of 8 percent and $3.7 million.

Reduction of Accounts Receivables

$3.7 Million
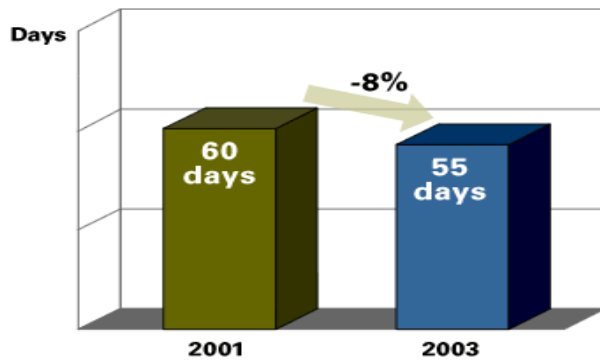
"From an Investor Relations standpoint, Oracle Financials has provided benefits in two ways. By standardizing our financial reporting across organizations, we are providing consistent information that makes it much more efficient to understand the factors driving our business performance. Secondly, by having real-time views of order and shipping information, we are able to communicate more effectively with the investors about our projected performance, thus reducing the chance of surprises."

- Sally Thiel, Director, Investor Relations & Corporate Marketing

This centralized source of customer data and business intelligence functionality has enabled significant improvements in C-COR's reporting abilities. The company expects to reduce dependency on IT support for reporting and client/server configurations. Leveraging a single data model to view customers across multiple interaction channels has greatly enhanced C-COR's understanding of its customers' total value and potential for future contribution.

Ad hoc reporting through the integrated service modules is expected to significantly improve communication of product trends and changing customer needs to marketing, manufacturing, and R&D. This valuable insight will allow C-COR to accelerate product adaptation and to remain nimble in a rapidly changing market.

Oracle Manufacturing Reduces Process for Engineering Change Orders by 85%

In implementing Oracle Manufacturing, C-COR focused first on getting core functionality in place in its Pennsylvania headquarters and then scaling to include facilities in Connecticut, Austria, and other sites gained through acquisition.

Traditionally, C-COR's manufacturing facilities processed 100 engineering change orders (ECO) per week, requiring weekly staff meetings for review and approval of each ECO. With Oracle Manufacturing 11*i*, the process has been scaled back by 85 percent, from 3,200 people hours per year to only 470. Weekly ECO meetings have been eliminated, allowing C-COR's manufacturing staff to concentrate on increasing productivity. "With Oracle 11*i*, we have been able to automate the process so that these reviews and approvals are completed online, resulting in significant savings," says Dave Krol, planning manager, BCP division.

Engineering Change Orders Process

People Hours Per Year

3200

Weekly ECO Meetings Eliminated

-85%

470

2001 Pre Oracle 11*i*   2002 With Oracle 11*i*
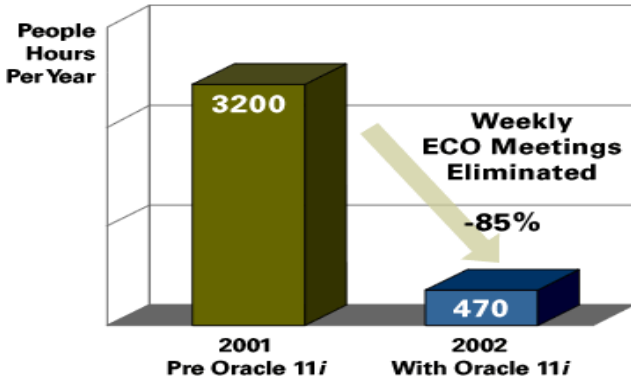
The increased efficiency of Oracle Manufacturing 11*i* has positioned C-COR to achieve additional substantial savings in the next three years. C-COR expects to reduce its weekly inventory requirements by over 20 percent, for a savings of $11 million. Similarly, the company has targeted an improvement in inventory turns of 25 percent, for an additional $11 million in savings. Finally, inventory improvements through Oracle manufacturing are expected to reduce obsolete inventory write-off's by 20 percent, for annual savings of $800,000.

"The ability of Oracle 11i to run material resource planning daily will give us the opportunity to manage our inventory better. We are now able to open purchase orders immediately for short supply items. By having daily visibility by plant versus viewing status on a weekly basis, we will not have to carry as much safety stock."

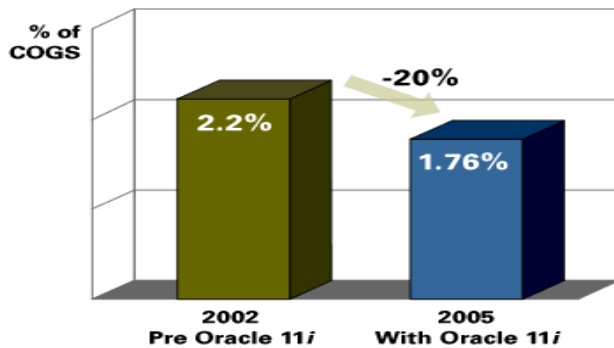**- Bryan Horman, Senior Buyer/Planner, BCP Division**

Target Improvement Inventory Week Supply
$11 Million Reduction

Weeks Supply

13.5

-20%

10.8

2002 Pre Oracle 11*i*   2005 With Oracle 11*i*
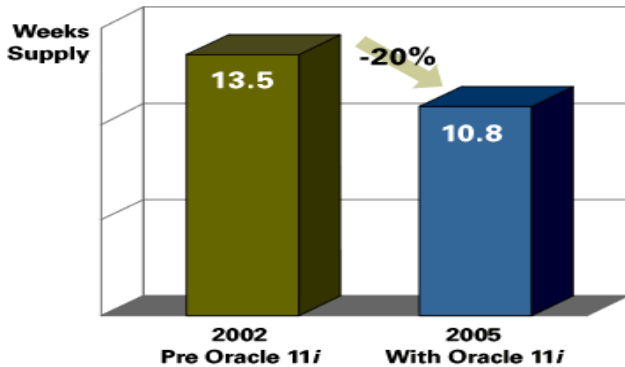
**Target Improvement
Inventory Turns**

$11 Million Reduction

Inventory
Turns

+25%

3.9

4.8

2002
Pre Oracle 11*i*

2005
With Oracle 11*i*
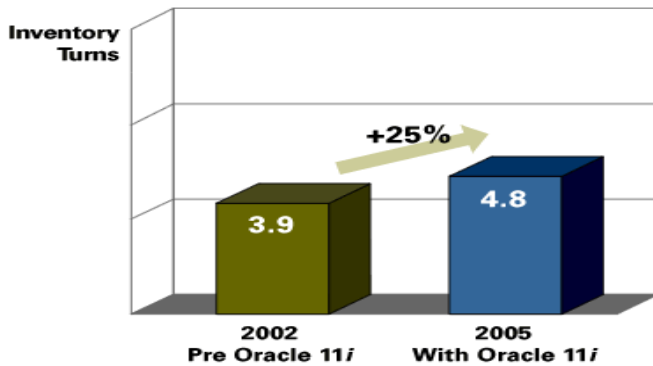
**Target Improvement
Obsolete Inventory
Write-offs**

$800K Annual Savings

% of
COGS

-20%

2.2%

1.76%

2002
Pre Oracle 11*i*

2005
With Oracle 11*i*

C-COR Achieves 30% ROI

The success of C-COR's e-business transformation is a reflection of its project and process management expertise and business analysis skills enabled by Oracle's leading applications, business flow implementation approach, and technical support resources.

Oracle 11*i* has provided C-COR with expanded functionality, has improved internal productivity, and has positioned the company for continued global growth through acquisition.

Thus far, the project has achieved a 30 percent ROI and contributed $4.4 million to the company's net present value. C-COR's Oracle implementation significantly impacted both operating earnings and economic profit by improving productivity and lowering C-COR's asset base.

Extending Back Office Efficiency with Oracle CRM

Today C-COR is in a position to leverage the integration of its back office and its initial CRM implementations.

The increased efficiency attained by automating the sales compensation process has changed the focus of C-COR's compensation professionals from gathering data to analyzing data. These improvements have freed up one half FTE to focus on strategic analysis and have enabled C-COR to provide better service to its sales force.

Oracle Contracts has also improved C-COR's ability to track customer warranties. In the past, the company had no easy way to check on whether products were covered or to market renewals to customers nearing expiration. With Oracle Contracts, C-COR has laid the foundation to reduce its previously high warranty costs and maximize

revenues from warranties.

The 360-degree view of the customer enabled by Oracle TeleService will achieve further efficiencies and productivity gains. Replacing its manual, paper-based processes with Oracle's integrated TeleService modules is expected to reduce both agent talk time per call and associated after-call work. Similarly, C-COR anticipates lower error rates and reduced training requirements for new agents with Oracle TeleService.

Based on the success of its back office and supply chain implementations, C-COR is prepared to focus on reaping greater benefits from customer relationship management

applications and business intelligence.

ROI ASSESSMENTS

mainstay partners

This study was prepared by Mainstay Partners, LLC., an independent consulting firm.

ORACLE

McDATA

McDATA Corporation
Achieves First-Year Savings of $1 Million and Cost Avoidance of $5 Million
With Oracle E-Business Suite 11*i*

The Challenge: Scaling To Manage Explosive Growth

Founded in 1982 and purchased by EMC in 1995, storage networking leader McDATA spun-off in 2000 following its IPO. McDATA experienced rapid growth from $100 million in revenues to more than $300 million and faced the challenge of expanding its product lines (from two to five), distribution channels, and customer base. In addition, the SAP ERP solution that McDATA had installed three years earlier was incapable of meeting future business needs and was scheduled for desupport in 2000.

In striving to keep pace, McDATA faced a major strategic capital investment decision regarding the future of its IT infrastructure.

> *"McDATA's challenge of growing business operations in Europe, Asia, and the United States can only be met with a flexible, open system like Oracle E-Business Suite."*
>
> - Don Wenninger, CIO

The Answer: Oracle E-Business Suite Costs Less "Out of the Box" than an SAP Upgrade

After analyzing the total cost of ownership (TCO) for an SAP upgrade, McDATA quickly realized that the cost of implementation would be equal to, or greater than, other competitive packages. In the course of evaluating bids, McDATA found that Oracle offered more than just an IT solution; it could also fix or optimize existing business processes. Oracle Consulting's FastForward approach ensured that the implementation would be quicker and more cost effective.

> *"We chose Oracle Consulting for the low-risk implementation approach, vast experience with the Oracle products, and a fixed-price contract. We considered going with a niche, boutique consulting firm, but our previous positive experience with Oracle Consulting and our belief in the FastForward methodology made our decision to go with Oracle Consulting an easy one."*
>
> - Don Wenninger, CIO

In addition, McDATA relied on Oracle Support and Oracle's online system Metalink to provide 24x7 support. The system enabled McDATA to research support questions, log technical assistance requests, and check the status of those requests online. "Metalink is a unique and effective way to 'self-service' all but the most difficult of product issues," explains Wenninger.

Compared to SAP, the Oracle E-Business Suite enabled better access to information through its system architecture. Extracting information to create even basic reports was difficult with SAP's architecture and required SAP technical intervention. McDATA's manufacturing team created work-arounds by using SQL report writers and dumping the information into Excel. On average, running an excess and obsolete report took two days—one day to get at the data and one day to analyze the information.

Oracle E-Business Suite's integrated approach dramatically improved McDATA's reporting capabilities. "We can now create reports in 30 minutes that used to take 7 to 10 hours in SAP," comments Corey Belt, McDATA business systems analyst.

In addition, Oracle's ERP solution included more than 250 built-in processes, against

Key Benefits

- Realized savings of $1 million and cost avoidance of $5 million in year one
- Anticipated savings of $10 million by end of year two
- Days sales outstanding reduced from 80 to 50
- Quarterly close cut from 21 to 4 days
- Total inventory dropped from $68 million to $43 million
- Inventory used for production against customer orders (MRP as % of inventory) increased by close to 40%
- Product quality improved by more than 22%
- On-time shipments increased from 79% to more than 97%

Corporate Profile
McDATA Corporation
Broomfield, Colorado
mcdata.com

McDATA is the global leader in open storage networking solutions and provides highly available, scalable, and centrally managed storage and networks (SANs) that address enterprise-wide storage problems.
...
Industry
High Technology
Annual Gross Revenue
$344 Million
Chief Executive Officer
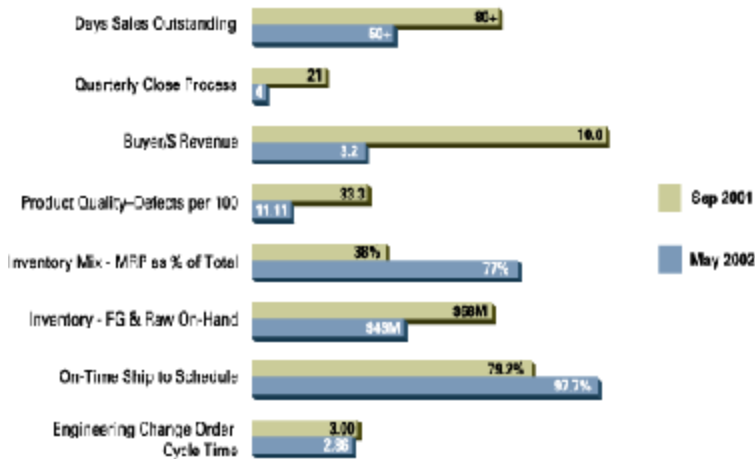John Kelley

Oracle Products and Services Used

- ✍ Purchasing
- ✍ iSupplier
- ✍ Discrete Manufacturing
- ✍ General Ledger
- ✍ Accounts Payable
- ✍ Accounts Receivable
- ✍ Fixed Assets
- ✍ Order Management

just four for SAP. With Oracle's dominant install base in the U.S. high technology market, implementing Oracle was the clear choice over upgrading SAP.

As a result, McDATA's business processes have improved across many functions: finance, purchasing, order management, manufacturing, HR, and IT.

Corporate KPI Benefits

	Sep 2001	May 2002
Days Sales Outstanding	80+	60+
Quarterly Close Process	21	4
Buyer/$ Revenue	16.0	3.2
Product Quality–Defects per 100	33.3	11.11
Inventory Mix - MRP as % of Total	38%	77%
Inventory - FG & Raw On-Hand	95M	45M
On-Time Ship to Schedule	79.2%	97.7%
Engineering Change Order Cycle Time	3.00	2.86

Oracle Financials Reduces Quarterly Close from 21 to 4 Days

SAP required manual revenue recognition, while Oracle Financials was fully automated. With Oracle General Ledger, Accounts Payable, Accounts Receivable, and Fixed Assets, McDATA benefits from standardized account reconciliation and analysis and greater visibility into completions. As a result, the company's quarterly close has dropped from 21 to 4 days.

In seeking to meet the accounting challenges posed by its expanding geographic reach, customer base, and product mix, McDATA needed greater flexibility without corresponding growth in staff. Oracle enabled major productivity and efficiency gains while limiting the need for additional headcount.

> *"We went from a private company to a public company three times as large while less than doubling finance headcount. "*
>
> **- Jim Engstrom, Senior Assistant Controller**

Oracle iLearning Moves McDATA from 1 Class to a Complete Curriculum

Central to McDATA's growth strategy is creation of a global e -learning platform supporting its corporate vision, goals, and plans and institution of a McDATA certification program. Historically, however, McDATA offered its employees only one class through the Web. With its online registration, reporting, and assessments and its self-paced, self -service environment, Oracle iLearning enables McDATA to create content, compile courses, and design a complete curriculum. "We have the vision and the infrastructure to become a Cisco/Harvard of certification and online training," explains Joanne Cohen, director e-learning.

Purchasing Staff Redeployed Despite Revenue Growth of 300%

With SAP, McDATA had no ad hoc reporting capability, and its manufacturing was primarily managed on Excel. Oracle Purchasing, iSupplier, Discrete Manufacturing, and Purchasing Intelligence have enabled virtual manufacturing and made the shipping manifest process more efficient and accurate. With Oracle E-Business Suite, McDATA moved from an intensive manual process to posting barcodes to the Web, allowing shipment information to be tracked across its supply chain.

Today, McDATA's purchasing department is more productive. Greater access to data has enabled staff to negotiate better prices with vendors. Single source exposure issues have been eliminated, and improved visibility into engineering change orders (ECOs) has substantially reduced excess and obsolete inventory. During a period of 300 percent revenue growth, McDATA has redeployed 20 percent of direct purchasing

headcount, from 10 to 8, and only increased indirect purchasing staff from 1 to 2. This combination of redeployment and averted increase in staff represents more than $2 million in savings.

Oracle Order Management and Configurator Cut Time to Market and Boost Quality

McDATA faced unique configuration requirements and needed flexibility for its highly complex (1x4x4x16) combinations, easier order flow tracking, and more sophisticated reporting. Prior to implementing Oracle E-Business Suite, McDATA also struggled with SAP's rules -based approach to configuration. Complex custom code was required to make the system effective, and only one on -site guru had full knowledge of the system.

Similarly, McDATA's legacy product development methodology (PDM) did not function correctly: Staff put effectivity dates in and held packages until one week before implementations. The interface between the PDM and Oracle is much simpler and has driven acceptance of the system.

> *"Configuration and Data Management is four people today. If SAP were still our ERP, we would not only need extra people, but there is no way we could achieve our service level agreements (SLAs) to our customers, even with additional headcount."*
>
> **- Joe Barrows, Manager, Configuration and Data Management**

With Oracle Order Management and Configurator, McDATA has achieved the following benefits:

- ? Packages are now released without hand-generated bills and cannot go through if incomplete.
- ? Visibility into manufacturing resource planning is available earlier in the process, so procurement can begin months ahead.
- ? Contract manufacturers can now see packages and effective dates to better plan for new requirements.
- ? Business review board decides strategically when to implement ECOs, significantly decreasing existing and obsolete inventory.
- ? The process for introducing new products has improved with the addition of a prototype stage.

As a result of the efficiencies enabled by Oracle, McDATA has increased quality and decreased time-to -market and time-to -volume —and experienced valuable gains in customer satisfaction.

> *"Manufacturing prior to Oracle was being managed on spreadsheets. SAP was used to capture manufacturing information, but getting information out was very difficult. Today a management report is created automatically through Oracle reports."*
>
> - Bob Finley, VP of Manufacturing

Oracle HRMS Cuts Paperwork by More Than 80% and Eliminates Need for 6 New FTEs

Before implementing Oracle Human Resources Management System, McDATA's HR department faced a series of crises brought on by outdated systems and data inaccuracy. The company's HR process depended heavily on spreadsheets and paper records. Resumes and employee files were maintained in hard copy, and both the employee roster and EEO and workers compensation information were tracked on spreadsheets. Employee paperwork was frequently lost.

Even worse, data inaccuracy led to payroll going to the wrong departments and employees appearing in the wrong cost centers. Because of the legacy system's limited reporting capability, managers had little insight and could not track changes.

With Oracle, resumes and employee files are electronic, and the management promotion process is automated. Electronic data and online self-service have increased confidentiality for all employees. During conversion to Oracle, up to three

Social Security numbers were found for individual employees. With Oracle HRMS, data accuracy has improved significantly.

McDATA has rolled out Self-Service Human Resources (SSHR) for employees and expects to launch SSHR for managers in August, 2002. Oracle Training Administration and Career Management are due to go live in September, 2002, and with these additions, McDATA will be running SSHR with Advanced Benefits for open enrollment, a process that has traditionally been 100-percent manual.

With Oracle HRMS, McDATA has avoided adding six new full-time equivalent positions (FTEs), and Oracle's self-service approach will enable further cost savings. Ultimately, the company's HR department has been transformed from a group of recruiters and paper processors into full strategic partners in the business.

> *"Reporting capability and data integrity have turned my job around tremendously. Within Oracle HRMS, you can track and manage HR-related information so much more easily and accurately."*
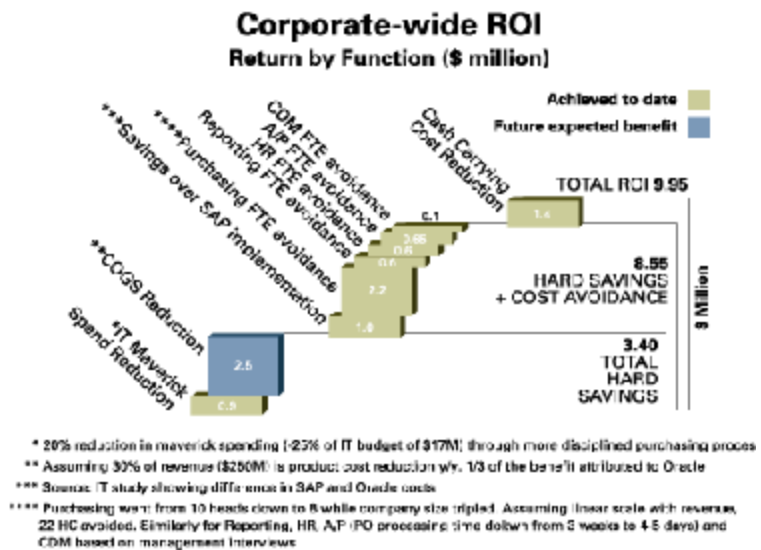>
> **- Kari Hill, HRIS Analyst**

Five-year ROI of 352% Projected

McDATA implemented Oracle E-Business Suite at a time of unprecedented growth and expansion. Extending its product mix and customer base, the company saw its revenues increase from $100 million to $300 million. Oracle enabled McDATA's expansion by resolving inefficiencies in several business practices, particularly procurement, planning, and reporting. Similarly, Oracle E-Business Suite has allowed McDATA to adopt a just-in-time, virtual manufacturing model.

By replacing its SAP legacy system with Oracle's integrated suite, McDATA can now report on key metrics, analyze weekly business performance, and take corrective action. McDATA is well on its way to achieving best-in-class processes and cost levels.

In its first-year alone, McDATA has saved more than $1 million and avoided $5 million in increased costs. Over the next 12 to 18 months, McDATA expects to see more than $10 million in additional returns —for a projected year-two ROI of 170 percent.

Corporate-wide ROI
Return by Function ($ million)

* 20% reduction in maverick spending (-25% of IT budget of $17M) through more disciplined purchasing process
** Assuming 30% of revenue ($250M) is product cost reduction w/r. 1/3 of the benefit attributed to Oracle
*** Source: IT study showing difference in SAP and Oracle costs
**** Purchasing went from 10 heads down to 8 while company size tripled. Assuming linear scale with revenue, 22 HC avoided. Similarly for Reporting, HR, A/P (PO processing time down from 3 weeks to 4-5 days) and CDM based on management interviews

Based on a conservative rate of growth and sustained benefit gains (despite the likelihood of added productivity and scale efficiencies), McDATA projects a five-year cumulative ROI of 352 percent.

5 Year Cumulative Returns (Net of Investment)*

Investment/Return
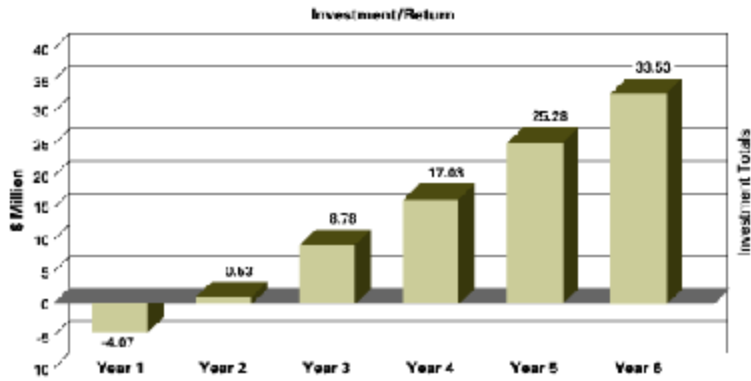
5 Year Cumulative ROI – 352%

* Assumptions: A conservative rate of growth for McData was used – growth in flation, a $730K release visa fee was used for each of the 5 years; WACC–30%, benefits gained in Year 2 were held constant through Year 5 despite likelihood of additional productivity and scale efficiencies. DOES NOT INCLUDE $1M savings relative to SAP implementation.

> *"Oracle has given us the ability to tie together our business in an integrated manner so we have data and processes that work cooperatively and give us efficiencies we couldn't have predicted prior to the implementation."*
>
> **- John Kelley, President and CEO**

Based on the success achieved to date, McDATA is committed to Oracle's integrated suite approach. Continuing its phased implementation of the Oracle E-Business Suite, McDATA anticipates even greater gains from the addition of Oracle CRM as well as further business intelligence and self-service capabilities.

Using Oracle Consulting's FastForward Flows rapid implementation approach, McDATA expects to go-live on Oracle CRM by December 31, 2002. The implementation will support McDATA's strategic business initiatives and growth goals by broadening distribution channels and providing a 360-degree view of the customer.

ROI ASSESSMENTS

SHACK TULLOCH

This study was prepared by Shack & Tulloch, Inc., an independent consulting firm.

ORACLE®

HAAS

John I. Haas, Inc.
Cuts Implementation Costs by 31% and Overall IT Costs by 57%
by Upgrading to 11*i* with Oracle E-Business Suite Outsourcing

The Challenge: Boosting Productivity with Cutting-Edge IT

As the world's largest producer of hops and hops products, John I. Haas is an acknowledged industry leader. By effectively leveraging its internal business processes, Haas relies on fewer resources to coordinate a large array of supplier goods and services to deliver world-class final product solutions. As a result, Haas has achieved best-of-breed status in a sector in which the impact of any additional effective resource is visible at the bottom line and in which inefficiencies and lost work cycles from poorly executed or supported processes can be catastrophic.

In order to build on its strong base and foster future growth, Haas knew it had to revolutionize its IT infrastructure to operate more efficiently and strategically in the time-sensitive and market-driven agricultural sector. At the same time, though, Haas wanted to avoid increasing its expenditure on IT resources. Having used Oracle 10.7 applications offline, Haas wanted to upgrade to 11*i* for enhanced functionality and to move its production environment to Oracle E-Business Suite Outsourcing.

"In a very competitive environment, we must continue to offer the widest breadth of products and services to both our external, as well as internal, customers with increased efficiency …. 11¡ Web capabilities make this possible."

- Kyle Lambert, VP of IS

The Answer:
Oracle E-Business Suite Outsourcing Enables IT Staff Redeployment of 28%

An Oracle database and applications customer since 1996, Haas knew the power of Oracle's integrated approach to streamline its key business processes. In order to take the next step as an e-business leader, Haas upgraded its applications to take advantage of the increased flexibility and functionality of Oracle E-Business Suite 11 *i.*

By allowing Oracle to provide its applications online, Haas redeployed 2 of its 7 dedicated internal IT headcount—a 28 percent shift. This approach has enabled Haas to focus on building its core business while letting the Oracle experts maintain the applications. Haas also was able to avoid purchasing additional servers. This increased efficiency has netted Haas an annual operating savings of $180,000 and approximately $150,000 in asset productivity.

Overall, running Oracle E-Business Suite applications in the hosted environment saved Haas
$425,000 per year (combining both internal IT labor plus hardware maintenance). Set against an annual cost of $185,000 for Oracle E-Business Suite Outsourcing, the savings resulted in a 57% reduction in overall IT costs.

Key Benefits
- Overall IT costs cut by 57%
- IT headcount redeployed by 28%
- Monthly closing time cut by 25%
- Order entry time cut by 50%
- Implementation time cut by 50%
- Project completed in 6 months and under budget
- Implementation costs using E-Consulting cut by 31%

Corporate Profile
John I. Haas, Inc.
Washington, DC
johnihaas.com

Established in 1914, John I. Haas is a privately owned, vertically integrated agricultural company that grows, processes, markets, and trades hops and hops products worldwide. With five regional locations, Haas is the largest US grower of hops and the world's leading processor and dealer.
...
Industry
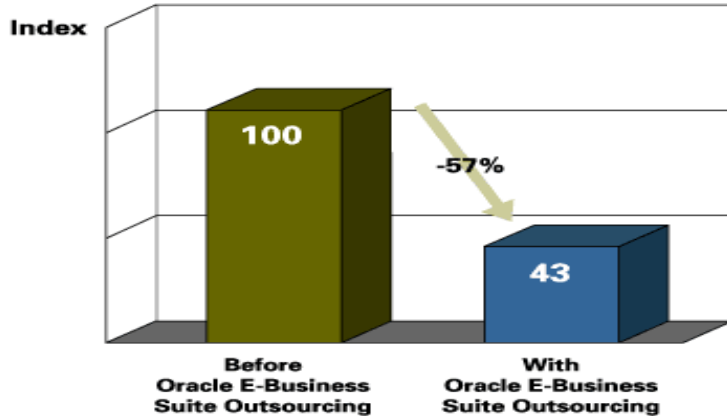Agriculture
Annual Gross Revenue
Privately Held
Chief Executive Officer
Alexander Barth

Oracle Products and Services

- ✍ Oracle Financials 11*i*
- ✍ Oracle Portal 11*i*
- ✍ Oracle E-Business Suite Outsourcing
- ✍ Oracle Consulting

Overall IT Cost Reduction Index

Index

100
-57%
43

Before
Oracle E-Business
Suite Outsourcing
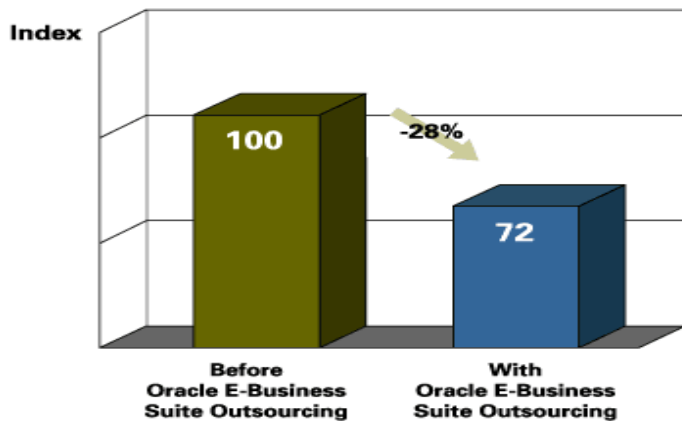
With
Oracle E-Business
Suite Outsourcing

In addition, Haas' upgrade to 11*i* and decision to opt for applications outsourcing will significantly decrease its ongoing maintenance costs and spell improved service. Both benefits will continue to impact the company's bottom line over time.

> *"With Oracle E-Business Suite Outsourcing, we have been freed up from day -to-day firefighting and now concentrate our efforts on analysis and strategic IT issues. Hiring additional personnel would have been the only way to make this possible without Oracle."*
>
> **- Tom Mack, Sr. Business Analyst**

Internal IT Staff Redeployment Index

Index

100
-28%
72

Before
Oracle E-Business
Suite Outsourcing

With
**Oracle E-Business**
Suite Outsourcing

By moving to a single financial platform with Oracle Financials 11i, Haas has made its financial information available to managers more quickly and efficiently. With its improved functionality, Haas anticipates trimming monthly closing time by three to five days—a 25 percent reduction.

Portal Cuts Order Entry Time in Half

Another critical step in Haas' move to streamline and Web-enable its business processes was the adoption of Oracle Portal. Enabling access to operational information any time, anywhere, the portal allows sales people and managers to obtain current decision-making information. Its easy navigation has boosted productivity by cutting order entry time by 50 percent. In the future, Haas will extend its use of the portal to provide customers with 24/7 access to order entry status to increase customer satisfaction.

Customer Order Fulfillment

Index

100   Pre 11*i*

-50%

50   With 11*i*

Order Entry time cut by half!
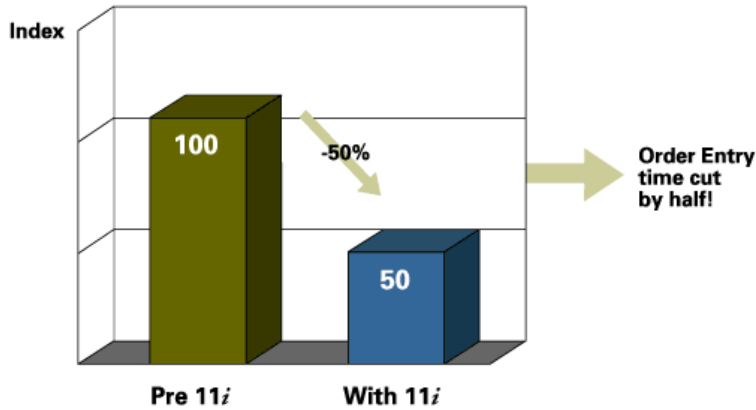
"Oracle Portal provides significant benefits for those of us who travel by enabling access to current financial and management information. We are able to make informed decisions no matter where we are."

- Marc Krens, CFO

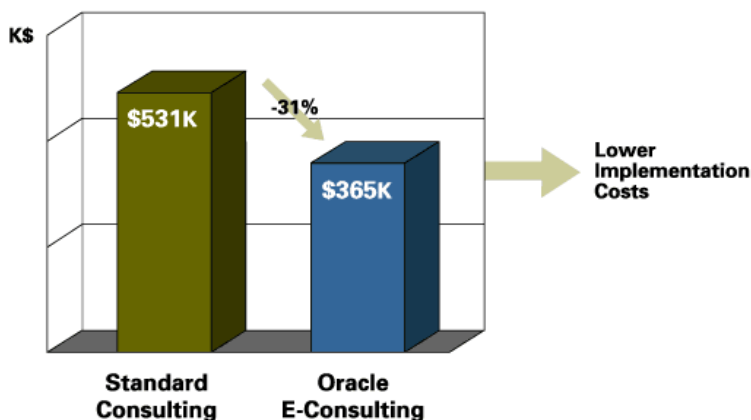## E-Consulting Cuts Costs and Speeds Implementation

By using Oracle's E-Consulting approach, Haas drastically reduced costs and completed its upgrade within six months. Relieved of the burden of bringing consultants on-site, Haas incurred no travel costs. More importantly, E-Consulting gave Haas 24-hour, secure global access to an expert with the most appropriate knowledge and skills for the issue at hand. When needed, Haas could also hold meetings with Oracle's consultants and internal stakeholders scattered across its disparate locations through E-Consulting's E-Studios option.

Haas estimates that E-Consulting reduced the cost of its implementation by 31 percent and cut the time required in half. These advantages increased Haas' net present value by $155,000 or 200 percent. These results yielded an ROI of more than 80 percent and payback period of 2.1 years.
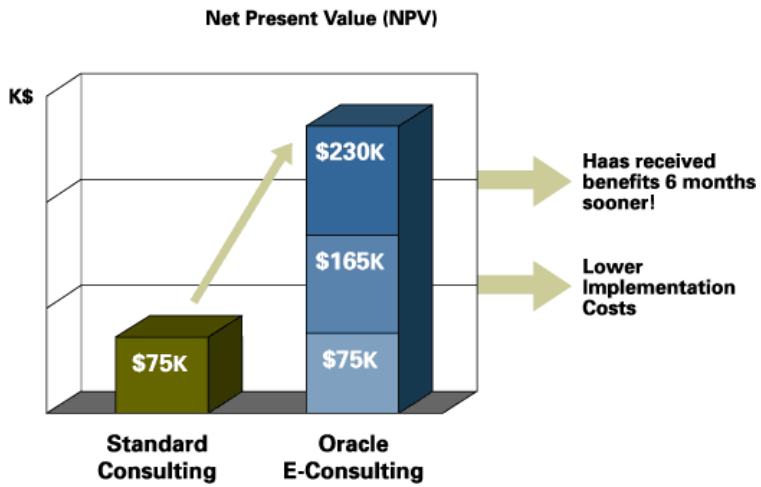
"E-Consulting was great! The majority of the implementation savings are related to minimizing travel costs and having the most knowledgeable consultant available 24/7."

- Trish Leppa, Business Analyst

Implementation Cost Efficiency with E-Consulting

K$

$531K   Standard Consulting

-31%

$365K   Oracle E-Consulting

Lower Implementation Costs

Enhanced Value with E-Consulting

Net Present Value (NPV)

K$

- Standard Consulting: $75K
- Oracle E-Consulting: $230K, $165K, $75K

Haas received benefits 6 months sooner!

Lower Implementation Costs

Standard Consulting

Oracle E-Consulting

Further Productivity and Functionality Advances Ahead

Relying on Oracle E-Business Suite Outsourcing and the E-Consulting approach to implementation, John I. Haas realized significant productivity gains while reducing costs. The company was able to enjoy the increased functionality of its 11*i* upgrade under budget and in only six months. Looking ahead, John I. Haas is now positioned to take advantage of other applictions in the suite, including Order Management, Advanced Supply Chain Planning iProcurement, iStore, Internet Expenses, Manufacturing Intelligence, Financial Intelligence, and Purchasing Intelligence. Haas expects to achieve even greater efficiencies with the enhanced self-service capabilities of Oracle E-Business Suite 11*i*s integrated applications.

ROI ASSESSMENTS

SHACK & TULLOCH

This study was prepared by Shack & Tulloch, Inc., an independent consulting firm.

ORACLE®

CAP GEMINI
ERNST & YOUNG

Cap Gemini Ernst & Young UK and Ireland
Cuts Closing Costs by 7% and Invoice Issue Time by 33%
by Upgrading to Oracle E-Business Suite 11*i*

The Challenge: Reorganizing for Expansion and Efficiency

In 2000, Cap Gemini Ernst and Young UK and Ireland (CGE&Y UK+I) faced the challenges of a major acquisition and integration. In response, CGE&Y UK+I combined strengths with Oracle to upgrade to Oracle E -Business Suite 11*i*. CGE&Y UK+I brought project management, business analysis, and systems integration and product implementation skills to the partnership. Oracle provided leading application products, product functional specialists, technical resources, and 24-hour product support teams. Together, CGE&Y UK+I and Oracle formed a winning partnership.

> *"CGE&Y UK+I required a Web-enabled application for our changing organizational structure. Our managers also needed projects visibility across legal entities in a single instance. Oracle 11i met these objectives."*
>
> **- Christine Hodgson, CFO**

When it acquired Ernst and Young Consulting, CGE&Y UK+I added to its portfolio of customized services and solutions. As a result, the expanded company was running five independent systems--a situation that could have resulted in increased costs and fragmented business information. But in anticipation of the integration, CGE&Y UK+I took steps to simplify the management of its multivendor, multicustomer environment. Enabling managers to view projects in a single instance and maintaining the company's five-day close were also top priorities.

In consolidating its systems, CGE&Y UK+I took proactive measures to contain roll-out and training costs. By aggressively pursuing its goal of becoming Euro compliant with multicurrency invoicing capabilities, CGE& UK+I fully leveraged the opportunities created by its acquisition.

The Answer: Upgrade to Oracle 11*i* with Oracle Financials, Project Costing, and Project Billing

In preparing for its expansion, CGE&Y UK+I upgraded to Oracle E -Business Suite 11*i* with Oracle Financials, Project Costing, and Project Billing. With Oracle, CGE&Y UK+I saved substantial operational costs while increasing productivity.

> *"CGE&Y UK+I had three strategic objectives for implementing Oracle 11i: 1) Web-enabled application to reduce systems costs, training costs and the cost of rolling out new applications; 2) Multiorganizational capability in Projects to gain seamless visibility of projects across legal entities; and 3) The need to totally support the Euro and be compliant by January 1, 2001. Oracle E-Business Suite met these objectives."*
>
> **- Brian Bodsworth, CIO**

Personnel Costs Decrease

Using a single system, CGE&Y UK+I has the central functionality it needs to eliminate the high costs of implementation and training. Updates can be sent easily via the Web, avoiding the expenses of in-person calls. With 8 percent fewer people involved in the monthly close, CGE&Y UK+I has saved € .9 million in personnel costs in approximately one year. "Oracle E-Business Suite 11*i* inter-company functionality has enabled the UK not to incur additional overheads in the area of 'intra-geography' trading and run a relatively seamless operation, which most importantly is seamless to our clients and to our consultants," says Maggie Driscoll, senior manager, online users.

Key Benefits

- Reduction of closing costs by 7%
- Savings in personnel costs of 8%
- Average number of days to issue an invoice cut by 33% for an accounts receivable reduction of € 8 million
- Financial benefits accrued through faster time recording, invoicing, and reporting achieved by using Oracle 11*i* to integrate five instances into one
- Project implemented in 5 months within budget by CGE&Y UK+I
- Euro compliant one year ahead of external requirements--a lead over competition

Corporate Profile

Cap Gemini Ernst & Young UK+I
London, UK
www.cgey.com CGE&Y is one of the world's largest consulting firms providing management consulting, IT design, and integration and systems outsourcing services on a global basis. It is publicly traded on the Paris Bourse.
...
Industry
Business Solutions
Employees
7,500 (UK+I)
Annual Gross Revenue
€1.5 Billion
Chief Executive Officer
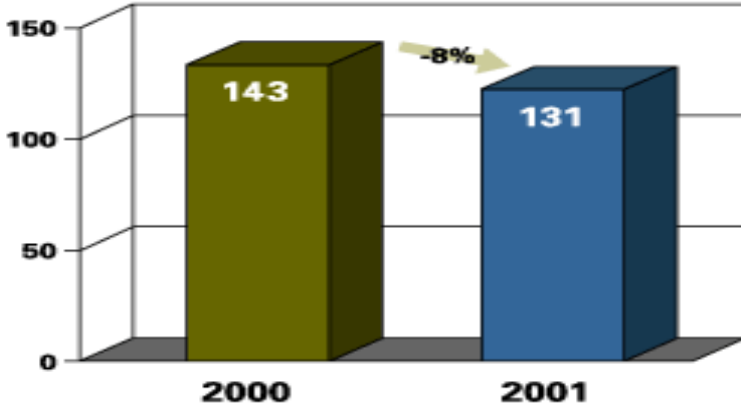Paul Hermelin
Chairman
Serge Kampf

Oracle Products and Services Used

- ✍ Financials
- ✍ Human Resources Management System
- ✍ Payroll
- ✍ Project Costing
- ✍ Project Billing

Equivalent People in Monthly Close

"Upgrading to Oracle E-Business Suite 11i enabled us to run all our accounts from a single, centrally managed database. We are able to roll out new applications to the thousands of PC's in use in the UK and Ireland. Users can quickly and easily access information using any Internet browser."

- Jeff Clark, Project Manager

Operating Efficiency Lowers Closing Costs

Since upgrading to Oracle E-Business Suite 11 *i*, CGE&Y UK+I has improved closing costs by 7 percent with its centrally managed database. Costs are no longer incurred to run multiple systems. Users can produce matrix reporting and access information across all entities in one instance. Core functionality has made internal operations more effective and reorganization easier and more efficient.

CGE&Y UK+I's cost and asset savings resulted in ROI that was greater than 100 percent and payback time of less than a year.

Closing Cost % of Revenue
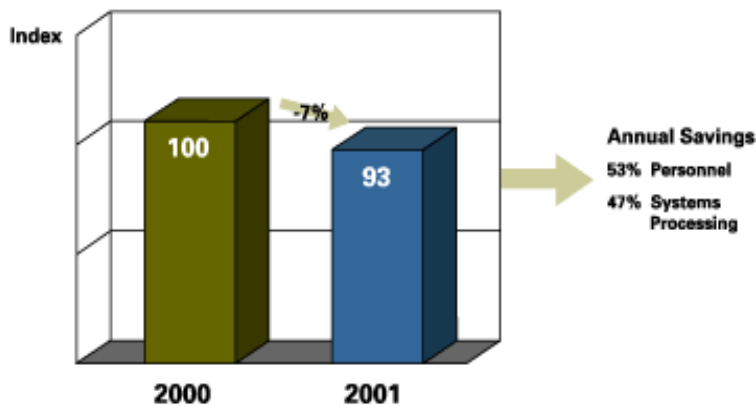
"The upgrade has given us ongoing financial benefits, which have accrued through speedier time recording, invoicing, and reporting. Best of all, it has allowed us to use the Euro as a functional currency--both internally (e.g., reporting) and externally (e.g., invoicing etc.)-- since the beginning of 2001, giving us a lead over most companies in Ireland."

- Tony Deans, Director, Finance

Quicker Invoices Save Costs and Lead to Profitability

By streamlining its invoicing process, CGE&Y UK+I has decreased the average number of days to issue an invoice by 33 percent. Management accounting and invoicing software have been integrated into a single instance. Because of this single, accessible system enabled with multi-currency capabilities, invoice procedures are also easier and more accurate. CGE&Y UK+I has reduced accounts receivable by €8

million in one year.

A streamlined invoice system has resulted in accelerated returns from customers, which is a key driver of economic profit.

Average Days to Issue an Invoice
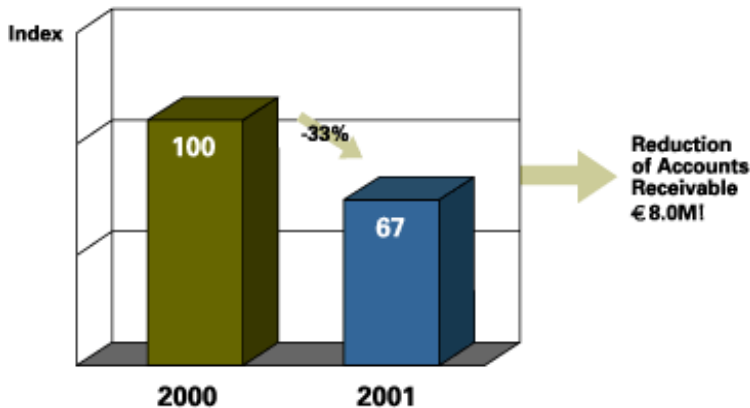
To conduct business globally, CGE&Y UK+I has implemented Euro and multi-currency capabilities. It can also implement the conversion to Euro for other companies in-house, providing another service to clients and consultants.

> *"With Oracle E-Business Suite 11i we can bill in foreign currencies and invoice in one step! Multiple currencies are no longer an issue."*
>
> - Ian Murphy, Market Unit Financial Controller

With Oracle E-Business Suite 11 *i*, Cap Gemini Ernst and Young UK and Ireland has successfully consolidated five systems into one. It can now provide easily accessible, faster financial operations with multi-currency capabilities across all entities. Via the Web, it can upgrade all systems. Giving them a competitive edge, CGE&Y UK+I was Euro compliant one year ahead of external requirements. The result is superior economic returns, confirmed by independent financial analysis. The company has experienced solid economic gain in both cost and asset productivity. The net present value (increase in shareholder value) of the project is €3.6 million. Overall, Oracle E-Business Suite 11 *i* improved internal productivity while increasing functionality.

> *"Increasingly, our customers are global operations. Oracle E-Business Suite 11i's structuring of the Accounts Receivable module has enabled CGE&Y UK+I to ensure that the customers are created globally across all legal entities within the system, with financial management, delivery, and reporting by the local entities. This ensures greater data integrity when producing consolidated reporting, whilst still allowing us to internally organize and manage the business as needed."*
>
> - Maggie Driscoll, Senior Manager, Online Users

Economic Profit: Euro Change vs. Base Case

€2.5M

2.1

1.5

1.3

1.1

€0M

2000   2001   2002   2003   2004

−€M
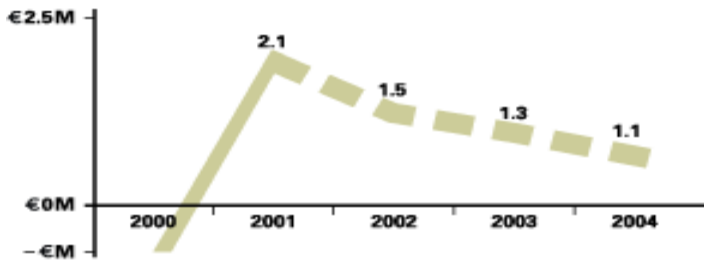
Economic profit is a complex financial measurement that takes into account not only earnings, but the assets employed to generate those earnings. This measure shows that CGE&Y UK+I's business value was positively affected by the successful implementation of the Oracle upgrade project.

This chart represents only the effects of the Oracle E-Business Suite project. Other factors will affect CGE&Y UK+I's economic profit, both positively and negatively. However, because of these projects, CGE&Y UK+I's economic profit will be higher (Base Case) than it would otherwise have been.

ANNOUNCEMENTS
Q2 Fiscal Year 2003

ANNOUNCEMENTS Q2 FISCAL YEAR 2003

09/01/02	New Oracle Internet Seminars Help Customers Get Near Real -Time Analytics For Faster Business Intelligence
	Radio Oracle: New Oracle iSetup Simplifies E-Business Suite Implementation
	Oracle Sets the Date of Its Fiscal First Quarter 2003 Earnings Announcement
09/04/02	Oracle to Host OracleWorld San Francisco, Its Largest Business and Technology Conference
09/09/02	JPMorgan Chase to Implement Oracle's Integrated Financial Applications Suite Worldwide
	Oracle Introduces Middleware Architecture Seminar Series
09/13/02	CIO Magazine Awards California Public Employees' Retirement System With A CIO-100 Award
09/16/02	Oracle9i Application Server Partners Join Oracle For Week-Long Java Event
	Oracle(R) To Host Upcoming Product Development And Management Association Chapter Meeting
	Oracle Delivers World Record TPC-C Benchmark on Linux; Outperforms Microsoft SQL Server by 14% on Identical Processors
	Free Internet Seminar: Deploying J2EE Applications On Oracle9i Application Server From The Borland JBuilder Environment
09/17/02	Oracle Details How Web Services Impact Business Applications At InfoWorld Conference
	Oracle To Speak About Enterprise Portals At The Forrester TechRankings Summit
	Oracle(R) Java and Web Services Tools Leadership Confirmed by Developer Community and Industry Press
	Radio Oracle: Oracle Licensing Update - Batch Processing
	Oracle Reports Q1 Earnings Per Share of $0.07 Excluding Investment Impairment Charge; GAAP EPS of $0.06
	Oracle Demonstrates Continued Customer Momentum with Q1 Customer Wins
09/18/02	Free Internet Seminar: Accelerating J2EE Development With Oracle And Compuware
	Oracle Addresses The Future Of Application Development At Gartner Summit
	American Diabetes Association Using Oracle to Centralize Financial System
09/19/02	Free Internet Seminar: Managing Oracle9i Application Server With Computer Associates' Unicenter

09/20/02   Oracle To Address Web Services And Wireless Technology At XML World Conference And Expo

Co-operative Goes Live with Oracle(R) Technology Outsourcing Solution

09/20/02   Free Internet Seminar: High Performance Messaging With Oracle9i Application Server And SonicMQ

09/23/02   Oracle Addresses Voice Applications At VoiceXML Planet Conference & Expo

Oracle Speaks On Success Strategies At Mobile Commerce World Europe

Leading Contact Center Services Company to Run Business on Oracle(R) Software and Services

09/24/02   Maysteel Develops Prototype Portal in a Single Day Using Oracle9i Application Server Portal Technology

University of Melbourne to Replace Legacy Systems with Oracle(R) E-Business Suite

Orange Denmark Improves Reliability and Performance by Using Oracle9i Real Application Clusters

Independent Research Firm Ranks Oracle Highest for Multilingual, Multinational CRM

Global Knowledge Selects Oracle(R) iLearning as Foundation For Its Blended Learning Solutions(TM) Worldwide

09/25/02   eWeek Magazine Lauds Oracle9i Application Server as the 'One Stop App Server Shop'

Oracle to Offer Array of Oracle9i Onsite Training and Certification Programs At OracleWorld 2002

Radio Oracle: Oracle Contracts Implementations With Appshop

09/30/02   Oracle and Mohomine to Streamline Employee Recruitment Process

Oracle Chief Security Officer To Keynote At RSA Conference In Paris

10/01/02   Oracle Aims to Ease Collaboration Between Trading Partners of All Sizes

10/02/02   BT Germany Goes Live on the Oracle(R) E-Business Suite in Seven Weeks

Oracle(R) Helps Higher Education Institutions Deliver Better Services While Driving Down Costs

Oracle Receives Prestigious Award for Excellence in Software Customer Support

10/03/02   Chelsea Interactive Delivers 99 Percent Uptime Guarantee Using Oracle(R) Database Clustering

Oracle Signs Up New Outsourcing Customers In Europe

KPMG Belgium Goes Live with Oracle(R) E-Business Suite Outsourcing

10/07/02	Oracle Gives Customers a Better 'Outlook' on a More Simplified, Secure Infrastructure
10/08/02	Oracle Strengthens Safety Solution with the Upgrade of Adverse Event Reporting System
10/10/02	Bell Globemedia Interactive Implements Oracle9i Application Server to 'Headline' Web Operations
10/14/02	Oracle Experts and Gurus Debut at OracleWorld San Francisco Conference
10/16/02	Oracle to Keynote at Premier Event for Wireless Technology
	Oracle Continues Outsourcing Momentum, Adding Over 30 New Customers During First Quarter
10/17/02	NAV Technologies Selects Oracle(R) Real Application Clusters for High Availability, Reliability and Ease of Use
10/18/02	Oracle Partners With Legend Group to Bring Advanced Clustering Technology To Customers In China
10/21/02	9-1-1 Center Standardizes on Oracle9i Application Server to Build Streamlined Emergency Information Portal
	Oracle9i Boosts Customer Satisfaction and Sales Force Productivity For Honeywell Automation and Control Solutions
10/23/02	Oracle Delivers New TopLink Release and Product Roadmap, Reduces Embedded License Fees
	Oracle Publishes Industry's First TPC-R Data Warehousing Benchmark on Linux
	Oracle Supports UCCnet with 'Partners In Sync' Agreement
10/24/02	Whitbread Invests in the Oracle Vision
	Oracle(R) Helps Companies Maximize Supply Chain Efficiency with New Advanced Capabilities
	Oracle9i Real Application Clusters on Linux Power Leading Australian Domain Name Registry Service
10/25/02	Oracle(R) Help Us Help Foundation Acquires ThinkQuest U.S.A. and Launches U.S. 2002-2003 ThinkQuest Contest
10/28/02	Oracle Delivers Industry's First Personalized Java Development Tool With New Release of Oracle9i Jdeveloper
10/30/02	Emerson to Standardize on Oracle(R) E-Business Suite
10/31/02	Oracle Announces Keynote Series at Oracleworld San Francisco Conference
11/01/02	Siemens Mobile Reaps Benefits for Its @vantage Platform With Oracle9i Real Application Clusters
11/04/02	Oracle Names Ray Bingham, Cadence Design Systems CEO, to Board of Directors

Oracle Announces New Benefits and Enhanced Communication Channels For Members of the Oracle(R) PartnerNetwork

The Statue Of Liberty-Ellis Island Foundation Uses Oracle9i Real Application Clusters to Preserve More Than 25 Million Immigration Records

Virgin Atlantic Chooses Oracle(R) E-Business Suite

American National Standards Institute Recognizes Oracle Executive For Information Technology Standards Leadership and Service

11/06/02   Today's Leading Financial Institutions Look to Oracle to Help Cut Costs And Improve Business Intelligence

Forrester Research Award Recognizes Oracle9i Application Server for Delivering Solid Cost and Performance Results to Emerson Motor Technologies

Oracle to Announce Winners of Oracle(R) PartnerNetwork Awards During OracleWorld

11/07/02   Hanover Standardizes Business Practices Globally Across 70 Locations With Oracle(R) Technology and Oracle E-Business Suite Outsourcing

TUI Northern Europe and Britannia Airlines Fly Ahead of the Competition With Oracle(R) E-Business Suite and Shared Service Center Implementation

Oracle and HP launch Financial Services Competency Center

Texas Petrochemicals Deploys Oracle(R) Enterprise Asset Management to HELP Increase Productivity and Control Maintenance Costs

11/08/02   Oracle SVP of Human Resources to Highlight Technology Trends At Upcoming Economist Global HR Event

Oracle Announces Think.com - Version 3

11/11/02   Oracle Kicks Off OracleWorld 2002 Conference

Oracle Entices Microsoft Exchange Customers to Switch to Oracle(R) Collaboration Suite

Greater Functionality and Cost Efficiencies Convince Fujitsu Siemens to Implement Oracle(R) Collaboration Suite

Oracle Unveils First Management Tool to Provide 'User-Centric' Performance Monitoring and Management

Oracle Makes 'Unbreakable' E-Mail Easier and More Cost Effective With New Outsourced Service

Peter's Food Service Consolidates E-Mail Systems With Oracle(R) Collaboration Suite

Oracle Announces Oracle9i Production Support for the Intel(R) Itanium(R) Processor Family

What Oracle and Water Bottles Have in Common

11/12/02	Oracle Gets to the Bottom Line of Collaboration
	Oracle Submits New Specification for Extending Java(SM) Development Tools To Java Community Process(SM)
	Oracle and HP Extend Global Alliance to Deliver Oracle9i Application Server on HP Platforms
	Oracle and BearingPoint Strengthen Relationship Through the Introduction of Two New Solutions Based on Oracle9i Application Server
	Oracle9i Application Server is Fastest on Linux and Solaris According To Latest Benchmarks
	Deloitte & Touche Announces Its Increased Level of Commitment to Oracle9i Application Server
	New Release of Oracle9i Application Server Lowers Cost of Integration
	Oracle Announces Winners of First Annual North America Oracle(R) PartnerNetwork Awards
11/13/02	And The Answer Is Oracle9i
	Oracle(R) University Introduces New Curriculum and Certifications for Oracle Technology Products
	Oracle Announces Latest Customers to Adopt Oracle9i Maximum Availability Architecture
	Oracle Sees Worldwide Customer Success for Oracle(R) Technology Outsourcing
	Sun and Oracle Celebrate 20 Years of Innovation
	Southwest Airlines Improves Passenger Check-In Time with Oracle9i Database With Real Application Clusters and Network Appliance(TM) Storage Systems
	Travelocity Builds High Availability Infrastructure Using Oracle9i Real Application Clusters
	Achilles Achieves Full Return on Investment in Four Months With Oracle(R) Sourcing
	Oracle(R) Supply Chain Management Ranks Highest Among Top Applications Considered By Large Enterprises And Services Companies
	Oracle Announces Record TPC-C, SAP and OASB Benchmark Results on Intel Itanium 2 Servers
11/14/02	BT Chooses Oracle E-Business Suite To Enhance E-Procurement Offering
	Oracle Breathes New Life Into BI
	Oracle Announces World Record Performance and Price-Performance For Single System TPC-C Benchmark on Linux
	Ellison: You Have to Be Willing to Spend Less to Get Better Information
11/15/02	Oracle Becomes Member of Eclipse, Elected to Board of Stewards

11/18/02   Organizations Rely on Oracle to Help Cut Real Estate Management Costs

11/20/02   Oracle Ranked as A Leader in Enterprise Incentive Management

11/25/02   Acuity Brands Lowers Costs and Improves Manufacturing Efficiencies With Oracle(R) Technology

11/27/02   The Economist Intelligence Unit Awards Oracle Customers with 2002 Corporate Achievement Honors