

# EXHIBIT 3

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

**CERTIFIED COPY**

BEFORE THE HONORABLE PHYLLIS J. HAMILTON, JUDGE

ORACLE CORPORATION, ET AL.	)	<b>JURY TRIAL</b>
	)	
PLAINTIFFS,	)	NO. C 07-01658 PJH
	)	
VS.	)	<b>VOLUME 5</b>
	)	
SAP AG, ET AL.,	)	PAGES 754 - 946
	)	
DEFENDANTS.	)	OAKLAND, CALIFORNIA
	)	MONDAY, NOVEMBER 8, 2010

**TRANSCRIPT OF PROCEEDINGS**

APPEARANCES:

FOR PLAINTIFFS:

BINGHAM MUCCUTCHEN LLP  
THREE EMBARCADERO CENTER  
SAN FRANCISCO, CALIFORNIA 94111-4607

BY: ZACHARY J. ALINDER,  
HOLLY A. HOUSE,  
GEOFFREY M. HOWARD,  
DONN P. PICKETT, ATTORNEYS AT LAW

BOIES, SCHILLER & FLEXNER LLP  
1999 HARRISON STREET, SUITE 900  
OAKLAND, CALIFORNIA 94612

BY: DAVID BOIES,  
STEVEN C. HOLTZMAN, ATTORNEYS AT LAW

(APPEARANCES CONTINUED NEXT PAGE)

REPORTED BY: RAYNEE H. MERCADO, CSR NO. 8258  
DIANE E. SKILLMAN, CSR NO. 4909

**RAYNEE H. MERCADO, CSR, RMR, CRR, FCRR, CCRR (510) 451-7530**

1 INCREMENTAL CUSTOMER IS CLOSER TO A HUNDRED PERCENT.

2 **Q.** WHAT DOES ORACLE THEN DO WITH THOSE MAINTENANCE PROFITS?

3 **A.** THIS IS WHAT WE SPEND ON EITHER PUTTING THE MONEY INTO R&D  
4 OR ACQUIRING R&D. AND THAT'S WHAT OUR ACQUISITIONS ARE FUNDED  
5 WITH, QUITE FRANKLY, ADDITIONAL R&D.

6 **Q.** AND DOES THAT R&D HAVE ANY IMPACT IN TERMS OF JOBS?

7 **A.** OH, YEAH. I MEAN, WE HAVE, AS YOU HEARD, WE HAVE A  
8 HUNDRED THOUSAND EMPLOYEES AT THAT TIME. WE HAD WHAT, 50,000  
9 AND SO IT IS A LOT OF JOBS, OF COURSE.

10 **Q.** IS ORACLE THE ONLY COMPANY IN THE SOFTWARE BUSINESS THAT  
11 EARNS HIGH SUPPORT MARGINS AND THEN TURNS AROUND TO FUND R&D  
12 WITH THOSE?

13 **A.** NO, THAT IS ACTUALLY THE MODEL. THAT'S WHAT IBM AND SAP,  
14 THAT'S WHAT WE ALL DO. THIS IS HOW YOU DO IT.

15 **Q.** NOW LOOKING AT THE NEXT PAGE IN THE MODEL, YOU -- IT SAYS  
16 IN THE SECOND HALF ON THE BOTTOM IT SAYS, "OPERATING EXPENSE  
17 BUILDUP". AND THE FIRST LINE OF DATA SHOWN UNDERNEATH SAYS  
18 "R&D COSTS".

19 CAN YOU EXPLAIN TO THE JURY WHAT IS INCLUDED IN THAT  
20 LINE ITEM ON THE LEFT-HAND SIDE?

21 **A.** SO, R&D COSTS ARE THE DEVELOPERS WHO ACTUALLY BUILD THE  
22 SOFTWARE AND BUILD ALL THE FIXES AND DO THE SECURITY FIXES AND  
23 THE REGULATORY UPDATES. BUT THESE ARE THE GUYS, GUYS AND GALS,  
24 ACTUALLY, THAT BUILD THE PRODUCTS. AND AS YOU CAN SEE,  
25 PEOPLESOFT WAS SPENDING A LITTLE MORE THAN 500 MILLION A YEAR

