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17 Attorneys for Defendants  
SAP AG, SAP AMERICA, INC., and  
18 TOMORROWNOW, INC.

19 UNITED STATES DISTRICT COURT  
20 NORTHERN DISTRICT OF CALIFORNIA  
21 OAKLAND DIVISION

22 ORACLE USA, INC., et al.,  
23 Plaintiffs,  
24 v.  
25 SAP AG, et al.,  
26 Defendants.

Case No. 07-CV-1658 PJH (EDL)  
**CORRECTED EXHIBIT 38 TO THE  
DECLARATION OF THARAN GREGORY  
LANIER ISO DEFENDANTS' RENEWED  
MOTION FOR JUDGMENT AS A MATTER OF  
LAW AND NEW TRIAL MOTION**  
***CORRECTION OF DOCKET ITEM NO. 1045-38***  
Date: July 13, 2011  
Time: 9:00 a.m.  
Courtroom: 3, 3rd Floor  
Judge: Hon. Phyllis J. Hamilton

# **EXHIBIT 38**

# Amended Trial Stipulation and Order No. 1 (November 2, 2010) & Trial Stipulation and Order Regarding Contributory Infringement Liability (November 2, 2010)

**TN stipulates to all liability on all claims**

7-cv-01658-PJH Document965 Filed11/02/10

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Case4:07-cv-01658-PJH Document965 Filed11/02/10 Page2 of 4

1 Pursuant to Local Rule 7-12, Plaintiffs Oracle USA, Inc., Oracle International  
2 Corporation and Siebel Systems, Inc. ("Plaintiffs" or "Oracle") and Defendants TomorrowNow,  
3 Inc. ("TN"), SAP AG, and SAP America, Inc. ("SAP"; and, together with TN, "Defendants";  
4 and, all together with Oracle, the "Parties"), jointly submit this Trial Stipulation and [Proposed]  
5 Order regarding liability, dismissal of certain claims, the preservation of certain defenses,  
6 objections to evidence at trial, and the length of the Parties' evidentiary presentations and  
7 arguments.

**SAP stipulates to vicarious liability on the copyright claims against TN**

Case4:07-cv-01658-PJH Document966 Filed11/02/10 Page2 of 2

1 Plaintiffs Oracle USA, Inc. ("Oracle USA"), Oracle International Corporation  
2 ("OIC"), and Siebel Systems, Inc. ("SSI"; and, together with Oracle USA and OIC, "Oracle")  
3 and Defendants SAP AG, SAP America, Inc., and TomorrowNow, Inc. ("TN"; and, together with  
4 SAP AG and SAP America, Inc., "Defendants"; and, all together with Oracle, the "Parties"),  
5 jointly enter this Stipulation and Order.  
6  
7 **NOW, THEREFORE, THE PARTIES HEREBY STIPULATE**, through their  
8 respective counsel of record, as follows:  
9 In addition to all the other stipulations the Parties have entered into, on October 28, 2010,  
10 SAP AG and SAP America also stipulated with the Plaintiffs that they are liable for contributory  
11 infringement.  
12 **IT IS SO STIPULATED.**  
13 DATED: November 2, 2010 JONES DAY  
14  
15 By: /s/ Scott W. Cowan  
Scott W. Cowan  
Attorneys for Defendants  
SAP AG, SAP America, Inc.

14 OMBL, CA 94612  
Telephone: (510) 874-1000  
Facsimile: (510) 874-1460  
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21 Attorneys for Plaintiffs  
Oracle USA, Inc. et al.  
22  
23 UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND DIVISION  
24 ORACLE USA, INC., et al.,  
25 Plaintiffs,  
26 v.  
27 SAP AG, et al.,  
28 Defendants.  
No. 07-CV-01658-PJH  
AMENDED TRIAL  
REGARDING LIABILITY  
ON CLAIMS FOR  
DEFENSES, AND  
EVIDENCE AT TRIAL  
TRIAL STIPULATION AND (PROPOSED) ORDER NO. 1

14 1. TN stipulates to all liability on all claims (preserving no defenses,  
15 including any raised on summary judgment but retaining all defenses to damages as described in  
16 paragraph 5 below). TN therefore stipulates to all liability on Oracle's claims for copyright  
17 infringement, violations of the Federal Computer Fraud and Abuse Act and California's  
18 Computer Data Access and Fraud Act, breach of contract, intentional interference, negligent  
19 interference, unfair competition, trespass to chattels, unjust enrichment/restoration and an  
20 accounting. SAP will not contend that Oracle has failed to prove indirect liability as to SAP due  
21 to a failure of proof against TN.  
22 2. SAP stipulates to vicarious liability on the copyright claims against TN in  
23 their entirety (preserving no defenses, including any raised on summary judgment, but retaining  
24 all defenses as to damages as described in paragraph 5 below) and agrees to guarantee payment  
25 of any judgment awarded against TN or SAP.  
26 3. Oracle dismisses with prejudice all claims against SAP except for indirect  
27 copyright infringement and except as to any right to appeal any rulings made by the trial court  
28 (e.g., saved development costs as a basis for unjust enrichment), which Oracle preserves for all  
07-CV-01658-PJH (08/10)

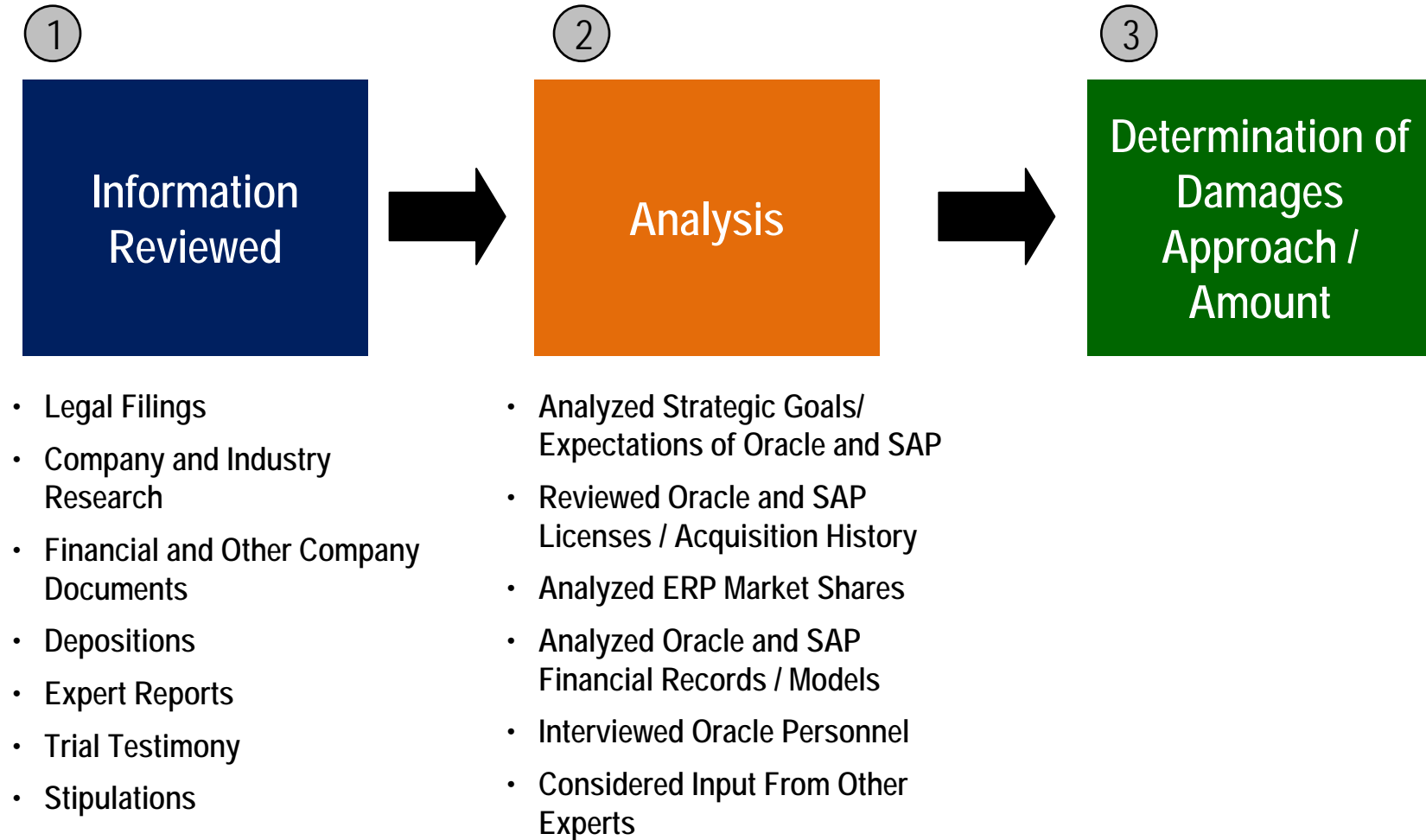
**In addition to all the other stipulations the Parties have entered into, on October 28, 2010, SAP AG and SAP America also stipulated with the Plaintiffs that they are liable for contributory infringement.**

UNITED STATES DISTRICT COURT  
Case No. 07-CV-01658-PJH  
JOINT EXHIBIT NO. 0005  
Date Admitted: \_\_\_\_\_  
BY: \_\_\_\_\_  
Nicolle Heuserman, Deputy Clerk

25  
26  
27  
28  
TRIAL STIPULATION AND (PROPOSED) ORDER  
REGARDING CONTRIBUTORY INFRINGEMENT LIABILITY  
Case No. 07-CV-01658-PJH (08/10)  
- 1 -  
873-866221

# Work Steps

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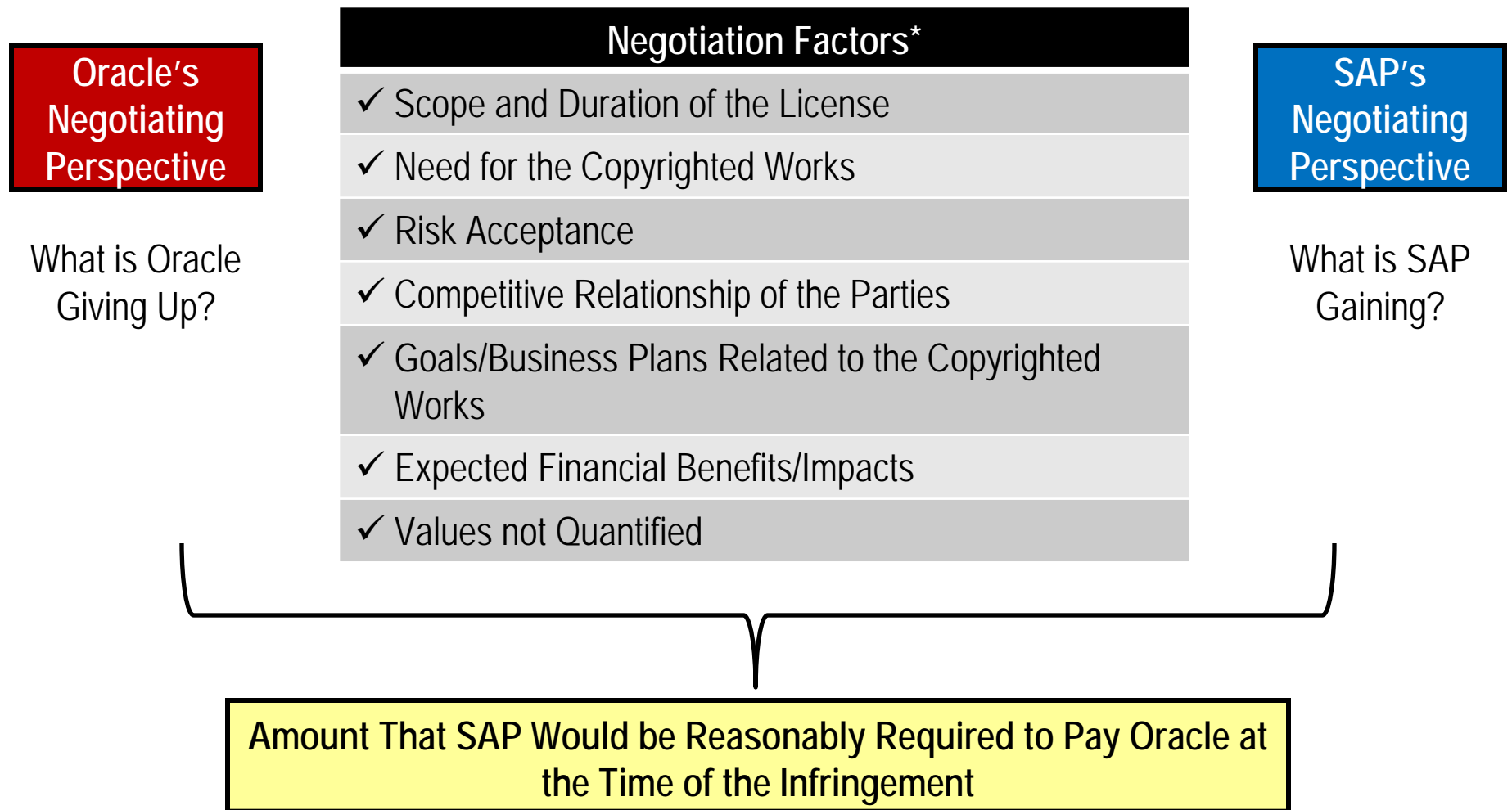
# Copyright License Negotiation

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The Reduction of the Fair Market Value of the Copyrighted Work is the Amount a Willing Buyer (SAP) Would Have Been Reasonably Required to Pay a Willing Seller (Oracle) at the Time of the Infringement

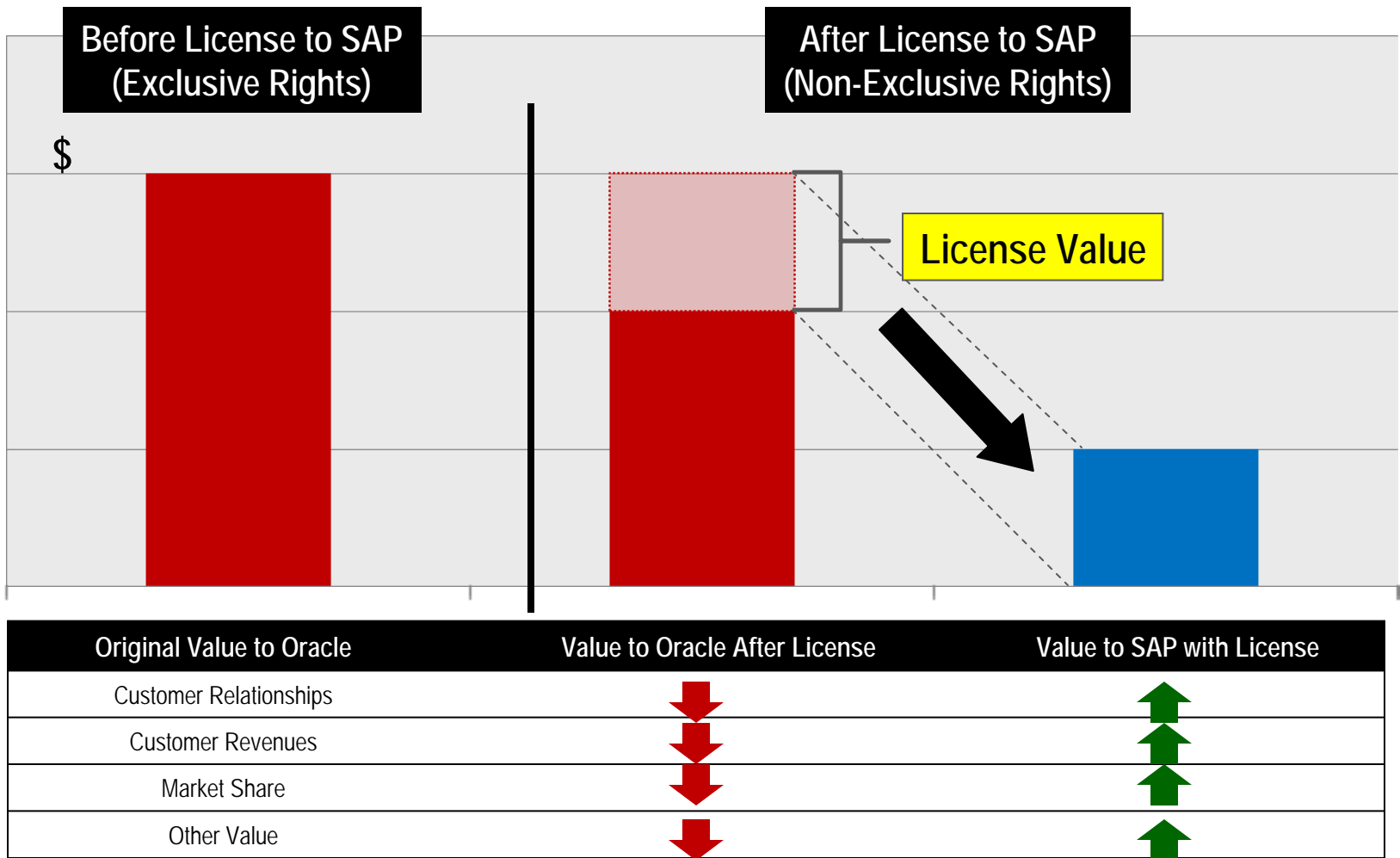


# Fair Market Value License Negotiation Framework



\* Consistent with *Georgia-Pacific Corp. v. U.S. Plywood Corp.*

# Fair Market Value of Copyrighted Works - Concept



# Why Fair Market Value License Approach

---

- ✓ Measures fair market value of what Oracle would have been paid at the time, based on total scope of infringing activities
- ✓ Reflects Oracle's upfront investments for PeopleSoft (\$11.1B) and Siebel (\$6.1B), including exclusive use of software and materials
- ✓ Reflects SAP's need for the software and materials prior to launching PeopleSoft and Siebel maintenance services
- ✓ Substitutes negotiation for infringement



# Fair Market Value License – Information Considered

---

- ✓ Considers events and circumstances known at the valuation date
  - SAP documents indicate expectations at the time
  - As ERP software market leader, SAP was experienced in projecting customer conversions and revenues
- ✓ Not appropriate to determine fair market value in hindsight
  - Value not impacted by events not known at the time
  - Value not dependent on SAP execution after January 2005
  - Value not affected by Oracle's filing of lawsuit (March 2007)
- ✓ Approach consistent with recognized valuation theory

# Why Upfront License Fee

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- ✓ Protects Oracle's upfront investment of \$11.1B and \$6.1B just spent to acquire PeopleSoft and Siebel
- ✓ SAP was aware that Oracle paid upfront to acquire PeopleSoft and Siebel software and support materials
- ✓ Only way to balance the risk between Oracle's upfront investments and SAP's execution of its business plans
- ✓ Common payment structure for technology licenses between direct competitors
- ✓ Avoids future disputes over what are royalty-bearing customers or revenues – especially between competitors

# Why Not Running Royalty

---

- ✓ Places the entire risk of the \$11.1B and \$6.1B upfront investments on Oracle
- ✓ Does not value software and support materials at the time of the negotiation
- ✓ Greater SAP success (customer conversions) equals greater impact to Oracle revenue / direct competitors
- ✓ Lower SAP maintenance price equals lower royalty paid / increased chance of SAP converting the customer

# From SAP's Opening Statement

## Running Royalty – Pegged to Success



## Paid Up Front License



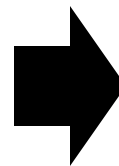
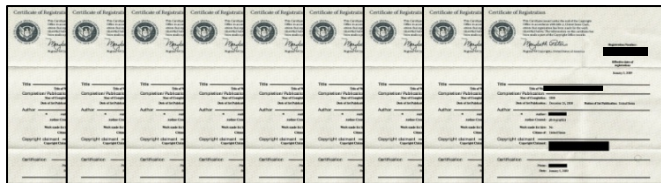
1

1

# Scope of PeopleSoft Copyrighted Works Valued

## 105 PeopleSoft Copyright Registrations

- At Least Hundreds of Thousands of Software Files
- At Least Thousands of Copies of Entire Applications
- At Least Hundreds of Thousands of Downloads

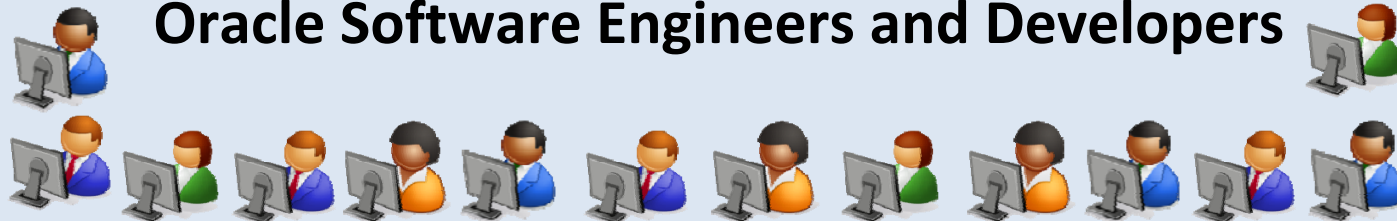


## Oracle Copyrighted Works

- ✓ Software Objects
- ✓ Software Updates
- ✓ Bug Fixes
- ✓ Patches
- ✓ Software Applications
- ✓ Instructional Materials
- ✓ Custom Solutions

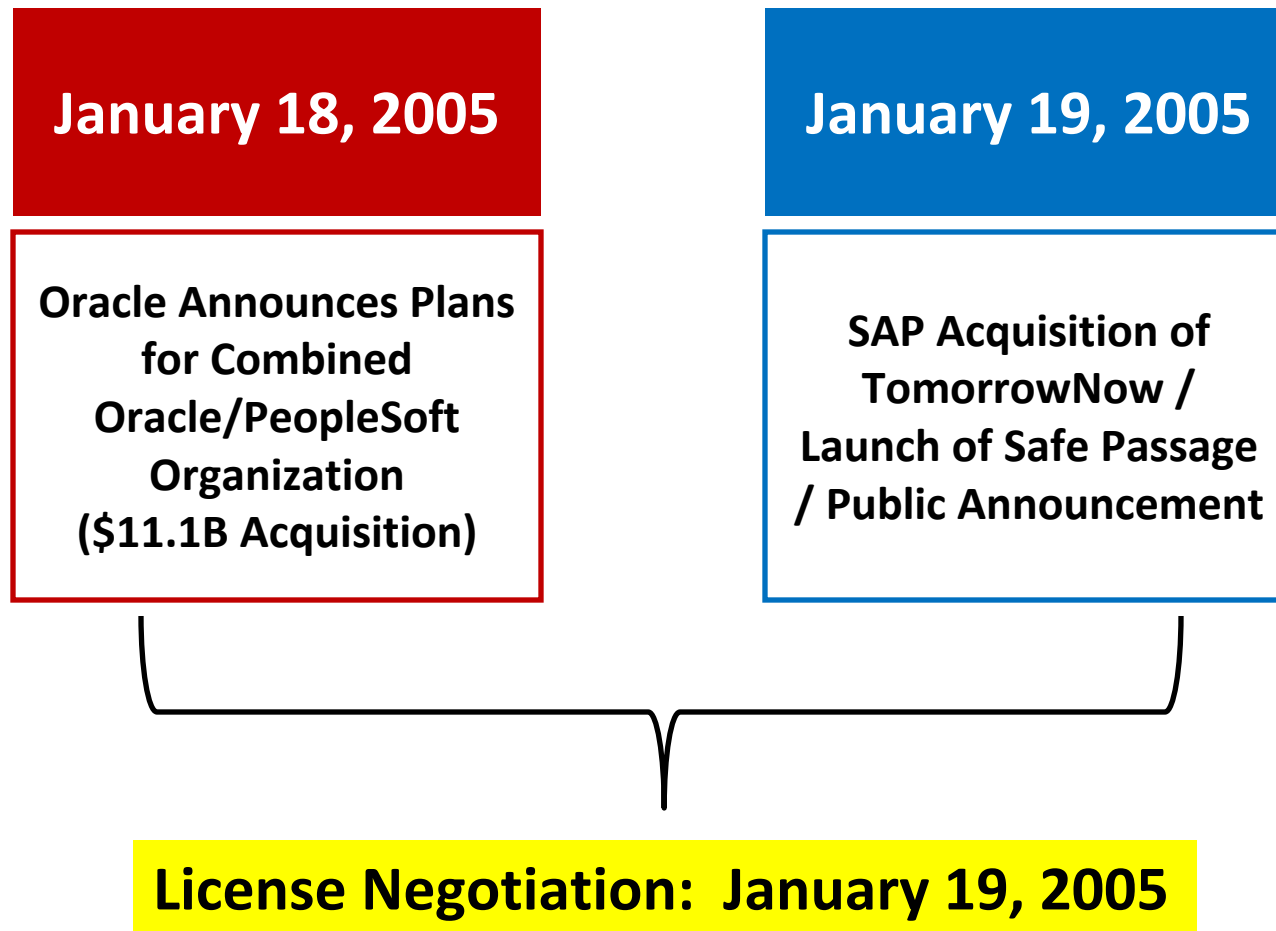


## Oracle Software Engineers and Developers

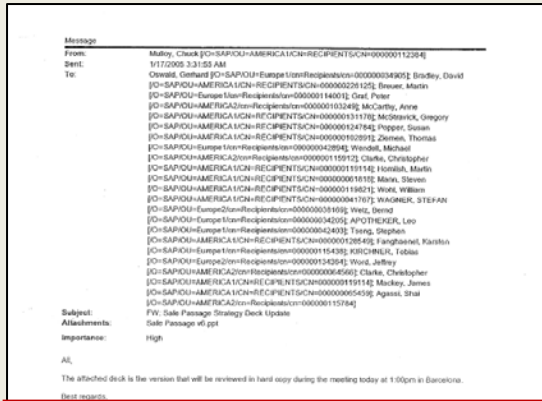


# Timing of PeopleSoft License Negotiation

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# "Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-J.D. Edwards" – January 16, 2005



## Strategy

### "Convert and Contain"

**Goal:** Our goal is to convert the majority of the PeopleSoft and J.D. Edwards customer base to SAP and contain Oracle's potential growth in the next generation application market.

**Strategy:** By offering full maintenance and support of PeopleSoft and J.D. Edwards systems, migration tools along with favorable upgrade licensing terms to SAP NetWeaver and mySAP ERP, SAP will siphon off the cash flow that Oracle needs to build or acquire its next generation applications. SAP will establish or re-invigorate relationships with potentially thousands of new and existing customers.

**Key Tactics:**

- Announce a dramatic, market changing PeopleSoft and J.D. Edwards support and upgrade

## Key Tactics:

- Announce a dramatic, market changing PeopleSoft and J.D. Edwards support and upgrade offering in January, just as Oracle announces their new strategy.

Highly Confidential Information - Attorneys' Eyes Only

SAP-OR00092046

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 Case # 05-cv-01564-PJM  
 PLNTF EXHIBIT NO. 6141  
 Date Admitted: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Nichole Heuserman, Deputy Clerk

Handwritten note: Shekman Exhibit 236 for 4/08 NY Times CR

with the SAP practice and enable hundreds of IBM channel partners around the world to engage PeopleSoft and JDE accounts on behalf of the joint SAP and IBM initiative.

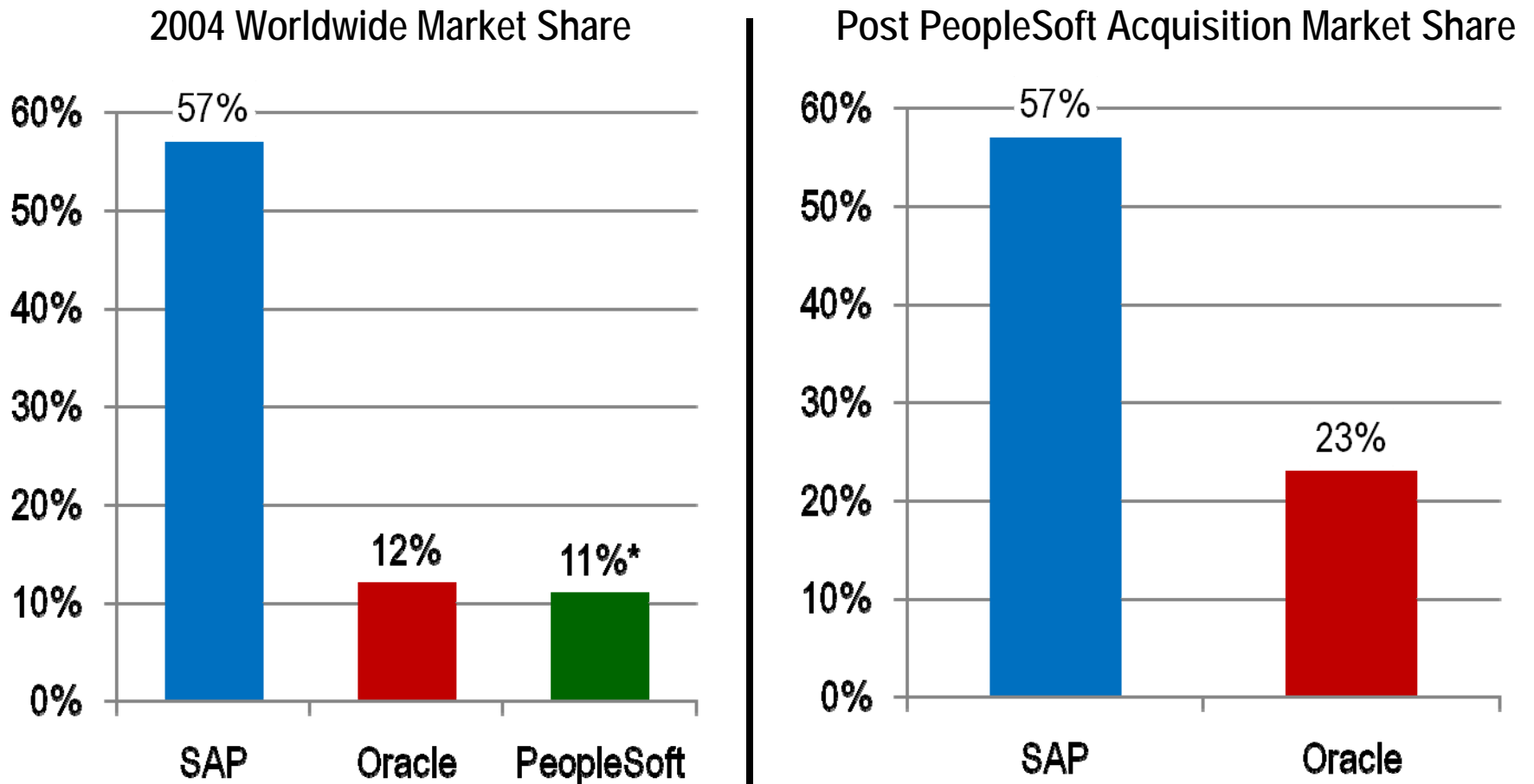
- Roll out targeted direct marketing and sales programs to a variety of PSFT and JDE market segments including strategic installed bases of mid market manufacturing, project/service industries, local/state governments and HCM
- Wrap up the first half 2005 Safe Passage campaign at the SAPHIRES with high profile closing events and special tracks to further education and nurture PeopleSoft and J.D. Edwards customers.

SAP Global Marketing © 2004, Safe Passage v1, December 23, 2004, 3

THE BEST-RUN BUSINESSES RUN SAP

PX0141

# Oracle and SAP ERP Worldwide Market Share



\* Oracle paid \$11.1 billion to acquire 11% market share

Source: SAP Document - "The Truth About Oracle's Claims" (PX0157)



# "Clear Sailing: Sustaining Our Momentum in Competitive Waters" – February 3, 2005

**Unknown**

**From:** Wendell, Michael  
**Sent:** Thursday, February 03, 2005 8:29 PM  
**To:** McStravick, Gregory  
**Subject:** RE: "CLEAR SAILING" SYLT 2005

**Sensitivity:** Confidential

Greg,  
 No mention of Partners **REDACTED**  
 1. I've seen no progress on getting Partners onboard **REDACTED**

Mike Wendell  
 +1 215 283-4465

-----Original Message-----  
**From:** Hornish, Martin  
**Sent:** Thursday, February 03, 2005 8:27 PM  
**To:** Kagermann, Henning; Agassi, Shai; APOTHEKER, Leo; Oswald, Gerhard; Zencke, Heinrich; Claus  
**Cc:** Bradley, David; Mann, Steven; Popper, Susan; McCarthy, Anne; Wolf, William; Gregory, McDermott, Bill; Gupta, Gitanjali; Baur, Thomas; Crean, Tim; Herzberg, Nils; Thomas, Bruce, C. Edward; Breuer, Martin; Rosolus, Stephen; Sander, Edward; Prosc; Busse, Torsten; Tedesco, Costanza; Steinert, John; Peterson, Karen; Vaughn, Jane; Michael; Tseng, Stephen; Chou, Carlos; Clarke, Christopher; Bauer, Steve; Degler, T; Brubaker, Brad  
**Subject:** "CLEAR SAILING" SYLT 2005  
**Importance:** High  
**Sensitivity:** Confidential

**Dear Board Members:**

program management approach and current activities -- now called "Clear Sa

**Document 1** sets the stage for our next sustaining phase of activities, reprises strategies (tactics for which will evolve rapidly), and describes our core team approach. Our Global Marketing team will provide overall strategic and project coordination, with Gita Gupta as project manager under Dave Bradley's direct  
 << File: Clear Sailing Project Management.zip >>

**Document 2**, provided by the Global Communications team, effectively summarizes our worldwide communications strategies and activities.  
 << File: Clear Sailing Communications Recommendations.ppt >>

**Document 3**, provided by Shai and Peter Graf, identifies a set of focused questions that will trip Oracle up, since Oracle cannot answer these questions credibly. This document is intended as input into Communications strategy and tactics. It also contains facts about Oracle's technical weaknesses that we can use as background information for further activities. Finally, it summarizes the truth about SAP's

1

HIGHLY CONFIDENTIAL INFORMATION - ATTORNEYS' EYES ONLY

SAP-OR 00126416-17 (COLOR 000001)

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 Case #: 07-cv-01658-PJH  
 PLNTE EXHIBIT NO. 0171

## Situation Analysis

➔ Market consolidation has changed the competitive landscape. Oracle is positioning itself to aggressively challenge SAP for leadership in business software solutions.

➔ Media interest is high – provocative statements from Oracle, and simple statements from executives will drive the news cycle in most key markets.

➔ Recent SAP share price drop caused mainly by disappointment on SAP operating margin guidance coupled with Oracle projections of strong top line and margin targets. Some possible selling by hedge funds and long-term holders taking profits due to "lack of a catalyst" to drive near term SAP share price and SAP trading at highest valuation in peer group.

financial performance, especially after nine good quarters in the US market, which is the key

Internal pressure at SAP is high to "take on Oracle" in response to public provocation from Oracle. We are emboldened by strong financial performance, especially after nine good quarters in the US market, which is the key battleground.

PX0171

# PeopleSoft License – SAP Negotiation Factors

Negotiation Factor	Analysis
<b>1</b> SAP's Goals for New Offering	✓ Offering PeopleSoft Maintenance is Step 1 of "3-Step Plan" to Convert Customers to SAP
<b>2</b> SAP's Expected Impact on Oracle	✓ Impact Oracle's Return on \$11.1B Investment by Taking PeopleSoft Customers ✓ SAP Increased Revenue Equals Oracle Revenue Impact
<b>3</b> SAP's Expected Financial Gains	✓ \$897 Million in Only 3 Years ✓ Expected Customer Conversions of 2,000 to 6,000 ✓ SAP Expected Gains of \$881M to \$2.69B



# PeopleSoft License – Key SAP Documents

SAP NEGOTIATION FACTORS						
Date	Document	①	②	③	Presented To / Received By	
		SAP Goals	Impact on Oracle	Financial Gains		
1	12/15/2004	Executive Board Meeting Minutes (PX0003)	X			SAP Executive Board
2	12/20/2004	"PeopleSoft 1-2-3" (PX0006, PX0008)	X	X		Agassi, Oswald, Mackey
3	12/23/2004	"A Roadmap For PSFT Customers to SAP" (PX0012)	X		X	Agassi, Apotheker, Kagermann, Oswald
4	1/5/2005	"PeopleSoft 1-2-3" Version 1.2 (PX0015)	X	X		Agassi, Oswald, Shenkman, Mackey and Others
5	1/16/2005	"Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-JD Edwards" (PX0141)	X	X	X	Apotheker, Agassi, Oswald, Homlish, Ziemer, Mackey and Others
6	1/19/2005	SAP Conference Call (PX0023)	X	X	X	Public
7	1/20/2005	Executive Board / "Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-JD Edwards" (PX0024, PX0151)	X	X	X	SAP Executive Board
8	1/25-26/2005	"TomorrowNow Integration Meeting" (PX0161)	X		X	Oswald, Ziemer, Nelson, Ravin and Others

# PeopleSoft License - SAP's Goals For New Offering (Factor ①)

	Document	Presented To / Received By	SAP's Goals (quotes)
1	Executive Board Meeting Minutes – 12/15/2004 (PX0003)	SAP Executive Board	<ul style="list-style-type: none"> <li>• “The Executive Board agrees to make a special offer to PeopleSoft/SAP customers to take over responsibility for the maintenance of their PeopleSoft HR installations and for potentially upgrading to mySAP BS”</li> </ul>
2	“PeopleSoft 1-2-3” – 12/20/2004 & 1/5/2005 (PX0006, PX0008, PX0015)	Agassi, Oswald, Mackey	<ul style="list-style-type: none"> <li>• “Step 1: Provide current SAP customers PeopleSoft support”</li> <li>• “Freezing a PeopleSoft customer ‘forever’ is not an end goal of SAP. SAP ultimately wants to sell more software and upgrade a customer to mySAP.”</li> </ul>
3	“A Roadmap for PSFT Customers to SAP” - 12/23/2004 (PX0012)	Agassi, Apotheker, Kagermann, Oswald	<ul style="list-style-type: none"> <li>• “SAP provides ongoing support for PSFT software until 2009”</li> </ul>
4	“Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-J.D. Edwards” – 1/16/2005 (PX0141)	Apotheker, Agassi, Oswald, Homlish, Ziemer, Mackey and Others	<ul style="list-style-type: none"> <li>• “Safe Passage features 3 fundamental elements: 1. Maintenance of PeopleSoft and J.D. Edwards applications”</li> </ul>

# PeopleSoft License - SAP's Goals For New Offering (Factor **1**) – cont.

	Document	Presented To / Received By	SAP's Goals (quotes)
5	SAP AG Phone Conference – 1/19/2005 (PX0023)	Public	<ul style="list-style-type: none"> <li>• “To accelerate this offering, SAP has acquired TomorrowNow”</li> <li>• “Our Safe Passage program has three key components. One: a maintenance offering on existing investments customers have made in PeopleSoft and JDE.”</li> <li>• “This offer is a global offer.”</li> </ul>
6	Executive Board / “Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-JD Edwards” – 1/20/2005 (PX0024, PX0151)	<b>SAP Executive Board</b>	<ul style="list-style-type: none"> <li>• “Our Offering: SAP will offer full product maintenance and support for all PeopleSoft and J.D. Edwards products, and provide that support through TomorrowNow.”</li> </ul>
7	“TomorrowNow Integration Meeting” – 1/25-26/2005 (PX0161)	<b>Oswald, Ziemen, Nelson, Ravin and Others</b>	<ul style="list-style-type: none"> <li>• “Tnow will serve as major cornerstone of our Go-to – market strategy as our key Service-delivery unit”</li> </ul>

# PeopleSoft License - SAP's Expected Impact on Oracle (Factor **2**)

	Document	Presented To / Received By	SAP's Impact on Oracle (quotes)
1	"PeopleSoft 1-2-3" - 12/20/2004 & 1/5/2005 (PX0006, PX0008, PX0015)	Agassi, Oswald, Mackey	<ul style="list-style-type: none"> <li>• "May force Oracle to change its behavior or plans around pricing or positioning" (PX0006, PX0015)</li> <li>• "Affecting Oracle's ability to maintain this revenue stream could impact the ROI assumptions of the Oracle/PeopleSoft deal" (PX0015)</li> </ul>
2	"Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-JD Edwards" - 1/16/2005 (PX0141)	Apotheker, Agassi, Oswald, Homlish, Ziemen, Mackey and Others	<ul style="list-style-type: none"> <li>• "Contain Oracle's potential growth in the next generation application market."</li> <li>• "SAP will siphon off the cash flow that Oracle needs to build or acquire it's next generation applications."</li> </ul>
3	SAP AG Phone Conference - 1/19/2005 (PX0023)	Public	<ul style="list-style-type: none"> <li>• "The value was estimated by Oracle, rightfully or wrongly, as \$10 billion."</li> <li>• "This customer base is not necessarily captive by Oracle."</li> </ul>
4	"Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-JD Edwards" - 1/20/2005 (PX0024, PX0151)	SAP Executive Board	<ul style="list-style-type: none"> <li>• "Disrupt Oracle's ability to pay for the acquisition out of cash flow"</li> <li>• "Shrink their share of the application market"</li> <li>• "Discredit their efforts to create a next-generation application platform"</li> </ul>

# PeopleSoft License - SAP's Expected Financial Gains (Factor **3**)

	Document	Presented To / Received By	SAP's Expected Gains
1	"A Roadmap For PSFT Customers to SAP" - 12/23/2004 (PX0012)	Agassi, Apotheker, Kagermann, Oswald, Homlish	<ul style="list-style-type: none"> <li>• <b>3,000 maintenance</b> customers by 2007</li> <li>• <b>Convert 1,375</b> customers to SAP by 2007</li> <li>• <b>\$897 million</b> in first <b>3 years</b></li> </ul>
2	"Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-J.D. Edwards – Executive Overview" – 1/16/2005 (PX0141)	Apotheker, Agassi, Oswald, Homlish, Ziemen, Mackey and Others	<ul style="list-style-type: none"> <li>• "Our goal is to <b>convert the majority</b> of the PeopleSoft and J.D Edwards customer base to SAP"</li> <li>• "Aggressively convert" <b>450</b> of Global 1000 <b>"over the next 30 days"</b></li> </ul>
3	SAP AG Phone Conference – 1/19/2005 (PX0023)	Public	<ul style="list-style-type: none"> <li>• Target <b>4,000 joint</b> SAP customers</li> <li>• Two common customer scenarios</li> </ul>
4	"Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-JD Edwards" – 1/20/2005 (PX0024, PX0151)	SAP Executive Board	<ul style="list-style-type: none"> <li>• <b>Convert 50%</b> of PSFT/JDE customers (100% of shared customers) to SAP</li> <li>• <math>9,920 \times 50\% = \mathbf{4,690}</math></li> </ul>
5	"TomorrowNow Integration Meeting" – 1/25-26/2005 (PX0161)	Oswald, Ziemen, Nelson, Ravin and Others	<ul style="list-style-type: none"> <li>• <b>2,000 to 4,000</b> TomorrowNow customers by 2009</li> </ul>
6	Deposition Testimony of Shai Agassi, Former SAP Executive Board Member	N/A	<ul style="list-style-type: none"> <li>• <b>60%</b> of PSFT/JDE customers</li> <li>• <math>9,920 \times 60\% = \mathbf{5,952}</math></li> </ul>

# Executive Board Meeting Minutes

– December 15, 2004 (Factor **1**)

Executive Board Meeting  
December 15th, 2004

CONFIDENTIAL! SAP AG

Minutes

Minutes  
Executive Board Meeting  
December 15th, 2004

Participants:

Executive Board:  
W. Brandt, C. Heinrich, H. Kagermann, G. Oswald, P. Zencke,  
S. Agassi, L. Apotheker

Extended Management Board:  
L. Hayman, K.-H. Hess, M. Hornisch, P. Kirschbauer, K. Kreplin

Supervisory Board:  
No participation

Executive Board Meeting December 15th, 2004

CONFIDENTIAL! SAP AG

Minutes

Topics	Board Member	Subject / Decisions / Actions	Responsible	Time
1	CEO Update / Follow up	H. Kagermann		
REDACTED				

• The Executive Board agrees to make a special offer to People-soft/SAP customers to take over responsibility for the maintenance of their Peoplesoft HR installations and for potentially upgrading to mySAP BS (offer the same conditions as for R/3 customers).

Page 1

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SAP-OR 00299161

EXHIBIT 423  
with Kagermann  
DATE: 1/26/05  
FROM: SAC JTB

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
Case #: 07-cv-01658-PJH  
PLNTP EXHIBIT NO. 0003  
Date Admitted: \_\_\_\_\_  
By: \_\_\_\_\_  
Nichole Heuerman, Deputy Clerk

Board Meeting Minutes / December 15th, 2004

Page 2

SAP-OR 00299162

PX0003



# "PeopleSoft 1-2-3"

- December 20, 2004 (Factor **1**)


Message

From: Zepack, John  
Sent: 12/20/2004 7:57:38 PM  
To: Agassi, Shai [os@SAP]  
Subject: Peoplesoft 1-2-3  
Attachments: Peoplesoft 1-2-3 12 20 04.doc

Shai,

I pulled together some thoughts on Peoplesoft opportunities (see attached documents below about ten pages in length). Here's a relatively brief summary email as well. Please let me know your thoughts here and/or read steps. There is a pretty short window of opportunity to easily attract talent.

Thanks and regards, Johnz

  
Peoplesoft 1-2-3  
12 20 04.doc

**Step 1 - Offer support/maintenance to Peoplesoft**

I am not sure how broadly you envisioned this program, but supporting all product lines and system landscapes would be difficult/expensive. Targeting heavily used modules in HCM and Financials is more viable at least to start and has the most attractive customers. There is a group called TomorrowNow offering JD Edwards support for some time that might be a good subcontractor to allow SAP to focus on larger customers, but still support all product families.

To lead this type of effort, Tom Shields (ran HR will not move from Sydney) is a problem, but he could really help to find and attract talent.

Catherine Jensen runs support for the HCM product. The next level down, there are many capable people who developed new development and maintenance.

If the scope of support is clear and Oracle buys people or treats people easily, creating a hiring plan could be done pretty quickly. It should be possible to recruit Peoplesoft trained people in Bangalore as well. Getting a focus and getting some key leaders in place soon is the critical success factor, then there probably is ample talent to go after.

Opening an office in Pleasanton would be a huge win for recruiting and helping to support this initiative. The time window to determine scope of support, establish funding/business model, and establish leadership is short. By end of Q1 2005, it will be difficult to get critical mass and executing on this effort would require a sizable investment of people.

**Step 2 - Integrate existing xApps and create new xApps/composites that integrate with Peoplesoft product**

If Oracle delivers ten years of support for existing Peoplesoft products, the Peoplesoft installed base will freeze. Most customers will wait before deciding to upgrade and/or deploy custom or point solutions to augment the core transactional systems. SAP has an opportunity to deploy existing xApps and create new xApps to the Peoplesoft installed base. Aside from helping to capture the Peoplesoft customer base and providing functionality that further discourages upgrade to a new Peoplesoft version, there is incremental revenue to be made. Over time the ultimate goal is to drive upgrade to mySAP, but realistically selling add on applications for three to five years is the best and most straightforward revenue opportunity.

Eventually Oracle may figure out that offering composite processes in the eBizSuite that integrates to deployed Peoplesoft applications is much easier than driving upgrades. I would estimate that Oracle takes at least a year or more to understand this reality. SAP has the ability to develop new solutions, seed Netweaver and the SAP footprint, and drive revenue. Many of the solutions that would be attractive to Peoplesoft customers probably fit into an SAP roadmap.

Attracting domain experts to support this initiative is possible as well. The solution areas of interest would drive the list of people to go after. Vishal mentioned that Services Procurement is of some interest - I can highly recommend some functional experts and architects in this area.

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By: \_\_\_\_\_  
Nichole Heuerman, Deputy Clerk

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**Step 1 – Provide current SAP customers Peoplesoft support**

**Step 2 – Drive incremental revenue through composite applications**

**Step 3 – Upgrade Peoplesoft customers to mySAP ERP**

PX0006

# "A Roadmap For PeopleSoft Customers to SAP"

- December 23, 2004 (Factor **3**)

Message  
**From:** Ziemer, Thomas (JO=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000042894)  
**Sent:** 12/23/2004 8:05:11 AM  
**To:** APOTHEKER, Leo (JO=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000042403); Agassi, Shai (JO=SAP/OU=America2/cn=Recipients/cn=00000115764); Homish, Martin (JO=SAP/OU=America1/cn=Recipients/cn=00000061816)  
**CC:** Kagermann, Henning (JO=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=00000046252); Oswald, Gerhard (JO=SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000034905)  
**Subject:** PeopleSoft Attack Program  
**Attachments:** PS\_Attack\_Program\_12\_2004\_V6.spt

Leo, Shai, Marty,  
 please find enclosed the updated version of the PeopleSoft Attack Program Presentation including the latest feedback and agreements.

PS\_Attack\_Prog...

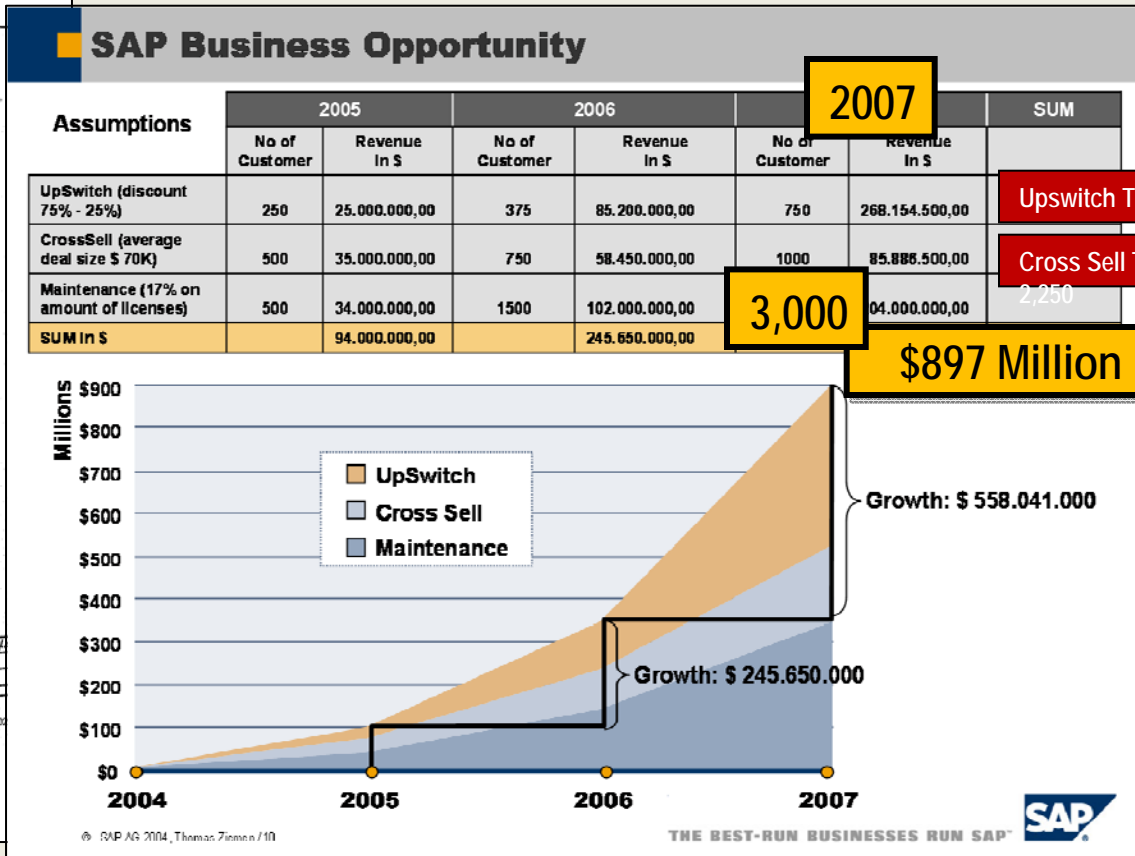
Regarding the PSFT license recognition the current agreement is to start with minimum 75% of the net license and leave it to the Regional Sales Heads to lift it up to 100%. Over time we should start reducing that recognition (75-100% for the first year, 50-75% for the second and after that only 50%).

Merry Christmas and a very happy New Year.

Thomas  
 Thomas Ziemer  
 Vice President  
 Service Solutions Management  
 SAP AG  
 Heubühlstraße 16  
 69126 Heidelberg  
 T +49 6227 7-44706  
 F +49 6227 78-20380  
 M +49 17 3363644  
 E thomas.ziemer@sap.com  
 http://www.sap.com

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UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 Case #: 07-cv-01658-PJH  
 PLAINT EXHIBIT NO. 0012  
 Date Admitted: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Nichole Heuserman, Deputy Clerk



PX0012

# "PeopleSoft Attack Program" - December 23, 2004 (Factor 3)

Message

**From:** [REDACTED] (RECIPIENTS/CN=000000034205)  
**Sent:** 12/23/2004 10:02 AM (E2/cn=Recipients/cn=000000135214; Tomb, ts/cn=000000048799)  
**To:** [REDACTED] (E2/cn=Recipients/cn=000000135214; Tomb, ts/cn=000000048799)  
**CC:** Schwarz, Markus (JO-SAP/OU=EUROPE/ECN=Recipients/cn=000000039245); Ziemen, Thomas (JO-SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000042894); Oswald, Gerhard (JO-SAP/OU=EUROPE1/CN=RECIPIENTS/CN=000000034905)  
**Subject:** PeopleSoft Attack Program

Hi Bernd and Greg,  
Thomas Ziemen in my team has put together for the board a PeopleSoft Attack Program. Enclosed please find the latest version. Henning, Leo, Gerd and Shai had given input and extensive guidance on this.

The offering (see page 5-6) to PS customers will have 3 parts:

- Maintenance services
- Integration services
- Migration services

A solution for how to provide PeopleSoft Maintenance is in the workings. Most tools and content for integration and migration already exists.

I suggest we use the FKOM-Meeting to define how we bring this into execution.

Best regards,  
Bernd.

-----Ursprüngliche Nachricht-----  
**Von:** Ziemen, Thomas  
**Gesendet:** Donnerstag, 23. Dezember 2004 15:08  
**An:** Breuer, Martin; Baur, Thomas; Halmann, Herbert; Graf, Peter; Wohl, William; Wood, Nigel; Weib, Bernd; Scholten, Jochen  
**Betreff:** PeopleSoft Attack Program

Dear all,  
please find enclosed the latest version of the PeopleSoft Attack Program Presentation.  
If applicable please forward this to other people involved.

PS\_Attack\_Prog...

Merry Christmas and a very happy New Year.

Kind regards, Thomas

**Thomas Ziemen**  
Vice President  
Service Solution Management  
SAP AG  
Neurospitze 19  
69180 Waldorf  
T +49 6227 7-44766  
F +49 6227 78-20080  
M +49 171 3363944  
E thomas.ziemen@sap.com  
<http://www.sap.com>

12/30/04  
Exhibit 1782  
Holly Thuman, CSR

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SAP-OR00493900

**A Roadmap for PSFT Customers to SAP**

Positioning Overview: December 23, 2004

Thomas Ziemen  
Service Solution Management  
SAP AG

THE SAP FOR BUSINESS' NEW SAP



PX4814

# “Safe Passage: Winning Customers and Markets from Oracle- PeopleSoft-J.D. Edwards” – January 16, 2005 (Factors 2 & 3)

**Message**

**From:** Midity, Chuck [ID=SAP0U-AMERICA@RECIPIENTSCH=00000112284]  
**Sent:** 1/17/2005 3:31:55 AM

**Subject:**

[ID=SAP0U-AMERICA@RECIPIENTSCH=00000112284] Wink, Wilam  
 [ID=SAP0U-AMERICA@RECIPIENTSCH=00000041767] WINKNER, STEFAN  
 [ID=SAP0U-Europe@Recipientsch=00000031939] YING, JERRY  
 [ID=SAP0U-Europe@Recipientsch=00000034305] APOTHEKER, Leo

**Strategy**

**“Convert and Contain”**

**Goal:** Our goal is to convert the majority of the PeopleSoft and J.D. Edwards customer base to SAP and contain Oracle’s potential growth in the next generation application market.

**Strategy:** By offering full maintenance and support of PeopleSoft and J.D. Edwards systems, migration tools along with favorable upgrade licensing terms to SAP NetWeaver and mySAP ERP, SAP will siphon off the cash flow that Oracle needs to build or acquire it’s next generation applications. SAP will establish or re-invigorate relationships with potentially thousands of new and existing customers.

**Key Tactics:**

AP parties that attached an updated Safe Passage strategy deck. Minor edits and inclusion of specific F&M Enablement tactics from Mike Verrill.

- Announce a joint initiative between SAP and IBM to service, support and upgrade the existing PeopleSoft and JDE installations by perhaps combining the IBM BCS PeopleSoft/JDE practice with the SAP practice and enable hundreds of IBM channel partners around the world to engage PeopleSoft and JDE accounts on behalf of the joint SAP and IBM initiative.
- Roll out targeted direct marketing and sales programs to a variety of PSFT and JDE market segments including strategic installed bases of mid market manufacturing, project/service

- Reach out to the joint SAP-PSFT-JDE accounts within the “Global 1,000” (est. 450) over the next 30 days (February) and aggressively convert their maintenance contracts to SAP and facilitate immediate adoption of NetWeaver and planned adoption of mySAP ERP at PSFT and JDE installations within those enterprises.

Case #: 07-cv-01658-PJM  
 PLNTF EXHIBIT NO. 0141  
 Date Admitted: \_\_\_\_\_  
 By: Nichole Heuserman, Deputy Clerk

SAP Global Marketing © 2004, Safe Passage v1, December 23, 2004, 3

THE BEST-RUN BUSINESSES RUN SAP

PX0141

# SAP AG Phone Conference - January 19, 2005 (Factor 2)

JD Edwards customer.  
11. Okay.  
Tomorrow Now is the vehicle through which  
maintenance services, not the customer-based  
after. It's also--it's not a 75 percent

**SAP AG**  
Phone Conference

Ubique/Nation-Wide Reporting & Convention  
305 Broadway, Suite 408 - New York City, N  
Phone: 212-237-7440 • 800-221-7240 • FAX 212

**MR. SHAI AGASSI:** And Tomorrow Now is the vehicle through which they get the maintenance services, not the customer-based that we're going after. It's also--it's not a 75 percent discount, it's a 75 percent credit on their original PeopleSoft, JD Edwards investment. So as a result of that, basically I think what we're looking at, and if you want to look at it from sort of the financials perspective, the rationale is more around the value, if you want, that these customers represent as a potential future set of customers for SAP applications. And it's--the value was estimated by Oracle, rightfully or wrongly, as \$10 billion. What we believe is that this customer base is not necessarily captive by Oracle. I think this customer base has to make a choice right now.

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By: \_\_\_\_\_  
Nichole Heuerman, Deputy Clerk

SAP AG  
Phone Conference  
13

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PX0023



# “Safe Passage: Winning Customers and Markets from Oracle- PeopleSoft-J.D. Edwards” – January 20, 2005 (Factors **2** & **3**)

**Safe Passage:  
Winning Customers and Markets From  
Oracle-PeopleSoft-J.D. Edwards**

January 20, 2004

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**The Goal**

Convert approximately 50% of the PeopleSoft and J.D. Edwards customer installations to SAP (100% of shared customers)

- Disrupt Oracle's ability to pay for the acquisition out of cash flow
- Shrink their share of the application market
- Discredit their efforts to create a next-generation application platform

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Case #: 07-cv-01658-PJH  
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By: \_\_\_\_\_  
Nicolle Heurman, Deputy Clerk

SAP-OR 00299500

PX0024

# "TomorrowNow Integration Meeting" – January 25-26, 2005 (Factor **3**)

**TomorrowNow Integration Meeting**  
25-26 January 2005

Stephen Tseng

**Business and Resource Planning (1)**

- Customer base for TNow Maintenance Services
  - 54 existing TNow customers, 200 planned for 2005 including JDE, up to 800 in 2009
  - 2000 joint SAP/PSFT customer as primary focus, 300 covered in 2005

**Scenario 1: 2000 customers in 2009 (2,5x original TNow planning)**

**Scenario 2: 4000 customers in 2009 (5x original TNow planning)**

- PeopleSoft Enterprise (20 FTE per 100 customers)
  - 15:1 customers per Primary Support Engineer, 7 PSE per 100
  - 7,5:1 customers per Development Support Engineer, 13 DSE per 100
- PeopleSoft Enterprise One and World (30 FTE per 100 customers)
  - 10:1 customers per PSE (in 2005/2006), 10 PSE per 100
  - 5:1 customers per DSE (in 2005/2006), 20 DSE per 100
  - Assuming PeopleSoft Enterprise planning ratios for 2009

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
Case #: 07-cv-01658-PJH  
PLNTF EXHIBIT NO. 0161  
Date Admitted: \_\_\_\_\_  
BY: \_\_\_\_\_  
Nichole Heuerman, Deputy Clerk

PX0161

# "TomorrowNow Integration Meeting"

– January 25-26, 2005 (Factor **1**)

**TomorrowNow  
Integration Meeting  
25-26 January 2005**

Stephen Tseng

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1


UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
Case #: 07-cv-01658-PJH  
PLNTF EXHIBIT NO. 0161  
Date Admitted: \_\_\_\_\_  
BY: \_\_\_\_\_  
Nichole Heuerman, Deputy Clerk

**Introduction**

- On behalf of Gerd Oswald, member of SAP's executive board responsible for Service & Support, welcome to the SAP
- Merger presents a huge opportunity for us**
- Facing an exciting adventure with the unprecedented launch of our Safe Passage offering which surprised the analysts and especially ORACLE
- Secure, build-up and prepare the organization accordingly
- Let's do it Together Now !!!**

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THE BEST-RUN BUSINESSES RUN SAP



**TNow will serve as major cornerstone of our Go-to-market strategy as our key Service-delivery unit**

PX0161



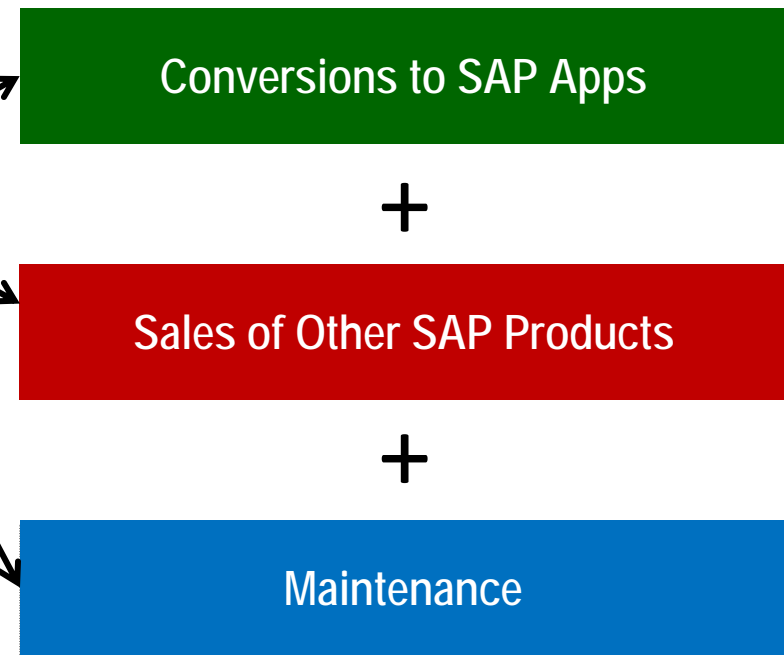
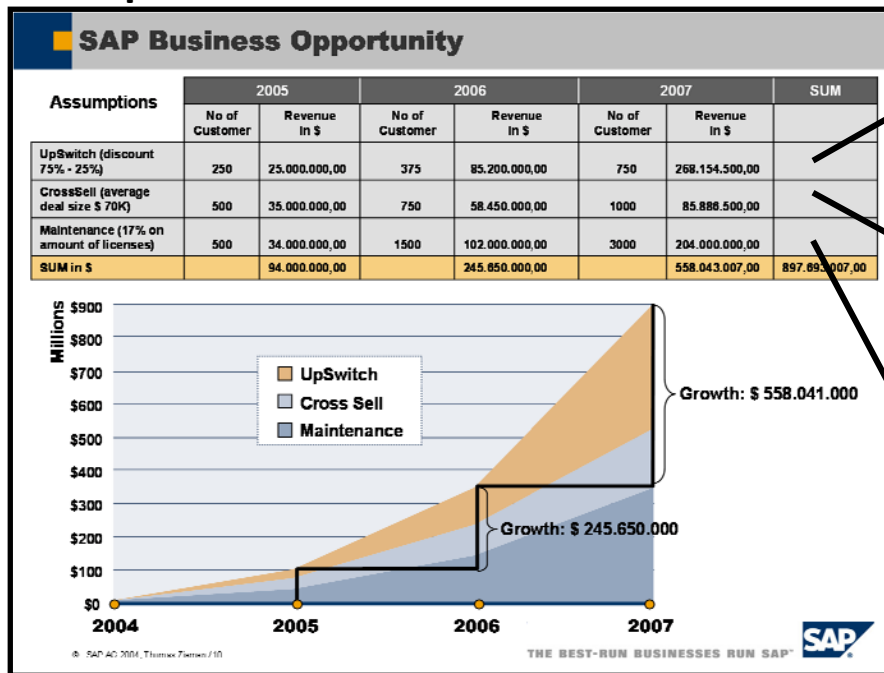
# PeopleSoft License - SAP's Expected Financial Gains (Factor **3**)

	Document	Presented To / Received By	SAP's Expected Gains
1	"A Roadmap For PSFT Customers to SAP" - 12/23/2004 (PX0012)	Agassi, Apotheker, Kagermann, Oswald, Homlish	<ul style="list-style-type: none"> <li>• <b>3,000 maintenance</b> customers by 2007</li> <li>• <b>Convert 1,375</b> customers to SAP by 2007</li> <li>• <b>\$897 million</b> in first <b>3 years</b></li> </ul>
2	"Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-J.D. Edwards – Executive Overview" – 1/16/2005 (PX0141)	Apotheker, Agassi, Oswald, Homlish, Ziemen, Mackey and Others	<ul style="list-style-type: none"> <li>• "Our goal is to <b>convert the majority</b> of the PeopleSoft and J.D Edwards customer base to SAP"</li> <li>• "Aggressively convert" <b>450</b> of Global 1000 <b>"over the next 30 days"</b></li> </ul>
3	SAP AG Phone Conference – 1/19/2005 (PX0023)	Public	<ul style="list-style-type: none"> <li>• Target <b>4,000 joint</b> SAP customers</li> <li>• Two common customer scenarios</li> </ul>
4	"Safe Passage: Winning Customers and Markets from Oracle-PeopleSoft-JD Edwards" – 1/20/2005 (PX0024, PX0151)	SAP Executive Board	<ul style="list-style-type: none"> <li>• <b>Convert 50%</b> of PSFT/JDE customers (100% of shared customers) to SAP</li> <li>• <math>9,920 \times 50\% = \mathbf{4,690}</math></li> </ul>
5	"TomorrowNow Integration Meeting" – 1/25-26/2005 (PX0161)	Oswald, Ziemen, Nelson, Ravin and Others	<ul style="list-style-type: none"> <li>• <b>2,000 to 4,000</b> TomorrowNow customers by 2009</li> </ul>
6	Deposition Testimony of Shai Agassi, Former SAP Executive Board Member	N/A	<ul style="list-style-type: none"> <li>• <b>60%</b> of PSFT/JDE customers</li> <li>• <math>9,920 \times 60\% = \mathbf{5,952}</math></li> </ul>

# PeopleSoft License – SAP’s Expected Financial Gains

## - Calculation Inputs – Revenue Components (Factor 3)

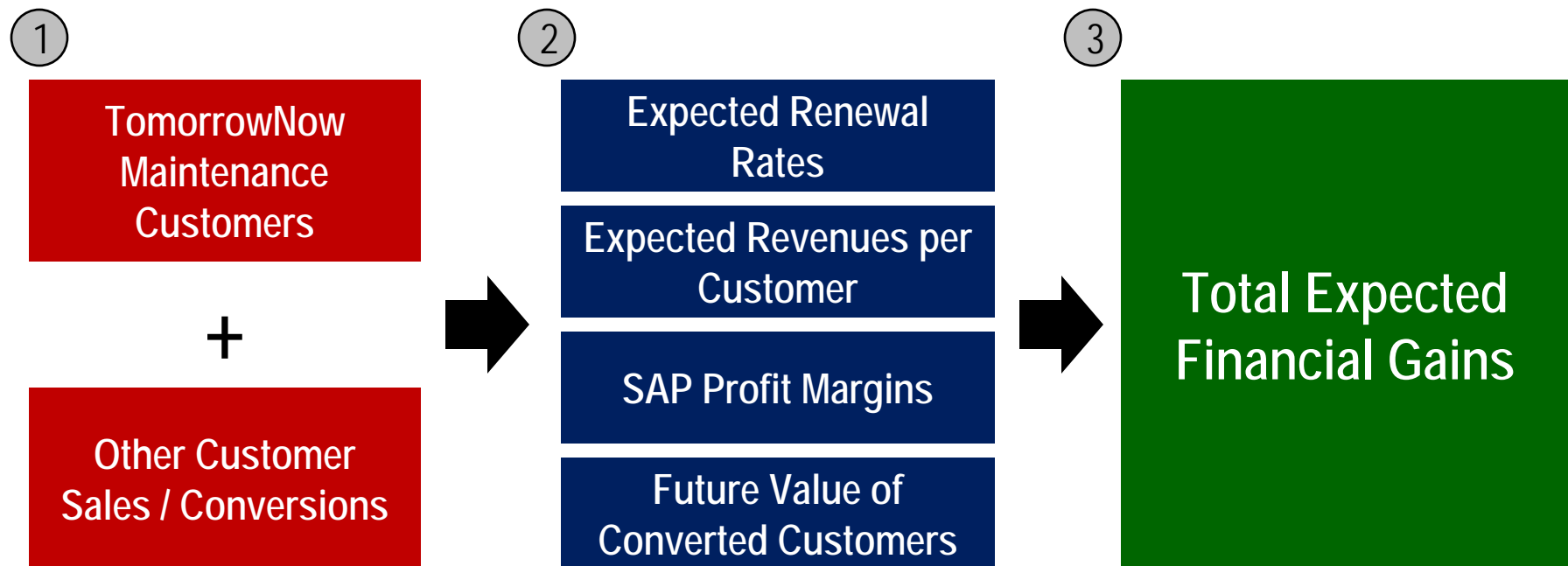
### Example



Source: PX0012

# PeopleSoft License – SAP’s Expected Financial Gains – Calculation Approach (Factor 3)

Based on *SAP’s Expectations* at the Time of the Negotiation



# PeopleSoft License – SAP’s Expected Financial Gains – Calculation Inputs (Factor **3**)

Category	Source	INPUTS	
		TN Maintenance	Other Revenues
Number of Customers	SAP Projections 12/04 – 1/05 (PX0012, PX0023, PX0024, PX0161, PX0141)	3,000	Conversions: 1,375 - 2,000 Other Sales: 2,250 - 3,000
<b>Minus:</b> Customer Attrition	Expected Attrition for PSFT	3.5% (per year)	3.5% (per year)
<b>Multiplied By:</b> Average Revenue per Customer	“SAP Business Opportunity” (PX0012)	\$68,000 (per year)	Conversions: up to \$358K Other Sales: up to \$86K
= Total Revenue	<i>Calculated</i>	<i>Calculated</i>	
<b>Multiplied By:</b> Profit Margin	SAP Financial Records (PX1760, PX1761)	70%	70%
<b>Multiplied By:</b> Discount Factor	SAP Valuation Documents (PX0533)	14%	14%
= Expected Profits (as of 1/05)	<i>Calculated</i>	<i>Calculated</i>	
<b>Plus:</b> Future Value of Customers	PeopleSoft Acquisition (PX0013, PX1762)	N/A	Revenue Multiple: 4 Per Customer Value: \$1M
<b>= SAP EXPECTED FINANCIAL GAINS</b>			

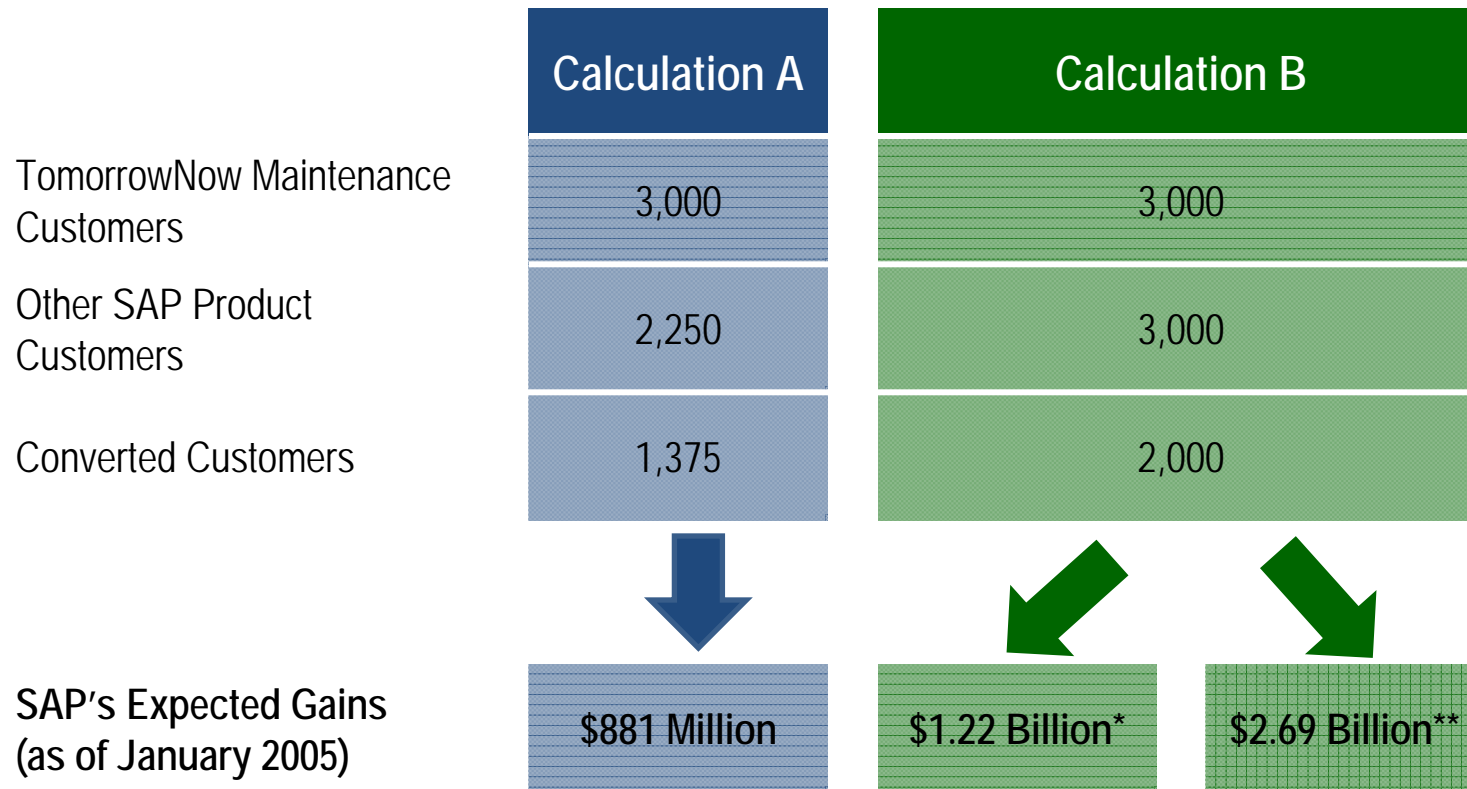
# PeopleSoft License – SAP’s Expected Financial Gains – Example Calculation (Factor **3** )

3,000 Maintenance Customers / 2,000 Converted to SAP

SAP Expected Gains as of January 2005 (in \$ millions)	Customer Base	2005 - 2008			Future Financial Gains from Converted Customers	Total Expected Gains as of January 2005
		Total Expected Revenue	Less: Costs	Total Expected Profits		
Expected SAP Maintenance Revenue	3,000	\$ 370.1	\$ (111.0)	\$ 259.1	N/A	\$ 259.1
Expected Additional Product Sales	3,000	187.9	(56.3)	131.6	90.6	222.2
Expected License Revenue / Converted Customers	2,000	427.9	(128.3)	299.6	440.4	740.0
<b>Total Expected Gains as of January 2005</b>		<b>\$ 985.9</b>	<b>\$ (295.6)</b>	<b>\$ 690.3</b>	<b>\$ 531.0</b>	<b>\$1,221.3</b>

Sources: PX0012, PX013, PX0193, PX0533, PX1760, PX1762

# PeopleSoft License – SAP’s Expected Financial Gains – Calculation Results (Factor 3)



\* Future value based on revenue multiple

\*\* Future value based on value per customer

Sources: PX0012, PX013, PX0193, PX0533, PX1760, PX1762

# PeopleSoft License – SAP Negotiation Factors

Negotiation Factor	Analysis
<b>1</b> SAP's Goals for New Offering	✓ Offering PeopleSoft Maintenance is Step 1 of "3-Step Plan" to Convert Customers to SAP
<b>2</b> SAP's Expected Impact on Oracle	✓ Impact Oracle's Return on \$11.1B Investment by Taking PeopleSoft Customers ✓ SAP Increased Revenue Equals Oracle Revenue Impact
<b>3</b> SAP's Expected Financial Gains	✓ \$897 Million in Only 3 Years ✓ Expected Customer Conversions of 2,000 to 6,000 ✓ SAP Expected Gains of \$881M to \$2.69B



# PeopleSoft License – Oracle Negotiation Factors

Negotiation Factor	Analysis
<b>1</b> Oracle's Goals for PeopleSoft Acquisition	<ul style="list-style-type: none"><li>✓ Maintenance revenue stream from 9,920 customers</li><li>✓ Doubles Oracle ERP worldwide market share</li></ul>
<b>2</b> Risk to Oracle's Investment in PeopleSoft	<ul style="list-style-type: none"><li>✓ \$11.1B investment including software and support materials</li><li>✓ Loss of exclusive rights to copyrighted works</li></ul>
<b>3</b> Oracle's Expected Financial Impacts	<ul style="list-style-type: none"><li>✓ At least 3,000 expected maintenance customer losses</li><li>✓ Oracle expected financial impact</li></ul>





# Oracle's Goals / Plans for PeopleSoft (Factor **1**)

---

- ✓ Double worldwide market share in enterprise applications
- ✓ Obtain "Best of Breed" software
- ✓ Obtain PeopleSoft customer base (approx. 10,000)
  - Maintenance relationships using copyrighted works
  - On-going customer relationships
- ✓ Retain annual \$1.3B maintenance revenue stream to fund further innovation
- ✓ Earn a return on \$11.1 billion investment

# Oracle "Rating Discussion" – January 2005 (Factor 1)

**From:** Harry You  
**Sent:** Thursday, January 6, 2005  
**To:** Ellison, Law; Catz, Safra; Jberg@kmt; hector@cs; melissa@b  
**Cc:** nancy@bod; <geri.west@bulkenhal.com>; Higashi, Joy; MONTTOYA  
**Subject:** SAP  
**Attach:** S\_andP\_Or

**Rating Discussion**

January 2005

Attached is the press release from Moody's, off negative watch. I have also Moody's shortly, and as you me S&P, and I think there could be A-1 commercial paper rating, w rated company. We will keep y

We had a great team effort led by Jim Apostolides and Get W

Please call or email if you have Harry

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**Charles Phillips / Safra Catz  
Presentation**

Ellison  
Exhibit 402  
5-5-09  
Holly Thuman, CSR

**Rationale for the PeopleSoft Transaction**

- Expanded customer base with greater scale
- Larger applications R&D budget and accelerated innovation
- Stronger competitive positioning
- More high-margin recurring revenue
- Accretive transaction from operations to Oracle's shareholders
- Low risk acquisition based on planned integration

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27  
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ORCL00381773

PX4811

# Oracle Corporation Presentation

– January 26, 2005 (Factor **1**)

**From:** Judith Sim (judith.sim@oracle.com)  
**Sent:** Wednesday, January 20, 2005 11:05 AM  
**To:** Safran, Charles; Phillips, Charles; Soreven, Edward; Wootkey, Alan; Doug Renee; Sicha, Jennifer; JIM, APOC  
**Subject:** FINAL: Financial Analyst Meeting  
**Attachments:** Catz\_Final.ppt; Ellison\_Final.PPT; Soreven\_Final.PPT; Wootkey\_Final.PPT

**Juergen Rottler**  
Executive Vice President  
Oracle Support & On Demand  
Oracle Corporation

### Integration Approach

- No disruption to customer service
  - Continuity
  - Consistency
- Integration
  - Seamless transition, as fast as possible
- Continuous improvement
  - Better Together, delivering the best

**• 95% Customer retention goal**

Exhibit 228  
3-27-09  
Holly Thurner, CSR

Confidential Information ORCL00229085

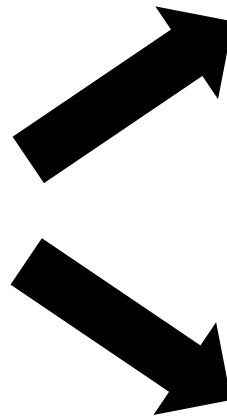
PX4809

# PeopleSoft Acquisition - Summary (Factor 2)

January 18, 2005

## ORACLE

- ✓ **Exclusive** Rights to PSFT Software and Materials
- ✓ ~ 10,000 Customers
- ✓ 11% Increase in ERP Market Share
- ✓ \$1.3B Annual Maint. Revenue



January 19, 2005

## ORACLE

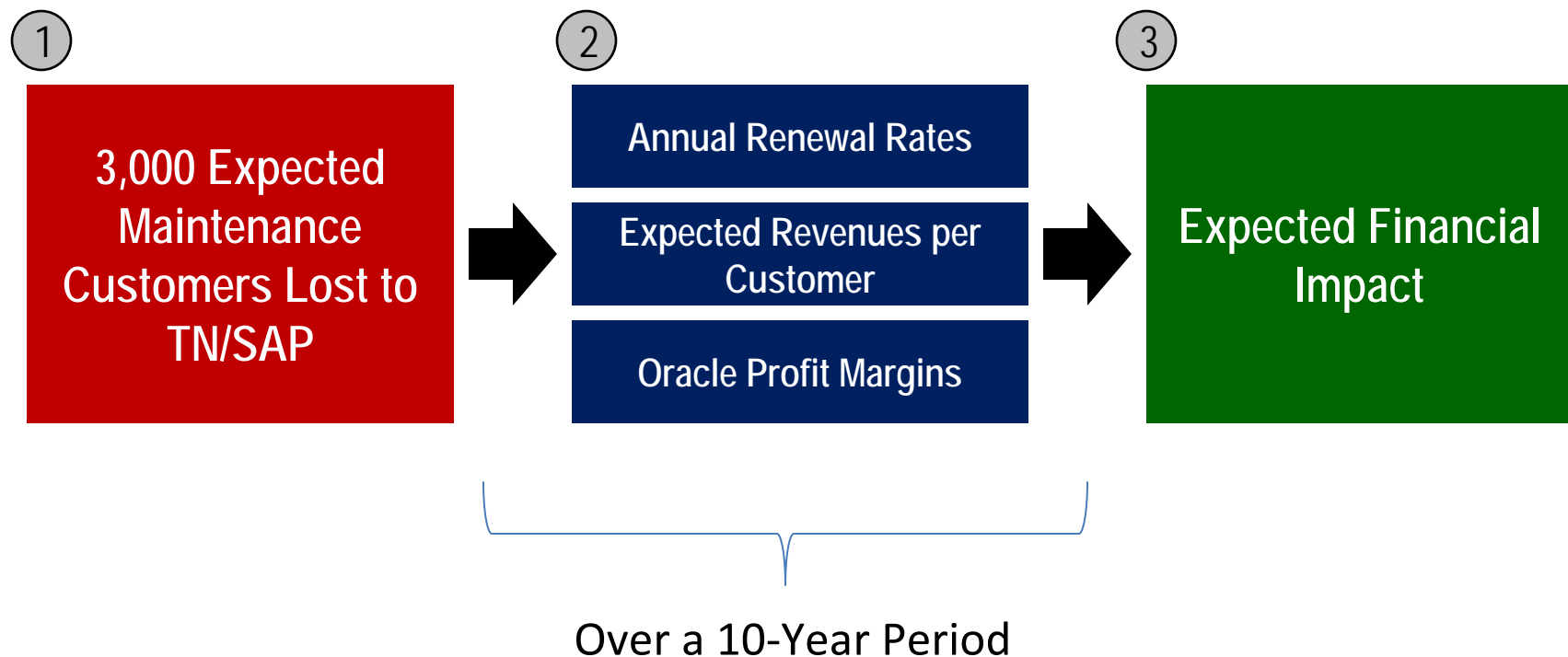
- ✓ **Non-Exclusive** Rights to PSFT Software and Materials
- ✓ Expected **Loss** of Customers, Market Share and Revenue

## SAP

- ✓ **Non-Exclusive** Rights to PSFT Software and Materials
- ✓ Expected **Gain** of Customers, Market Share and Revenue

# PeopleSoft License - Oracle's Expected Financial Impact – Calculation Approach (Factor **3**)

Based on *Oracle's Expectations* at the Time of the Acquisition



# PeopleSoft License - Oracle's Expected Financial Impact

## - Calculation Inputs (Factor **3**)

Category	Source	Inputs
Number of Lost Customers	SAP Projections 12/04 – 1/05 (PX0012, PX0023, PX0024, PX0161, PX0141)	3,000 (10/08) 1,375 – 3,000 (post-10/08)
<b>Minus:</b> Customer Attrition	Expected Attrition for PSFT	3.5% (per year)
<b>Multiplied By:</b> Average Revenue per Customer	Oracle Valuation Documents (PX0615)	\$130,000 (per year)
= Total Revenue	<i>Calculated</i>	<i>Calculated</i>
<b>Multiplied By:</b> Profit Margin	Oracle Financial Records (PX0013, PX1758)	80%
<b>Multiplied By:</b> Discount Factor	Oracle Valuation Documents (PX0013)	10%
= Expected Profits (as of 1/05)	<i>Calculated</i>	<i>Calculated</i>
<b>Plus:</b> Future Value of Customers	Oracle Valuation Documents (PX0658)	8.3% Capitalization Rate
<b>= ORACLE EXPECTED FINANCIAL IMPACTS</b>		

# PeopleSoft License - Oracle's Expected Financial Impact - Example Calculation (Factor **3**)

**3,000 Maintenance Customers / 1,375 (Post 10/08)**

Oracle Financial Impacts as of January 2005 (in \$ millions)	Customer Base	2005 - 2014			Future Financial Impact of Converted Customers	Total Expected Impact as of January 2005
		Total Impacted Revenue	Less: Costs	Total Impacted Profits		
Impacted Oracle Maintenance (1/05 – 10/ 08) (Impacted 1,375 Customers 10/08 – 12/14)	3,000 / 1,375	\$ 1,082.9	\$ (216.6)	\$ 866.3	\$ 519.9	\$ 1,386.2

Sources: PX0012, PX0013, PX0615, PX0658, PX1758

# PeopleSoft License - Oracle's Expected Financial Impact - Calculation Results - (Factor **3**)

---

	Calculation A	Calculation B	Calculation C
PSFT/JDE Maintenance Customers Lost to TomorrowNow	3,000 (1,375 post-10/08)	3,000 (2,000 post-10/08)	3,000
Oracle's Expected Impact (as of January 2005)	\$1.36 Billion	\$1.82 Billion	\$2.46 Billion

Sources: PX0012, PX0013, PX0615, PX0658, PX1758

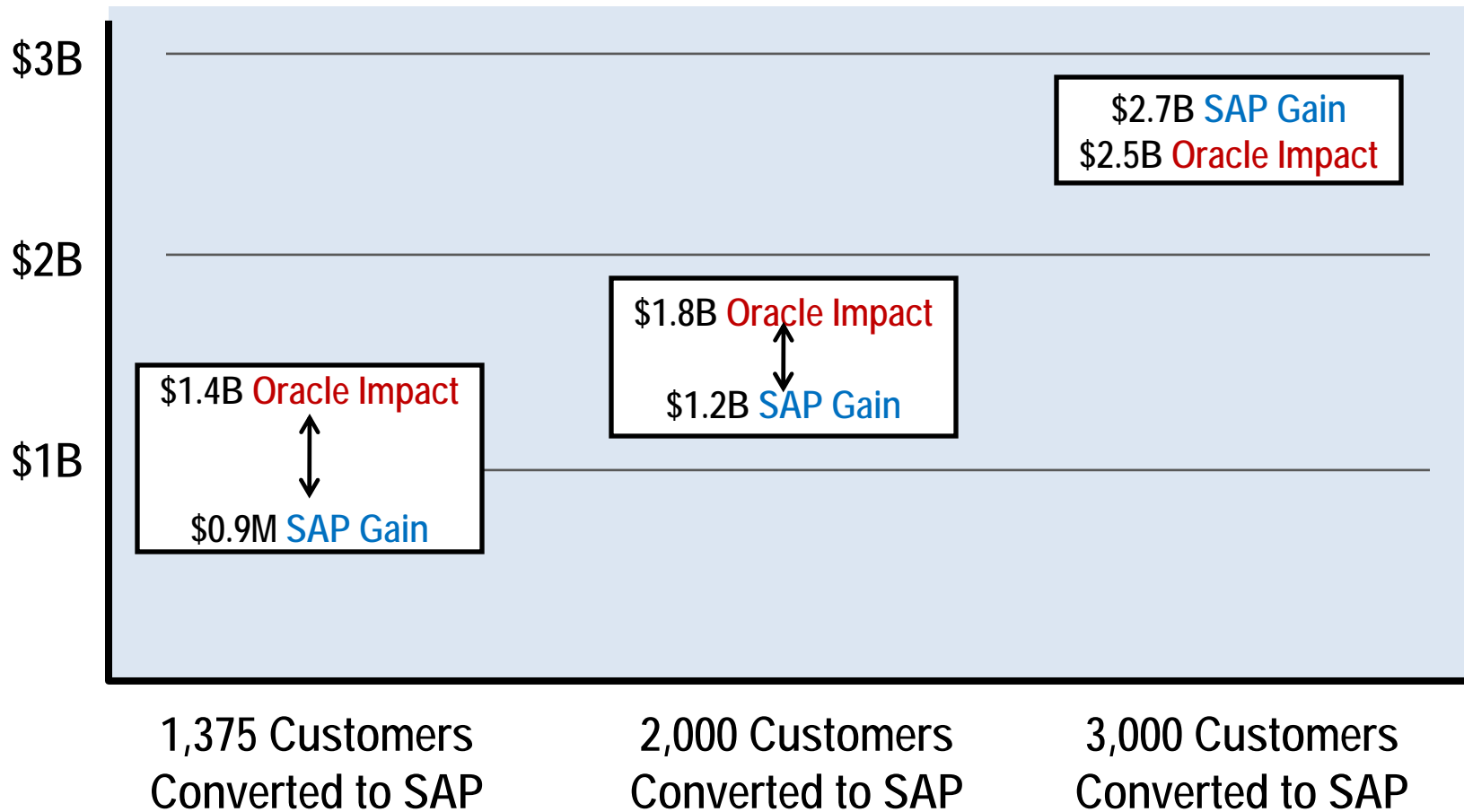


# PeopleSoft License – Oracle Negotiation Factors

Negotiation Factor	Analysis
<b>1</b> Oracle's Goals for PeopleSoft Acquisition	<ul style="list-style-type: none"> <li>✓ Maintenance revenue stream from 9,920 customers</li> <li>✓ Doubles Oracle ERP worldwide market share</li> </ul>
<b>2</b> Risk to Oracle's Investment in PeopleSoft	<ul style="list-style-type: none"> <li>✓ \$11.1B investment including software and support materials</li> <li>✓ Loss of exclusive rights to copyrighted works</li> </ul>
<b>3</b> Oracle's Expected Financial Impacts	<ul style="list-style-type: none"> <li>✓ At least 3,000 expected maintenance customer losses</li> <li>✓ Oracle expected financial impact</li> </ul>



# PeopleSoft Fair Market Value Damages - Summary



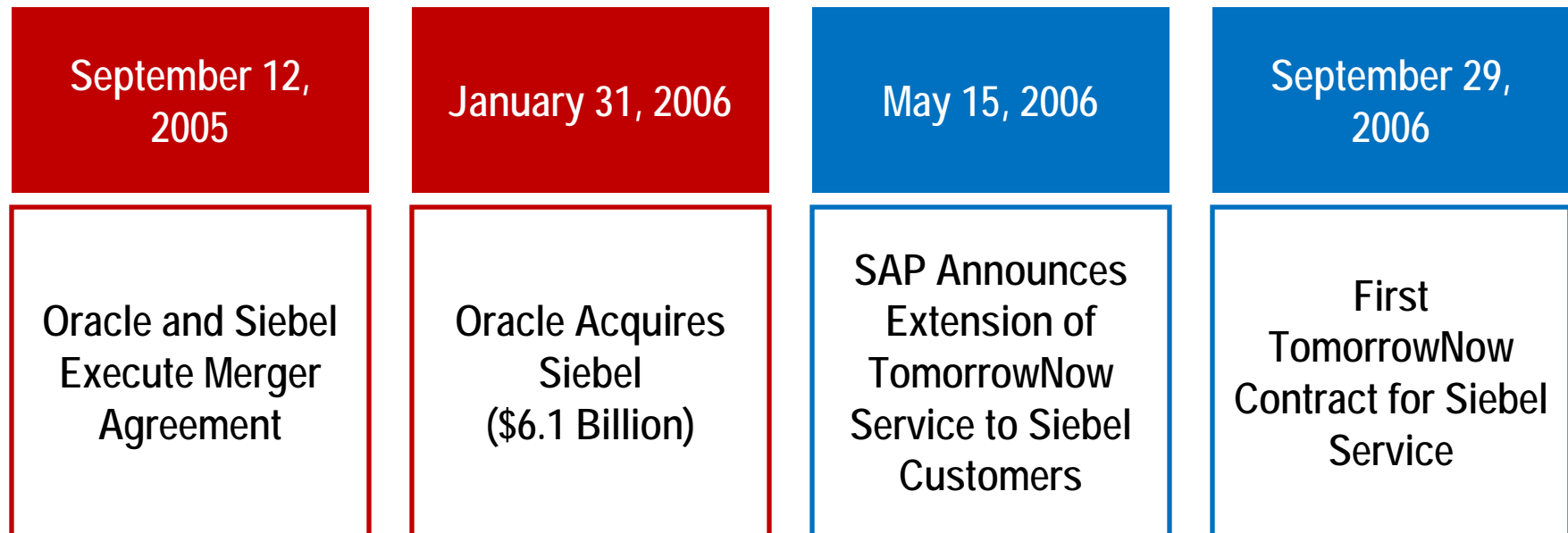
# Why Not Oracle Lost Customer Profits + SAP Profits

---

- ✓ Does not measure full fair market value of copyrighted works
  - Does not measure total impact to Oracle
  - Does not capture all acknowledged benefits of infringement to SAP
- ✓ Specifically does not measure value beyond lost customer revenues and profits
- ✓ Dependent on SAP's execution, not the value of the copyrighted works
- ✓ Lost profits only available measure of damages for non-copyright legal claims

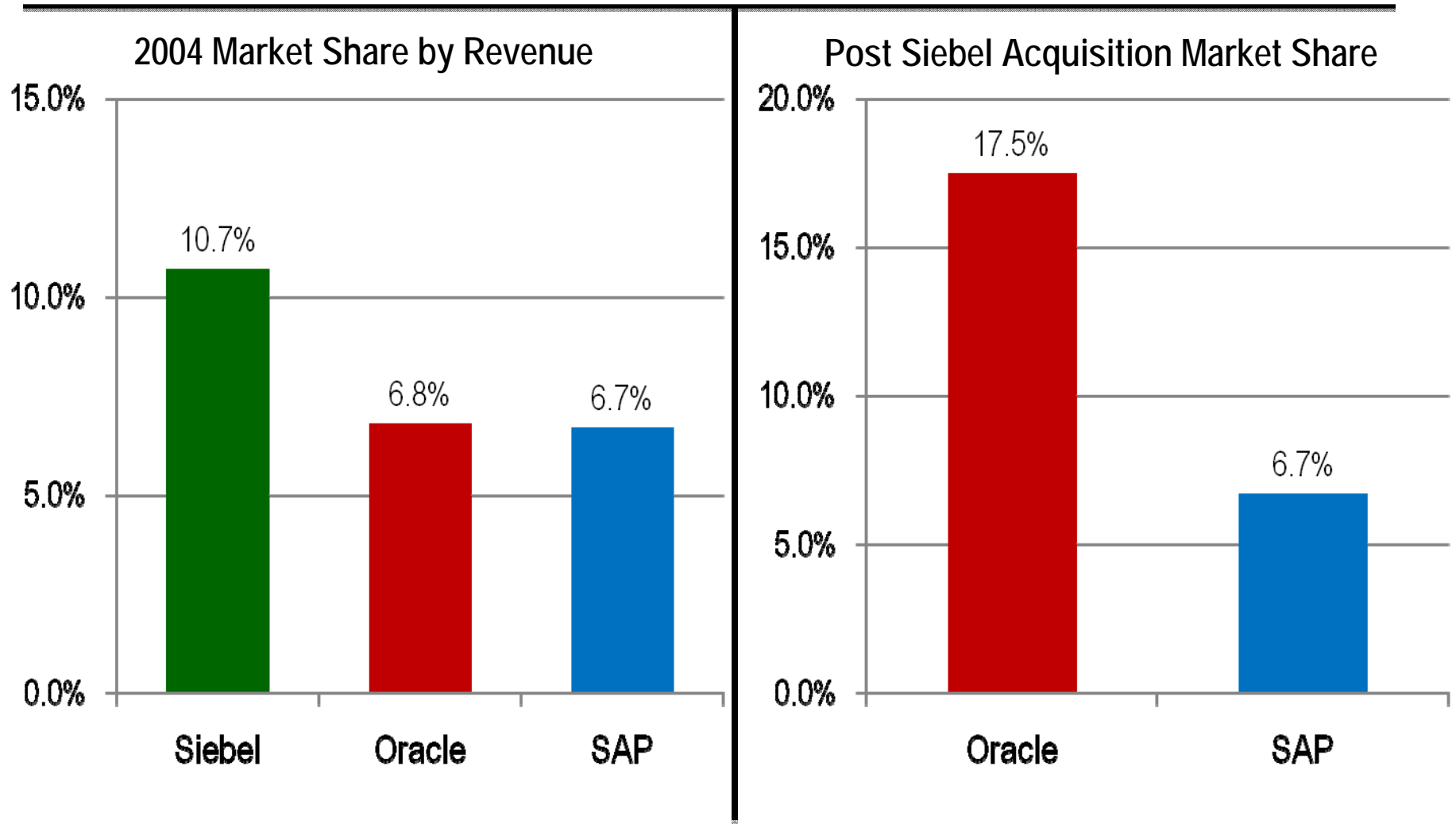
# Timing of Siebel License Negotiation

---



**License Negotiation: September 29, 2006**

# Oracle and SAP Worldwide CRM Segment Market Share



Source: PX0680

# "CRM Review II"

## - October 24, 2005

Message

From: Schubart, Ruediger (O=SAP/OD...)

Sent: 10/24/2005 12:56:50 PM

To: Oswald, Gerhard (O=SAP/OU-ESR...)

CC: Henning, Uwe (O=SAP/OU-ESR/OP...)

Karsten (O=SAP/OU-EUROPE/EC...)

Subject: Update zum CRM Review

Attachments: CRM\_Review\_II\_with\_Henning\_2005

Importance: High

Sensitivity: Company Confidential

Hello Gerd,

The second part of the CRM review took place in... Participants: Henning Kagermann, Shai Agassi, Bob Stutz, Darc Dencker-Rasmussen, Pat Bukey, Erik Tilsch, Michael Spindler, Karl-Heinz was brought in for 10 minutes at approximately 3:00 p.m. - 6:00 p.m.

The following agenda points were presented by Development/Solution Management (see appendix):

- Situation recap and market dynamics
- New CRM development plan

The development plan through Q2 2007 will be enabled through the Drop the Platform adoption, Netweaver adoption, ESA Consumption, ERP adoption, CRM Exchange Projects and the CCE Retrofit.

Bob does not formally want any additional budget for this. However, the support for IMS from the PTU is causing pressure for him, because he is estimating 50 FTEs (full time equivalents).

There is currently still no agreement with IMS with regard to how IMS can support the CRM development.

At this point, Henning had Karl-Heinz brought in and decided that IMS would make 30 experienced developers of PTU available. They should replace the new installations/third party resources.

In the introduction of the development plan, the architecture problems (diversity of various technologies, supportability, etc.), which not only determines the TCO at the customer but also the maintenance effort required, were not discussed.

- CRM Express update
- Risk mitigation & growth plan during the development phase

The recommendation of 15 Safeguarding and 5 MaxAttention through sponsoring of SAP to financing was rejected by Henning. Henning does not want to "pamper" the customer too much. He would rather put up with fewer escalations.

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SAP-OR00379359

EXHIBIT 1719 1027093W

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
Case #: 07-cv-01656-PJH  
PLNTF EXHIBIT NO. 0245  
Date Admitted: \_\_\_\_\_  
By: \_\_\_\_\_  
Nicolhe Heuerman, Deputy Clerk

### Oracle acquisition of Siebel : Impact on CRM & Business Suite revenues

**Key Message:**

- Historically, SAP's unique end-to-end process story and vendor viability enabled CRM wins

## SAP competitive edge diminished by 40% post SEBL acquisition

Primary Reason for Win Against Competitors <sup>1</sup>	Pre Acquisition	Post Acquisition Impact	
	% of deals	% of deals	
Sales ability to execute	35%	35%	Assume no major changes. Need renewed CRM enablement efforts
End to end process story	30%	10%	SEBL can claim end-to-end process thru integration to ORCL, until they deliver we can win some times on FUD but only for 18 months
Vendor viability	20%	0%	SEBL vendor viability no longer in question
CRM product Capability	15%	15%	Becomes new battleground focus
	100%	60%	Ability to win diminished by 40%

**Field Evidence**

Sample deals won w/ vendor viability – would not have been won without:

- Earthlink
- Rockwell
- Timkin
- Total

**Revenue under threat through reduction in competitive ability (calculated at 40%)**

	2006	2007	2008
(Business Suite)	1.0	1.2	1.6
Competitive Ability	0.40	0.48	0.64

**At Risk (Billion Euro) : 1.52**

1 - Based on Field Sales survey for competitive U.S CRM Deals Q1 2004 – Q3 2005  
2 - Impacted Business Suite estimated based on U.S COPA Q304 thru Q205 data where CRM was core product  
© SAP AG 2005, CRM Review, October 24, 2005, B. Stutz, D. Dencker-Rasmussen Page 7

PX0245

# Siebel License – SAP Negotiation Factors

Negotiation Factor	Analysis
<b>1</b> SAP's Goals for Siebel Maintenance Offering	✓ Goal to convert customers to mySAP CRM ✓ TomorrowNow is enabler for future license revenue
<b>2</b> SAP's Expected Impact on Oracle	✓ \$110M to \$220M related to Siebel maintenance
<b>3</b> SAP's Expected Financial Gains	✓ 200 customers by 2008 ✓ Expected future gains of \$97M to \$247M



# Siebel License – Key SAP Documents

	Document	SAP Negotiation Factor(s)	SAP Statements (quotes)
1	"Siebel Safe Passage Program Playbook" – October 2005 (PX0960)	① ② ③	<ul style="list-style-type: none"> <li>• "The opportunity is to <b>move the 300+</b> SAP customers SAP and Siebel have in common and migrate them to mySAP CRM."</li> <li>• "Program Objectives &amp; KPI's: Keep Oracle out of our customer base. Provide an incentive to Siebel customers who have a SAP footprint to migrate from Siebel CRM to mySAP CRM."</li> </ul>
2	"Business Case: TomorrowNow 2006" – 10/17/2005 (PX0958)	① ③	<ul style="list-style-type: none"> <li>• "The Siebel customer base consists of <b>4,000 customers</b>, (including large number of join SAP/Siebel customers) and presents a huge market opportunity."</li> <li>• "The maintenance offering – a key part of the Safe Passage Program and provided by TomorrowNow – can be used as enabler for future license revenue"</li> <li>• "Biz Planning – TNow Offering for Siebel": <b>200 customers (cumulated) in 2008</b></li> </ul>
3	Email: "TN Standalone deals to Safe Passage" – 3/26/2006 (PX0037)	②	<ul style="list-style-type: none"> <li>• "Over the long term, every \$1 of TN Stand-alone revenue this year represents \$18 of originally expected Oracle revenue"</li> </ul>



# "Siebel Safe Passage Program Playbook"

– October 2005 (Factors ① & ③)

**SAP** APOLLO Competitive Program Office  
PROGRAM PLAYBOOK

Siebel Safe Passage Program Playbook

**EXHIBIT**  
1597 Huvst  
9/10/09

**Summary and Strategy**

- 1.1 Executive Summary
- 1.2 Recommended Launch Date
- 1.3 Program Objectives & KPI's
- 1.4 Messaging Strategy Overview
- 1.5 Pasteur Strategy

3.6 Fact or Fiction

**Marketing Activities:**

- 4.1 Target Segment Profiling
- 4.2 Preliminary marketing Mix Guidance & Calendar
- 4.3 Rational and Flow of Tactics
- 4.4 Program Marketing Activities
- 4.5 Telemarketing Contact Strategy

**Field Enablement Assets:**

- 5.1 Program Content Deliverables
- 5.2 Sales Tools
- 5.3 Competitive Summary
- 5.4 Siebel Win Backs (customers)

Page 1

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
Case #: 07-cv-01658-PJH  
PLNTF EXHIBIT NO. 0900  
Date Admitted: \_\_\_\_\_  
By: \_\_\_\_\_  
Nicolle Heuerman, Deputy Clerk

Chapter 1.0: Summary & Strategy  
Siebel Safe Passage

**1.1 Executive Summary**

The Siebel Safe Passage program is designed to ensure that SAP customers with Siebel implementations can take advantage of both a financial incentive and the added business value of moving to mySAP CRM. In addition, it is an opportunity to revisit the JDE/PSFT customers who also own Siebel and provide them with an additional incentive to reevaluate and take advantage of the Safe Passage program.

• how the Oracle acquisition of Siebel validates that SAP's strategy of enterprise CRM has been and continues to be correct

• that customers are demanding industry specific end to end business processes on a platform that is agile and open

It is important to sell the value that SAP brings to these targeted customers and not simply push the financial incentive of the program. Use the Safe Passage offer (license credit, etc.) as an incentive to compel them to take action.

The Siebel Safe passage program is intended to make the migration to the SAP platform as smooth and cost effective as possible. The components of the offer are bundled to create an "onTime, onBudget, onValue" message for the customer.

There are two primary strategies set for this Safe Passage program. These strategies support the evolution happening within the CRM industry today.

- First, in the SAP customer base, SAP must protect this base from encroachment by Oracle. With the Siebel acquisition, Oracle will have a new point of entry into our customers with access to the Siebel-loyal executives found within our base. Their combined offerings in specific industries can be viewed as giving them a superior solution and in some customer instances all SAP products could be at risk. Therefore, the highest priority must be given to converting the Siebel installations to SAP CRM.
- Second, as the number of CRM suppliers continues to consolidate, and the market validates (evidenced by Siebel's failure) that CRM buyers are no longer focused on features but more so on addressing the business processes necessary to win, know and keep customers, providers of enterprise CRM solutions become the desired solution. Any Siebel customer needs to reassess their CRM strategy to now consider an enterprise CRM strategy. As such, Siebel customers must be made aware of the CRM solution from SAP.

Page 2

**The opportunity is to move the 300+ SAP customers SAP and Siebel have in common and migrate them to mySAP CRM.**

PX0960

# "Business Case: TomorrowNow 2006" – October 17, 2005 (Factors ① & ③)

Message

From: Klein, Christian [mailto:christian.klein@sap.com]  
 Sent: 10/25/2005 6:49 AM  
 To: Ziemsen, Thomas [mailto:thomas.ziemsen@sap.com]  
 CC: Jostenhans, Josef [mailto:jostenhans.josef@sap.com]  
 Subject: TNow Budget 2006  
 Attachments: Business\_Case\_2006.ppt  
 Importance: High

Halo Thomas, Halo Bernd,

anbei der Budget Case TNow.

Die Zahlen sind bereits im System reflektiert. Ich habe die Zahlen, die ich dir in der letzten Mail geschickt habe, gegenüber gestellt. Die Zahlen sind aber 8,3M Kostenbudget (2006) und 23,6M Umsatz (2006).

Die Überschüsse 2-3 finde ich sehr gut. Einzig die Kosten in 2006/2007 verstehe ich nicht (ist fragensachen meinetwegen).

Wenn wir die Zusatzbudget bekommen, hätten wir bereits in 2006 Gesamterlöse von 20M und nicht wie aufgeführt 8,3M.

Jrg. Benötige von dir nochmals das angehängte Excel für TNow und Migration, da Corp. Controlling auch die COG Sicht sehen will und die Zahlen im alten Doof nicht genau mit dem System übereinstimmen.

Grüße,  
 Christian

Business\_Case\_2006.ppt  
 Business-Case-2006.ppt  
 Tnp template.xls

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EXHIBIT  
 1001-411001  
 9/10/04

SAP-OR00250204

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 Case # 07-cv-01556-PJM  
 PLNTF EXHIBIT NO. 0958  
 Date Admitted: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Nichole Heuserman, Deputy Clerk

## Biz Opportunity - TNow Offering for Siebel

### CUSTOMER ANALYSIS

The Siebel customer base consists of 4,000 customers, (including large number of joint SAP/Siebel customers) and presents a huge market opportunity

Region	Percentage
USA	59%
Europe	33%
APA	-
RoW	-

### CURRENT SITUATION

- The Siebel acquisition is not expected to close until early 2006
- Oracle will likely expand its Lifetime Support with significant uplift of maintenance fees for Siebel customers but so far Oracle has not provided road maps for support and enhancement plans
- Gartner recommends that other CRM vendors take advantage of the uncertainty surrounding the Siebel/Oracle event, as it may freeze some purchase decisions by current or prospective customers
- Particularly Siebel customers using pre-7.5-versions should according to Gartner weigh the implications of moving off of support within the next three years

### CONCLUSIONS

- As a result of the acquisition of Siebel by Oracle, SAP may enhance the Safe Passage Program for customers running Siebel to offer a way out of the uncertainties arisen by this acquisition

The Maintenance offering – a key part of the Safe Passage Program and provided by TomorrowNow – can be used as enabler for future license revenue, to grow maintenance contract volume taken away from Oracle and to generate additional maintenance revenue for SAP

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PX0958

# "Business Case: TomorrowNow 2006" – October 17, 2005 (Factor 3)

Message

From: Kain, Christian [mailto:SAPOU-EUROPE1CN-RECIPIENTS/CN=00000050059]  
 Sent: 10/25/2005 6:49:25 AM  
 To: Ziemer, Thomas [mailto:SAPOU-EUROPE1CN-RECIPIENTS/CN=00000042894]; Weitz, Bernd [mailto:SAPOU-EUROPE1CN-RECIPIENTS/CN=00000034205]  
 CC: Jostenhans, Jberg [mailto:SAPOU-EUROPE1CN-RECIPIENTS/CN=00000035108]  
 Subject: TNow Budget 2006  
 Attachments: Business\_Case\_TNow\_Vers4.ppt; Business-Case-Migration2006Vers 1.ppt; 3yp template.xls  
 Importance: High

Hallo Thomas, Hallo Bernd,  
 anbei der Budget Case TNow.  
 Die Zahlen sind bereits im System reflektiert. Ein Problem dass ich hier noch sehe ist, dass wir on top auf HL 1,84M€ externen Umsatz nehmen, dagegen aber 8,3M€ Kostenbudget (123 FTE) beantragen. Hier benötigt Gerd noch einige gute Argumente auf den Slides 3-5.  
 Bernd: Du hast ja bereits erwähnt, dass die Ausweitung des Programms auf Siebel Kunden eines sein könnte. Das wollen müssen wir deutlich herausstreichen, dass wir von HL 1 zu HL 2 8,4M€ Revenue on top nehmen, TNow aber verglichen zu 2005 ein Umsatz verdoppeln wird (von 10,6 in 2005 auf 23,6 M€ in 2006).

Die Übersichtsdiagramme 2-3 finde ich sehr gelungen Thomas. Einzige die Kosten in 2006/2007 verstehe ich nicht (ist fragezeichen meinetwegen).  
 Wenn wir das Zusatzbudget bekommen, hätten wir bereits in 2006 Gesamterlösen von 20M€ und nicht wie aufgeführt 8,8M€.

Jrg: Benötige von dir nochmals das angehängte Excel für TNow und Migration, da Corp. Controlling auch die COG Sicht sehen will und die Zahlen im alten Doof nicht genau mit dem System übereinstimmen.

Grüße,  
 Christian

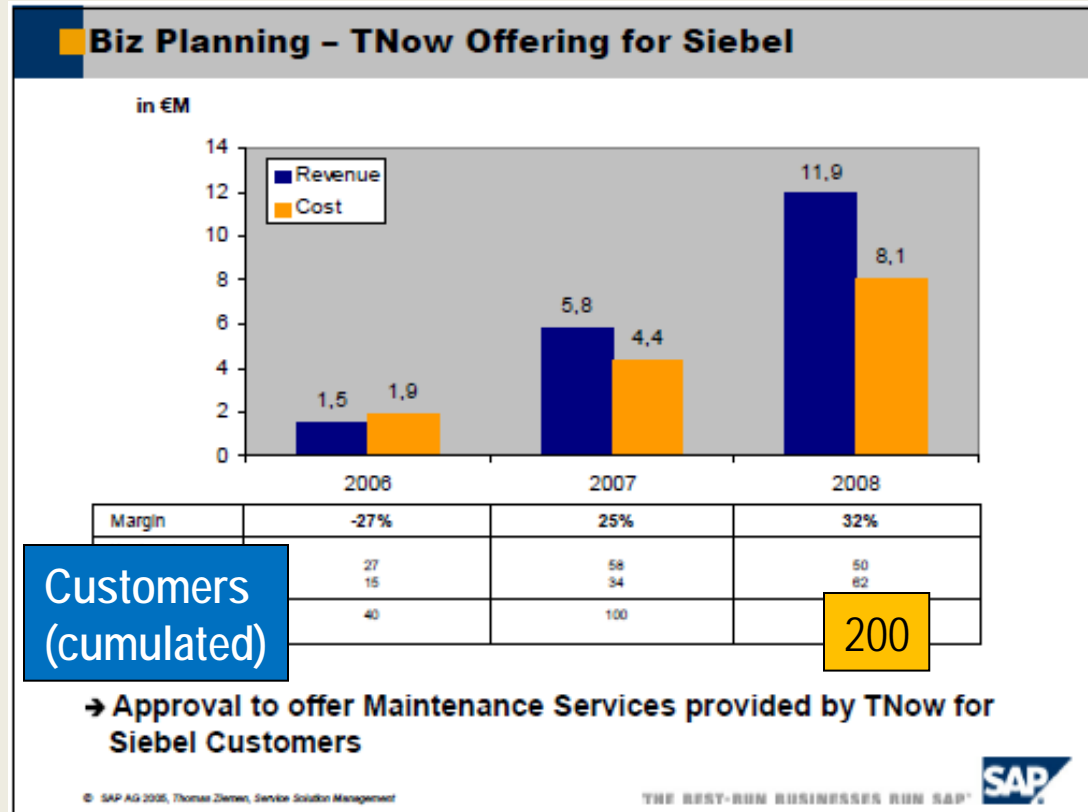
Business\_Case... Business-Case... 3yp template.xls  
 1.ppt

EXHIBIT  
 1001-111004  
 9/10/05

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UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 Case #: 07-cv-01656-PJM  
 PLINTF EXHIBIT NO. 0958  
 Date Admitted: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Nichole Heuserman, Deputy Clerk



PX0958

# Nelson Email, "TN Standalone deals to Safe Passage" – March 26, 2006 (Factor **2**)

Message

**From:** CN=Andrew Nelson/O=TomorrowNow  
**Sent:** 3/26/2006 11:37:55 AM  
**To:** CN=Lon Fialla/O=TomorrowNow@TomorrowNow, CN=Bob Gelb/O=TomorrowNow@TomorrowNow, CN=Nigel Pullan/O=TomorrowNow@TomorrowNow  
**CC:** leo.apotheken@sap.com  
**Subject:** TN Standalone deals to Safe Passage

Gentlemen -

One of the agenda items in my executive sales meeting with Leo last week was to review our existing strategy for selling and marketing TN Standalone deals with full independence from SAP sales goals and needs.

Like last year, one of TN's key compensation KPIs involves support for Safe Passage and the long term SAP strategy for winning these customers over to SAP. Also like last year, the executive team remains aligned in our strategy for achieving this support through a strategy of TN independence, assuring we will neither limit TN Stand-alone customers in their future ERP options or use our support relationship to force an SAP license conversation or marketing upon them before they express an interest in replacing their ERP system or building their ERP roadmap.

Our key executive SAP stakeholders, Leo, Gerd, and Shal, have unanimously supported this strategy even though it requires us to publicly tell the market that our customers are free to go to Fusion or anywhere else when they retire their PSFT/IDE systems, and we simply support those systems until they tell us they are done with them.

**2) Over the long term, every \$1 of TN Stand-alone revenue this year represents \$18 of originally expected Oracle revenue from their misguided acquisition strategy.**

independent TN, giving SAP key intelligence and early indication when a customer tells us they are planning to look into a replacement system and/or retire their PSFT/IDE system.

- 4) In the short term, many of our conversations about justifying long-term support strategy lead the customer to want to figure out their ERP roadmap earlier than they originally communicated, allowing us in the short term to notify SAP and get them talking to our parent company.
- 5) It is critical to overcoming one of our top sales objections - - "Signing with TomorrowNow will eventually require you to go with SAP", so don't sign with TN unless or until you choose SAP"

**Operational takeaways to you three:**

- 1) Independent-minded TN Stand-alone sales and marketing strategy remains unchanged for 2006
- 2) Use every opportunity to explain our strategy to our virtual teammates at SAP so they don't misunderstand why this is in their strategic interest even if it feels tactically counter-intuitive.
- 3) Make sure our SAP teammates also understand this is a combined SAP/TN strategy with SAP board alignment, not some self-servitenequede TN position.
- 4) Continue to find every opportunity to help SAP field sales and marketing when they need us for one of their deals or campaigns. You continue to be compensated on support for Safe Passage just like last year and beyond our "independence" constraint, to go above and beyond wherever SAP asks for help.
- 5) Regional SAP opportunity reporting will be implemented this year to assure that whenever we know of an SAP opportunity, we formally communicate it to get SAP into the mix early before Oracle knows what hit them.

Please forward this as appropriate to your teams, including virtual SAP teammates, who may value an update on our strategy and relationship.

Warm regards,

Andrew  
 Andrew Nelson

**EXHIBIT 25**

108

Nelson 2-26-06

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UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
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 PLNTF EXHIBIT NO. 0037  
 Date Admitted: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Nichole Heuserman, Deputy Clerk

PX0037

# Siebel License – SAP’s Expected Impact on Oracle

## - Calculation Results (Factor 2)

	If 50% of Oracle's Price	If 100% of Oracle's Price
SAP Expected TN 2007 Siebel Revenue	\$7.19M	\$14.38M
\$1 of TN Revenue = \$18 of Oracle Revenue	18	18
Impact to Oracle Revenue	\$130M	\$259M
Oracle Profit Margin	85%	85%
<b>Impact to Oracle</b>	<b>\$110M</b>	<b>\$220M</b>

Sources: PX0037, PX0958, PX0658

# Siebel License - SAP Expected Financial Gains

## - Example Calculation (Factor **3**)

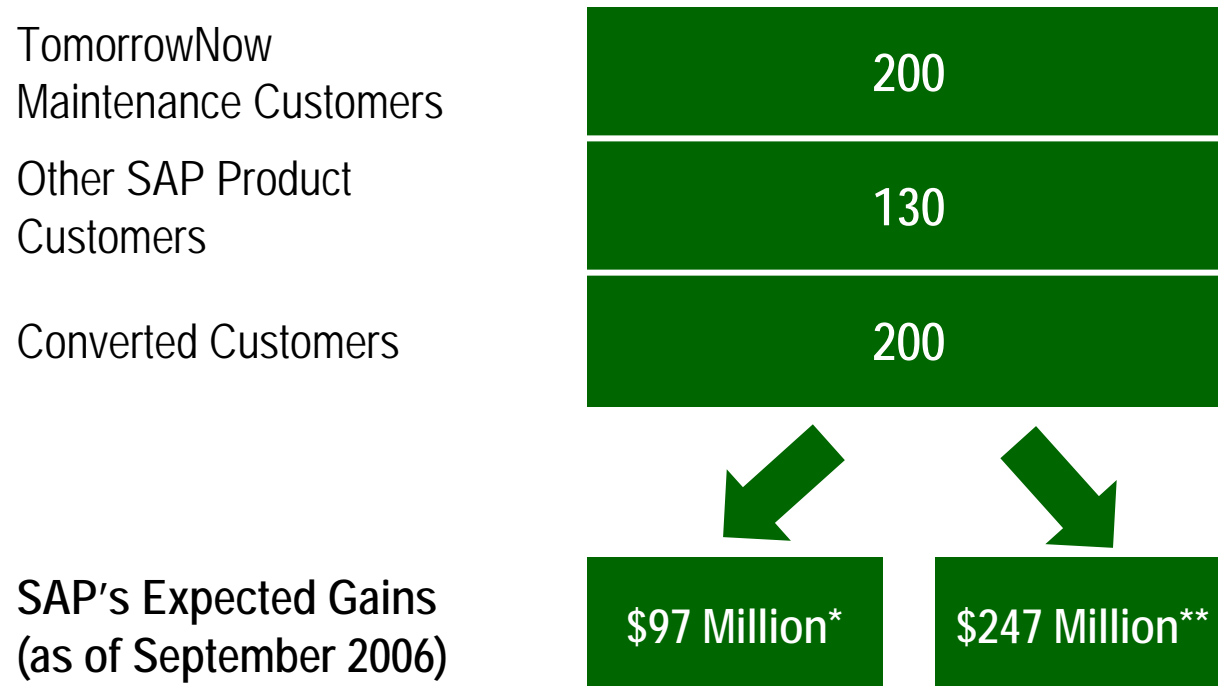
### 200 Maintenance Customers / 200 Converted

SAP Expected Gains as of September 2006 (in \$ millions)	Customer Base	2006 - 2008			Future Financial Gains of Converted Customers	Total Expected Gains as of September 2006
		Total Expected Revenue	Less: Costs	Total Expected Profits		
Expected SAP Maintenance Revenue	200	\$ 17.0	\$ (5.1)	\$ 11.9	N/A	\$ 11.9
Expected Additional Product Sales	130	8.3	(2.5)	5.8	4.4	10.2
Expected License Revenue / Converted Customers	200	41.4	(12.4)	29.0	45.6	74.6
<b>Total Expected Gains as of September 2006</b>		<b>\$ 66.7</b>	<b>\$ (20.0)</b>	<b>\$ 46.7</b>	<b>\$ 50.0</b>	<b>\$96.7</b>

Sources: PX0012, PX0193, PX0533, PX0615, PX1760, PX1762

# Siebel License – SAP’s Expected Financial Gains – Calculation Results (Factor 3)

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\* Future value based on revenue multiple

\*\* Future value based on value per customer

Sources: PX0012, PX0193, PX0533, PX0958, PX1762, PX1760

# Siebel License – SAP Negotiation Factors

Negotiation Factor	Analysis
1 SAP's Goals for Siebel Maintenance Offering	✓ Goal to convert customers to mySAP CRM ✓ TomorrowNow is enabler for future license revenue
2 SAP's Expected Impact on Oracle	✓ \$110M to \$220M related to Siebel maintenance
3 SAP's Expected Financial Gains	✓ 200 customers by 2008 ✓ Expected future gains of \$97M to \$247M





# Siebel License – Oracle Negotiation Factors

Negotiation Factor	Analysis
1 Oracle's Goals for Siebel Acquisition	<ul style="list-style-type: none"><li>✓ Acquired maintenance revenue stream for 4,000 customers</li><li>✓ Establishes Oracle as leader in CRM market</li></ul>
2 Risk to Oracle's Investment in Siebel	<ul style="list-style-type: none"><li>✓ \$6.1B investment including software and support materials</li><li>✓ Loss of exclusive rights to copyrighted works</li></ul>
3 Oracle's Expected Financial Impacts	<ul style="list-style-type: none"><li>✓ At least 200 expected maintenance customer losses</li><li>✓ Oracle expected financial impact</li></ul>



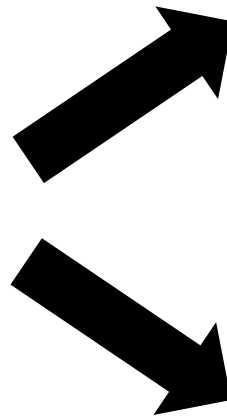
# Siebel Acquisition – Summary (Factor 2)

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**January 31, 2006**

**ORACLE**

- ✓ **Exclusive** Rights to Siebel Software and Materials
- ✓ ~ 4,000 Customers
- ✓ Increased CRM Market Share
- ✓ \$500M Annual Maint. Revenue



**September 29, 2006**

**ORACLE**

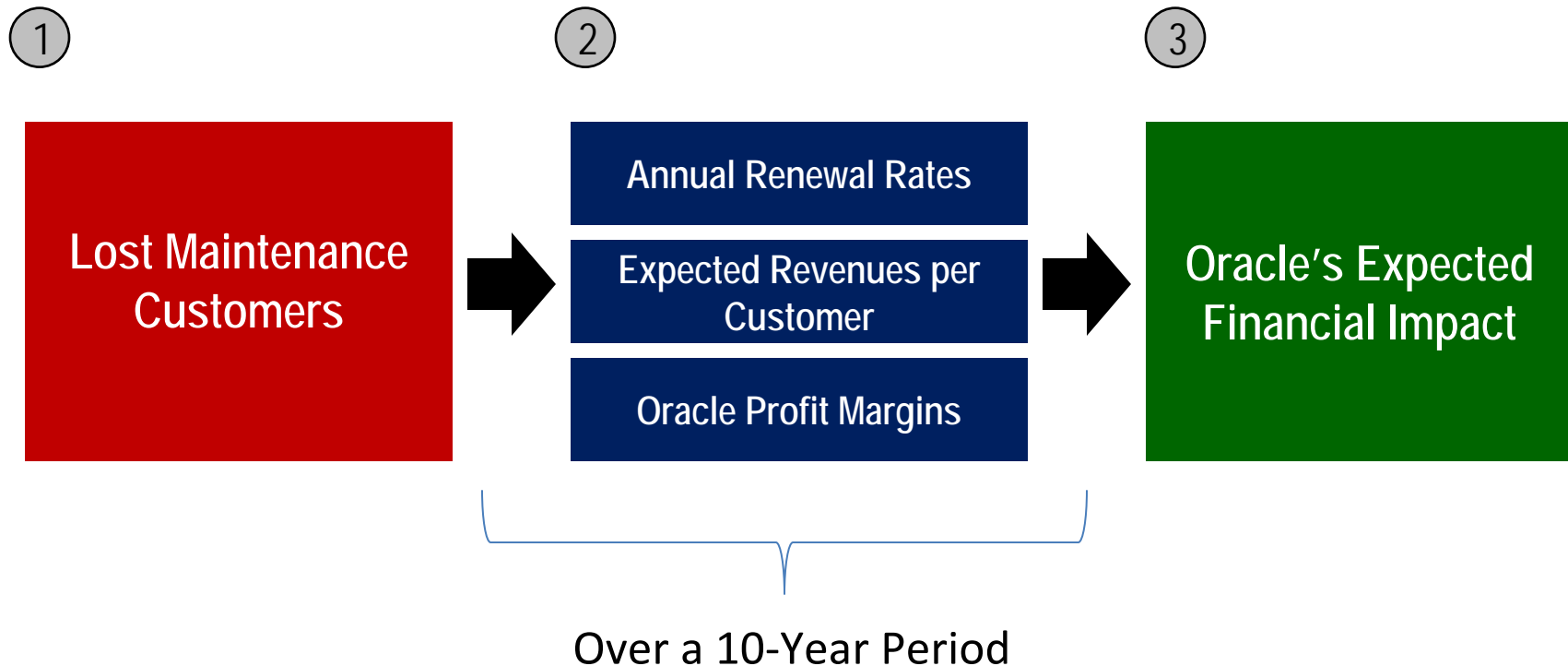
- ✓ **Non-Exclusive** Rights to Siebel Software and Materials
- ✓ Expected **Loss** of Customers, Market Share and Revenue

**SAP**

- ✓ **Non-Exclusive** Rights to Siebel Software and Materials
- ✓ Expected **Gain** of Customers, Market Share and Revenue

# Siebel License - Oracle's Expected Financial Impact - Calculation (Factor 3)

Based on *Oracle's Expectations* at the Time of the Acquisition



# Siebel License - Oracle's Expected Financial Impact – Example Calculation (Factor 3)

200 Maintenance Customers / 200 (Post -10/08)

Oracle Financial Impacts as of September 2006 (in \$ millions)	Customer Base	2006 - 2015			Future Financial Impact of Converted Customers	Total Expected Impact as of Sept. 2006
		Total Impacted Revenue	Less: Costs	Total Impacted Profits		
Impacted Oracle Maintenance (9/06 – 12/15)	200	\$ 109.4	\$ (16.4)	\$ 93.0	\$ 71.0	\$ 164.0

Sources: PX0012, PX614, PX0615, PX0658, PX0958 PX1758

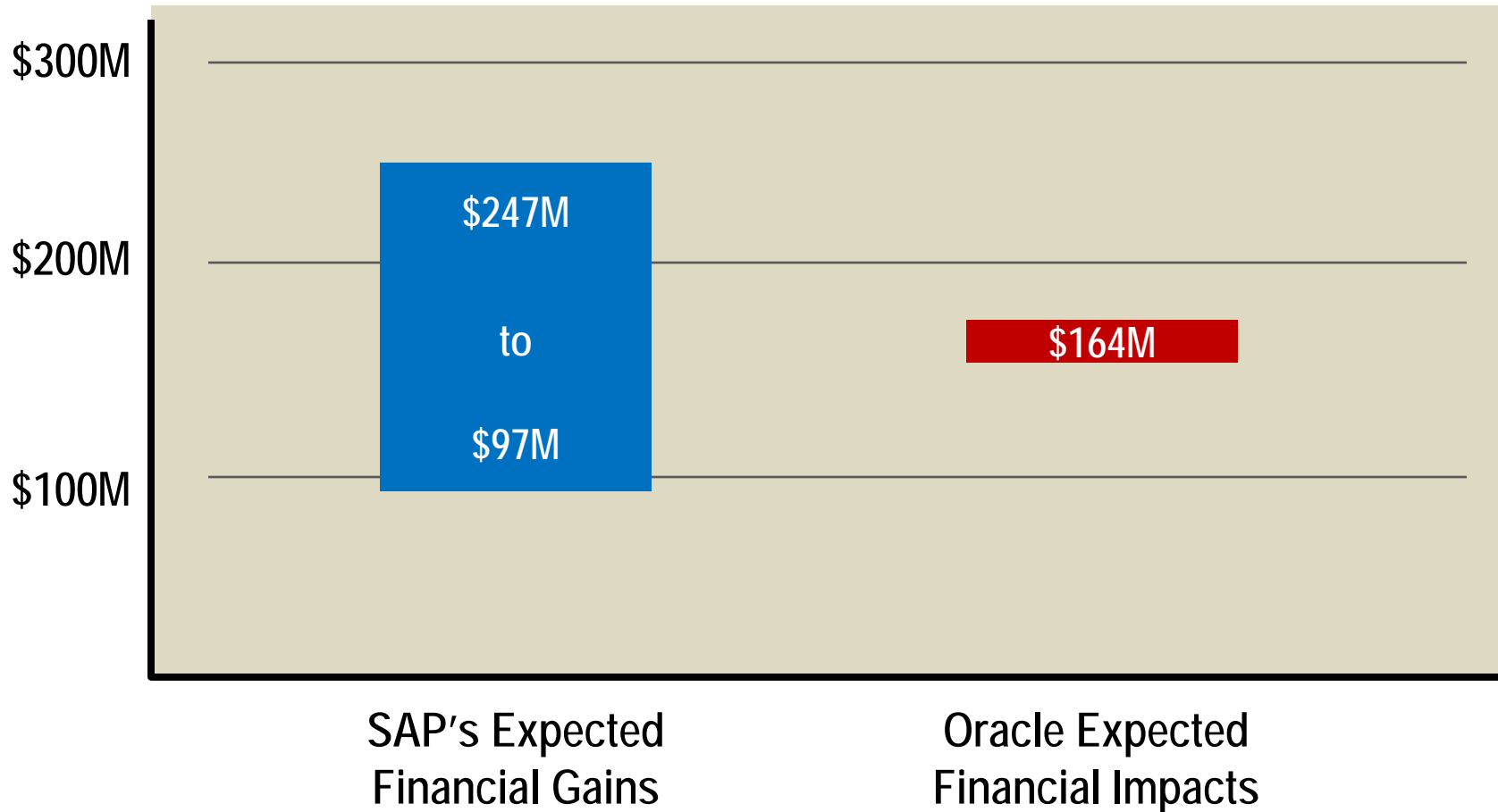
# Siebel License – Oracle Negotiation Factors

Negotiation Factor	Analysis
1 Oracle's Goals for Siebel Acquisition	<ul style="list-style-type: none"><li>✓ Acquired maintenance revenue stream for 4,000 customers</li><li>✓ Establishes Oracle as leader in CRM market</li></ul>
2 Risk to Oracle's Investment in Siebel	<ul style="list-style-type: none"><li>✓ \$6.1B investment including software and support materials</li><li>✓ Loss of exclusive rights to copyrighted works</li></ul>
3 Oracle's Expected Financial Impacts	<ul style="list-style-type: none"><li>✓ At least 200 expected maintenance customer losses</li><li>✓ Oracle expected financial impact</li></ul>



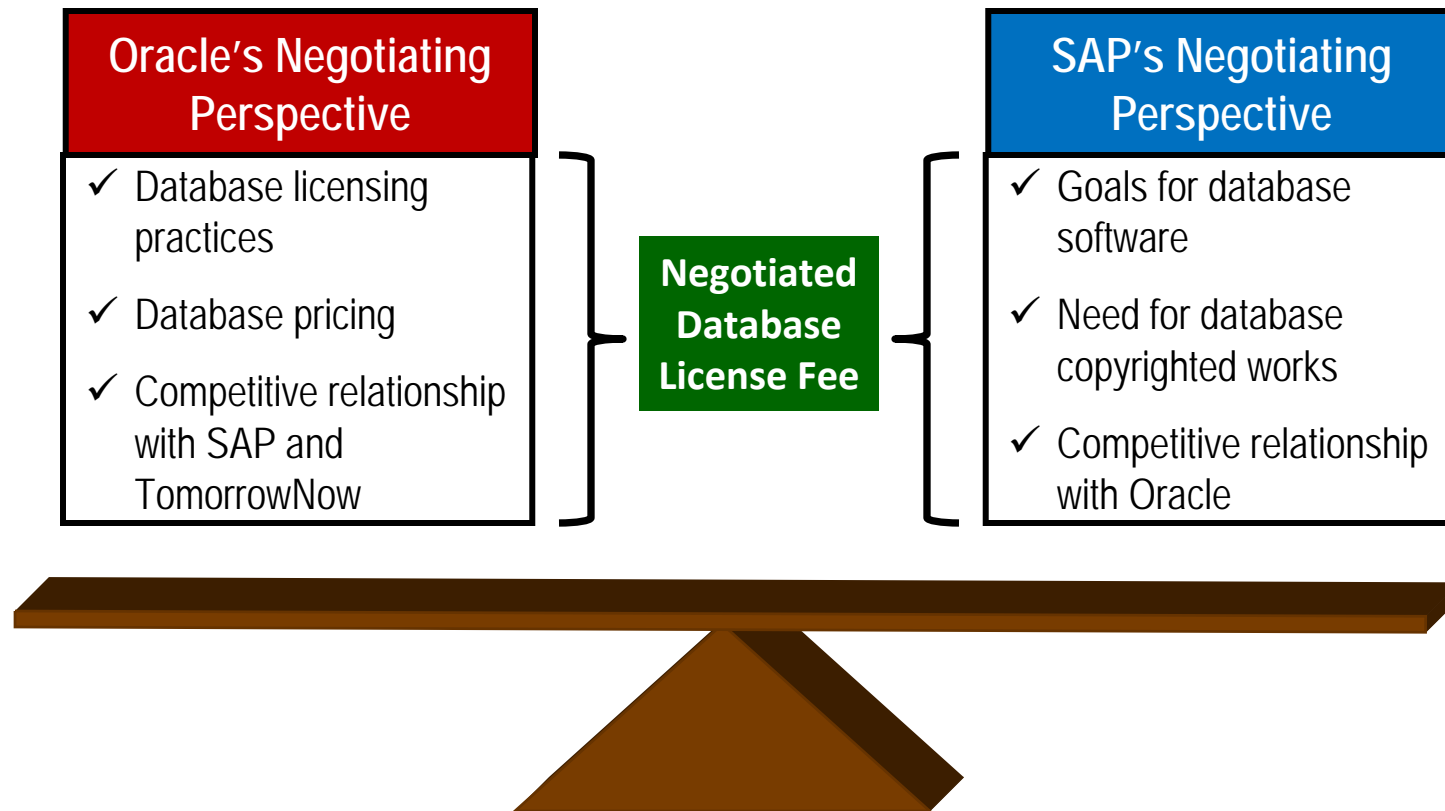
# Siebel Fair Market Value Damages - Summary

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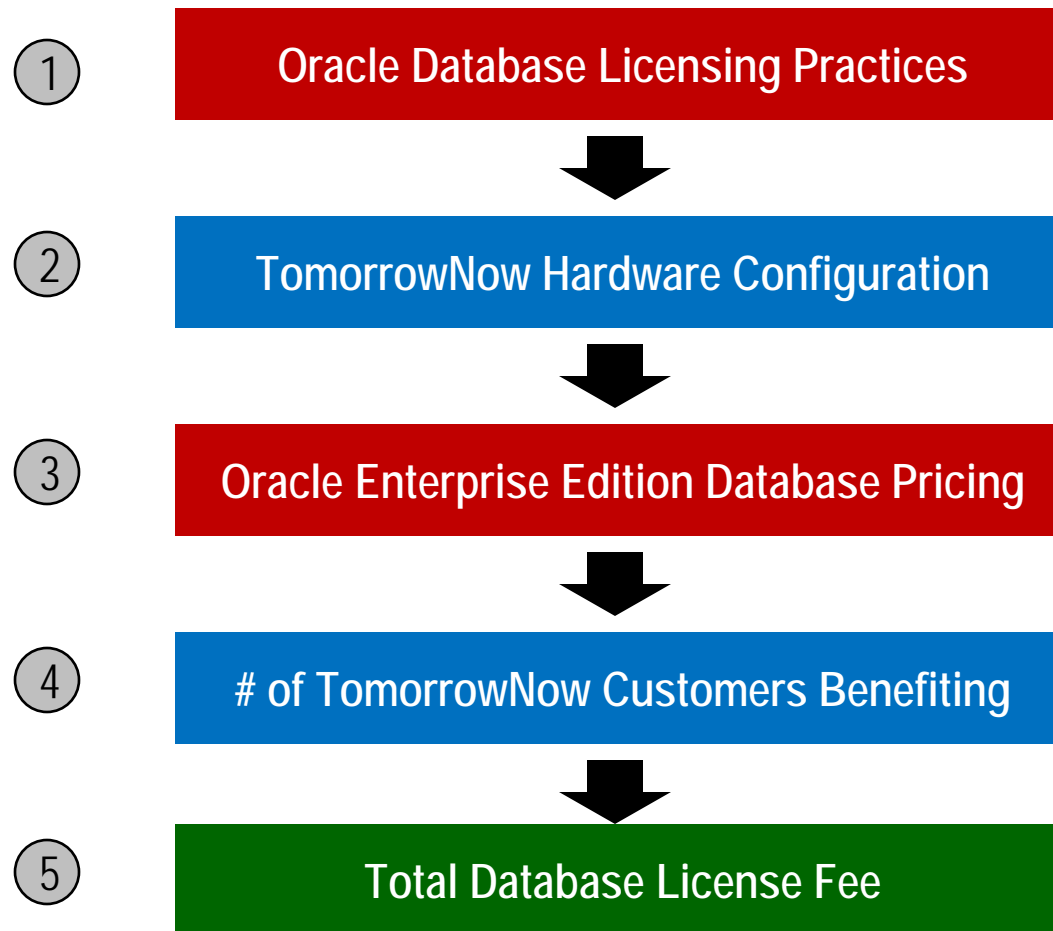
# Database License Negotiation

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# Database License – Calculation Approach

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# Database Licenses Needed

## – Number of TomorrowNow Customers

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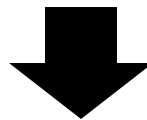
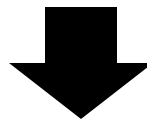
Benefit from Oracle Database	Source	Number of Customers
Local Oracle Database Environments	SAP Discovery Response	71
Confirmed Cross-Use With Oracle Local Database Environments	Fixes Developed in Oracle Database Environments	43
Additional Cross-Use	PeopleSoft HRMS Customers	58
<b>TOTAL</b>		<b>172</b>

Sources: PX0583, PX0602, PX2822, PX2827

# Database Fair Market Value Damages - Summary

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172 Customers



\$55.6 Million

Sources: PX0097, PX0269, PX0583, PX0602, PX0653, PX0984, PX0996, PX2822, PX2827

# Oracle's Damages - Summary

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Damages Category	Amount
PeopleSoft / JDE Software & Support Materials	<i>at least</i> \$1.5 Billion
Siebel Software & Support Materials	<i>at least</i> \$100 Million
Database Software Materials	<u>\$55.6 Million</u>
<b>Total Damages</b>	<b><i>at least</i> <u><u>\$ 1,655,600,000</u></u></b>