EXHIBIT BBB

ORACLE CORPORATION

ESTIMATION OF THE FAIR VALUE OF CERTAIN ASSETS AND LIABILITIES OF PEOPLESOFT, INC.

AS OF DECEMBER 28, 2004

Exhibit 403
5-5-09
Holly Thuman, CSR

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
Case #: 07-cv-01658-PJH
PLNTF EXHIBIT NO. 0013
Date Admitted: 11/8/10
By:
Nichole Heuerman, Deputy Clerk

Mr. Tom Olinger
Vice President, Corporate Controller
Oracle Corporation
500 Oracle Parkway
Redwood Shores, CA 94065

June 23, 2005

Subject: **ESTIMATION OF THE FAIR VALUE OF CERTAIN ASSETS AND LIABILITIES OF PEOPLESOFT, INC. AS OF DECEMBER 28, 2004**

Dear Mr. Olinger:

This report presents our estimation of the Fair Value of certain assets and liabilities acquired from PeopleSoft, Inc. ("PeopleSoft" or the "Company") as of December 28, 2004 (the "Valuation Date"). We understand the results of our valuation will be used to assist Oracle Corporation ("Oracle") management ("Management") in allocating the PeopleSoft purchase price for financial reporting purposes.

FAIR VALUE

The Glossary in Appendix F of Statement of Financial Accounting Standards ("SFAS") 141 on Business Combinations defines **Fair Value** as "The amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale." For the purposes of this engagement, we assumed the Company's existing business to be ongoing.

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1.0 SCOPE

We valued the following assets and liabilities of PeopleSoft (the "Subject Assets and Liabilities"):

Intangible Assets:

- Developed Technology;
- In Process Research and Development ("IPR&D");
- Patents / Core Technology;
- Maintenance Agreements and Related Customer Relationships;
- Consulting Contracts;
- Customer Relationships;
- Trade Names / Trademarks;

Property, Plant, and Equipment:

- Real Property;
- Personal Property; and

Liabilities:

- Deferred Revenue - Maintenance.

We estimated the Fair Value (and remaining useful lives) of the Subject Assets and Liabilities of PeopleSoft as of December 28, 2004 in accordance with SFAS 141: *Business Combinations*, SFAS 142: *Goodwill and Other Intangible Assets*, and Financial Accounting Standards Board ("FASB") Interpretation No. 4: *Applicability of FASB No. 2 to Business Combinations Accounted for by the Purchase Method*.

2.0 SOURCES OF INFORMATION

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information obtained from Management, PeopleSoft's management, and from various public, financial, and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects. However, as is customary in the business valuation profession, the scope of our work will not enable us to accept responsibility for the accuracy and completeness of such provided information.

The principal sources of information used in performing our valuation include:

- Unaudited PeopleSoft financial information as of December 28, 2004;
- Audited PeopleSoft financial information for the fiscal years ended December 31, 2002 and 2003 and unaudited financial information for the quarters ended September 30, 2002 through September 30, 2004;
- Agreement and Plan of Merger among PeopleSoft, Inc., Oracle Corporation and Pepper Acquisition Corporation, dated December 12, 2004, provided by Management;
- Document titled "Customer and Product Messages," provided by Management;
- Forward looking statements for PeopleSoft, provided by PeopleSoft management;
- "Project Spice" PeopleSoft, Oracle, and Combined Operating Models, provided by Management;
- "Project Spice Board of Directors Meeting" presentation, provided by Management, dated December 12, 2004;
- "PeopleSoft Profitability Analysis" for various products, provided by Management;
- "PeopleSoft, Inc 2004 Forecast/2005 Planning Model," provided by Management;
- "PeopleSoft Operations Review" for various product divisions, provided by Management;
- PeopleSoft Investor Presentation, dated December 2004;
- International Data Corporation ("IDC") report titled "Worldwide Enterprise Applications 2004-2008 Forecast and Analysis: 2003 Vendor Shares and First-Half 2004 Results," dated October 2004;

- IDC report titled "Worldwide CRM Applications 2004-2008 Forecast Update and 2003 Vendor Shares: July 2004," dated July 2004;
- IDC report titled "Worldwide Enterprise Resource Planning Applications 2004-2008 Forecast: First Look at Top 10 Vendors," dated May 2004;
- IDC report titled "Worldwide Human Resources Management and Payroll Processing Applications 2004-2008 Forecast and 2003 Vendor Shares," dated December 2004;
- IDC report titled "Worldwide Accounting and Financial Management Applications 2004-2008 Forecast and 2003 Vendor Shares," dated November 2004;
- IDC report titled "Worldwide Web Services Software 2004-2008 Forecast: Cautious Adoption Continues," dated April 2004;
- IDC report titled "Worldwide Business Analytics (BA) Software 2004-2008 Forecast and 2003 Vendor Shares," dated September 2004;
- Discussions with PeopleSoft's management and Management on the history, current status and future prospects for the Subject Assets and Liabilities as of the Valuation Date;
- Bloomberg's on-line database covering financial markets, commodities, and news;
- Form 10Ks, 10Qs and other financial filings for Oracle, PeopleSoft, and comparable companies;
- The Marshall and Swift's *Marshall Valuation Services* guide;
- Bureau of Labor Statistic's *Producer Price Index;*
- International Monetary Fund's *International Financial Statistics;*
- The Aircraft Bluebook Price Digest;
- PeopleSoft fixed asset record for net book values of all tangible assets, provided by Management;
- PeopleSoft facility management who provided us with site plans, building plans, floor plans and aerial photographs for the Pleasanton and Denver campuses;

- PeopleSoft corporate real estate management regarding existing subleasing in place at the Denver campus; and

- Discussions with Oracle corporate real estate management, their brokers and space plan advisors regarding future occupancy plans and projected costs of occupancy and/or vacating at the Pleasanton and Denver campuses.

3.0 PROCEDURES

In general, our procedures included, but were not limited to, the following:

- Analysis of conditions in, and the economic outlook for, the enterprise software industry;

- Analysis of general market data, including economic, governmental, and environmental forces that may affect the value of the Subject Assets and Liabilities;

- Discussions concerning the history, current state, and future operations of PeopleSoft with Management and the management of the Company;

- Discussions with PeopleSoft management and Management to obtain an explanation and clarification of data provided;

- Analysis of PeopleSoft's operating and financial results;

- Analysis of financial and operating projections including revenues, operating margins (e.g., earnings before interest and taxes), working capital investments, depreciation, and capital expenditures based on PeopleSoft's historical operating results, industry results and expectations, and Management representations. Such projections formed the basis for the Income Approach; and

- Analysis of other facts and data considered pertinent to this valuation to arrive at a conclusion of Fair Value of the Subject Assets and Liabilities.

4.0 HISTORY AND NATURE OF BUSINESSES[1]

Oracle Corporation

Oracle was co-founded by Lawrence J. Ellison, Bob Miner, and Ed Oates in 1977 and is headquartered in Redwood Shores, California. Oracle develops, manufactures, markets, and distributes computer software that enables organizations to manage their businesses. Its software products are classified as database technology software and applications software. Database technology software is used for developing and deploying applications on the Internet and on corporate Intranets, and includes database management software, application server software, development tools, and collaboration software. Applications software is used to automate business processes and to provide business intelligence for financials, projects, marketing, sales, order management, procurement, supply chain, manufacturing, service, and human resources. The company also offers software license updates and product support, and other services, including consulting, advanced product services, and education. Oracle's consulting services provide design, implementation, deployment, upgrade, and migration services for its database technology and applications software. Its advanced product services consist of Oracle On Demand. Oracle On Demand offers services for its products through three core offerings: E-Business Suite On Demand, Technology On Demand, and Collaboration Suite On Demand. In addition, the company provides training to customers and partners. Oracle markets its products and services through its own direct sales and service organization, and indirectly through distributors or resellers that are members of the Oracle Partner Network.

In the fiscal year ended May 31, 2004, Oracle generated $10.2 billion in revenue and net income of $2.7 billion. For the trailing four quarters ended November 30, 2004, Oracle generated $10.6 billion in revenue and net income of $2.9 billion. As of fiscal year 2004, Oracle employed 41,658 full-time employees, including 24,760 in sales and services, 757 in marketing, 11,436 in research and development, and 4,705 in general and administrative positions. Of these employees, 16,659 were located in the United States and 24,999 were employed internationally. As of the Valuation Date, Oracle's market capitalization was approximately $71.0 billion.

PeopleSoft, Inc.

Former IBM systems engineer David Duffield founded PeopleSoft with Ken Morris in 1987. In 1988 they delivered the market's first network-based human resources ("HR") software. By 1991 PeopleSoft began to expand globally and established offices on five continents within two years. The Company branched into financial software in 1992, the year it went public. PeopleSoft continued refining its products for the medical industry and government use, moving toward applications that could

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[1] Source: Oracle SEC Filings, Oracle and PeopleSoft Press Releases and websites, and discussions with Oracle and PeopleSoft management.

serve a company's entire data tracking needs. It expanded its product offerings in 1994, adding distribution and supply chain management software. In the following years, PeopleSoft acquired various companies and continued to grow.

PeopleSoft is a leading provider of enterprise software that ties together back-office applications and databases. PeopleSoft designs, develops, markets and supports a family of enterprise application software products for use throughout large and medium sized organizations worldwide. These organizations include corporations, educational institutions and national, state, provincial and local government agencies. PeopleSoft provides enterprise application software for customer relationship management, human capital management, financial management, and supply chain management, along with a range of industry-specific products. Within each of the application suites, PeopleSoft offers embedded analytics and portal applications. In addition, PeopleSoft offers a suite of products for application integration and analytic capability, including portal applications, an integration broker, and enterprise warehouse products. PeopleSoft's products are designed for use with relational database management systems ("RDBMS") from vendors such as Microsoft, IBM, and Oracle. PeopleSoft's clients come from a variety of industries, including financial services, telecommunications, and health care.

On July 17, 2003, PeopleSoft acquired J.D. Edwards & Company ("JDEC") for approximately $1.7 billion. JDEC became a wholly owned subsidiary of PeopleSoft. The acquisition provided PeopleSoft with (1) mid-market manufacturing brand recognition and credibility, and industry specific functionality; (2) new expanded industry sector presence including Food & Beverage, Petro-Chemical, and Life Sciences; (3) an expanded product portfolio including Demand Collaboration, Process Manufacturing, Transportation Management, etc.; and (4) international expertise in Manufacturing. All products of the combined company were branded PeopleSoft after a short transition period.

As of the Valuation Date, PeopleSoft offered the following key products:

<u>PeopleSoft Enterprise Human Capital Management ("HCM")</u> – HCM helps organizations to more effectively manage, optimize, and leverage the workforce to drive a higher level of business performance. The Company's modular, global solution is designed to enable organizations to manage positions and compensation; manage the process of recruitment, hiring and training employees; promoting, allocation, and retirement of personnel; and address local and international regulatory requirements.

<u>PeopleSoft Enterprise Financial Management Solutions ("FMS")</u> – FMS helps capture and administer financial data quickly and accurately across the enterprise. PeopleSoft FMS is designed to help companies increase visibility of financial data and business metrics, control expenditures and improve decision-making. The Company's FMS applications support various integrated business processes, such as financial reporting, budgeting, employee expense management, and asset lifecycles. PeopleSoft

FMS applications are designed to assist organizations in fulfilling both internal and external reporting requirements consistent with its practices and policies.

PeopleSoft Enterprise Supply Chain Management ("SCM") – SCM helps organizations in three main categories: Supplier Relationship Management ("SRM"), Customer Fulfillment Management and Supply Chain Planning. The Company's suite of SRM applications helps its customers work collaboratively with their suppliers of goods and services to control all categories of spending.

PeopleSoft Enterprise Customer Relationship Management ("CRM") – CRM is a suite of customer relationship management products that help companies sell to, support, analyze, and service customers through multiple channels of interaction including the internet, telephone call centers, email, or directly through sales and service representatives.

PeopleSoft Tools – PeopleSoft Tools include the following toolsets: development tools for use by business process and system analysts to rapidly design and deploy custom modifications; administration tools for use by systems managers and support staff to improve the efficiency of implementing, operating, and upgrading PeopleSoft applications; reporting and analysis tools for use by application users to easily access, summarize, and analyze information; workflow for use by business process and system analysts and application users to automate business processes; and PeopleSoft enterprise application integration tools for use in communicating between applications built on PeopleSoft technology and applications built on other platforms. PeopleSoft's development tools can be used to build and modify data tables, design and customize user interface pages, modify user navigation, define security privileges of individual users and operator access to system objects, define and build workflow based processes, process online transactions, and facilitate data importation from other systems into PeopleSoft applications.

PeopleSoft User Productivity Kit / End User Training ("UPK/EUT") – The User Productivity Kit is part of PeopleSoft's eLearning business. UPK/EUT is PeopleSoft's online training package, which is built into PeopleSoft applications. UPK/EUT allows the end user to access online assistance directly on the product when needed.

PeopleSoft EnterpriseOne ("E1/JDE")– Acquired through the acquisition of JDEC, PeopleSoft EnterpriseOne, formerly known as JDE 5, is a complete suite of modular, pre-integrated industry-specific business applications designed for rapid deployment and ease of administration on a fully internet based architecture. The PeopleSoft EnterpriseOne suite includes: Asset Lifecycle Management, Customer Relationship Management, Financial Management, Human Capital Management, Project Management, Supplier Relationship Management, and Supply Chain Management.

PeopleSoft World – Acquired through the acquisition of JDEC, PeopleSoft World, formerly known as World Software, is a complete suite of applications specifically designed for the IBM iSeries platform.

These applications are tightly integrated and pre-bundled on a single database, with a web-enabled architecture. PeopleSoft Worlds integrated suite includes: Manufacturing Management, Financial Management, Distribution Management, Human Resource Management, and Project Management.

In the fiscal year ended December 31, 2003, PeopleSoft generated $2.3 billion in revenue and net income of $85.0 million. For the nine months ended September 30, 2004, PeopleSoft generated $2.0 billion of revenue and net income of $61.4 million.

Background of Transaction

On June 6, 2003, Oracle announced its intention to commence an unsolicited $16.00 per share, or approximately $5.1 billion in aggregate, tender offer for all of the outstanding shares of common stock of PeopleSoft. On June 18, 2003, Oracle increased the value of its tender offer to $19.50 per share, or approximately $6.2 billion in aggregate. In connection with PeopleSoft's acquisition of JDEC in July 2003, PeopleSoft issued additional shares of its stock, which increased the value of Oracle's offer to approximately $7.5 billion. On February 4, 2004, Oracle amended its tender offer to $26.00 per share or approximately $9.4 billion in aggregate. On May 14, 2004, Oracle reduced its offer to $21.00 per share or approximately $7.7 billion in aggregate. On November 2, 2004, Oracle raised its cash tender offer to $24.00 per share. Approximately 61% of PeopleSoft's shareholders agreed to accept the offer. On December 13, 2004, Oracle announced that it had signed a definitive merger agreement to acquire PeopleSoft for a final price $26.50 per share. This represents a 75.4% premium over the stock price on June 5, 2003, the day prior to the initial tender offer announcement, which closed at $15.11.

On December 28, 2004, PeopleSoft stockholders tendered approximately 75% of PeopleSoft outstanding stock, giving Oracle control of the Company. The total purchase price (including assumed options and transaction costs) was approximately $11.1 billion.

The acquisition will increase Oracle's installed maintenance base and will enhance its ability to invest more in applications development and support. In addition, the acquisition is expected to strengthen Oracle's applications business and leverage Oracle's infrastructure position. The combined company will be able to accelerate investments in innovation and offer customers a superior solution at a lower price. Oracle has committed to continue support for existing PeopleSoft products and plans to develop and release PeopleSoft 9.0 and JDE 6.0 (the next version of EnterpriseOne). The acquisition will also enable Oracle to compete more effectively with the German global software provider, SAP AG ("SAP"). According to AMR research, SAP was the market share leader (based on revenue) with 36% of the worldwide enterprise software applications market in 2003, followed by Oracle, PeopleSoft, and JDEC with 13%, 10%, and 4%, respectively.[2] With the acquisition of PeopleSoft, Oracle will effectively increase its overall market share to 27.0%, making the combined entity a more

[2] Source: CNET news.com article titled "PeopleSoft Calls Oracle Bid Atrocious," dated June 6, 2003.

viable competitor to SAP. In addition, Oracle will be able to reap benefits from cost savings across several functional areas with minimal business integration risk. Sales and marketing costs will be significantly reduced through elimination of redundant positions. Key PeopleSoft sales and marketing personnel will be moved to fill open positions in Oracle. Oracle will also eliminate the overlap in general and administrative functions. Oracle will be the second largest company in enterprise software applications based on economies of scale.

Following the acquisition, the combined company expects to begin work on a successor product incorporating the best models, features, and usability characteristics of both companies' products. Functions that are incorporated from the PeopleSoft product will be rewritten into the successor product.

5.0 INDUSTRY OUTLOOK[3]

Enterprise Applications

In 2003, the enterprise applications market grew 2.9%, exceeding growth expectations of 1.75%. General macroeconomic expansions helped drive wider adoptions of enterprise applications. Globalization trends also forced companies to analyze their use of technology to achieve greater efficiency. Although the 2003 consolidation activity in the enterprise applications industry may have been distracting to corporate buyers, the long-term effects will be minimal as new players such as Web services providers and business process outsourcers enter the market. Compliance issues arising from corporate governance issues such as the Sarbanes-Oxley Act also gave incentive for companies to invest in enterprise applications, especially in the finance and accounting segment. Aggressive pricing strategies, sparked by vendors' willingness to trade margins for greater unit volumes, have slightly offset the aforementioned positive drivers in 2003.

Horizontal enterprise applications developers must take advantage of the vertical and mid-market opportunities that will arise in 2005. Some strategies to do this include the single data model approach promoted by vendors like Oracle, cross-selling between business units, and heavy investment into the original equipment manufacturer ("OEM") channel to squeeze applications into technology stacks of vertical solutions. There is also a lot of potential in numerous foreign markets for applications vendors.

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[3] Based on IDC Reports titled "Worldwide Enterprise Applications 2004-2008 Forecast and Analysis: 2003 Vendor Shares and First-Half 2004 Results," dated October 2004, "Worldwide CRM Applications 2004-2008 Forecast Update and 2003 Vendor Shares: July 2004," dated July 2004, "Worldwide Enterprise Resource Planning Applications 2004-2008 Forecast: First Look at Top 10 Vendors," dated May 2004, "Worldwide Human Resources Management and Payroll Processing Applications 2004-2008 Forecast and 2003 Vendor Shares," dated December 2004, "Worldwide Accounting and Financial Management Applications 2004-2008 Forecast and 2003 Vendor Shares," dated November 2004, "Worldwide Web Services Software 2004-2008 Forecast: Cautious Adoption Continues," dated April 2004, and "Worldwide Business Analytics (BA) Software 2004-2008 Forecast and 2003 Vendor Shares," dated September 2004.

As software developers in these low cost countries become more available, existing applications vendors will be able to reduce their development expenses. Fast-growing regions will also start consuming more software in order to accommodate for growth in their own manufacturing and services industries. Efforts by corporations to standardize their technology platforms could be hampered if their frequency of mergers and acquisitions outpaces their ability to reduce the number of applications they use or inherit. This trend will most likely not last forever, but it may provide best-of-breed applications vendors more opportunities to penetrate organizations that are resisting parent companies' desires to depend on enterprise-suite vendors. Consumer oriented industries may stimulate demand for inventory management applications as their private-label businesses grow. Taking these factors into consideration, IDC forecasts a worldwide 5.2% compound annual growth rate ("CAGR") for the 2004-2008 period. North America is forecast to have the lowest growth with a 4.1% CAGR, and then Western Europe with a 5.2% CAGR. Asia/Pacific is forecast to have a CAGR of 7.2% and the "Rest of World" region is forecast to have the highest growth with a 10.7% CAGR.

In the enterprise applications market, SAP had the most significant market share (based on revenue) in 2003 of 7.7%. PeopleSoft had 2.6% of the market, with Microsoft and Oracle not far behind securing 2.5% and 2.3% of the market, respectively. Synopsys came in fifth with 1.7% of the market. Oracle's acquisition of PeopleSoft will give the combined company a market share of 4.9%, making the combined entity a more viable threat to SAP.

Customer Relationship Management Applications

The CRM applications market experienced relatively flat growth in 2003, with a slight decline of 1.4%. Although some segments of the market performed better than others, variations between them were not large enough to draw any significant conclusions. The general economic downturn has caused customers to change purchasing patterns, from optimistic buying to increased requirements to demonstrate clear return on investment ("ROI") and benefits. Competition for customers has become more intense, pushing earnings down among vendors.

Software as a service is now becoming a viable alternative to traditional CRM applications. Companies such as Salesforce.com and RightNow Technologies offer hosted applications that have shown distinct advantages. Because they are hosted and Web native, these services may provide more flexibility and allow reductions in internal staff requirements. These applications have managed to gain a strong foothold during the downturn in the economy. IDC projects an 9.7% CAGR for the CRM market over the 2004-2008 period. As worldwide economic growth continues to improve slowly from 2001, IT spending will increase resulting in a positive impact on the CRM market. Midmarket and smaller enterprises are expected to continue adopting marketing and sales applications, providing an additional push for the CRM market. However, increased competition for midmarket customers will increase pricing pressure among vendors.

Going forward, vendors must have an answer to compete with lower costing alternate delivery mechanisms such as hosted applications. They must continue to emphasize total cost of ownership ("TCO") and ROI. In addition, analytics are becoming increasingly important, requiring vendors to adapt to this specific customer need.

In 2003, Siebel dominated the CRM applications market with an 11.9% market share (based on revenue). SAP and Oracle, with market shares of 6.7% and 4.4%, respectively, were far from the market leader. Amdocs had a 3.3% market share, and Reynolds & Reynolds and PeopleSoft tied for fifth with each securing 3.1% of the market. The combined share of Oracle and PeopleSoft of 7.5% puts the combined entity ahead of their biggest competitor, SAP.

Other Specific Enterprise Applications

As the global economy improves the worldwide enterprise resource planning ("ERP") applications market is forecasted to grow faster than the enterprise applications market with a 2004-2008 CAGR of 8.5%. Larger companies are expected to increase spending on ERP as they upgrade and replace legacy systems. In addition, industries that have traditionally focused on "human touch" will slowly move away from this emphasis and start investing more in ERP. The worldwide human resources management and payroll processing applications market is forecasted to grow at a 7.7% CAGR over the 2004-2008 period. Businesses are not expected to completely overhaul their human resources departments, but focus more on e-learning, workforce optimization, and performance measurement applications. The worldwide accounting and financial management applications ("AFM") market is forecast to have a 5.9% CAGR over the 2004-2008 period. Large multinational companies will be forced to upgrade their systems because global budgeting is becoming increasingly common. The worldwide business analytics ("BA") software market is forecasted to have a 2004-2008 CAGR of 7.1%. This growth is expected as the market shifts from business intelligence tools to packaged analytics applications. One primary category of the worldwide web services software market, applications, has become more common in the enterprise applications market. Although it is currently the smallest market of the all the aforementioned markets, the worldwide web services software market is forecasted to have the highest growth, with a 38.0% CAGR over the 2004-2008 period. These services are used mostly by large enterprises and the market is continuing to embrace the vision of Web services and services-oriented architecture.

6.0 VALUATION METHODS

We considered the following approaches when estimating the Fair Value of the Subject Assets and Liabilities: the Income Approach, the Market Approach, the Royalty Savings Approach, and the Cost Approach.

Income Approach

The Income Approach indicates the Fair Value of an asset based on the value of the cash flows that the asset can be expected to generate in the future. This approach is typically estimated through a Discounted Cash Flow Method.

The Discounted Cash Flow Method is comprised of four steps: 1) Estimate future cash flows for a certain discrete projection period; 2) Discount these cash flows to present value at a rate of return that considers the relative risk of achieving the cash flows and the time value of money; 3) Estimate the residual value of cash flows (if any) subsequent to the discrete projection period; and 4) Combine the present value of the residual cash flows with the discrete projection period cash flows to indicate the asset's Fair Value.
Securities and Exchange Commission ("SEC") approved guidelines on in-process research and development discussed in the AICPA IPR&D Practice Aid were utilized in the traditional Income Approach.

The Income Approach was used to estimate the Fair Value of the Company's Existing Technology, In-Process Technology, Maintenance Agreements and Related Customer Relationships, and Consulting Contracts.

Market Approach

The Market Approach is a valuation technique that estimates the Fair Value of an asset based on market prices in actual transactions and on asking prices for assets currently available for sale. The valuation process is a comparison and correlation between the subject asset and other similar assets. Considerations such as time and condition of sale and terms of agreements are analyzed for comparable assets and are adjusted to arrive at an estimate of the Fair Value of the Subject Assets and Liabilities.

The Market Approach was not applied in our analysis due to the lack of comparable asset transactions.

Royalty Savings Approach

In estimating the Fair Value of the patents/core technology and trade names/trademarks, we use a variation of the Income Approach called the Royalty Savings Approach. This methodology is considered the standard and preferred technique to value such intangible assets. In the Royalty Savings Approach, we estimate the value of an asset by capitalizing the royalties saved because the company owns the asset. In other words, the asset's owner realizes a benefit from owning the intangible asset rather than paying a rent or royalty for the use of the asset.

The Royalty Savings Approach was used to estimate the Fair Value of the Company's Patents / Core Technology and Trade Names / Trademarks.

Cost Approach

The Cost Approach is a valuation approach that uses the concept of replacement cost as an indicator of Fair Value. The premise of the Cost Approach is that a prudent investor would pay no more for an asset than the amount for which the asset could be replaced. Replacement cost new, which refers to the cost to replace the property with like utility using current material and labor rates, establishes the highest amount a prudent investor would pay. To the extent that an existing asset will provide less utility than a new one, the value of that asset is less. Accordingly, replacement cost new is adjusted for loss in value due to physical deterioration, functional obsolescence, and economic obsolescence.
The Cost Approach was used to estimate the Fair Value of the Company's Customer Relationships.

The approaches used to estimate PeopleSoft's Real Property, Personal Property, and Deferred Revenue will be discussed in each respective section.

6.1 Weighted Average Cost of Capital

When applying the Discounted Cash Flow Method (a form of the Income Approach), the cash flows expected to be generated by a business are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. This return is an overall rate based upon the individual rates of return for invested capital (equity and interest- bearing debt). This return, known as the weighted average cost of capital ("WACC"), is calculated by weighting the required returns on interest-bearing debt, preferred equity capital, and common equity capital in proportion to their estimated percentages in an expected capital structure.

In determining a discount rate using the WACC, we utilized the following general formula for calculating the WACC:

$$WACC = Kd * (d\%) + Kp * (p\%) + Ke * (e\%)$$

where:

Kd	=	After-tax rate of return on debt capital;
d%	=	Debt capital as a percentage of the sum of the debt, preferred and common equity capital ("Total Invested Capital");
Kp	=	Rate of return on preferred equity capital;
p%	=	Percentage of preferred equity capital to the Total Invested Capital;
Ke	=	Rate of return on common equity capital; and
e%	=	Common equity capital as a percentage of the Total Invested Capital.

We estimated the WACC using a Capital Asset Pricing Model ("CAPM"). This method is discussed in detail in Appendix I.

Conclusion

Based on our analysis, we estimated typical investors would require a WACC of 12.0% for an investment in the Company's industry. We also considered the internal rate of return ("IRR") that returns the allocable purchase consideration using the forecasts in Exhibit 10.0 and a net income exit multiple of 30.0x in 2014. The IRR was approximately 12.0%. Therefore, we used 12.0% as the overall discount rate for the Company. In determining the appropriate discount rates to use in valuing each of the individual intangible assets, we adjusted the discount rate of 12.0% giving consideration to specific risk factors of each asset.

For the purposes of our analysis, we applied a discount rate of 10.0% to the Existing Technology to reflect the lack of technological risk and market risk associated with achieving the forecasted sales attributable to the technology as PeopleSoft applications were commercially available and deployed as of the Valuation Date. Consistent with guidance in the AICPA IPR&D Practice Aid, we applied discount rates higher than the WACC to the In-Process Technology (see Table 1) based upon the additional risk related to the product's development and success as well as the product's stage of completion as of the Valuation Date. A discount rate of 10.0% was applied to the Patents / Core Technology to reflect the risk of the asset revenues derived from the Existing and In-Process Technology and Maintenance Agreements and Related Customer Relationships. We applied a discount rate of 8.0% to Consulting Contracts as the forecast reflects existing contract revenue with no expected renewals over a relatively short forecast horizon. A discount rate of 10.0% was also applied to the Maintenance Agreements and Related Customer Relationships, Customer Relationships, and Trade Names/Trademarks to reflect the lower risk of the assets as they were existing as of the Valuation Date.

Table 1 identifies each intangible asset and the discount rate applied:

Table 1 – Intangible Asset Discount Rates

Intangible Asset	Discount Rate
Existing Technology - Enterprise	10%
Existing Technology - EnterpriseOne / JDE	10%
Existing Technology - World	10%
In-Process Technology - HCM	20%
In-Process Technology - FMS	18%
In-Process Technology - SCM	18%
In-Process Technology - CRM	20%
In-Process Technology – EnterpriseOne	18%
Patents / Core Technology	10%
Maintenance Agreements and Related Customer Relationships	10%
Consulting Contracts	8%
Customer Relationships [4]	10%
Trade Names / Trademarks	10%

The discount rates used to estimate PeopleSoft's Real Property, Personal Property, and Deferred Revenue will be discussed in each respective section.

We also completed a weighted average rate of return on assets ("WARRA") calculation to assess the level of discount rates applied to the assets. Our WARRA analysis produced an implied rate of return on goodwill of 13.6%.

7.0 VALUATION OF EXISTING AND IN-PROCESS TECHNOLOGY

Overall Methodology

In accordance with the provisions of SFAS 141 and SFAS 142, all identifiable assets acquired were analyzed to determine their Fair Values (and remaining useful lives).

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[4] As the Customer Relationships were valued on a Cost Approach, the discount rate was only used in computing the tax benefit of amortization.

As the basis for identifying the IPR&D, the development projects were evaluated in the context of Interpretation 4 of FASB Statement No. 2. In accordance with these provisions, the research and development projects were examined to determine if there were any alternative future uses. Such evaluation consisted of a specific review of the efforts, including the overall objectives of the project, progress toward the objectives, and the uniqueness of the developments of these objectives. Furthermore, each IPR&D project was reviewed to determine if technological feasibility had been achieved.

FASB Definitions of IPR&D

IPR&D involves products which fall under the following definitions of research and development as defined by FASB Statement No. 2 ("FASB 2"):

- Research is defined as "the planned search or critical investigation aimed at discovery of new knowledge with the hope that such knowledge will be useful in developing a new product or service (hereinafter "product") or a new process or technique (hereinafter "process") or in bringing about a significant improvement to an existing product or process." [5]

- Development is defined as "the translation of research findings or other knowledge into a plan or design for a new product or process or for a significant improvement to an existing product or process whether intended for sale or use. It includes the conceptual formulation, design, and testing of product alternatives, construction of prototypes, and operation of pilot plants. It does not include routine or periodic alterations to existing products, production lines, manufacturing processes, and other on-going operations even though those alterations may represent improvements and it does not include market research or market testing activities." [6]

In assessing PeopleSoft's R&D projects, we considered many key characteristics of PeopleSoft as well as its future prospects, the rate technology changes in the industry, product life cycles, and various projects' stage of development.

Existing and In-Process Technology

PeopleSoft offers comprehensive applications that enable organizations to manage critical business processes and analyze and enhance their relationships with customers, suppliers, employees, and partners. PeopleSoft's current product offerings include Enterprise, EnterpriseOne, and World. The existing Enterprise suite consists of the following core pillars: HCM 8.9, FMS 8.8, SCM 8.8, CRM

[5] Statement of Financial Accounting Standards No. 2: Accounting for Research and Development Costs.
[6] Ibid.

8.9, PeopleTools 8.45, EPM 8.9, Portal Solutions 8.9, and the User Productivity Kit. EnterpriseOne also includes Tools 8.94 and E1 Apps 8.11. The World product line is currently in "Maintenance mode" and no new versions are planned.

In-process research development efforts as of the Valuation Date were primarily related to the development of the PayBill bolt-on to HRCS 8.9, FMS 8.9, SCM 8.9, CRM 8.95, and E1 Tools 8.95. Development efforts on FMS 8.9, SCM 8.9, and CRM 8.95 were related to next version releases of the existing products and will incorporate new and enhanced functionalities for each product. The development of FMS 8.9 and SCM 8.9 began in March 2004 and is expected to be complete by July 2005. First customer ship for FMS 8.9 and SCM 8.9 is expected to be in July 2005. The development of CRM 8.95 began in August 2004 and is expected to be complete by September 2005. First customer ship for CRM 8.95 is expected to be in October 2005. The PayBill bolt-on to HRCS 8.95 relate to development efforts to integrate the HCM product with financial applications. The development of the Paybill bolt-on began in November 2004 and is expected to be complete by July 2005. First customer ship for the Paybill bolt-on is expected to be in August 2005.

Based on discussions with Management, we understand that these development projects are critically important and add new functionalities necessary to address customer needs, drive market acceptance, and fuel the overall revenue growth profile of PeopleSoft's enterprise software products.

In-Process Research and Development

The enterprise software market requires innovative technology to address the evolving needs of the customer. PeopleSoft's future success will depend on its ability to achieve scientific and technological advances and to translate such advances into commercially competitive products on a timely basis that keep pace with competing technological developments and address the increasingly sophisticated needs of its customers. PeopleSoft's in-process products are at a stage of development that require further research and development to determine technical feasibility and commercial viability.

Developing new products and functionalities is time-consuming, costly, and complex. Because the In-Process Technology is not yet complete and not yet generating revenue and profits, there is risk that the developments will not be completed and/or not competitive with other products using alternative technologies that offer comparable functionalities.

Existing and In-Process Technology Valuation

The attached Exhibits (see Exhibits 2.0 through 3.0) present the discounted cash flow models used to value the Existing Technology and In-Process Technology and detail the assumptions used in their development. In the valuation analysis, one of the initial steps was to segregate PeopleSoft's product revenues into three categories: (1) existing technology; (2) in-process technology; and (3) future technology. In segregating the Company's products among these three categories, we considered the Company's product development process as well as guidelines regarding IPR&D from various FASB pronouncements and the AICPA Practice Aid.

Management prepared revenue projections for PeopleSoft for the five months ending May 31, 2005 and the fiscal years ending May 31, 2006 through 2014 (the "Projection Period"). We then segregated the product revenues into existing, in-process, and future revenues based on the scheduled release date and economic life for each of the products.

Next, consistent with the AICPA Practice Aid, we estimated the stage of completion for the In-Process Technology to determine the level of discount rate to be applied in the valuation analysis. Based on discussions with PeopleSoft management, we estimated R&D expenses incurred to date and the total R&D expenditures expected to be incurred for the in-process products under development. Total estimated costs incurred to date and associated costs to complete are shown on Table 2. These estimates were based on project development timelines and resource requirements determined in discussions with PeopleSoft management and Management.

Table 2 In-Process Technology – Costs Incurred and Cost to Complete (in $000s)

In-Process Products	Costs Incurred to Date	Cost to Complete
PayBill bolt-on to HRCS 8.9	$ 59	$ 167
FMS 8.9	9,663	1,615
SCM 8.9	9,663	1,615
CRM – 8.95	7,833	9,002
E1 Tools 8.95	1,145	3,009

The stage of completion based on costs was calculated by dividing R&D expenses incurred to-date by total estimated development costs for each product. The stage of completion based on time incurred was calculated by dividing the time incurred to date by the total time to develop the product. PeopleSoft management also provided us with an estimate of the percentage complete based upon design milestones achieved. We averaged the cost-based and time-based percent complete estimates with PeopleSoft management's qualitative assessment of the stage of completion based on the complexity of milestones achieved as of the Valuation Date for the In-Process Technology to determine the average stage of completion for the products. Details of this approach are presented in Exhibit 3.5.

Based on our analysis of the level of completion and the risk associated with the In-Process Technology, we adjusted the discount rate upwards for the In-Process Technology.

Cost of goods sold, research and development expense, sales and marketing expense, and general and administrative expense for both existing and in-process products were estimated as a percentage of revenue based on Management's projections for the Projection Period.

"Capital charges" were deducted from operating income to derive the free cash flow attributable to Existing and In-Process Technology. Since certain other assets contribute to the cash flow initially attributable to technology, returns to these other assets, or "capital charges," were calculated and deducted from pre-tax operating income to isolate the cash flow solely attributable to the technology. Based on our analysis and identification of other assets, returns were deducted for property, plant, and equipment, working capital, customer contracts and related relationships, trade names/trademarks, and assembled workforce. The profit attributable to Existing and In-Process Technology were deducted from the Maintenance Agreements and Related Customer Relationships and added to the Existing and In-Process Technology cash flows. Taxes were then applied to estimate free cash flow.

We then converted the estimated cash flows attributable to technology to its present value equivalent using the discounts rates indicated in Table 1 for Existing Technology and In-Process Technology.

The Fair Value of PeopleSoft's Existing and In-Process Technology was then estimated as the sum of the present value of the cash flows attributable to each type of technology respectively.

Assumptions

For the Income Approach, Management projected revenue and expenses for the five months ending May 31, 2005 and the fiscal years ending May 31, 2006 through 2014. The following assumptions were made relating to the projection of PeopleSoft's cash flows for the Projection Period:

- **Revenue** – Management projected total License Revenue from Existing Customers[7] to be $44.2 million for the five months ending May 31, 2005. Total License Revenue from Existing Customers is projected to grow from $161.2 million in fiscal year 2006 to $165.8 million in fiscal year 2007, $169.0 million in fiscal year 2008, $172.3 million in fiscal year 2009, $175.7 million in fiscal year 2010, and to $189.9 million by fiscal year 2014. Management projected total License Revenue from Incremental New Customers[8] to be $31.0 million for the five months ending May 31, 2005. Total revenue from incremental new customers is projected to grow from $136.5 million in fiscal year 2006 to $150.0 million in fiscal year 2007, $157.5 million in fiscal year 2008, $165.4 million in fiscal year 2009, $173.6 million in fiscal year 2010, and to $211.1 million by fiscal year 2014.

[7] Total License Revenue from Existing Customers reflects additional license fees generating from existing PeopleSoft customers as of the Valuation Date.

[8] Total License Revenue from Incremental New Customers reflects new license revenue from a customer that is new to both PeopleSoft and Oracle subsequent to the Valuation Date.

Total projected license revenue indicates a CAGR of 4.3% from fiscal years 2006 to 2009. This is relatively consistent with IDC's projected CAGR of 5.2% for Worldwide Enterprise Applications License and Maintenance revenue from calendar years 2004 to 2008.

License Revenue Attributable to PeopleSoft and JDE Products

Total license revenue attributable to PeopleSoft and JDEC products is projected to be $50.4 million for the five months ending May 31, 2005. Total license revenue attributable to PeopleSoft and JDEC products is projected to grow from $188.5 million in fiscal year 2006 to $195.8 million in fiscal year 2007, $200.5 million in fiscal year 2008, $205.4 million in fiscal year 2009, and $210.4 million in fiscal year 2010. Based on discussions with Management, 100.0% of License Revenue from Existing Customers and 20.0% of License Revenue from Incremental New Customers are projected to be sales on PeopleSoft and JDEC platform products (as outlined in the Project Spice Board presentation). Management indicated plans to continue selling PeopleSoft and JDEC products going forward (and have publicly committed to develop the next major version release of both Enterprise and Enterprise One suites), but the majority of the sales effort will be focused on promoting the Oracle platform to new customers as eventually there will be a successor product primarily based on the Oracle platform. Consistent with any third party buyer (such as SAP) who would phase down efforts in marketing PeopleSoft products and consolidate platforms over time.

More specifically, based on PeopleSoft's projected product mix for calendar year 2005 and 2006, Management projected Enterprise revenue to be $38.9 million for the five months ending May 31, 2005, $146.5 million for fiscal year 2006, $152.1 million in fiscal year 2007, $155.8 million in fiscal year 2008, $159.6 million in fiscal year 2009, and $163.5 million in fiscal year 2010. Total revenue for EnterpriseOne was projected to be $9.8 million for the five months ending May 31, 2005, $36.6 million for fiscal year 2006, $37.9 million in fiscal year 2007, $38.9 million in fiscal year 2008, $39.8 million in fiscal year 2009, and $40.8 million in fiscal year 2010. Total revenue for World was projected to be $1.6 million for the five months ending May 31, 2005, $5.5 million for fiscal year 2006, $5.7 million in fiscal year 2007, $5.8 million in fiscal year 2008, $5.9 million in fiscal year 2009, and $6.1 million in fiscal year 2010.

- **Cost of Goods Sold ("COGS")** – COGS, as a percentage of license revenue, were projected to be 10.0% throughout the Projection Period, consistent with historical PeopleSoft license related COGS.

- **Patents / Core Technology Charge** – Charges for Patents / Core Technology, as a percentage of revenue, were projected to be 8.0% (discussed in more detail in the Valuation of Patents / Core Technology section) throughout the Projection Period.

- **Research and Development ("R&D")** – R&D expenses, as a percentage of revenue, were projected to be 13.6% for the five months ending May 31, 2005, 13.3% in fiscal year 2006, 13.1% in fiscal year 2007, and 12.9% for the remainder of the Projection Period. Maintenance R&D was estimated to be 3.0% of revenue throughout the Projection Period.

- **Sales and Marketing Expenses** – Sales and Marketing expenses, as a percentage of revenue, were projected to be 20.1% for the five months ending May 31, 2005 and 18.7% for the remainder of the Projection Period. Sales and Marketing expenses were projected based on the expense structure for the combined Oracle and PeopleSoft operating model.

- **General and Administrative Expenses ("G&A")** – G&A, as a percentage of revenue, were projected to be 5.3% for the five months ending May 31, 2005, 4.6% in fiscal year 2006, 4.5% in fiscal year 2007, and 4.6% for the remainder of the Projection Period. G&A expenses were projected based on the expense structure for the combined Oracle and PeopleSoft operating model.

- **Depreciation Expenses** – Depreciation expenses of 3.7% for the five months ending May 31, 2005, 3.8% in fiscal year 2006, 3.9% in fiscal year 2007, and 4.0% for the remainder of the Projection Period were excluded from the valuation of Existing and In-Process Technology.

- **Capital Charges** – Charges for contributory assets were deducted from earnings before interest, taxes, and depreciation to reflect the fact that the income generated by existing and in-process technology cannot be solely attributed to the subject technology asset. Charges for property, plant, and equipment, working capital, customer contracts and related relationships, trade names/trademarks, and assembled workforce were estimated and deducted from cash flow. In addition, the profit attributable to Existing and In-Process Technology were deducted from the Maintenance Agreements and Related Customer Relationships and added to the Existing and In-Process Technology cash flows.

- **Income Taxes** – An effective tax rate of 36.0% was estimated based on the average five-year effective tax rate of comparable companies (including Oracle).

- **Tax Amortization Benefit** – A hypothetical purchaser of the technology would receive a tax amortization benefit for the purchase of the intangible asset. The tax benefit of amortizing the intangible asset over a 15-year period was calculated and converted to its net present value equivalent.

Analysis of Remaining Useful Life

Based on discussions with Management, we understand that Management has publicly committed to developing and releasing PeopleSoft 9.0 and JDE 6.0, the next versions of Enterprise and EnterpriseOne, respectively. Historically, the enterprise software industry undergoes a major platform change cycle every four years. Thus, considering Management's roadmap regarding PeopleSoft's technology, historical experience with the enterprise software industries, and discussions with PeopleSoft management and Management regarding the product life cycle and new functionality arising from each product release, we estimate the remaining useful lives of the Existing Technology to be approximately five years.

Summary of Existing Technology Value

The cash flows for Existing Technology were then converted to their present value equivalents using rates of returns as indicated in Table 1. Based on our analysis, as summarized in Exhibit 2.0, we estimated the Company's Existing Technology, as of the Valuation Date, to be approximately:

Enterprise	**$ 489,100,000**
EnterpriseOne/JDE	**89,200,000**
World	**35,900,000**
Total Existing Technology	**$ 614,200,000**

Summary of In-Process Technology Value

Based on the AICPA Practice Aid guidelines, we performed a "modified" traditional approach to value the In-Process Technology. We modified the traditional approach in accordance with the recent AICPA Practice Aid on IPR&D by using risk-adjusted rates of return and including costs to complete in the R&D expense. Based on our analysis, as summarized in Exhibit 3.0, we estimated the Company's In-Process Technology, as of the Valuation Date, to be approximately:

Enterprise [9]		
HCM	$	6,700,000
FMS		12,900,000
SCM		6,000,000
CRM		4,300,000
Total Enterprise	**$**	**29,900,000**
EnterpriseOne/JDE		**3,000,000**
Total In-Process Technology	**$**	**32,900,000**

Summary of Technology Values

Based on our analysis, as summarized in Exhibits 2.0 and 3.0, we estimate the value of the Company's Existing and In-Process Technology, as of the Valuation Date, to be approximately:

Existing Technology	**$**	**614,200,000**
In-Process Technology	**$**	**32,900,000**

8.0 VALUATION OF PATENTS / CORE TECHNOLOGY

Patents / Core Technology can be defined as a combination of processes, patents, and trade secrets that are the building blocks for current and planned new products. The acquired Patents / Core technology represents a series of awarded patents, filed patent applications, and core architectures that is used in the Company's products and forms a major part of the architecture of both the current and planned future releases. In addition, this proprietary technology can be leveraged to develop new and improved products and technologies.

In estimating the Fair Value of the Company's Patents / Core Technology, we used a variation of the Income Approach called the Royalty Savings Approach. This methodology is considered the standard and preferred technique to value patents/core technology. In the application of the Royalty Savings Approach, we estimate the value of the Patents / Core Technology by capitalizing the royalties saved because the company owns the technology. In other words, the owner realizes a benefit from owning the intangible asset rather than paying a rent or royalty for the use of the asset.

[9] The concluded Fair Value of HCM, FMS, SCM, and CRM are not meaningful ("NMF") due to the cost structure and high R&D costs to complete of the In-Process Technology.

In estimating the royalty rate, we considered various data points. The RoyaltySource Intellectual Property Database search results indicated royalty rates from 1% to 40% for similar technologies. We also estimated a hypothetical royalty rate by using a profit split method (25% to 33% licensing practice which indicates that approximately 25% to 33% of the operating profit margin should be paid to the owner of the technology). We calculated the average operating profit margin for the Projection Period and applied the 25% to 33% licensing practice, resulting in a royalty rate of approximately 8.0%. Based upon discussions with Management, the analysis above, and industry experience, we concluded that 8.0% represented a reasonable royalty rate that could be attributable to the Patents / Core Technology.

After estimating the appropriate royalty rate, we completed the following steps to estimate the Fair Value of the Patents / Core Technology according to the Royalty Savings Approach:

- We estimated the total royalty revenue for products that benefit from the Patents / Core Technology for the Projection Period, based on projections provided by Management;
- We calculated the royalty savings by multiplying the applicable royalty rate by the estimated Existing Technology, In-Process Technology, and Existing Maintenance revenues in the Projection Period;
- We deducted income taxes using an effective tax rate of 36.0%, based on the average five-year effective tax rate of comparable companies (including Oracle);
- We determined the present value of the after-tax royalty savings using a present value factor based on a discount rate of 10.0% for the Patents / Core Technology;
- We summed the present value of the after-tax royalty savings from the Projection Period; and
- We calculated and added tax amortization benefits, as appropriate.

Analysis of Remaining Economic Life

As described in the Valuation of Existing Technology Section and based on the historical experience of the rate of technological change in the enterprise software industry, we estimate the Company's technology would become obsolete in approximately five years. Therefore, we estimate the remaining economic life of the Patents / Core Technology to be approximately five years.

Summary of Patents / Core Technology Value

Based on the Royalty Savings Approach and as summarized in Exhibit 4.0, we estimate the Fair Value of the Company's Patents / Core Technology, as of the Valuation Date, to be approximately:

Patents / Core Technology	**$ 348,900,000**

9.0 VALUATION OF MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS

The existing Maintenance Agreements relate to revenue generated by PeopleSoft from fees that users pay when they subscribe to a PeopleSoft maintenance and support contract for the software solutions. Subscribing customers are entitled to receive software product upgrades, tax and regulatory updates on a when-and-if-available basis, access to account services, web-based self-service, product support, and technical support, as long as they remain continuous subscribers to maintenance. As of the Valuation Date, PeopleSoft had approximately 9,920 customers.

We utilized the Income Approach in estimating the Fair Value of the Maintenance Agreements and Related Customer Relationships. In estimating the net cash flows, we estimated the on-going income expected to be generated from the maintenance agreements in place (including assumed renewal rates) as of the Valuation Date. Thus, we have captured both the remaining contractual life as well as the relationship aspect of the asset.

Assumptions

For the Income Approach, we made the following assumptions relating to the projection of the Maintenance Agreements' cash flows:

- **Revenue** – Management projected total Maintenance Revenue from the Existing Installed Base to be $545.4 million for the five months ending May 31, 2005. Total Maintenance Revenue from the Existing Installed Base is projected to decline from $1,273.9 million in fiscal year 2006 to $1,220.4 million in fiscal year 2007, $1,168.8 million in fiscal year 2008, $1,119.3 million in fiscal year 2009, $1,071.8 million in fiscal year 2010, and to $862.2 million by fiscal year 2015. In forecasting revenue from the Existing Installed Base, Management assumed a 3.5% annual customer attrition rate, which implies approximately 4.0% revenue attrition per year given the forecasted decline of average selling price throughout the Projection Period. PeopleSoft management indicated that the Company had an average revenue attrition of $60.0 million per year over the past three years, implying average annual revenue attrition of approximately 6.3%. In addition, PeopleSoft management forecasts revenue attrition of 2.5% in calendar year 2005. Based on historical and projected revenue attrition rates of PeopleSoft, we believe a 3.5% annual customer attrition rate is appropriate.

We have excluded Maintenance Revenue related to New Customers (acquired after the Valuation Date as that income stream is considered a component of goodwill). Deferred revenue attributable to maintenance of $709.3 million as of the Valuation Date was deducted from 2005 through 2011 maintenance revenues to reflect that cash and / or accounts receivable has already been recognized on the balance sheet and there is no prospective cash flow related to these balances.

- **Cost of Goods Sold** – COGS, as a percentage of maintenance revenue, were projected to be 15.0% throughout the Projection Period, consistent with historical PeopleSoft maintenance COGS.

- **Patents / Core Technology Charge** – Charges for Patents / Core Technology, as a percentage of revenue, were projected to be 8.0% (discussed in more detail in the Valuation of Patents / Core Technology section) throughout the Projection Period.

- **Support Development** – Support Development expenses (related to bug fixes and updates), as a percentage of maintenance revenue, were projected to be 7.0% throughout the Projection Period, consistent with historical Support Development expenses.

- **Sales and Marketing Expenses** – Total Sales and Marketing expenses, as a percentage of revenue, were projected to be 20.1% for the five months ending May 31, 2005 and 18.7% for the remainder of the Projection Period. Projected Sales and Marketing Expenses are related only to the maintenance of the customer relationship and other incidental workforce expenses as the sales effort to win the Maintenance Agreements has already been completed. Accordingly, the Sales and Marketing effort, as a percentage of revenue, has been estimated at 20.0% of the total annual Sales and Marketing percentage for PeopleSoft.

- **General and Administrative Expenses ("G&A")** – G&A, as a percentage of revenue, were projected to be 5.3% for the five months ending May 31, 2005, 4.6% in fiscal year 2006, 4.5% in fiscal year 2007, and 4.6% for the remainder of the Projection Period. G&A expenses were projected based on the expense structure for the combined Oracle and PeopleSoft operating model.

- **Depreciation Expenses** – Depreciation expenses of 3.7% for the five months ending May 31, 2005, 3.8% in fiscal year 2006, 3.9% in fiscal year 2007, and 4.0% for the remainder of the Projection Period were excluded from the valuation of Maintenance Agreements and Related Customer Relationships.

- **Capital Charges** – Charges for contributory assets were deducted from earnings before interest, taxes, and depreciation to reflect the fact that the income generated by Maintenance Agreements cannot be solely attributed to the subject asset. Charges for property, plant, and equipment, working capital, customer contracts and related relationships, trade names/trademarks, assembled workforce, and technology were estimated and deducted from cash flow.

- **Income Taxes** – An effective tax rate of 36.0% was estimated based on the average five-year effective tax rate of comparable companies (including Oracle).

- **Tax Amortization Benefit** – A hypothetical purchaser of the Maintenance Agreements and Related Customer Relationships would receive a tax amortization benefit for the purchase of the intangible asset. The tax benefit of amortizing the intangible asset over a 15-year period was calculated and converted to its net present value equivalent.

Analysis of Remaining Useful Life

The PeopleSoft Customer Assurance Program ("CAP") was implemented by PeopleSoft to assure customers that PeopleSoft technology will be supported even if PeopleSoft is acquired. The existence of the CAP implies that PeopleSoft technology will be supported for a minimum of four years. In addition, Oracle has publicly committed to support PeopleSoft products for ten years. Therefore, we estimate the remaining useful life of the Maintenance Agreements and Related Customer Relationships to be approximately ten years. Furthermore, given general industry major platform change cycles every four years, a ten-year life would capture two major upgrade cycles. Lastly, beyond ten years, the terms on a maintenance contract could be materially different due to changes in business models (e.g., utility computing model, etc.).

Summary of Maintenance Agreements and Related Customer Relationships Value

Based on the Income Approach as presented in Exhibit 5.0, we estimate the Fair Value of the Maintenance Agreements and Related Customer Relationships, as of the Valuation Date, to be approximately:

Maintenance Agreements and Related Customer Relationships (Total)	**$ 2,308,700,000**
Support Contracts [10]	**(208,000,000)**
Maintenance Agreements and Related Customer Relationships (Net)	**$ 2,100,700,000**

10.0 VALUATION OF CONSULTING CONTRACTS

The existing consulting contracts relate to the revenue generated by PeopleSoft from fees that users pay when they contract PeopleSoft for consulting services. PeopleSoft offers consulting services related to implementing, optimizing the use of, and upgrading PeopleSoft products to improve business performance. The Company's implementation services are tailored to specific business needs and provide global infrastructure and expertise. In addition, PeopleSoft provides customers with a full range of re-engineering, customization, and project management services.

We utilized the Income Approach in estimating the Fair Value of the Consulting Contracts. In estimating the net cash flows, we estimated the on-going income expected to be generated from existing customer contracts in place as of the Valuation Date.

Assumptions

For the Income Approach, the following assumptions were made relating to the projection of the Consulting Contracts' cash flows:

[10] As of the Valuation Date, PeopleSoft had entered into support agreements for which the underlying service period had not yet started and for which PeopleSoft had not yet been paid. These support agreements were not reflected on PeopleSoft's December 28, 2004 balance sheet. In connection with the purchase price allocation, Oracle estimated the Fair Value of the support contracts to be approximately $208.0 million as of the Valuation Date. This intangible asset will be reflected as a component of prepaid expenses and other current assets. As the revenue and expenses of the support contracts are reflected in the valuation of PeopleSoft's Maintenance Agreements and Related Relationships, we have adjusted the Fair Value of PeopleSoft's Maintenance Agreements and Related Relationship for the value of the support contracts, which will be booked as a separate component of prepaid expenses and other current assets.

- **Revenue** – Total revenue attributable to existing Consulting Contracts is projected to be $91.8 million for the five months ending May 31, 2005, $142.2 million in fiscal year 2006, $33.0 million in fiscal year 2007, and $19.3 million in fiscal year 2008. Based on discussions with PeopleSoft management, approximately 25.0% of PeopleSoft's projected 2005 professional services revenue is attributable to existing Consulting Contracts, of which approximately 15% to 20% relates to multi-year contracts. Deferred revenue attributable to existing consulting contracts of $112.6 million as of the Valuation Date was deducted from 2005 through 2007 consulting revenues.

- **Cost of Goods Sold** – COGS, as a percentage of consulting revenue, is projected to be 84.2% in 2005 and 80.0% in 2006, 2007, and 2008.

- **Sales & Marketing Expenses** – Total Sales and Marketing expenses, as a percentage of revenue, were projected to be 20.1% for the five months ending May 31, 2005 and 18.7% for the remaind[illegible]f the Projection Period. Projected Sales and Marketing Expenses are related only to the main[illegible]nce of the customer relationship and other incidental workforce expenses as the sales effort to [illegible]he Maintenance Agreements has already been completed. Accordingly, the Sales and Marketing [illegible]rt, as a percentage of revenue, has been estimated at 20.0% of the total annual Sales and Marke[illegible] percentage for PeopleSoft.

- **General & [illegible]ministrative** – General & Administrative, as a percentage of revenue, is projected to be 5.3% [illegible]he five months ending May 31, 2005, 4.6% in fiscal year 2006, 4.5% in fiscal year 2007, and 4[illegible] in fiscal year 2008.

- **Depreciatio[illegible]** Depreciation expenses of 3.7% for the five months ending May 31, 2005, 3.8% in fiscal year 20[illegible]9% in fiscal year 2007, and 4.0% in fiscal year 2008 were excluded from the valuation of C[illegible]ting Contracts.

- **Capital Charg[illegible]** Charges for contributory assets were deducted from earnings before interest, taxes, and depreci[illegible]n to reflect the fact that the income generated by the Consulting Contracts cannot be solely att[illegible]buted to the subject asset. Charges for property, plant, and equipment, working capital, trade names/trademarks, and assembled workforce were estimated and deducted from cash flow.

- **Income Taxes** - An effective tax rate of 36.0% was estimated based on the average five-year effective tax rate of comparable companies (including Oracle).

- **Tax Amortization Benefit** – A hypothetical purchaser of the Consulting Contracts would receive a tax amortization benefit for the purchase of the intangible asset. The tax benefit of amortizing the intangible asset over a 15-year period was calculated and converted to its net present value equivalent.

Summary of Consulting Contracts Value

Based on the Income Approach as presented in Exhibit 6.0, the Consulting Contracts did not result in any positive value.

11.0 VALUATION OF CUSTOMER RELATIONSHIPS

As of the Valuation Date, PeopleSoft had 9,920 active customers (collectively, the "Customer Relationships"). Based on discussions with Management, approximately 55.0% to 60.0% of existing PeopleSoft customers overlap with Oracle customers. The Customer Relationships reflect the value attributable to Oracle's ability to market new products to the existing PeopleSoft installed base.

We valued the Customer Relationships using the Cost Approach. In our determination to utilize the Cost Approach, we considered the following factors:

1. We have captured the income producing capacity of the customers in the Technology valuation as the Technology is the primary income producing asset;

2. Oracle is aware of who the customers are (as any hypothetical third party buyer would be); and

3. Future customer sales are driven by and related to the quality and performance of the products as they are enhanced over time.

In our application of the Cost Approach, we used Management's estimation of:

- Average fully burdened salary of employees involved in establishing each of the Customer Relationships;

- Percentage of customer overlap with Oracle; and

- Number of person months needed to acquire each of the Customer Relationships.

We completed the following steps to estimate the value of the Customer Relationships:

- We multiplied the average burdened salary by Management's estimate of the number of person months needed to establish a relationship to arrive at the total cost to acquire each Customer Relationship;

- We multiplied the total cost to acquire each Customer Relationship by the number of non-overlapping active customers to arrive at total cost to acquire the Customer Relationships;

- We deducted the income tax expense at an effective tax rate of 36.0%; and

- We added a tax amortization benefit to the sum of the present value of the after-tax royalty savings as a purchaser of the Customer Relationships would receive a tax amortization benefit for the purchase of the intangible asset. We calculated the tax benefit of amortizing the intangible asset over a 15-year period and converted it to its net present value equivalent.

Analysis of Remaining Economic Life

As described in the Valuation of Maintenance Agreements and Related Customer Relationships Section, we estimate the Company's existing installed base to remain customers for ten years. Therefore, we estimate the remaining economic life of the Customer Relationships to be approximately ten years.

Summary of Customer Relationships

Based on our analysis as summarized above and shown in Exhibit 7.0, we estimate the Fair Value of PeopleSoft's Customer Relationships, as of the Valuation Date, to be:

Customer Relationships	**$ 250,300,000**

12.0 VALUATION OF TRADE NAMES / TRADEMARKS

In estimating the Fair Value of PeopleSoft's Trade Names/Trademarks, we used the Royalty Savings Approach. This methodology is considered the standard and preferred technique to value a trade name/trademark. In the application of the Royalty Savings Approach, we estimate the value of a trade name/trademark by capitalizing the royalties saved because the company owns the trade name/trademark. In other words, the owner of the trade name/trademark realizes a benefit from owning the intangible asset rather than paying a rent or royalty for the use of the asset.

Based on discussions with Management and industry experience, we assumed a royalty rate of 1.0% for the five months ending 2005 through 2010, 0.5% for 2011 and 2012, and 0.25% for 2013 through 2015 for the Trade Names/Trademarks. The decreasing royalty rate over time reflects the phase out of PeopleSoft's Trade Names / Trademarks in the future.

After estimating the appropriate royalty rate, we completed the following steps to estimate the Fair Value of the Trade Names/Trademarks according to the Royalty Savings Approach:

- We estimated the total revenue for products and services that benefit from these trade names/trademark through fiscal year 2015, including license revenue attributable to PeopleSoft/JDEC, revenue attributable to existing maintenance agreements and related relationships, maintenance revenue attributable to existing customer purchases, maintenance revenue attributable to incremental new customer purchases, and revenue attributable to professional services. Based on discussions with Management, 100% of existing customer purchases and 20% of incremental new customer purchases are attributable to PeopleSoft/JDEC products. Professional Services revenue attributable to Trade Names/Trademarks is estimated based on the percentage of license revenue attributable to PeopleSoft/JDEC to total license revenue;

- We calculated the royalty savings by multiplying the royalty rate by the revenues for the Projection Period;

- We calculated the after-tax royalty savings using the estimated effective tax rate applicable to the entity of 36.0%;

- We determined the present value of the after-tax royalty savings using a present value factor based on a rate of return of 10.0%;

- We summed the present value of the after-tax royalty savings from the Projection Period; and

- We added a tax amortization benefit to the sum of the present value of the after-tax royalty savings as a purchaser of these trade names/trademarks would receive a tax amortization benefit for the purchase of the intangible asset. We calculated the tax benefit of amortizing the intangible asset over a 15-year period and converted it to its net present value equivalent.

Analysis of Remaining Economic Life

Based upon discussions with Management, we estimate the remaining economic life of the Trade Name/Trademark to be approximately six to eight years.

Summary of Trade Names/Trademarks Value

Based on the Royalty Savings Approach as described above and as summarized in Exhibit 8.0, we estimate the Fair Value of the Trade Names/Trademarks, as of the Valuation Date, to be approximately:

Trade Names/Trademarks $ 70,300,000

13.0 VALUATION OF REAL PROPERTY

As of the Valuation Date, PeopleSoft owned two major campuses. PeopleSoft's corporate headquarters is located in Pleasanton. It is comprised of eight (8) buildings, a parking garage and undeveloped land. Total building area is 977,864 square feet. A second campus is the former JD Edwards corporate headquarters located in Denver. This campus was acquired in 2003 in conjunction with the PeopleSoft acquisition of JD Edwards. It is comprised of four (4) buildings and undeveloped land. Total building area is 746,442 square feet.

The following table contains a summary of the Pleasanton location.

Pleasanton Real Estate Summary

Building	Address	Square Feet	Year Built
A	4460 Hacienda Drive	113,480	1999
B	4480 Hacienda Drive	117,968	1999
C	4480 Hacienda Drive	68,930	1999
D	4460 Hacienda Drive	68,886	1999
E w/parking structure	4433 PeopleSoft Parkway	175,377	2000
F w/parking structure	4411 PeopleSoft Parkway	183,465	2000
G	4500 PeopleSoft Parkway	185,702	2003
Data Center	5840 Owens Drive	73,707	1999
Excess Land	Not Applicable	581,962	NA

Discussions with Management indicated to us a variety of occupancy scenarios in Pleasanton for current Oracle employees and former PeopleSoft employees retained by Oracle. Based on the best information available as of the Valuation Date, Oracle expects to vacate Buildings A, B, C and D, and the Data Center, while continuing to occupy Buildings E, F, and G. As a result, we valued the campus based on Oracle fully occupying Building E, F and G, vacating the remainder of the buildings, and adding in a value for the excess land.

Buildings A, B, C and D are connected and located on one legal land parcel. Hence, their value is reported as a single number. Another important item of note is that a parking garage was built to support Buildings E and F. The combined value conclusions reached for these two buildings includes any contributory value from the parking structure, which would be sold with these buildings.
The following table contains a summary of the Denver location.

Denver Real Estate Summary

Building	Address	Square Feet	Year Built
1	7601 Technology Way	184,348	1997
2	7604 Technology Way	187,535	1998
3	7700 Technology Way	188,642	1998
4	7595 Technology Way	185,917	1999
Excess Land	Not Applicable	1,095,534	NA

Discussions with Management indicated a plan where Oracle will continue to occupy Buildings 2 and 3, and vacate Buildings 1 and 4. As a result, we valued this campus based on full Oracle occupancy in Buildings 2 and 3, vacating Buildings 1 and 4, and adding in a value for the excess land.

Procedures and Methodology

In completing our valuations of each campus, we completed the following procedures and methodology.

- Met with Corporate Real Estate team members of Oracle and PeopleSoft to confirm asset details.
- Inspected each campus, touring with facility managers.
- Met with local brokerage professionals engaged by Oracle to assist in campus occupancy planning.

- Discussed jointly with Oracle and brokers expected occupancy plans and associated costs to complete the transition of vacating and subleasing those buildings Oracle expects to vacate.
- Reviewed net book values as of year-end 2004 from PeopleSoft for land and buildings.
- Completed valuations of each campus using three approaches to value: Cost, Sales and Income.
- Reconciled the preliminary results, factoring in the quality and quantity of data per approach, and concluded to a value that best correlated with the data analyzed.
- Met with Oracle and broker representatives to discuss our preliminary results and outlined impacts to net book values.
- Listened to comments, questions and recommendations from Oracle and their real estate advisors.
- Revised valuations based on meetings, reaching final conclusions.

Critical Assumptions

In completing the valuation of each campus, we made the following critical assumptions. We worked with Oracle real estate representatives and their outside advisors in the development of these assumptions.

1. Pleasanton buildings A, B, C, and D along with the Data Center are vacated in 2005.
2. This space does not release until 2007 based on current market conditions. Costs associated with the releasing include demolition of existing interiors, new improvement allowance for the new tenant, leasing commissions and expansion of parking to meet city minimum standards. Market rent as of 2005 is inflated to reflect 2007 dollars.
3. Pleasanton buildings E, F and G remain occupied.
4. Denver buildings 1 and 4 are vacated in 2005. Costs associated with the releasing include demolition of existing interiors, new improvement allowance for the new tenant, and leasing commissions.
5. This space releases in 2006 based on current market conditions. Costs associated with the releasing include demolition of existing interiors, new improvement allowance for the new tenant, and leasing commissions. Market rent as of 2005 is inflated to reflect 2006 dollars.
6. Denver buildings 2 and 3 remain occupied.
7. Excess land at Pleasanton and Denver is valued based on current zoning.

Summary of Real Property Value

Based on our analysis, as summarized above, we estimate the Fair Value of PeopleSoft's Real Property, as of the Valuation Date, to be:

Real Property **$ 276,000,000**

The following table contains the fair market values for the Pleasanton location along with their allocations between land and buildings.

Pleasanton Real Estate Fair Values

Building	Address	Total FV	Land Value	Building Value
A	4460 Hacienda Drive	$28,700,000	$15,300,000	$13,400,000
B	4480 Hacienda Drive	Included A-D	Included A-D	Included A-D
C	4480 Hacienda Drive	Included A-D	Included A-D	Included A-D
D	4460 Hacienda Drive	Included A-D	Included A-D	Included A-D
E w/parking structure	4433 PeopleSoft Parkway	$33,000,000	$6,783,923	$26,216,077
F w/parking structure	4411 PeopleSoft Parkway	$35,000,000	$7,016,077	$27,983,923
G	4500 PeopleSoft Parkway	$36,000,000	$6,200,000	$29,800,000
Data Center	5840 Owens Drive	$7,600,000	$1,700,000	$5,900,000
Excess Land	Not Applicable	$11,600,000	$11,600,000	$0
Total		**$151,900,000**	**$48,600,000**	**$103,300,000**

The following table contains the Fair Values for the Denver location along with an allocation between land and buildings.

Denver Real Estate Fair Values

Building	Address	Total FV	Land Value	Building Value
1	7601 Technology Way	$22,100,000	$3,900,000	$18,200,000
2	7604 Technology Way	$36,600,000	$2,700,000	$33,900,000
3	7700 Technology Way	$36,800,000	$2,300,000	$34,500,000
4	7595 Technology Way	$22,300,000	$2,900,000	$19,400,000
Excess Land	Not Applicable	$6,300,000	$6,300,000	$0
Total		**$124,100,000**	**$18,100,000**	**$106,000,000**

14.0 VALUATION OF PERSONAL PROPERTY

The Cost and Market Approaches were used to estimate the Fair Value of the Personal Property. The Personal Property includes Furniture & Fixtures, Office Equipment, Computers, Network Equipment, Internal Use – Software, Telephone Systems, Leasehold Improvements, Aircraft, and Automobiles. The Cost and Market Approaches are consistent with footnote 12 of SFAS 141, paragraph 37, which discusses valuation of assets acquired and liabilities assumed, except for goodwill. The following is a description of the Cost and Market Approaches used in our analysis of the Personal Property.

We discussed the history, use, maintenance procedures, and physical condition of the Personal Property with Management and PeopleSoft management. We were provided with a listing of the Personal Property as of the Valuation Date, which contains asset descriptions, historical cost, date of acquisition, net book value, and asset category. We did not personally inspect or physically inventory the appraised assets. We reviewed these records and reconciled the provided balances to the Company's balance sheet. For certain assets that were identified to have allocated costs, we adjusted our valuation approach to account for the allocated costs. Based upon this review and subsequent discussion with Company management we believe the attached listing to be an accurate listing of the Company's Personal Property. Based on Oracle's capitalization policy, we excluded from our analysis any asset with an acquisition cost of less than $1,250. Further, Management has identified assets that should be excluded because they are unrecorded retirements.

Under the Cost Approach method, Replacement Cost New ("RCN") estimates were developed by applying published historical cost indices to the capitalized cost of each asset. We used the Bureau of Labor Statistics' *Producer Price Index* and the *Marshall Valuation Service's* historical cost indices. For the assets located at foreign locations, we used the International Monetary Fund's *International Financial Statistics.*

We then reduced our RCN values to recognize physical depreciation of the assets. Physical depreciation is the loss in value brought about by wear and tear, action of the elements, disintegration, use in service, and other physical factors that reduce the life of an asset. Physical depreciation estimates for the Personal Property were based upon *Marshall Valuation Service's* depreciation tables. The Leasehold Improvements depreciation was based on current lease terms provided by PeopleSoft management.

Functional obsolescence is the loss in value due to changes in technology, discovery of new materials, and improved manufacturing processes. We have considered whether functional obsolescence should be applied to the Tangible Assets. Based on our considerations and following discussions with Oracle personnel, we have applied functional obsolescence where appropriate.

We considered reducing, when appropriate, the RCN value less physical depreciation and functional obsolescence ("Depreciated RCN") to recognize economic obsolescence. Economic obsolescence is the loss in value caused by external forces such as legislative enactments, overcapacity in the industry, low commodity pricing, changes in the supply and demand relationships in the market, and other market inadequacies. No economic obsolescence was identified or applied based upon discussions with Oracle personnel.

Based on discussions with Management, we were informed that certain Personal Property would be used for only a short period of time, approximately 3 to 9 months after the valuation date. This Personal Property would then be scrapped. In our Cost Approach, we made adjustments to the Personal Property to be retired within a year to reflect an average of 6 months worth of use and the salvage value, if any, at the end of its use.

For certain assets with readily available market information, the Market Approach (i.e. Sales Comparison Method) was completed. This method is predicated upon prices paid in actual market transactions and current listings. The Aircraft were valued using the Market Approach. PeopleSoft owned four aircraft through fractional ownership ranging from 6.25% to 31.25%. We valued the aircraft at 100% and then adjusted the market value to reflect the fractional ownership for each aircraft.

The Computers, Network Equipment, and Telephone Systems were also valued using the Market Approach. Market transaction information was gathered from our sources, and this market information was used to develop a database of information that compared the average prices paid to the original cost of technology assets. This database was then used to create a curve that represents the annualized comparison of original cost to market value by vintage. This curve, which is expressed in terms of annualized depreciation percentages, was then applied to these assets.

Based on discussions with Company Management, construction-in-progress assets were valued as appropriate based on intended future use.

In concluding on the Fair Value, we considered and combined the results from each of the valuation approaches, as appropriate.

The remaining useful lives for the Personal Property were based on the age of the asset and *Marshall Valuation Service's* life expectancies.

Summary of Personal Property Value

Based on our analysis, as summarized above and shown in Exhibit 13.0, we estimate the Fair Value of the Personal Property, as of the Valuation Date, to be approximately:

Personal Property	**$ 98,972,000**

15.0 VALUATION OF DEFERRED REVENUE - MAINTENANCE

The Cost Build-Up Approach was used to value the Deferred Maintenance Liability. The Cost Build-Up Approach determines Fair Value by estimating the direct and indirect costs related to supporting the obligation plus an assumed operating margin. Theoretically, the sum of the costs and operating profit would be the amount that Oracle would be required to pay a third party to assume the obligation.

In our analysis of the Deferred Revenue – Maintenance, we have considered the legal obligations related to customer support, specifically bug and error fixing development efforts ("Bug Fix and Product Support Expense"), and 24 x 7 help desk support. Our analysis does not include any development expense related to new versions and product releases. This is consistent with "View A" as discussed in the FASB Emerging Issue Task Force ("EITF") Issue No. 04-11.

Assumptions

Management provided us with the expected runoff of the gross and net Maintenance Deferred Revenue balance as of the Valuation Date based on the timing of the expected delivery of maintenance services.

Based on discussions with Management, the gross deferred revenue balance captured both support contracts in which PeopleSoft had received cash for the underlying services and support contracts for which the underlying service period had not yet started and had not yet been paid. In our valuation of the maintenance deferred revenue, we have only captured the $709.3 million of net deferred revenue balance reflected on PeopleSoft's balance sheet which represents cash that has been received as of the Valuation Date. As discussed in Section 9.0 (Valuation of Maintenance Agreements and Related Customer Relationships), Oracle has separately valued the support contracts for which the underlying service period had not yet started and had not yet been paid, which will be booked as a component of prepaid expenses and other current assets.

We determined the direct and indirect costs of servicing the maintenance contracts that generated the deferred revenue balance by summing the direct cost of service for maintenance contracts and the Bug Fix and Product Support Expense, product marketing, IT services expense, and general and administrative expenses. Sales expenses were not considered as part of the cost because the hypothetical third party assuming this liability would not need to incur further selling expenses. Based on discussions with Management and PeopleSoft management, total direct cost of service was projected to be approximately 15.0%. We believe 15.0% is appropriate based on historical PeopleSoft maintenance margins and Oracle maintenance margins. Bug Fix and Product Support Expense was projected to be approximately 7.0% of revenue. Management projects product marketing expenses attributable to maintaining the existing customer base to be approximately 0.6% of revenue. IT services expense was projected to be approximately 2.2% of revenue. General and administrative expenses were projected to be approximately 5.0% of revenue based on the expense structure for the combined Oracle and PeopleSoft operating model.

Since the hypothetical third party company assuming the liability must make a profit on the costs to be incurred, we grossed up the total expenses by a required profit. The required profit margin of 30.0% (computed based on a 40.0% markup on cost) was determined by allocating PeopleSoft's maintenance operating margin (on a standalone basis) to the hypothetical third party company assuming of the deferred revenue liability based on the relative costs to fulfill the obligation.

We then discounted the total estimated cost of servicing the deferred revenue by the prime rate of 5.25% as of the Valuation Date.

Summary of Deferred Revenue

Based on our analysis as presented in Exhibit 14.0, we estimate the Fair Value of the Deferred Revenue Maintenance, as of the Valuation Date, to be approximately:

Deferred Revenue - Maintenance	**$**	**284,715,000**

16.0 SUMMARY CONCLUSION

Based on our analysis as summarized above and detailed in the accompanying exhibits, we estimate the Fair Value of the Subject Assets and Liabilities acquired from PeopleSoft as of December 28, 2004, to be approximately:

Existing Technology	**$ 614,200,000**
In-Process Technology	**32,900,000**
Patents/Core Technology	**348,900,000**
Maintenance Agreements and Related Customer Relationships [11]	**2,308,700,000**
Consulting Agreements	**NMF**
Customer Relationships	**250,300,000**
Trade Names/Trademarks	**70,300,000**
Total Identified Intangible Assets	**$ 3,625,300,000**
Real Property	**$ 276,000,000**
Personal Property	**$ 98,972,000**
Deferred Revenue – Maintenance	**$ 284,715,000**

[11] Includes $208.0 million related to Support Contracts for which the underlying service period had not yet started and for which PeopleSoft had not yet been paid. Management indicated that the Support Contracts will booked as a separate component of prepaid expenses and other current assets.

17.0 LIMITING CONDITIONS

This document has been prepared solely for Management for the purposes stated herein and should not be relied upon for any other purpose. Unless required by law, you shall not provide such report to any third party requiring this Fair Value analysis, or refer to us or our services without our prior written consent, which we may at our discretion grant, withhold, or grant subject to conditions. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which the report is disclosed or otherwise made available.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Company's existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Company.

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited accounts for completed accounting periods. We express no opinion as to how closely the actual results will correspond to those projected/forecast by Management or the Company.

Full terms and conditions of our work are included in our Engagement Letter dated November 16, 2004.

Yours very truly,

Standard & Poor's Corporate Value Consulting

Standard & Poor's Corporate Value Consulting

APPENDIX I – DETERMINATION OF DISCOUNT RATE

When applying the Income Approach, the cash flows expected to be generated by a business are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. This return is an overall rate based upon the individual rates of return for invested capital (equity and interest-bearing debt). This return, known as the WACC (also known as the rate of return on invested capital), is calculated by weighting the required returns on interest-bearing debt, preferred equity capital, and common equity capital in proportion to their estimated percentages in an expected capital structure.

The following is a general discussion of the methods used in our derivation of the WACC.

The general formula for calculating the WACC is:

$$\text{WACC} = Kd * (d\%) + Kp * (p\%) + Ke * (e\%)$$

where:

Kd	=	After-tax rate of return on debt capital;
d%	=	Debt capital as a percentage of the sum of the debt, preferred and common equity capital ("Total Invested Capital");
Kp	=	Rate of return on preferred equity capital;
p%	=	Percentage of preferred equity capital to the Total Invested Capital;
Ke	=	Rate of return on common equity capital; and
e%	=	Common equity capital as a percentage of the Total Invested Capital.

Rates of Return on Debt

The rate of return on debt capital is the rate a prudent debt investor would require on interest-bearing debt. Since the interest on debt capital is deductible for income tax purposes, we used the after-tax interest rate in our calculation.

The after-tax rate of return on debt capital is calculated using the formula:

$$Kd = K \times (1 - t)$$

where:

Kd	=	After-tax rate of return on debt capital;
K	=	Pre-tax rate of return on debt capital;
t	=	Effective tax rate.

The rate of return on debt capital in the industries in which PeopleSoft competes was estimated to be 6.1%, which reflects the Standard & Poor's BBB Corporate Bond Yield as of the Valuation Date.

As interest payments on debt are deductible against tax, we calculated the after-tax required rate of return on debt capital using a 36.0% effective tax rate. Inserting these assumptions into the above formula results in a required rate of return on debt capital of 3.9%.

Preferred equity is not deductible against tax so the required rate on preferred equity capital is the rate of return on debt capital of 6.1%.

Required Return on Equity

Capital Asset Pricing Model

The rate of return on equity capital is estimated using the CAPM. CAPM has been empirically tested and is widely accepted for the purpose of estimating a company's required return on equity capital.[12] In applying the CAPM, the rate of return on common equity is estimated as the current risk-free rate of return on US Treasury bonds, plus a market risk premium expected over the risk-free rate of return, multiplied by the "beta" for the stock. Beta is defined as a risk measure that reflects the sensitivity of a company's stock price to the movements of the stock market as a whole.

The CAPM rate of return on equity capital is calculated using the formula:

Ke = Rf + B x (Rm - Rf) + Ssp

where:

Ke	=	Rate of return on equity capital;
Rf	=	Risk-free rate of return;
B	=	Beta or systematic risk for this type of equity investment;
Rm - Rf	=	Market risk premium; The expected return on a broad portfolio of stocks in the market (Rm) less the risk free rate (Rf);
Ssp	=	Small stock premium.

The measures used in this analysis were as follows:

[12] Investments, W.F. Sharpe, Prentice Hall: Englewood Cliffs, New Jersey (1985).

Risk-free rate of return:	4.9%
Projected Beta (industry average):	1.48
Market Risk Premium:	5.0%
Small Stock Premium:	0.0%

Risk Free Rate of Return

For the risk-free rate of return, we used the yield on long-term US bonds as of the date of valuation.

Beta [13]

Beta is a statistical measure of the volatility of the price of a specific stock relative to the movement of a general group. Generally, beta is considered to be indicative of the market's perception of the relative risk of the specific stock. We determined the appropriate beta to be used in our analysis by evaluating the betas of comparable companies.

Market Risk Premium

Practical application also relies on an estimate of the Market Risk Premium. Since the expectations of the average investor are not directly observable, the Market Risk Premium must be inferred using one of several methods. One approach is to use premiums that investors have historically earned over and above the returns on long-term Treasury bonds. The premium obtained using the historical approach is sensitive to the time period over which one calculates the average. Depending on the time period chosen, the historical approach yields an average premium in a range of 5% to 8%. Several forward-looking studies indicate a range of 3% to 8% and various surveys of practitioner's usage indicate 4% to 7%. Thus, considering a range of 3% to 8% from the various approaches (i.e. historical, forward-looking, and practitioner's usage) we then applied a 5% premium.

Premium for Small Size

The CAPM rate of return is adjusted by a premium that reflects the extra risk of an investment in a small company. This premium is derived from historical differences in returns between small companies and large companies, using data published by Ibbotson Associates.

[13] All betas used in the analysis are projected betas provided by BARRA.

Conclusion

Based on the method described above, we concluded that typical investors would require a WACC of 12.0% for an investment in the enterprise software industry.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
SUMMARY OF VALUES
($000's)

EXHIBIT 1.0
PAGE 1 OF 1

		Fair Value	Estimated Remaining Useful Life	Exhibit Number
INTANGIBLE ASSETS				
EXISTING TECHNOLOGY				
ENTERPRISE	$	489,100	5 yrs.	2.0
E1/JDE		89,200	5 yrs.	2.1
WORLD		35,900	5 yrs.	2.2
TOTAL EXISTING TECHNOLOGY		**614,200**		
IN-PROCESS TECHNOLOGY (1)				
ENTERPRISE				
HCM		6,700	N/A	3.0
FMS		12,900	N/A	3.1
SCM		6,000	N/A	3.2
CRM		4,300	N/A	3.3
TOTAL ENTERPRISE		29,900		
E1/JDE		3,000	N/A	3.4
TOTAL IN-PROCESS TECHNOLOGY		**32,900**		
PATENTS/CORE TECHNOLOGY		**348,900**	**5 yrs.**	**4.0**
MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS (2)		**2,308,700**	**10 yrs.**	**5.0**
CONSULTING CONTRACTS		-	**N/A**	**6.0**
CUSTOMER RELATIONSHIPS		**250,300**	**10 yrs.**	**7.0**
TRADE NAMES/TRADEMARKS		**70,300**	**6 to 8 yrs.**	**8.0**
TOTAL IDENTIFIED INTANGIBLE ASSETS	$	3,625,300		
TANGIBLE ASSETS				
REAL PROPERTY	$	**276,000**	**N/A**	**12.0**
PERSONAL PROPERTY	$	**98,972**		**13.0**
LIABILITY				
DEFERRED REVENUE - MAINTENANCE	$	**284,715**		**14.0**

Notes:
(1) Based on AICPA IPR&D Practice Aid Guidelines.
(2) Includes $208.0 million related to Support Contracts for which the underlying service period had not yet started and for which PeopleSoft had not yet been paid. Management indicated that the Support Contracts will booked as a separate component of prepaid expenses and other current assets.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF EXISTING TECHNOLOGY - ENTERPRISE
($000's, except percentages)

EXHIBIT 2.0
PAGE 1 OF 2

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Existing Technology Revenue - Enterprise (1)	$ 38,976	$ 107,208	$ 83,196	$ 64,763	$ 50,421	$ 40,732
Cost of Goods Sold	3,898	10,721	8,350	6,476	5,042	4,073
Gross Profit	35,080	96,488	75,146	58,287	45,379	36,659
Operating Expenses:						
Patents/Core Technology @ 8%	3,118	8,577	6,080	5,181	4,031	3,259
Research & Development (Maintenance)	1,169	3,216	2,505	1,943	1,513	1,222
Sales & Marketing	7,842	20,088	15,622	12,137	9,449	7,633
General & Administrative	2,082	4,904	3,777	2,970	2,312	1,868
Depreciation	(810)	(2,461)	(2,430)	(1,787)	(1,391)	(1,124)
Total Operating Expenses (excluding Depreciation)	13,402	34,323	26,153	20,443	15,916	12,858
Earnings Before Interest, Taxes, and Depreciation	21,678	62,164	48,993	37,843	29,463	23,801
Contributory Asset Charges:						
Property, Plant, and Equipment	1,091	3,002	2,338	1,813	1,412	1,140
Working Capital	102	281	219	170	132	107
Customer Relationships	780	2,144	1,670	1,295	1,008	815
Trade Names/Trademarks	390	1,072	835	648	504	407
Assembled Workforce	663	1,823	1,119	1,101	-	-
Total Charges	3,026	8,322	6,481	5,027	3,057	2,469
Total Maintenance Agreements Profit Allocation	48,086	112,804	107,952	110,918	104,640	99,486
Operating Profit (Loss)	66,739	166,646	150,163	143,734	131,046	120,818
Income Taxes @ 36%	24,026	59,993	54,167	51,744	47,177	43,494
Cash flow from Operations	42,713	106,654	96,297	91,990	83,869	77,324
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 10%	0.9801	0.9159	0.8326	0.7569	0.6881	0.6256
Present Value of Cash Flows	41,863	97,682	80,178	69,629	57,712	48,370
Sum of Present Value of Cash Flows	395,435					
Tax Savings of Amortization	93,635					
Fair Value	489,070					
Fair Value of Existing Technology - Enterprise (Rounded)	$ 489,100					

Notes:
(1) Assumed accrual-based cash flows are already adjusted for Deferred Revenue.

ORACLE CORPORATION EXHIBIT 2.0
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC. PAGE 2 OF 2
AS OF DECEMBER 28, 2004
VALUATION OF EXISTING TECHNOLOGY - ENTERPRISE
COMMON SIZE

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Existing Technology Revenue - Enterprise	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Expenses:						
Patents/Core Technology @ 8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Research & Development (Maintenance)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Sales & Marketing	20.1%	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	5.3%	4.6%	4.5%	4.6%	4.6%	4.6%
Depreciation	-2.1%	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%
Total Operating Expenses (excluding Depreciation)	34.4%	32.0%	31.3%	31.6%	31.6%	31.6%
Earnings Before Interest, Taxes, and Depreciation	55.6%	58.0%	58.7%	58.4%	58.4%	58.4%
Contributory Asset Charges:						
Property, Plant, and Equipment	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	1.7%	1.7%	1.7%	1.7%	0.0%	0.0%
Total Charges	7.8%	7.8%	7.8%	7.8%	6.1%	6.1%
Total Maintenance Agreements Profit Allocation	123.4%	105.2%	129.3%	171.3%	207.5%	244.2%
Operating Profit (Loss)	171.2%	155.4%	180.2%	221.9%	259.9%	296.6%
Income Taxes @ 36%	61.6%	56.0%	64.9%	79.9%	93.6%	106.8%
Cash flow from Operations	109.6%	99.5%	115.3%	142.0%	166.3%	189.8%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF EXISTING TECHNOLOGY - EI/JDE
($000's, except percentages)

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Existing Technology Revenue - EI/JDE (1)	$ 9,810	$ 25,589	$ 18,981	$ 7,776	$ 5,975	$ 4,081
Cost of Goods Sold	984	2,559	1,898	778	597	408
Gross Profit	8,856	23,030	17,083	6,999	5,377	3,673
Operating Expenses:						
Patents/Core Technology @ 8%	787	2,017	1,518	622	478	326
Research & Development (Maintenance)	295	768	569	233	179	122
Sales & Marketing	1,980	4,795	3,551	1,457	1,120	765
General & Administrative	526	1,170	859	357	274	187
Depreciation	(204)	(587)	(553)	(215)	(165)	(113)
Total Operating Expenses (excluding Depreciation)	3,383	8,192	5,945	2,455	1,886	1,288
Earnings Before Interest, Taxes, and Depreciation	5,473	14,838	11,137	4,544	3,491	2,381
Contributory Asset Charges:						
Property, Plant, and Equipment	276	716	531	218	167	114
Working Capital	26	67	50	20	16	11
Customer Relationships	197	512	380	156	119	82
Trade Names/Trademarks	98	256	190	78	60	41
Assembled Workforce	167	435	323	132	-	-
Total Charges	764	1,986	1,473	604	362	247
Total Maintenance Agreements Profit Allocation	12,140	26,924	21,540	13,319	12,399	9,967
Operating Profit (Loss)	16,849	39,775	31,204	17,259	15,528	12,104
Income Taxes @ 36%	6,066	14,319	12,313	6,213	5,590	4,357
Cash flow from Operations	10,783	25,456	21,891	11,046	9,938	7,747
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 10%	0.9801	0.9159	0.8326	0.7569	0.6881	0.6256
Present Value of Cash Flows	**10,568**	**23,315**	**18,227**	**8,361**	**6,838**	**4,846**
Sum of Present Value of Cash Flows	72,155					
Tax Savings of Amortization	17,086					
Fair Value	89,241					
Fair Value of Existing Technology - EI/JDE (Rounded)	$ 89,200					

Notes:
(1) Assumed accrual-based cash flows are already adjusted for Deferred Revenue.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF EXISTING TECHNOLOGY - E1/JDE
COMMON SIZE

EXHIBIT 2.1
PAGE 2 OF 2

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Existing Technology Revenue - E1/JDE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Expenses:						
Patents/Core Technology @ 8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Research & Development (Maintenance)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Sales & Marketing	20.1%	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	5.3%	4.6%	4.5%	4.6%	4.6%	4.6%
Depreciation	-2.1%	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%
Total Operating Expenses (excluding Depreciation)	34.4%	32.0%	31.3%	31.6%	31.6%	31.6%
Earnings Before Interest, Taxes, and Depreciation	55.6%	58.0%	58.7%	58.4%	58.4%	58.4%
Contributory Asset Charges:						
Property, Plant, and Equipment	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	1.7%	1.7%	1.7%	1.7%	0.0%	0.0%
Total Charges	7.8%	7.8%	7.8%	7.8%	6.1%	6.1%
Total Maintenance Agreements Profit Allocation	123.4%	105.2%	129.3%	171.3%	207.5%	244.2%
Operating Profit (Loss)	171.2%	155.4%	180.2%	221.9%	259.9%	296.6%
Income Taxes @ 36%	61.6%	56.0%	64.9%	79.9%	93.6%	106.8%
Cash flow from Operations	109.6%	99.5%	115.3%	142.0%	166.3%	189.8%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF EXISTING TECHNOLOGY - WORLD
($000's, except percentages)

EXHIBIT 2.2
PAGE 1 OF 2

	Projections - For the Fiscal Years Ending May 31.					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Existing Technology Revenue - World (1)	$ 1,582	$ 5,219	$ 5,135	$ 5,259	$ 5,088	$ 5,213
Cost of Goods Sold	158	522	513	526	509	521
Gross Profit	1,424	4,697	4,621	4,733	4,579	4,692
Operating Expenses:						
Patents/Core Technology @ 8%	127	418	411	421	407	417
Research & Development (Maintenance)	47	157	151	158	153	156
Sales & Marketing	318	978	961	986	954	977
General & Administrative	84	239	232	241	233	239
Depreciation	(33)	(120)	(149)	(145)	(110)	(111)
Total Operating Expenses (excluding Depreciation)	544	1,671	1,608	1,660	1,606	1,616
Earnings Before Interest, Taxes, and Depreciation	880	3,026	3,013	3,073	2,973	3,046
Contributory Asset Charges:						
Property, Plant, and Equipment	44	146	144	147	142	146
Working Capital	4	14	13	14	13	14
Customer Relationships	32	104	103	105	102	104
Trade Names/Trademarks	16	52	51	53	51	52
Assembled Workforce	27	89	87	89	-	-
Total Charges	123	405	399	408	308	316
Total Maintenance Agreements Profit Allocation	1,951	5,492	6,639	9,007	10,560	12,732
Operating Profit (Loss)	2,708	8,113	9,253	11,672	13,225	15,462
Income Taxes @ 36%	975	2,921	3,331	4,202	4,761	5,566
Cash flow from Operations	1,733	5,192	5,922	7,470	8,464	9,896
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 10%	0.9801	0.9159	0.8326	0.7569	0.6881	0.6256
Present Value of Cash Flows	1,699	4,755	4,931	5,655	5,824	6,191
Sum of Present Value of Cash Flows	29,051					
Tax Savings of Amortization	6,880					
Fair Value	35,934					
Fair Value of Existing Technology - World (Rounded)	$ 35,900					

Notes:
(1) Assumed accrual-based cash flows are already adjusted for Deferred Revenue.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF EXISTING TECHNOLOGY - WORLD
COMMON SIZE

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Existing Technology Revenue - World	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Expenses:						
Patents/Core Technology @ 8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Research & Development (Maintenance)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Sales & Marketing	20.1%	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	5.3%	4.6%	4.5%	4.6%	4.6%	4.6%
Depreciation	-2.1%	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%
Total Operating Expenses (excluding Depreciation)	34.4%	32.0%	31.3%	31.6%	31.6%	31.6%
Earnings Before Interest, Taxes, and Depreciation	55.6%	58.0%	58.7%	58.4%	58.4%	58.4%
Contributory Asset Charges:						
Property, Plant, and Equipment	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	1.7%	1.7%	1.7%	1.7%	0.0%	0.0%
Total Charges	7.8%	7.8%	7.8%	7.8%	6.1%	6.1%
Total Maintenance Agreements Profit Allocation	123.4%	105.2%	129.3%	171.3%	207.5%	244.2%
Operating Profit (Loss)	171.2%	155.4%	180.2%	221.9%	259.9%	296.6%
Income Taxes @ 36%	61.6%	56.0%	64.9%	79.9%	93.6%	106.8%
Cash flow from Operations	109.6%	99.5%	115.3%	142.0%	166.3%	189.8%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - HCM
($000's, except percentages)

	5 mos. ending 2005	2006	2007	2008	2009	2010
	Projections - For the Fiscal Years Ending May 31,					
In Process Technology Revenue - HCM	$ -	$ 4,693	$ 3,478	$ 2,582	$ 1,610	$ 1,115
Cost of Goods Sold	-	469	348	258	161	111
Gross Profit	-	4,224	3,131	2,324	1,449	1,003
Operating Expenses:						
Patents/Core Technology @ 8%	-	375	278	207	129	89
Research & Development (Maintenance)	-	-	104	77	48	33
Research & Development (Cost to Complete)	121	46				
Sales & Marketing	-	879	651	484	302	209
General & Administrative	-	215	157	118	74	51
Depreciation	-	(108)	(101)	(71)	(44)	(31)
Total Operating Expenses (excluding Depreciation)	121	1,408	1,090	815	508	352
Earnings Before Interest, Taxes, and Depreciation	(121)	2,816	2,041	1,509	941	652
Contributory Asset Charges:						
Property, Plant, and Equipment	-	131	97	72	45	31
Working Capital	-	12	9	7	4	3
Customer Relationships	-	94	70	52	32	22
Trade Names/Trademarks	-	47	35	26	16	11
Assembled Workforce	-	80	59	44	-	-
Total Charges	-	364	270	200	98	68
Total Maintenance Agreements Profit Allocation	-	2,118	1,564	1,371	1,008	793
Operating Profit (Loss)	(121)	4,570	3,335	2,679	1,851	1,377
Income Taxes @ 36%	(43)	1,645	1,201	965	666	496
Cash flow from Operations	(77)	2,925	2,135	1,715	1,185	881
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 20%	0.9623	0.8453	0.7044	0.5870	0.4892	0.4076
Present Value of Cash Flows	(74)	2,472	1,504	1,007	579	359
Sum of Present Value of Cash Flows	5,847					
Tax Savings of Amortization	819					
Fair Value	6,666					
Fair Value of In Process Technology - HCM (Rounded)	$ 6,700					

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - HCM
COMMON SIZE

EXHIBIT 3.0
PAGE 2 OF 2

		Projections - For the Fiscal Years Ending May 31,				
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - HCM	NA	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	NA	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	NA	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Expenses:						
Patents/Core Technology @ 8%	NA	8.0%	8.0%	8.0%	8.0%	8.0%
Research & Development (Maintenance)	NA	0.0%	3.0%	3.0%	3.0%	3.0%
Research & Development (Cost to Complete)	NA	1.0%	0.0%	0.0%	0.0%	0.0%
Sales & Marketing	NA	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	NA	4.6%	4.5%	4.6%	4.6%	4.6%
Depreciation	NA	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%
Total Operating Expenses (excluding Depreciation)	NA	30.0%	31.3%	31.6%	31.6%	31.6%
Earnings Before Interest, Taxes, and Depreciation	NA	60.0%	58.7%	58.4%	58.4%	58.4%
Contributory Asset Charges:						
Property, Plant, and Equipment	NA	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	NA	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	NA	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	NA	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	NA	1.7%	1.7%	1.7%	0.0%	0.0%
Total Charges	NA	7.8%	7.8%	7.8%	6.1%	6.1%
Total Maintenance Agreements Profit Allocation	NA	45.1%	45.0%	53.1%	62.6%	71.2%
Operating Profit (Loss)	NA	97.4%	95.9%	103.8%	115.0%	123.5%
Income Taxes @ 36%	NA	35.1%	34.5%	37.4%	41.4%	44.5%
Cash flow from Operations	NA	62.3%	61.4%	66.4%	73.6%	79.1%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - FMS
($000's, except percentages)

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - FMS	$ -	$ 6,159	$ 6,522	$ 5,761	$ 5,282	$ 4,756
Cost of Goods Sold	-	616	652	576	528	476
Gross Profit	-	5,543	5,870	5,185	4,753	4,280
Operating Expenses:						
Patents/Core Technology @ 8%	-	493	522	461	423	380
Research & Development (Maintenance)	-	185	196	173	158	143
Research & Development (Cost to Complete)	1,225	390				
Sales & Marketing	-	1,154	1,220	1,080	990	891
General & Administrative	-	282	295	264	242	218
Depreciation	-	(141)	(190)	(159)	(146)	(131)
Total Operating Expenses (excluding Depreciation)	1,225	2,362	2,043	1,818	1,667	1,501
Earnings Before Interest, Taxes, and Depreciation	(1,225)	3,182	3,827	3,366	3,086	2,779
Contributory Asset Charges:						
Property, Plant, and Equipment	-	172	183	161	148	133
Working Capital	-	16	17	15	14	12
Customer Relationships	-	123	130	115	106	95
Trade Names/Trademarks	-	62	65	58	53	48
Assembled Workforce	-	105	111	98	-	-
Total Charges	-	478	506	447	320	288
Total Maintenance Agreements Profit Allocation	-	2,780	2,933	3,059	3,307	3,384
Operating Profit (Loss)	(1,225)	5,484	6,254	5,978	6,073	5,875
Income Taxes @ 36%	(441)	1,974	2,251	2,152	2,186	2,115
Cash flow from Operations	(784)	3,509	4,002	3,826	3,887	3,760
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 18%	0.9657	0.8585	0.7275	0.6165	0.5225	0.4428
Present Value of Cash Flows	**(757)**	**3,013**	**2,912**	**2,359**	**2,031**	**1,665**
Sum of Present Value of Cash Flows	11,222					
Tax Savings of Amortization	1,718					
Fair Value	12,939					
Fair Value of In Process Technology - FMS (Rounded)	**$ 12,900**					

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - FMS
COMMON SIZE

EXHIBIT 3.1
PAGE 2 OF 2

		Projections - For the Fiscal Years Ending May 31,				
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - FMS	NA	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	NA	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	NA	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Expenses:						
Patents/Core Technology @ 8%	NA	8.0%	8.0%	8.0%	8.0%	8.0%
Research & Development (Maintenance)	NA	3.0%	3.0%	3.0%	3.0%	3.0%
Research & Development (Cost to Complete)	NA	6.3%	0.0%	0.0%	0.0%	0.0%
Sales & Marketing	NA	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	NA	4.6%	4.5%	4.6%	4.6%	4.6%
Depreciation	NA	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%
Total Operating Expenses (excluding Depreciation)	NA	38.3%	31.3%	31.6%	31.6%	31.6%
Earnings Before Interest, Taxes, and Depreciation	NA	51.7%	58.7%	58.4%	58.4%	58.4%
Contributory Asset Charges:						
Property, Plant, and Equipment	NA	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	NA	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	NA	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	NA	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	NA	1.7%	1.7%	1.7%	0.0%	0.0%
Total Charges	NA	7.8%	7.8%	7.8%	6.1%	6.1%
Total Maintenance Agreements Profit Allocation	NA	45.1%	45.0%	53.1%	62.6%	71.2%
Operating Profit (Loss)	NA	89.0%	95.9%	103.8%	115.0%	123.5%
Income Taxes @ 36%	NA	32.1%	34.5%	37.4%	41.4%	44.5%
Cash flow from Operations	NA	57.0%	61.4%	66.4%	73.6%	79.1%

ORACLE CORPORATION EXHIBIT 3.2
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC. PAGE 1 OF 2
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - SCM
($000's, except percentages)

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - SCM	$ -	$ 3,892	$ 3,524	$ 2,727	$ 2,157	$ 1,641
Cost of Goods Sold	-	389	352	273	216	164
Gross Profit	-	3,503	3,171	2,454	1,941	1,477
Operating Expenses:						
Patents/Core Technology @ 8%	-	311	282	218	173	131
Research & Development (Maintenance)	-	117	106	82	65	49
Research & Development (Cost to Complete)	1,225	390				
Sales & Marketing	-	729	659	511	404	308
General & Administrative	-	178	159	125	99	75
Depreciation	-	(89)	(103)	(75)	(60)	(45)
Total Operating Expenses (excluding Depreciation)	1,225	1,636	1,104	861	681	518
Earnings Before Interest, Taxes, and Depreciation	(1,225)	1,867	2,067	1,593	1,260	959
Contributory Asset Charges:						
Property, Plant, and Equipment	-	109	99	76	60	46
Working Capital	-	10	9	7	6	4
Customer Relationships	-	78	70	55	43	33
Trade Names Trademarks	-	39	35	27	22	16
Assembled Workforce	-	66	60	46	-	-
Total Charges	-	302	274	212	131	100
Total Maintenance Agreements Profit Allocation	-	1,757	1,585	1,448	1,350	1,168
Operating Profit (Loss)	(1,225)	3,322	3,379	2,830	2,480	2,027
Income Taxes @ 36%	(441)	1,196	1,216	1,019	893	730
Cash flow from Operations	(784)	2,126	2,162	1,811	1,587	1,298
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 18%	0.9657	0.8585	0.7275	0.6165	0.5225	0.4428
Present Value of Cash Flows	(757)	1,825	1,573	1,117	829	575
Sum of Present Value of Cash Flows	5,161					
Tax Savings of Amortization	790					
Fair Value	5,951					
Fair Value of In Process Technology - SCM (Rounded)	$ 6,000					

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - SCM
COMMON SIZE

		Projections - For the Fiscal Years Ending May 31,				
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - SCM	NA	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	NA	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	NA	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Expenses:						
Patents/Core Technology @ 8%	NA	8.0%	8.0%	8.0%	8.0%	8.0%
Research & Development (Maintenance)	NA	3.0%	3.0%	3.0%	3.0%	3.0%
Research & Development (Cost to Complete)	NA	10.0%	0.0%	0.0%	0.0%	0.0%
Sales & Marketing	NA	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	NA	4.6%	4.5%	4.6%	4.6%	4.6%
Depreciation	NA	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%
Total Operating Expenses (excluding Depreciation)	NA	42.0%	31.3%	31.6%	31.6%	31.6%
Earnings Before Interest, Taxes, and Depreciation	NA	48.0%	58.7%	58.4%	58.4%	58.4%
Contributory Asset Charges:						
Property, Plant, and Equipment	NA	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	NA	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	NA	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	NA	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	NA	1.7%	1.7%	1.7%	0.0%	0.0%
Total Charges	NA	7.8%	7.8%	7.8%	6.1%	6.1%
Total Maintenance Agreements Profit Allocation	NA	45.1%	45.0%	53.1%	62.6%	71.2%
Operating Profit (Loss)	NA	85.3%	95.9%	103.8%	115.0%	123.5%
Income Taxes @ 36%	NA	30.7%	34.5%	37.4%	41.4%	44.5%
Cash flow from Operations	NA	54.6%	61.4%	66.4%	73.6%	79.1%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - CRM
($000's, except percentages)

EXHIBIT 3.3
PAGE 1 OF 2

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - CRM	$ -	$ 4,177	$ 5,529	$ 4,597	$ 4,060	$ 3,722
Cost of Goods Sold	-	418	553	460	406	372
Gross Profit	-	3,760	4,976	4,137	3,654	3,350
Operating Expenses:						
Patents/Core Technology @ 8%	-	334	442	368	325	298
Research & Development (Maintenance)	-	125	166	138	122	112
Research & Development (Cost to Complete)	5,078	3,924				
Sales & Marketing	-	783	1,035	861	761	697
General & Administrative	-	191	250	211	186	171
Depreciation	-	(96)	(161)	(127)	(112)	(103)
Total Operating Expenses (excluding Depreciation)	5,078	5,261	1,732	1,451	1,282	1,175
Earnings Before Interest, Taxes, and Depreciation	(5,078)	(1,502)	3,244	2,686	2,372	2,175
Contributory Asset Charges:						
Property, Plant, and Equipment	-	117	155	129	114	104
Working Capital	-	11	15	12	11	10
Customer Relationships	-	84	111	92	81	74
Trade Names/Trademarks	-	42	55	46	41	37
Assembled Workforce	-	71	94	78	-	-
Total Charges	-	324	429	357	246	226
Total Maintenance Agreements Profit Allocation	-	1,886	2,487	2,441	2,542	2,648
Operating Profit (Loss)	(5,078)	60	5,302	4,770	4,668	4,598
Income Taxes @ 36%	(1,828)	21	1,909	1,717	1,680	1,655
Cash flow from Operations	(3,250)	38	3,393	3,053	2,987	2,942
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 20%	0.9623	0.8453	0.7044	0.5870	0.4892	0.4076
Present Value of Cash Flows	**(3,127)**	**32**	**2,390**	**1,792**	**1,461**	**1,199**
Sum of Present Value of Cash Flows	3,748					
Tax Savings of Amortization	525					
Fair Value	4,273					
Fair Value of In Process Technology - CRM (Rounded)	**$ 4,300**					

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - CRM
COMMON SIZE

EXHIBIT 3.3
PAGE 2 OF 2

		Projections - For the Fiscal Years Ending May 31,				
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - CRM	NA	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	NA	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	NA	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Expenses:						
Patents/Core Technology @ 8%	NA	8.0%	8.0%	8.0%	8.0%	8.0%
Research & Development (Maintenance)	NA	3.0%	3.0%	3.0%	3.0%	3.0%
Research & Development (Cost to Complete)	NA	93.9%	0.0%	0.0%	0.0%	0.0%
Sales & Marketing	NA	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	NA	4.6%	4.5%	4.6%	4.6%	4.6%
Depreciation	NA	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%
Total Operating Expenses (excluding Depreciation)	NA	125.9%	31.3%	31.6%	31.6%	31.6%
Earnings Before Interest, Taxes, and Depreciation	NA	-35.9%	58.7%	58.4%	58.4%	58.4%
Contributory Asset Charges:						
Property, Plant, and Equipment	NA	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	NA	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	NA	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	NA	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	NA	1.7%	1.7%	1.7%	0.0%	0.0%
Total Charges	NA	7.8%	7.8%	7.8%	6.1%	6.1%
Total Maintenance Agreements Profit Allocation	NA	45.1%	45.0%	53.1%	62.6%	71.2%
Operating Profit (Loss)	NA	1.4%	95.9%	103.8%	115.0%	123.5%
Income Taxes @ 36%	NA	0.5%	34.5%	37.4%	41.4%	44.5%
Cash flow from Operations	NA	0.9%	61.4%	66.4%	73.6%	79.1%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - EI/JDE
($000's, except percentages)

EXHIBIT 3.4
PAGE 1 OF 2

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - EI/JDE	$ -	$ 3,656	$ 2,657	$ 1,944	$ 1,195	$ 816
Cost of Goods Sold	-	366	266	194	119	82
Gross Profit	-	3,290	2,392	1,750	1,075	735
Operating Expenses:						
Patents/Core Technology @ 8%	-	292	213	156	96	65
Research & Development (Maintenance)	-	110	80	58	36	24
Research & Development (Cost to Complete)	3,009	-	-	-	-	-
Sales & Marketing	-	685	497	364	224	153
General & Administrative	-	167	120	89	55	37
Depreciation	-	(84)	(77)	(54)	(33)	(23)
Total Operating Expenses (excluding Depreciation)	3,009	1,170	832	614	377	258
Earnings Before Interest, Taxes, and Depreciation	(3,009)	2,120	1,559	1,136	698	477
Contributory Asset Charges:						
Property, Plant, and Equipment	-	102	74	54	33	23
Working Capital	-	10	7	5	3	2
Customer Relationships	-	73	53	39	24	16
Trade Names/Trademarks	-	37	27	19	12	8
Assembled Workforce	-	62	45	33	-	-
Total Charges	-	284	206	151	72	49
Total Maintenance Agreements Profit Allocation	-	1,650	1,195	1,032	748	581
Operating Profit (Loss)	(3,009)	3,486	2,548	2,017	1,374	1,008
Income Taxes @ 36%	(1,083)	1,255	917	726	495	363
Cash flow from Operations	(1,926)	2,231	1,631	1,291	879	645
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 20%	0.9623	0.8453	0.7044	0.5870	0.4892	0.4076
Present Value of Cash Flows	(1,853)	1,886	1,149	758	430	263
Sum of Present Value of Cash Flows	2,632					
Tax Savings of Amortization	369					
Fair Value	3,001					
Fair Value of In Process Technology - EI/JDE (Rounded)	$ 3,000					

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN PROCESS TECHNOLOGY - E1/JDE
COMMON SIZE

		Projections - For the Fiscal Years Ending May 31,				
	5 mos. ending 2005	2006	2007	2008	2009	2010
In Process Technology Revenue - E1/JDE	NA	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	NA	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	NA	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Expenses:						
Patents/Core Technology @ 8%	NA	8.0%	8.0%	8.0%	8.0%	8.0%
Research & Development (Maintenance)	NA	3.0%	3.0%	3.0%	3.0%	3.0%
Research & Development (Cost to Complete)	NA	0.0%	0.0%	0.0%	0.0%	0.0%
Sales & Marketing	NA	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	NA	4.6%	4.5%	4.6%	4.6%	4.6%
Depreciation	NA	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%
Total Operating Expenses (excluding Depreciation)	NA	32.0%	31.3%	31.6%	31.6%	31.6%
Earnings Before Interest, Taxes, and Depreciation	NA	58.0%	58.7%	58.4%	58.4%	58.4%
Contributory Asset Charges:						
Property, Plant, and Equipment	NA	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	NA	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	NA	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	NA	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	NA	1.7%	1.7%	1.7%	0.0%	0.0%
Total Charges	NA	7.8%	7.8%	7.8%	6.1%	6.1%
Total Maintenance Agreements Profit Allocation	NA	45.1%	45.0%	53.1%	62.6%	71.2%
Operating Profit (Loss)	NA	95.4%	95.9%	103.8%	115.0%	123.5%
Income Taxes @ 36%	NA	34.3%	34.5%	37.4%	41.4%	44.5%
Cash flow from Operations	NA	61.0%	61.4%	66.4%	73.6%	79.1%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF IN-PROCESS TECHNOLOGY - PERCENT COMPLETE CALCULATION
($000s)

Valuation Date	28-Dec-04

	Project Start	Estimated Completion	General Availability Date	Costs Incurred to Date (Proj Start - Val Date)	Cost to Complete (From Val Date to Comp Date)	Total Costs	% Complete Based on Cost	% Complete Based on Time	% Complete Based on Complexity (Milestones)	Average Stage of Completion
Products:										
PayBill bolt-on to HRCS 8.9	11/11/04	07/29/05	08/17/05	$ 59	$ 167	$ 226	26%	18%	29%	24%
FMS 8.9	03/31/04	07/19/05	07/21/05	9,663	1,615	11,278	86%	57%	58%	67%
SCM 8.9	03/31/04	07/19/05	07/21/05	9,663	1,615	11,278	86%	57%	58%	67%
CRM 8.95	08/12/04	09/27/05	10/05/05	7,833	9,002	16,835	47%	34%	58%	46%
EI Tools 8.95	12/01/04	05/20/05	07/18/05	1,145	3,009	4,154	28%	16%	67%	37%
				$ 28,362	$ 15,409					

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF PATENTS/CORE TECHNOLOGY
($000's)

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Patents/Core Technology Royalty Revenue						
Existing Technology Royalty @ 8%	$ 4,032	$ 11,041	$ 8,609	$ 6,224	$ 4,919	$ 4,002
In-Process Technology Royalty @ 8%	-	1,806	1,737	1,409	1,144	964
Existing Maintenance Royalty @ 8%	43,633	101,909	97,635	93,504	89,543	85,744
Total Royalty Revenue	47,665	114,756	107,981	101,137	95,606	90,710
Income Taxes @ 36%	17,159	41,312	38,873	36,409	34,418	32,656
After-Tax Royalty Savings	30,506	73,444	69,108	64,728	61,188	58,055
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid-point in Period	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219
Present Value Factor @ 10%	0.9801	0.9159	0.8326	0.7569	0.6881	0.6256
Present Value After-Tax Royalty Savings	29,898	67,266	57,541	48,994	42,104	36,317
Sum of Present Value After-Tax Royalty Savings	282,120					
Tax Savings of Amortization	66,803					
Fair Value	348,923					
Fair Value of Patents/Core Technology (Rounded)	**$ 348,900**					

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 29, 2004
VALUATION OF MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS
($000s, except percentages)

EXHIBIT [illegible]
PAGE [illegible]

	5 mos. ending 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
					Projections - For the Fiscal Years Ending May 31,						
Existing Installed Customer Base											
Installed Customer Base - EOP	[illegible]	9,747	5,413	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Attrition of Customer Base (1)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Installed Customer Base - EOP	7,147	[illegible]	5,093	8,163	8,457	8,181	7,975	7,599	7,333	7,077	[illegible]
Installed Customer Base - Average	9,014	9,519	9,246	9,922	8,619	6,309	8,010	[illegible]	7,466	[illegible]	[illegible]
Annual Maintenance Fee (1)	$ 131	$ 131	$ 137	$ 131	$ 130	$ 127	$ 129	$ [illegible]	$ 126	$ [illegible]	$ [illegible]
Revenue Attributable to Existing Maintenance Agreements and Related Customer Relationships	$ 343,411	$ 1,231,059	$ 1,2[illegible]	$ 1,153,605	$ [illegible]	$ 1,071,003	$ 1,026,272	$ [illegible]	$ 940,759	$ [illegible]	$ [illegible]
Less: Deferred Revenue (2)	263,323	375,030	[illegible]	22,052	13,794	7,332	[illegible]				
Adjusted Revenue Attributable to Existing Maintenance Agreements and Related Customer Relationships	204,590	890,027	1,154,313	1,146,753	1,105,421	1,063,672	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cost of Sales	81,512	[illegible]	153,066	135,331	167,993	160,770	153,941	[illegible]	141,114	[illegible]	172,321
Gross Profit	202,778	[illegible]	[illegible]	[illegible]	[illegible]	903,001	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operating Expenses:											
Research - Core Technology @ 8%	43,433	161,909	97,435	91,504	89,541	85,744	92,102	78,600	75,261	72,090	[illegible]
Support Development	39,129	89,170	85,431	81,816	78,320	75,026	71,832	63,789	63,853	[illegible]	50,351
Sales & Marketing - Maintenance (3)	21,946	41,732	45,449	43,507	41,451	40,171	39,475	36,320	35,252	33,155	32,313
General & Administrative	25,136	58,214	55,205	57,601	51,330	45,150	47,065	45,349	42,141	[illegible]	[illegible]
Depreciation	(11,329)	(29,241)	(35,629)	(32,251)	(29,858)	(22,577)	(29,321)	[illegible]	(25,361)	[illegible]	[illegible]
Total Operating Expenses (excluding Depreciation)	121,565	267,838	249,413	240,475	230,797	220,317	211,150	202,162	193,555	165,299	174,216
Earnings Before Interest, Taxes, and Depreciation	81,212	439,112	761,231	730,958	707,313	[illegible]	[illegible]	611,566	[illegible]	[illegible]	[illegible]
Contributory Asset Charges:											
Property, Plant, and Equipment	15,272	35,644	34,172	33,727	31,349	30,010	29,736	27,313	26,741	25,216	[illegible]
Working Capital	1,332	3,314	3,204	3,058	2,918	2,811	2,654	[illegible]	2,462	2,164	[illegible]
Customer Relationships	10,900	23,477	24,409	23,276	22,306	21,436	20,525	19,642	18,715	18,313	[illegible]
Trade Names/Trademarks	5,454	12,739	12,204	11,428	11,173	10,719	10,263	9,326	9,498	9,506	[illegible]
Assembled Workforce	9,237	21,456	20,749	15,920							
Existing Technology	62,177	149,220	135,313	131,244	121,549	122,186	-		-	-	
In-Process Technology	4,363	30,137	9,364	9,350	4,541	8,574	-	-			
Total Charges	108,878	294,794	241,631	235,357	204,410	145,718	42,719	59,513	57,033	54,600	[illegible]
Operating Profit (Loss)	(27,656)	144,318	519,600	497,613	502,904	485,646	[illegible]	[illegible]	549,655	[illegible]	[illegible]
Income Taxes @ 36%	(9,960)	66,534	187,666	179,149	181,045	175,265	214,489	[illegible]	197,660	[illegible]	[illegible]
Cash flow from Operations	(17,700)	118,257	332,544	313,486	321,859	[illegible]	[illegible]	367,310	351,995	336,635	[illegible]
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid-year adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219	5.9219	6.9219	7.9219	8.9219	[illegible]
Present Value Factor @ 10%	0.9901	0.9159	0.9124	0.7569	0.6491	0.6056	0.5687	0.5110	0.4700	0.4273	0.3884
Present Value of Cash Flows	(17,354)	108,554	270,085	241,071	221,476	194,985	216,849	189,751	165,153	145,754	125,865
Sum of Present Value of Cash Flows	1,865,678										
Tax Savings of Amortization	442,012										
Fair Value	2,309,689										
Fair Value of Maintenance Agreements and Related Customer Relationships (Rounded)	$ 2,308,700										

Notes
(1) Preliminary estimates. Assumptions to be validated by Oracle management.
(2) Per PeopleSoft management, approximately $[illegible] million of deferred revenue relates to Maintenance as of December 29, 2004.
(3) Sales & Marketing consists of maintaining existing customer relationships estimated at 20% of total Sales & Marketing percentage.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC
AS OF DECEMBER 28, 2004
VALUATION OF MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS
COMMON SIZE

	5 mos. ending	Projections - For the Fiscal Years Ending May 31,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue Attributable to Existing Maintenance Agreements and Related Customer Relationships	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Less: Deferred Revenue	47.8%	29.5%	2.1%	1.9%	1.2%	0.7%	0.3%	0.0%	0.0%	0.0%	0.0%
Adjusted Revenue Attributable to Existing Maintenance Agreements and Related Customer Relationships	52.2%	70.5%	97.9%	98.1%	98.8%	99.3%	99.7%	100.0%	100.0%	100.0%	100.0%
Cost of Sales	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Gross Profit	37.2%	55.5%	82.9%	83.1%	83.8%	84.3%	84.7%	85.0%	85.0%	85.0%	85.0%
Operating Expenses:											
Patents / Core Technology @ 8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Support Development	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Sales & Marketing - Maintenance	4.0%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
General & Administrative	5.3%	4.6%	4.5%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
Depreciation	-2.1%	-2.3%	-2.9%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-3.1%
Total Operating Expenses (excluding Depreciation)	22.3%	21.0%	20.4%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.2%
Earnings Before Interest, Taxes, and Depreciation	14.9%	31.5%	62.5%	62.5%	63.2%	63.7%	64.1%	64.4%	64.4%	64.4%	64.8%
Contributory Asset Charges:											
Property, Plant, and Equipment	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Working Capital	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Customer Relationships	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Trade Names/Trademarks	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	1.7%	1.7%	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Existing Technology	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	0.0%	0.0%	0.0%	0.0%	0.0%
In-Process Technology	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Charges	20.0%	20.0%	20.0%	20.0%	18.3%	18.3%	6.1%	6.1%	6.1%	6.1%	6.1%
Operating Profit (Loss)	-5.1%	14.5%	42.6%	42.6%	44.9%	45.4%	58.1%	58.4%	58.4%	58.4%	58.7%
Income Taxes @ 36%	-1.8%	5.2%	15.3%	15.3%	16.2%	16.4%	20.9%	21.0%	21.0%	21.0%	21.1%
Cash flow from Operations	-3.2%	9.3%	27.2%	27.2%	28.8%	29.1%	37.2%	37.4%	37.4%	37.4%	37.6%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF CONSULTING CONTRACTS
($000's except percentages)

	Projections - For the Fiscal Years Ending May 31,			
	5 mos. ending 2005	2006	2007	2008
Revenue Attributable to Existing Consulting Contracts (1)	$ 91,771	$ 142,245	$ 33,038	$ 19,272
Less: Deferred Revenue (2)	41,463	63,491	7,620	-
Adjusted Revenue Attributable to Existing Consulting Contracts	50,308	78,754	25,417	19,272
Cost of Sales	77,306	113,796	26,430	15,418
Gross Profit	(26,998)	(35,042)	(1,013)	3,854
Operating Expenses:				
Sales & Marketing - Maintenance (3)	3,693	5,330	1,236	722
General & Administrative	4,902	6,506	1,494	884
Depreciation	(1,906)	(3,265)	(962)	(532)
Total Operating Expenses (excluding Depreciation)	6,689	8,571	1,769	1,074
Earnings Before Interest, Taxes, and Depreciation	(33,687)	(43,613)	(2,782)	2,780
Contributory Asset Charges:				
Property, Plant, and Equipment	2,570	3,983	925	540
Working Capital	241	373	87	51
Trade Names/Trademarks	918	1,422	330	193
Assembled Workforce	1,560	2,418	562	328
Total Charges	5,288	8,197	1,904	1,111
Operating Profit (Loss)	(38,975)	(51,810)	(4,686)	1,670
Income Taxes @ 36%	(14,031)	(18,652)	(1,687)	601
Cash flow from Operations	(24,944)	(33,158)	(2,999)	1,069
Partial Period	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.2110	0.9219	1.9219	2.9219
Present Value Factor @ 8%	0.9839	0.9315	0.8625	0.7986
Present Value of Cash Flows	**(24,542)**	**(30,887)**	**(2,586)**	**853**
Sum of Present Value of Cash Flows	(57,163)			
Tax Savings of Amortization	-			
Fair Value	(57,163)			
Fair Value of Consulting Contracts (Rounded)	$ -			

Notes:
(1) Per PeopleSoft management, approximately 25% of PeopleSoft's projected 2005 professional services revenue is attributable to existing Consulting Contracts, of which approximately 15% to 20% relates to multi-year contracts.
(2) Per PeopleSoft management, approximately $112.6 million of deferred revenue relates to Professional Services as of December 28, 2004.
(3) Sales & Marketing consists of maintaining existing customer relationships estimated at 20% of total Sales & Marketing percentage.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF CONSULTING CONTRACTS
COMMON SIZE

	Projections - For the Fiscal Years Ending May 31.			
	5 mos. ending 2005	2006	2007	2008
Revenue Attributable to Existing Consulting Contracts (1)	100.0%	100.0%	100.0%	100.0%
Less: Deferred Revenue	45.2%	44.6%	23.1%	0.0%
Adjusted Revenue Attributable to Existing Consulting Contracts	54.8%	55.4%	76.9%	100.0%
Cost of Sales	84.2%	80.0%	80.0%	80.0%
Gross Profit	-29.4%	-24.6%	-3.1%	20.0%
Operating Expenses:				
Sales & Marketing - Maintenance	4.0%	3.7%	3.7%	3.7%
General & Administrative	5.3%	4.6%	4.5%	4.6%
Depreciation	-2.1%	-2.3%	-2.9%	-2.8%
Total Operating Expenses (excluding Depreciation)	7.3%	6.0%	5.4%	5.6%
Earnings Before Interest, Taxes, and Depreciation	-36.7%	-30.7%	-8.4%	14.4%
Contributory Asset Charges:				
Property, Plant, and Equipment	2.8%	2.8%	2.8%	2.8%
Working Capital	0.3%	0.3%	0.3%	0.3%
Trade Names/Trademarks	1.0%	1.0%	1.0%	1.0%
Assembled Workforce	1.7%	1.7%	1.7%	1.7%
Total Charges	5.8%	5.8%	5.8%	5.8%
Operating Profit (Loss)	-42.5%	-36.4%	-14.2%	8.7%
Income Taxes @ 36%	-15.3%	-13.1%	-5.1%	3.1%
Cash flow from Operations	-27.2%	-23.3%	-9.1%	5.5%

ORACLE CORPORATION | **EXHIBIT 7.0**
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC. | **PAGE 1 OF 1**
AS OF DECEMBER 28, 2004
VALUATION OF CUSTOMER RELATIONSHIPS
($000's, except number of customers)

Average Fully Burdened Salary [1]	$	120.0
Overhead @ 25%		30
Average Salary with Overhead [1]	$	150.0
Average Monthly Salary with Overhead	$	12.5
Customers		
Number of Active Customers [2]		9,920
% of Customer Overlap [3]		57.5%
Number of Non-Overlap Active Customers		4,216
Number of Person Months to Establish Customer Contract [4]		6.0
Total Cost to Acquire Customer Relationships	$	316,200
Less: Income Tax Deduction Benefit @ 36%		113,832
		202,368
Plus: Tax Amortization Benefit [5]		47,919
		250,287
Fair Value of Customer Relationships (Rounded)	$	**250,300**

Notes:

(1) Based on average salaries of North America Sales, Marketing, and Global Sales Operations, as indicated in PeopleSoft's 2004 Forecast/2005 Planning Model, including 15% bonus and 15% benefit.

(2) Oracle management's estimate of active customers as of December 31, 2004 as provided in Oracle's board projections.

(3) Oracle management indicated that approximately 55% to 60% of existing PeopleSoft customers overlap with Oracle customers.

(4) Preliminary estimate. Assumption to be validated by Oracle management.

(5) Based on a discount rate of 10%.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF TRADE NAMES/TRADEMARKS
($000's, except percentages)

EXHIBIT 8.0
PAGE 1 OF 1

	5 mos. ending 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
		Projections - For the Fiscal Years Ending May 31,									
Revenue											
License Attributable to PSFT/JDE	$ 50,400	$ 188,500	$ 195,750	$ 200,500	$ 205,389	$ 210,421	$ -	$ -	$ -	$ -	$ -
Existing Maintenance Agreements and Related Customer Relationships	545,413	1,273,859	1,220,443	1,168,805	1,119,287	1,071,803	1,026,272	982,616	940,758	900,626	862,152
Maintenance Attributable to Existing Customer Purchases [1]	2,169	27,885	63,850	100,672	138,217	176,497	215,528	255,325	295,902	337,275	360,948
Maintenance Attributable to Incremental New Customer Purchases [2]	303	4,166	10,469	17,234	24,338	31,796	39,627	47,850	56,484	65,550	70,151
Professional Services [3]	196,874	367,204	332,771	335,239	333,277	331,061	-	-	-	-	-
Total Revenue	795,158	1,861,614	1,823,282	1,822,450	1,820,507	1,821,579	1,281,428	1,285,791	1,293,144	1,303,451	1,293,251
Brand Savings Rate [4]	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.5%	0.5%	0.25%	0.25%	0.25%
Royalty Revenue	7,952	18,616	18,233	18,224	18,205	18,216	6,407	6,429	3,233	3,259	3,233
Income Tax @ 36%	2,863	6,702	6,564	6,561	6,554	6,558	2,307	2,314	1,164	1,173	1,164
After-Tax Brand Savings	5,089	11,914	11,669	11,664	11,651	11,658	4,101	4,115	2,069	2,086	2,069
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid-point in Period	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219	5.9219	6.9219	7.9219	8.9219	9.9219
Present Value Factor @ 10%	0.9801	0.9159	0.8326	0.7569	0.6881	0.6256	0.5687	0.5170	0.4700	0.4273	0.3884
Present Value After-Tax Brand Savings	4,988	10,912	9,716	8,829	8,017	7,293	2,332	2,127	972	891	804
Sum of Present Value After-Tax Brand Savings	56,881										
Tax Savings of Amortization	13,469										
Fair Value	70,350										
Fair Value of Trade Names/Trademarks (Rounded)	$ 70,300										

Notes:
(1) Per Oracle management, all Existing Customer Purchases are attributable to PeopleSoft products.
(2) Per Oracle management, approximately 20% of new customer purchases are attributable to PeopleSoft/JDE products.
(3) Professional Services attributable to Tradename is computed based on the percentage of license revenue attributable to PeopleSoft/JDE to total license revenue.
(4) Royalty rate decreases over time as the PeopleSoft Trade Names/Trademarks phase out.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION SUMMARY
($000s)

	5 mos. ending 2005	2006	2007	2008	2009	2010
		Projections - For the Fiscal Years Ending May 31,				
License Revenue						
Existing Customers	$ 44,200	$ 161,200	$ 165,750	$ 169,000	$ 172,314	$ 175,692
Incremental New Customers	31,000	136,500	150,000	157,500	165,375	173,644
% attributable to PSFT/JDE products	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Total Incremental New Customers attributable to PSFT	6,200	27,300	30,000	31,500	33,075	34,729
Total License Revenue Attributable to PSFT/JDE Products	$ 50,400	$ 188,500	$ 195,750	$ 200,500	$ 205,389	$ 210,421
Revenue Allocation [1][2]						
Enterprise						
HCM	24.8%	24.9%	25.4%	25.8%	26.1%	26.5%
FMS	16.4%	16.3%	16.7%	16.9%	17.1%	17.4%
SCM	10.3%	10.3%	9.0%	8.0%	7.0%	6.0%
CRM	10.9%	11.1%	11.3%	11.5%	11.6%	11.8%
Tools/Other	10.6%	10.5%	10.7%	10.8%	11.0%	11.1%
UPK/EUT	4.3%	4.6%	4.7%	4.7%	4.8%	4.9%
Total Enterprise	77.3%	77.7%	77.7%	77.7%	77.7%	77.7%
EI/JDE	19.5%	19.4%	19.4%	19.4%	19.4%	19.4%
World	3.1%	2.9%	2.9%	2.9%	2.9%	2.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Enterprise						
HCM	$ 12,492	$ 46,930	$ 49,692	$ 51,639	$ 53,657	$ 55,750
FMS	8,248	30,796	32,609	33,887	35,211	36,584
SCM	5,186	19,461	17,618	16,040	14,377	12,625
CRM	5,502	20,887	22,117	22,983	23,882	24,813
Tools/Other	5,361	19,739	20,901	21,720	22,569	23,449
UPK/EUT	2,189	8,638	9,146	9,505	9,876	10,261
Total Enterprise	38,978	146,451	152,083	155,774	159,572	163,482
EI/JDE	9,810	36,555	37,961	38,882	39,831	40,806
World	1,582	5,194	5,705	5,844	5,986	6,133
Total	50,400	188,500	195,750	200,500	205,389	210,421
Revenue Summary						
Existing	$ 50,400	$ 138,016	$ 107,611	$ 77,790	$ 61,184	$ 50,025
In-Process	-	22,577	21,710	17,610	14,303	12,050
Future	-	27,906	66,429	105,091	129,602	148,346
Total License Revenue	50,400	188,500	195,750	200,500	205,389	210,421
Patents/Core Technology Royalty Revenue						
Existing Technology Royalty @ 8.0%	$ 4,032	$ 11,041	$ 8,609	$ 6,224	$ 4,919	$ 4,002
In-Process Technology Royalty @ 8.0%	-	1,806	1,737	1,409	1,144	964
Total Patents/Core Technology	4,032	12,848	10,346	7,633	6,063	4,966

Notes:
(1) 2005 and 2006 based on PeopleSoft's product mix for CY 2005 and 2006, as indicated in PeopleSoft's 2004 Forecast/2005 Planning Model.
(2) Per Oracle management, SCM's contribution to Enterprise will decline after 2007.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION SUMMARY
($000s)

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Existing Technology						
Enterprise						
HCM	$ 12,492	$ 37,544	$ 32,300	$ 25,820	$ 21,463	$ 16,725
FMS	8,248	21,557	16,305	13,555	10,563	9,146
SCM	5,186	13,622	8,809	6,416	4,313	3,156
CRM	5,502	14,621	11,058	8,044	5,970	4,963
Tools/Other	5,361	13,817	10,451	7,602	5,642	4,690
UPK/EUT	2,189	6,046	4,573	3,327	2,469	2,052
Total Enterprise	38,978	107,208	83,496	64,763	50,421	40,732
EI/JDE	9,840	25,589	18,981	7,776	5,975	4,081
World	1,582	5,219	5,135	5,259	5,088	5,213
	50,400	138,016	107,611	77,799	61,484	50,025
In-Process Technology						
Enterprise						
HCM	-	4,693	3,478	2,582	1,610	1,115
FMS	-	6,159	6,522	5,761	5,282	4,756
SCM	-	3,892	3,524	2,727	2,157	1,641
CRM	-	4,177	5,529	4,597	4,060	3,722
Tools/Other	-	-	-	-	-	-
UPK/EUT	-	-	-	-	-	-
Total Enterprise	-	18,922	19,053	15,666	13,108	11,234
EI/JDE	-	3,656	2,657	1,944	1,195	816
World	-	-	-	-	-	-
	-	22,577	21,710	17,610	14,303	12,050

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION - HCM
($000s)

		Projections - For the Fiscal Years Ending May 31,					
		5 mos. ending 2005	2006	2007	2008	2009	2010
Revenue Summary [1]							
HCM		$ 12,492	$ 46,930	$ 49,692	$ 51,639	$ 53,657	$ 55,750
Existing		100%	80%	65%	50%	40%	30%
In-Process		0%	10%	7%	5%	3%	2%
Future		0%	10%	28%	45%	57%	68%
	Total	100%	100%	100%	100%	100%	100%
Existing		12,492	37,544	32,300	25,820	21,463	16,725
In-Process		-	4,693	3,478	2,582	1,610	1,115
Future		-	4,693	13,914	23,238	30,585	37,910
	Total	$ 12,492	$ 46,930	$ 49,692	$ 51,639	$ 53,657	$ 55,750

Notes:
(1) HCM 8.8 was released in CY Q1 2004. HCM 8.9 was released in July 2004. PayBill bolt-on to HRCS 8.95 is scheduled for General Availability by August 2005.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION - FMS
($000s)

	Projections - For the Fiscal Years Ending May 31,					
	5 mos. ending 2005	2006	2007	2008	2009	2010
Revenue Summary [1]						
FMS	$ 8,248	$ 30,796	$ 32,609	$ 33,887	$ 35,211	$ 36,584
Existing	100%	70%	50%	40%	30%	25%
In-Process	0%	20%	20%	17%	15%	13%
Future	0%	10%	30%	43%	55%	62%
Total	100%	100%	100%	100%	100%	100%
Existing	8,248	21,557	16,305	13,555	10,563	9,146
In-Process	-	6,159	6,522	5,761	5,282	4,756
Future	-	3,080	9,783	14,571	19,366	22,682
Total	$ 8,248	$ 30,796	$ 32,609	$ 33,887	$ 35,211	$ 36,584

Notes:
(1) FMS 8.9, the next release of Financials Management products, is scheduled for General Availability by July 2005.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION - SCM
($000s)

		Projections - For the Fiscal Years Ending May 31,					
		5 mos. ending 2005	2006	2007	2008	2009	2010
Revenue Summary (1)							
SCM		$ 5,186	$ 19,461	$ 17,618	$ 16,040	$ 14,377	$ 12,625
Existing		100%	70%	50%	40%	30%	25%
In-Process		0%	20%	20%	17%	15%	13%
Future		0%	10%	30%	43%	55%	62%
	Total	100%	100%	100%	100%	100%	100%
Existing		5,186	13,622	8,809	6,416	4,313	3,156
In-Process		-	3,892	3,524	2,727	2,157	1,641
Future		-	1,946	5,285	6,897	7,907	7,828
	Total	$ 5,186	$ 19,461	$ 17,618	$ 16,040	$ 14,377	$ 12,625

Notes:
(1) SCM 8.9, the next release of Supply Chain Management products, is scheduled for General Availability by July 2005.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION - CRM
($000s)

		Projections - For the Fiscal Years Ending May 31,					
		5 mos. ending 2005	2006	2007	2008	2009	2010
Revenue Summary [1]							
CRM		$ 5,502	$ 20,887	$ 22,117	$ 22,983	$ 23,882	$ 24,813
Existing		100%	70%	50%	35%	25%	20%
In-Process		0%	20%	25%	20%	17%	15%
Future		0%	10%	25%	45%	58%	65%
	Total	100%	100%	100%	100%	100%	100%
Existing		5,502	14,621	11,058	8,044	5,970	4,963
In-Process		-	4,177	5,529	4,597	4,060	3,722
Future		-	2,089	5,529	10,343	13,851	16,128
	Total	$ 5,502	$ 20,887	$ 22,117	$ 22,983	$ 23,882	$ 24,813

Notes:
(1) CRM 8.9 was released in CY Q2 2004. CRM 8.95 is scheduled for General Availability by September 2005.

ORACLE CORPORATION

VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION - TOOLS/OTHER
($000s)

		Projections - For the Fiscal Years Ending May 31,					
		5 mos. ending 2005	2006	2007	2008	2009	2010
Revenue Summary [1]							
Tools/Other		$ 5,361	$ 19,739	$ 20,901	$ 21,720	$ 22,569	$ 23,449
Existing		100%	70%	50%	35%	25%	20%
In-Process		0%	0%	0%	0%	0%	0%
Future		0%	30%	50%	65%	75%	80%
	Total	100%	100%	100%	100%	100%	100%
Existing		5,361	13,817	10,451	7,602	5,642	4,690
In-Process		-	-	-	-	-	-
Future		-	5,922	10,451	14,118	16,927	18,759
	Total	$ 5,361	$ 19,739	$ 20,901	$ 21,720	$ 22,569	$ 23,449

Notes:
(1) PeopleTools 8.45 was released in Q2 2004. EPM 8.9 and Portal Solutions 8.9 are scheduled for General Availability by April 2005. However, technological feasibility is expected to be reached by January 3, 2005, thus, we have not classified it as IPR&D.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION - UPK/EUT
($000s)

		Projections - For the Fiscal Years Ending May 31,					
		5 mos. ending 2005	2006	2007	2008	2009	2010
Revenue Summary							
UPK/EUT		$ 2,189	$ 8,638	$ 9,146	$ 9,505	$ 9,876	$ 10,261
Existing		100%	70%	50%	35%	25%	20%
In-Process		0%	0%	0%	0%	0%	0%
Future		0%	30%	50%	65%	75%	80%
	Total	100%	100%	100%	100%	100%	100%
Existing		2,189	6,046	4,573	3,327	2,469	2,052
In-Process		-	-	-	-	-	-
Future		-	2,591	4,573	6,178	7,407	8,209
	Total	$ 2,189	$ 8,638	$ 9,146	$ 9,505	$ 9,876	$ 10,261

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION - E1/JDE
($000s)

		Projections - For the Fiscal Years Ending May 31,					
		5 mos. ending 2005	2006	2007	2008	2009	2010
Revenue Summary [1]							
E1/JDE		$ 9,840	$ 36,555	$ 37,961	$ 38,882	$ 39,831	$ 40,806
Existing		100%	70%	50%	20%	15%	10%
In-Process		0%	10%	7%	5%	3%	2%
Future		0%	20%	43%	75%	82%	88%
	Total	100%	100%	100%	100%	100%	100%
Existing		9,840	25,589	18,981	7,776	5,975	4,081
In-Process		-	3,656	2,657	1,944	1,195	816
Future		-	7,311	16,323	29,162	32,661	35,910
	Total	$ 9,840	$ 36,555	$ 37,961	$ 38,882	$ 39,831	$ 40,806

Notes:
(1) Tools 8.93 and E1 Apps 8.10 were released in CY Q2 2004. Tools 8.94 and E1 Apps 8.11 were in December 2004. Tools 8.95 is scheduled for General Availability by July 2005.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REVENUE ALLOCATION - WORLD
($000s)

		Projections - For the Fiscal Years Ending May 31,					
		5 mos. ending 2005	2006	2007	2008	2009	2010
Revenue Summary							
World		$ 1,582	$ 5,494	$ 5,705	$ 5,844	$ 5,986	$ 6,133
Existing		100%	95%	90%	90%	85%	85%
In-Process		0%	0%	0%	0%	0%	0%
Future		0%	5%	10%	10%	15%	15%
	Total	100%	100%	100%	100%	100%	100%
Existing		1,582	5,219	5,135	5,259	5,088	5,213
In-Process		-	-	-	-	-	-
Future		-	275	571	584	898	920
	Total	$ 1,582	$ 5,494	$ 5,705	$ 5,844	$ 5,986	$ 6,133

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
FINANCIAL PROJECTIONS
($000's)

	5 mos. ending 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
		Projections - For the Fiscal Years Ending May 31,								
Revenue (1)										
License										
Existing Customers	$ 44,200	$ 161,200	$ 165,750	$ 169,000	$ 172,314	$ 175,692	$ 179,137	$ 182,650	$ 186,231	$ 189,883
Incremental New Customers	31,000	136,500	150,000	157,500	165,375	173,644	182,326	191,442	201,014	211,065
Total License	75,200	297,700	315,750	326,500	337,689	349,336	361,463	374,092	387,246	400,948
Maintenance										
Existing Installed Base	545,413	1,273,859	1,220,443	1,168,805	1,119,287	1,071,803	1,026,272	982,616	940,758	900,626
Existing Customer Purchases	2,169	27,885	63,850	100,672	138,217	176,497	215,528	255,325	295,902	337,275
Incremental New Customer Purchases	1,513	20,831	52,346	86,171	121,688	158,980	198,136	239,251	282,421	327,750
Total Maintenance	549,094	1,322,575	1,336,638	1,355,648	1,379,191	1,407,280	1,439,937	1,477,192	1,519,081	1,565,651
Professional Services	293,748	579,929	536,769	545,913	547,956	549,620	550,870	551,667	551,970	563,558
Total Revenue	918,042	2,200,204	2,189,157	2,228,061	2,264,835	2,306,236	2,352,270	2,402,950	2,458,296	2,530,157
Growth Rate			-0.5%	1.8%	1.7%	1.8%	2.0%	2.2%	2.3%	2.9%
Cost of Goods Sold (2)										
License										
Existing Customers	4,420	16,120	16,575	16,900	17,231	17,569	17,914	18,265	18,623	18,988
Incremental New Customers	3,100	13,650	15,000	15,750	16,538	17,364	18,233	19,144	20,101	21,107
Total License	7,520	29,770	31,575	32,650	33,769	34,934	36,146	37,409	38,725	40,095
Maintenance										
Existing Installed Base	81,812	191,079	183,066	175,321	167,893	160,770	153,941	147,392	141,114	135,094
Existing Customer Purchases	325	4,183	9,577	15,101	20,732	26,475	32,329	38,299	44,385	50,591
Incremental New Customer Purchases	227	3,125	7,852	12,926	18,253	23,847	29,720	35,888	42,363	49,162
Total Maintenance	82,364	198,386	200,496	203,347	206,879	211,092	215,991	221,579	227,862	234,848
Professional Services	247,448	463,943	429,415	436,730	438,365	439,696	440,696	441,333	441,576	450,847
Total Cost of Goods Sold	337,332	692,099	661,486	672,727	679,012	685,722	692,833	700,321	708,163	725,789
Gross Profit	580,710	1,508,105	1,527,671	1,555,333	1,585,823	1,620,515	1,659,437	1,702,629	1,750,134	1,804,368
Operating Expenses (3)										
Research & Development	124,710	291,985	286,063	287,894	292,646	297,995	303,944	310,492	317,644	326,929
Sales & Marketing	184,695	412,252	409,594	417,537	424,129	432,187	440,814	450,311	460,683	474,150
General & Administrative	49,041	100,633	99,025	102,179	103,866	105,764	107,875	110,199	112,738	116,033
Total Operating Expenses	358,446	804,870	794,681	807,610	820,940	835,947	852,633	871,003	891,064	917,112
Operating Income (EBIT)	222,264	703,234	732,990	747,723	764,883	784,568	806,805	831,626	859,069	887,256
Income Taxes @ 36%	80,015	253,164	263,876	269,180	275,358	282,444	290,450	299,385	309,265	319,412
Net Profit After Taxes	142,249	450,070	469,114	478,543	489,525	502,123	516,355	532,241	549,804	567,844
Cash Flow Adjustments										
Plus: Depreciation (4)	19,067	50,505	63,724	61,485	62,500	63,643	64,913	66,311	67,839	69,822
Less: Capital Expenditures (5)	34,837	68,686	68,330	69,611	70,760	72,054	73,492	75,076	76,805	79,050
Less: Working Capital Investment	(33,230)	(15,603)	(552)	1,945	1,839	2,070	2,302	2,534	2,767	3,593
Available Cash Flow	159,709	447,492	465,060	468,471	479,426	491,642	505,474	520,942	538,071	555,023
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid Year Adjustment	0.2110	0.9219	1.9219	2.9219	3.9219	4.9219	5.9219	6.9219	7.9219	8.9219
Present Value Factor @ 12%	0.9763	0.9006	0.8039	0.7176	0.6406	0.5719	0.5105	0.4557	0.4068	0.3631
Present Value of Available Cash Flows	155,929	403,017	373,882	336,198	307,129	281,149	258,032	237,384	218,871	201,534
Sum of Present Value of Available Cash Flows	2,773,126									
2014 Net Income	567,844									
Terminal Exit Multiple	30.0x									
Equal Residual Value	17,035,311									
Times: PV Factor	0.3631									
PV of Residual Value	6,185,672									
Sum of Present Value Cash Flows ('05-'14)	2,773,126									
Plus: Cash (6)	2,063,980									
Plus: Long-Term Non-Operating Investments (6)	89,272									
Equity Purchase Price	11,112,000									
Equity Purchase Price (Rounded)	**$ 11,112,000**									

Notes:
(1) Revenue through 2008 based on the PeopleSoft Operating Model case as provided in Oracle's board projections.
(2) Cost of Goods Sold through 2008 based on the PeopleSoft Operating Model case as provided in Oracle's board projections.
(3) Operating Expenses through 2008 based on the variable cost structure in the combined Oracle and PeopleSoft Operating Model as provided in Oracle's board projections.
(4) Depreciation through 2008 based on the variable cost structure in the combined Oracle and PeopleSoft Operating Model as provided in Oracle's board projections.
(5) Capital Expenditures through 2008 based on the variable cost structure in the combined Oracle and PeopleSoft Operating Model as provided in Oracle's board projections.
(6) Cash and Investment balances as of December 31, 2004 as provided in by Management.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
FINANCIAL PROJECTIONS
COMMON SIZE

EXHIBIT 10.0
PAGE 2 OF 2

	Projections - For the Fiscal Years Ending May 31.									
	5 mos. ending 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenue										
License										
Existing Customers	4.8%	7.3%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.5%
Incremental New Customers	3.4%	6.2%	6.9%	7.1%	7.3%	7.5%	7.8%	8.0%	8.2%	8.3%
Total License	8.2%	13.5%	14.4%	14.7%	14.9%	15.1%	15.4%	15.6%	15.8%	15.8%
Maintenance										
Existing Installed Base	59.4%	57.9%	55.7%	52.5%	49.4%	46.5%	43.6%	40.9%	38.3%	35.6%
Existing Customer Purchases	0.2%	1.3%	2.9%	4.5%	6.1%	7.7%	9.2%	10.6%	12.0%	13.3%
Incremental New Customer Purchases	0.2%	0.9%	2.4%	3.9%	5.4%	6.9%	8.4%	10.0%	11.5%	13.0%
Total Maintenance	59.8%	60.1%	61.1%	60.8%	60.9%	61.0%	61.2%	61.5%	61.8%	61.9%
Professional Services	32.0%	26.4%	24.5%	24.5%	24.2%	23.8%	23.4%	23.0%	22.5%	22.3%
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold [1]										
License										
Existing Customers	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Incremental New Customers	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Total License	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Maintenance										
Existing Installed Base	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Existing Customer Purchases	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Incremental New Customer Purchases	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Total Maintenance	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Professional Services	84.2%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Total Cost of Goods Sold	36.7%	31.5%	30.2%	30.2%	30.0%	29.7%	29.5%	29.1%	28.8%	28.7%
Gross Profit	63.3%	68.5%	69.8%	69.8%	70.0%	70.3%	70.5%	70.9%	71.2%	71.3%
Operating Expenses										
Research & Development	13.6%	13.3%	13.1%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
Sales & Marketing	20.1%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
General & Administrative	5.3%	4.6%	4.5%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
Total Operating Expenses	39.0%	36.6%	36.3%	36.2%	36.2%	36.2%	36.2%	36.2%	36.2%	36.2%
Operating Income (EBIT)	24.2%	32.0%	33.5%	33.6%	33.8%	34.0%	34.3%	34.6%	34.9%	35.1%
Income Taxes @ 36%	8.7%	11.5%	12.1%	12.1%	12.2%	12.2%	12.3%	12.5%	12.6%	12.6%
Net Profit After Taxes	15.5%	20.5%	21.4%	21.5%	21.6%	21.8%	22.0%	22.1%	22.4%	22.4%
Cash Flow Adjustments										
Plus: Depreciation	2.1%	2.3%	2.9%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Less: Capital Expenditures	3.8%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Less: Working Capital Investment	-3.6%	-0.7%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Available Cash Flow	17.4%	20.3%	21.2%	21.0%	21.2%	21.3%	21.5%	21.7%	21.9%	21.9%

Notes:
(1) Cost of Goods Sold are computed as a percentage of the respective revenue.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
WEIGHTED AVERAGE COST OF CAPITAL (WACC)
SUMMARY OF WACC ANALYSIS

Required Return on Debt:

Before Tax Cost of Debt:(1)	6.1%
Less: Tax Deduction at 36%	2.2%
After Tax Cost Of Debt	3.9%

Required Return on Preferred Equity:(1) 6.1%

Required Return on Common Equity:

Capital Asset Pricing Model:

Re = Rf + Beta x MRP + SSP

4.9% + 1.48 x 5.0% + 0.0% = 12.4%

Where:
Re = Required Return on Equity
Rf = Risk-free Rate of Return(2)
Beta = Beta for the Subject Company's Industry(3)
MRP = Market Risk Premium(4)
SSP = Small Stock Premium(5)

Concluded Return on Common Equity 12.4%

WACC Calculation

	Required Return		Weighting		WACC
Required Return on Debt Capital	3.9%	x	2.1%	=	0.1%
Required Return on Preferred Equity Capital	6.1%	x	0.0%		0.0%
Required Return on Equity Capital	12.4%	x	97.9%	=	12.1%
					12.2%
WEIGHTED AVERAGE COST OF CAPITAL (ROUNDED)					**12.0%**

Notes:
(1) Standard & Poor's BBB corporate bond yield.
(2) The yield on long-term Treasury notes as of the valuation date.
(3) Based on the betas for publicly traded companies in the industry.
(4) The expected return on S&P 500 companies less the expected return on long-term Treasury securities, based on historical rates of return and published data on expected stock returns.
(5) Expected additional return on smaller companies, based upon historical market data published by Ibbotson Associates.

ORACLE CORPORATION | EXHIBIT 11.9
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC. | PAGE 2 OF 3
AS OF DECEMBER 28, 2004
WEIGHTED AVERAGE COST OF CAPITAL (WACC)
($000's except Common Share Price)
CAPITAL ASSET PRICING MODEL

Assumptions

Valuation Date	28-Dec-04			
Stock Price Date	28-Dec-04			*Source:*
Risk-free Rate	Rf =		4.91%	Yield on long-term Treasury notes
Pretax Required Rate on Debt Capital	i =		6.06%	Standard & Poor's BBB corporate bond yield
Required Rate on Preferred Equity Capital	Rpe =		6.06%	Standard & Poor's BBB corporate bond yield
Equity Risk Premium	Rp =		5.0%	Composite
Small Stock Premium	Ssp =		0.0%	Ibbotson Associates' *Stocks, Bonds, Bills & Inflation*

Tax Rate Calculation

Effective Income Tax Rate (1) (Rounded)	36.0%	Fed + State*(1-Fed)

Industry Capital Structure Analysis

	Stock Ticker	Total Gross Debt (D) (1)	+ Total Preferred Equity	+ (Common Share Price	x Common Shares Outstanding	= Market Value of Equity (E))	= Total Capital (2)	Market Equity / Total Capital
INTERNATIONAL BUSINESS MACHINES	IBM	$ 21,951,000	$ -	$ 98.30	1,661,697	163,639,740	185,590,740	88.2%
MICROSOFT CORP	MSFT	-	-	26.40	10,871,590	287,009,973	287,009,973	100.0%
ORACLE CORP	ORCL	172,000	-	13.84	5,128,466	70,977,965	71,149,965	99.8%
PEOPLESOFT INC	PSFT	-	-	26.40	375,746	9,919,705	9,919,705	100.0%
SAP AKTIENGESELLSCHAFT (3)	SAP	42,309	-	45.06	1,261,912	56,863,107	56,905,116	99.9%
SIEBEL SYS INC (4)	SEBL	19,119	-	9.92	508,172	5,011,071	5,060,190	99.6%

	0 = exclude 1 = include	Beta (Projected)	Debt / Equity	Preferred / Equity	D/Total Capital	Preferred / Total Capital	Marginal Income Tax Rate (1)	Unlevered Beta	Relevered Beta
INTERNATIONAL BUSINESS MACHINES	1	1.03	13.4%	0.0%	11.8%	0.0%	36.0%	0.95	0.96
MICROSOFT CORP	1	1.42	0.0%	0.0%	0.0%	0.0%	36.0%	1.42	1.44
ORACLE CORP	1	1.49	0.2%	0.0%	0.2%	0.0%	36.0%	1.48	1.50
PEOPLESOFT INC	1	1.70	0.0%	0.0%	0.0%	0.0%	36.0%	1.70	1.72
SAP AKTIENGESELLSCHAFT	1	1.20	0.1%	0.0%	0.1%	0.0%	36.0%	1.20	1.22
SIEBEL SYS INC	1	2.04	0.4%	0.0%	0.4%	0.0%	36.0%	2.04	2.06
Industry Average		1.48			2.1%	0.0%		1.46	1.48

Included in Averages

Industry Market Equity / Capital	97.9%
Industry Preferred Equity / Market Equity	0.0%
Industry Debt / Market Equity	2.1%

Unlevered Beta Calculated as follows: Unlevered Beta = Levered Beta / (1 + Debt/Equity*(1-tax rate) + Preferred / Equity)
Relevered Beta Calculated as follows: Relevered Beta = Unlevered Beta x (1 + Debt/Equity*(1-tax rate) + Preferred / Equity)

Definitions & Footnotes

(1) Total Gross Debt excludes minority interest liabilities; gross debt indicates cash has not been subtracted.
(2) Total Capital includes debt, preferred equity, and common equity, and excludes minority interest liabilities.
(3) Assumes same debt level as 12/31/2003 as latest financials do not break out debt from other liabilities.
(4) Assumes same capital lease obligation as 12/31/2003 as latest financials do not break out capital lease obligations from other liabilities as 10-K is not yet available.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 29, 2004
COST OF CAPITAL ANALYSIS
($000s)

	Values Allocated	% of Total Value	After-Tax Rates of Return	Wtd. Rate of Return
TANGIBLE ASSETS				
NET WORKING CAPITAL	-	0.0%	3.36%	0.0%
FIXED ASSETS	539,083	4.9%	4.64%	0.2%
INTANGIBLE ASSETS				
EXISTING TECHNOLOGY				
ENTERPRISE	489,100	4.4%	10.0%	0.4%
EI/JDE	89,200	0.8%	10.0%	0.1%
WORLD	35,900	0.3%	10.0%	0.0%
IN-PROCESS TECHNOLOGY				
HCM	6,700	0.1%	20.0%	0.0%
FMS	12,900	0.1%	18.0%	0.0%
SCM	6,000	0.1%	18.0%	0.0%
CRM	4,300	0.0%	20.0%	0.0%
EI/JDE	3,000	0.0%	20.0%	0.0%
PATENTS/CORE TECHNOLOGY	348,900	3.1%	10.0%	0.3%
MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS (2)	2,308,700	20.8%	10.0%	2.1%
CONSULTING CONTRACTS	-	0.0%	8.0%	0.0%
CUSTOMER RELATIONSHIPS	250,300	2.3%	10.0%	0.2%
TRADE NAMES/TRADEMARKS	70,300	0.6%	10.0%	0.1%
GOODWILL ITEMS				
UNIDENTIFIED INTANGIBLE VALUE	$ 6,947,617	62.5%	13.6%	8.5%
BUSINESS ENTERPRISE VALUE	$11,112,000	100.0%		
WEIGHTED INDIVIDUAL ASSETS RETURNS				12.0%
DISCOUNT RATE				12.0%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REAL PROPERTY ANALYSIS - PLEASANTON
($Actuals)

Pleasanton

Buildings - Mixed	Carrying Costs (NBV)	Parking Structure NBV	Land	Total	Mixed FV including Land	Parking Land FV	Land FV	Mixed Bldg FV	Building Write Down
A-D	$ 51,643,079		$ 9,200,000	$ 60,843,079	$ 28,700,000		$ 15,300,000	$ 13,400,000	$ (38,243,079)
E	30,099,663	5,949,720	2,410,458	38,459,841	33,000,000	5,033,923	1,750,000	26,216,077	(9,833,307)
F	30,099,663	6,224,108	2,410,458	38,734,229	35,000,000	5,266,077	1,750,000	27,983,923	(8,339,848)
G	36,328,148		8,527,476	44,855,624	36,000,000		6,200,000	29,800,000	(6,528,148)
Data center	26,524,329		2,410,458	28,934,787	7,600,000		1,700,000	5,900,000	(20,624,329)
Parking Structure	12,173,829		14,233,752	26,407,580					
Excess Land			16,107,400	16,107,400			11,600,000		
Total	**$ 186,868,711**	**$ 12,173,829**	**$ 55,300,000**	**$ 242,168,711**	**$ 140,300,000**	**$ 10,300,000**	**$ 38,300,000**	**$ 103,300,000**	**$ (83,568,711)**

Pleasanton Land Allocation- S&P

Buildings	Acres	Carrying Costs (NBV)	Land FV	Acres	FV Parking	Land Write Down/ Write Up
A-D	17.54	$ 9,200,000	$ 15,300,000	17.54	$ 5,901,017	$ 6,100,000
E-F	4.00	4,820,915	3,500,000	4.00	1,345,728	(1,320,915)
G	7.08	8,527,476	6,200,000	7.08	2,380,391	(2,327,476)
Data Center	2.00	2,410,458	1,700,000	2.00	672,864	(710,458)
Parking Structure	11.81	14,233,752	10,300,000			(3,933,752)
Subtotal Land Value			**37,000,000**	**30.62**		**(2,192,600)**
Excess Land	13.36	16,107,400	11,600,000			(4,507,400)
Total Land Value		**$ 55,300,000**	**$ 48,600,000**			**$ (6,700,000)**

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
REAL PROPERTY ANALYSIS - DENVER
($Actuals)

Denver

Buildings - Mixed		Carrying Costs (NBV)		Land		Total		Mixed FV Including Land		Land FV		Mixed Building FV		Building Write Down
1	$	30,529,194	$	3,822,471	$	30,529,194	$	22,100,000	$	3,900,000	$	18,200,000	$	(12,329,194)
2		26,746,326		1,860,210		28,606,536		36,600,000		2,700,000		33,900,000		7,153,674
3		30,266,388		2,206,693		32,473,081		36,800,000		2,300,000		34,500,000		4,233,612
4		28,998,964		2,852,117		31,851,081		22,300,000		2,900,000		19,400,000		(9,598,964)
Excess Land				9,758,508						6,300,000				
Total	**$**	**116,540,872**	**$**	**20,500,000**	**$**	**123,459,892**	**$**	**117,800,000**	**$**	**18,100,000**	**$**	**106,000,000**	**$**	**(10,540,872)**

Denver Land Allocation - S&P

Buildings	Acres		Carrying Costs (NBV)		Land FV		Land Write Down/Write Up
1	9.85	$	3,822,471	$	3,900,000	$	77,529
2	4.79		1,860,210		2,700,000		839,790
3	5.69		2,206,693		2,300,000		93,307
4	7.35		2,852,117		2,900,000		47,883
Subtotal Land Value					**11,800,000**		**1,058,508**
Excess Land	25.15		9,758,508		6,300,000		(3,458,508)
Total	- **52.84**	**$**	**20,500,000**	**$**	**18,100,000**	**$**	**(2,400,000)**

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
PERSONAL PROPERTY ANALYSIS
($Actuals)

	G/L Balances		Per Detailed Infromation Received						
			TOTAL						
Cat Account	Cost	NBV	Cost	NBV	Fair Value	TUL	RUL	Monthly Depreciation	Salvage
Land	75,795,115	75,795,115	75,795,115	75,795,115	-				
Building	316,492,141	303,501,422	316,492,141	303,501,422	-				
Furniture & Fixtures Combined	58,173,829	25,818,171	57,282,024	26,269,044					
Furniture & Fixtures (in use)					10,699,428	8	5.6	160,061	
Furniture & Fixtures (6 months)					5,600,856	8	0.9	500,940	2,595,214
Office Equipment	17,754,236	2,464,258	17,721,163	2,470,693	3,853,668	5	2.9	110,469	
Computers	126,420,885	12,699,981	124,725,992	15,882,184	16,334,292	3	2.4	571,582	
Network Equipment	195,947,056	35,123,377	196,183,238	35,513,940	30,930,921	3	1.8	1,466,468	
Software for Internal Use	150,152,433	28,084,456	149,447,973	27,951,409					
Software (in use)					5,752,442	3	2.7	174,470	
Software (6 months)					3,277,609	3	0.5	546,268	
Telephones	23,571,147	2,983,104	23,411,612	2,962,677	2,635,257	3	1.6	136,933	
Leasehold Improvements	95,165,716	38,414,598	94,790,415	39,340,041					
Leasehold Improvements (in use)					6,471,730	7	5.3	101,718	
Leasehold Improvements (6 months)					4,003,948	7	0.5	693,139	
Assets in Process - - F&F	679,137	679,137	690,928	690,639					
Assets in Process - - F&F (in use)					331,788		4.9	5,664	
Assets in Process - - F&F (6 months)					49,205		2.1	1,953	37,489
Assets in Process - - Network	624,609	624,609	624,609	624,609	624,609		3.0	17,350	
Assets in Process - - LHIMP	3,869,190	3,869,190	4,252,029	4,244,761					
Assets in Process - - LHIMP (in use)					1,047,544		4.9	17,718	
Assets in Process - - LHIMP (6 months)					183,825		0.5	30,511	
Transportation	9,377,568	7,110,803	9,377,228	7,110,667	7,174,821	20	19.0	31,463	
Total	1,074,023,062	537,168,221	1,070,794,468	542,357,206	98,971,943			4,566,649	

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF PEOPLESOFT, INC.
AS OF DECEMBER 28, 2004
VALUATION OF DEFERRED REVENUE - MAINTENANCE
($000's, except percentages)

		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	
Annual Deferred Revenue Balance - Maintenance (1)		$ 625,975	$ 25,627	$ 25,875	$ 16,700	$ 9,725	$ 5,420	
Cost Build-up Approach (2)								
Total Direct Cost of Service (3)	15.0%	93,896	3,844	3,881	2,505	1,459	813	
Annual Direct Cost		93,896	3,844	3,881	2,505	1,459	813	(a)
		15.0%	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	
Plus:								
Bug Fix and Product Support Expense (4)	7.0%	43,818	1,794	1,811	1,169	681	379	
Product Marketing (5)	0.6%	3,756	154	155	100	58	33	
IT Services Expense (6)	2.2%	13,771	564	569	367	214	119	
General & Administrative (7)	5.0%	31,299	1,281	1,294	835	486	271	
Total Indirect Costs		92,644	3,793	3,829	2,472	1,439	802	(b)
Total Direct and Indirect Costs Associated with Servicing Deferred Revenue		186,541	7,637	7,711	4,976	2,898	1,615	(c) = (a) + (b)
Cost Plus % Markup @ 40% (8)		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	(d)
Total Markup		74,616	3,055	3,084	1,991	1,159	646	(e) = (c) * (d)
Total Estimated Cost Plus Markup of Servicing Deferred Revenue Balance (Rounded)		261,157	10,691	10,795	6,967	4,057	2,261	(c) + (e)
Partial Period		1.00	1.00	1.00	1.00	1.00	1.00	
Mid Year Adjustment		0.50	1.50	2.50	3.50	4.50	5.50	
Present Value Factor @ 5.25%		0.9747	0.9261	0.8799	0.8360	0.7943	0.7547	
		254,560	9,902	9,499	5,825	3,223	1,707	
Sum of Fair Value of Deferred Maintenance Revenue Balance		**$ 284,715**						

Notes:
(1) Expected run-off of deferred revenue balance of $709.3 million as of December 28, 2004, provided by PeopleSoft management.
(2) Cost buildup based on discussions with PeopleSoft and Oracle management.
(3) Based on the assumed business enterprise cost of maintenance.
(4) Based on historical bug & error fixing activities (defined by PeopleSoft as Support Development in their internal reporting system) costs as a % of Maintenance Revenue.
(5) Per PeopleSoft management, a portion of Product Marketing is related to maintenance of existing customer base. Product Marketing consists of maintaining existing customer relationships estimated at 20% of total Product Marketing percentage.
(6) Per PeopleSoft management, IT services expense relates to internal IT support that has been allocated to the maintenance and support activity.
(7) Based on projected combined Oracle and PeopleSoft general and administrative expenses.
(8) A 40% markup on costs implies an operating margin of approximately 30% on the fulfillment of the deferred revenue.