EXHIBIT CCC

ORACLE CORPORATION

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

AS OF JANUARY 31, 2006

Kehring
Exhibit 603
8-28-09
Holly Thuman, CSR

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

July 20, 2006

Subject: **ESTIMATION OF THE FAIR VALUE OF CERTAIN ASSETS AND LIABILITIES OF SIEBEL SYSTEMS, INC. AS OF JANUARY 31, 2006**

Dear Mr. Olinger:

This report presents our estimation of the Fair Value of certain assets and liabilities acquired from Siebel Systems, Inc. ("Siebel" or the "Company") as of January 31, 2006 (the "Valuation Date"). We understand the results of our valuation will be used to assist Oracle Corporation ("Oracle") management ("Management") in allocating the Siebel 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 Siebel (the "Subject Assets and Liabilities"):

Intangible Assets:

- Existing Technology;
- In Process Research and Development ("IPR&D");
- Patents/Core Technology;
- Maintenance Agreements and Related Customer Relationships;
- Customer Relationships;
- Trade Name/Trademarks;
- Non-Competition Agreement; and

Liabilities:

- Deferred Revenue.

We estimated the Fair Value (and remaining useful lives) of the Subject Assets and Liabilities of Siebel as of January 31, 2006 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,* " and *EITF Issue No. 01-3, Accounting in a Purchase Combination for Deferred Revenue of an Acquiree*":

In accordance with our agreement, this report is limited to the Fair Value of the Subject Assets and Liabilities of Siebel. One or more additional issues may exist that could affect the Federal tax treatment of the Subject Assets and Liabilities with respect to which we have prepared this report. This report does not consider or provide a conclusion with respect to any of those issues. With respect to any significant Federal tax issue outside the scope of this report, this report was not written, and cannot be used, by anyone for the purpose of avoiding Federal tax penalties.

It is our understanding that Management will use our analysis for financial reporting purposes.

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, Siebel'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 Siebel financial information as of January 31, 2006;
- "Project Sierra Operating Model," provided by Management;
- "Project Sierra: Sierra Valuation Analysis" developed by Morgan Stanley, dated September 8, 2005, provided by Management;
- Executive Consulting and Release Agreement between George T. Shaheen ("Executive") and Oracle, dated January 31, 2006;
- Employment Agreement between Executive and Siebel (the "Siebel Employment Agreement"), dated April 12, 2005;
- International Data Corporation ("IDC") report titled "Worldwide CRM Applications 2005-2009 Forecast: Preliminary Findings Show Positive Growth," dated March 2005;
- 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 Vendor Shares: Let the Games Begin," dated July 2005;
- IDC report titled "Worldwide CRM Applications 2005-2009 Forecast Update; Slow and Steady Wins the Race," dated November 2005;
- 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;

- Form S-4 Ozark Holding, Inc. and amendments, dated December 29, 2005;

- Discussions with Siebel management and Management on the history, current status, and future prospects for the Subject Assets as of the Valuation Date;

- Bloomberg's on-line database covering financial markets, commodities, and news;

- Capital IQ, an on-line provider of global private and public capital market data;

- Form 10Ks, 10Qs and other financial filings for Oracle, Siebel, and comparable companies; and

- Publicly-available financial, marketing, strategic, and other information as obtained from various sources, including but not limited to, analyst reports and related articles.

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 Customer Relationship Management ("CRM") segment of 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 Siebel with Management and the management of the Company;

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

- Analysis of Siebel'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 Siebel'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.

4.0 HISTORY AND NATURE OF BUSINESSES[1]

4.1 Oracle Corporation

Oracle was 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 and middleware software and applications software. Database and middleware 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, Oracle On Demand, and education. Oracle's consulting services provide design, implementation, deployment, upgrade, and migration services for its database, middleware, and applications software. 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 as well as advanced customer services. In addition, the company provides training to customers and partners. In the United States, Oracle markets its products and services primarily through its own direct sales and service organization, and internationally through the companies that are members of the Oracle Partner Network.

In the fiscal year ended May 31, 2005, Oracle generated $11.8 billion in revenue and net income of $2.9 billion. For the trailing four quarters ended November 30, 2005, Oracle generated $12.9 billion in revenue and net income of $2.9 billion. As of fiscal year 2005, Oracle employed 49,872 full-time employees, including 11,445 in sales and marketing, 4,937 in license updates and product support, 14,125 in services, 13,114 in research and development and 6,251 in general and administrative positions. Of these employees, 21,544 were located in the United States and 28,328 were employed internationally. As of January 31, 2006, Oracle's market capitalization was approximately $64.9 billion.

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[1] Source: Form S-4 Ozark Holding, Inc., Oracle's financials and press releases, www.oracle.com, and discussions with Management.

4.2 Siebel Systems, Inc.

Founded in 1993 by Thomas Siebel, Siebel is a leading provider of customer-facing solutions that deliver demonstrable business results and long-term competitive advantage. Siebel's multichannel offerings allow organizations to intelligently manage and coordinate all customer interactions across the Internet, contact center, field sales/service force, branch/retail network and indirect and partner distribution channels. Siebel's solutions draw upon Siebel's industry-leading capabilities in customer relationship management, business intelligence, and customer data integration and can be deployed as licensed software or as a hosted service. Siebel's solutions are tailored to the particular needs of 23 industries and incorporate industry-specific business processes, best practices, and business insight. They are the product of more than $2 billion in R&D investments and reflect over 13 years of experience with more than 4,000 organizations. Together with its extensive global network of alliance partners, Siebel provides the people, process and technology expertise critical in driving business value from the deployment of customer-facing solutions.

In the fiscal year ended December 31, 2005, Siebel generated $1.4 billion in revenue and net income of $62.8 million. As of the Valuation Date, Siebel employed 4,839 full-time employees.

4.3 Background of Transaction

In June 2005, following the annual meeting of Siebel stockholders, senior management of Oracle contacted Thomas Siebel ("Mr. Siebel"), Chairman of the Board of Directors of Siebel, to discuss the possibility of Oracle acquiring Siebel at a price, to be paid in cash and/or stock, of approximately $11.00 per share. Mr. Siebel stated that he felt that the Siebel Board of Directors would be more receptive to a higher per share price. Oracle senior management contacted Mr. Siebel later that day, indicating that Oracle may be willing to pay a price in the range of $11.00 to $12.60 per share, subject to further business and financial analysis and due diligence.

Between June 10, 2005 and the execution of the merger agreement in September 2005, Mr. Siebel had a number of conversations with members of the Siebel Board of Directors to discuss and review the potential transaction with Oracle. Mr. Siebel also worked closely with George T. Shaheen, the Chief Executive Officer ("CEO") of Siebel, and other members of Siebel management throughout this period to analyze and review the transaction.

Oracle and its advisors engaged in a due diligence review and discussed with Siebel and its advisors the valuation and timing of the proposed transaction. In late June 2005, Oracle indicated that based on further discussions and analyses, the Company was not willing to enter into a transaction at the high end of the range that was previously discussed, and that the Company likely would not be able to execute a definitive agreement by the end of June.

In the beginning of July 2005, Charles Phillips (Co-President of Oracle) contacted Mr. Siebel and indicated that Oracle was not prepared to commence negotiations at the time but wanted to continue its due diligence investigation of Siebel. After discussions with the executive committee at Siebel, Mr. Siebel communicated to Oracle that Siebel wished to terminate discussions with Oracle.

Following Siebel's report of its quarterly financial results in early August 2005, Oracle discussed with Siebel the possibility of reopening discussions with respect to a possible business combination. At the Siebel executive committee meetings on August 11, 2005 and August 12, 2005, the committee members discussed the potential transaction with Oracle and determined that Siebel should re-engage in discussions with Oracle. From August 16, 2005 though September 7, 2005, Oracle and its advisors re-engaged in a due diligence review of Siebel.

In September 2005, senior management of both companies negotiated the deal price and structure, concluding on $10.66 per share.

On September 12, 2005, Oracle and Siebel executed and delivered the merger agreement and issued a joint press release announcing the transaction. The deal price of $10.66 per share represented a 16.8% premium over Siebel's stock price of $9.13 as of September 11, 2005. The transaction closed on January 31, 2006. The total allocable purchase consideration was approximately $6.1 billion.

Through the acquisition, Oracle became the leader in the CRM segment of the enterprise software industry as Siebel offered the best-in-class CRM solutions as of the Valuation Date. The customer-facing CRM solutions will help Oracle become a more important strategic solutions provider, further augmenting Oracle's position in the enterprise software industry. Other considerations relied upon to approve the acquisition were: (1) Siebel adds significant customer references and industry expertise in customer centric applications; 2) customers are seeking to lower costs and complexity with a smaller number of strategic information technology ("IT") vendors; (3) Siebel's complementary solutions and customer base provide Oracle with additional cross-sell and up-sell opportunities; (4) the combined company will further amplify Oracle's commitment to deployment flexibility, whether on premise, hosted, or hybrid models; (5) the acquisition strengthens relationships with many key partners that influence customer decisions on application purchases; and (6) the combined company can more effectively compete with other enterprise software vendors such as SAP and Microsoft.

5.0 INDUSTRY OUTLOOK[2]

Enterprise Applications

Preliminary research indicates that in 2004, the enterprise applications market grew 5.7%, compared with 2.8% in 2003. This data suggests that the recovery in the enterprise applications arena has indeed solidified, with growth roughly on par with gross domestic products ("GDPs") of developed nations.

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 and beyond. 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 to arise. 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'

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2 Based on IDC Reports titled "Worldwide CRM Applications 2005-2009 Forecast: Preliminary Findings Show Positive Growth, dated March 2005, "Worldwide Enterprise Applications 2004-2008 Forecast and Analysis: 2003 Vendor Shares and First-Half 2004 Results," dated October 2004, "Worldwide Enterprise Portal Software 2004 Vendor Shares: Adoption Increases as Customers Deploy Portals to Improve Specific Business Processes," dated November 2005, Worldwide CRM Applications 2004 Vendor Shares: Let the Games Begin," dated July 2005, "Worldwide CRM Applications 2005-2009 Forecast Update; Slow and Steady Wins the Race, dated November 2005, "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.

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 5.3% compound annual growth rate ("CAGR") for the 2006-2009 period. Western Europe is forecast to have the lowest growth with a 3.8% CAGR, and then North America with a 5.0% CAGR. Asia/Pacific is forecast to have a CAGR of 7.4%, and the "Rest of World" region is forecast to have the highest growth with a 10.1% CAGR.

Customer Relationship Management Applications

CRM enterprise applications automate the customer-facing business processes within an organization irrespective of industry specificity (i.e. sales, marketing, customer service, and contact center). Collectively, these applications serve to manage the entire life cycle of a customer—including the conversion of a prospect to a customer—and help an organization build and maintain successful relationships.

The CRM applications market's 6.9% increase in revenue in 2004 marks the first positive growth year since 2000. This performance is a long-awaited return to positive growth for this segment. Among the segments included in the worldwide CRM market, the sales automation market experienced the highest growth of 8.7%, reflecting a bit of pent-up demand and the success of Salesforce.com in 2004.

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. IDC projects a 4.7% CAGR for the CRM market over the 2006-2009 period. Although end-user skepticism and the poor economy hindered the CRM market over the last several years, 2003 showed promise and 2004 delivered on the promise of resurgence. Despite a lackluster market, CRM applications and their fundamentals, in terms of business process and operations, are required functions within an organization. As the Internet-based economy completes its entrenchment, the pressures of real-time response, consistency of information delivery, timely customer handling, and organizational transparency in customer interactions make CRM strategy a mandate.

As end-user organizations shop for and absorb the required technologies, suppliers are faced with an important underlying shift in the power structure. End-user organizations have gained the upper hand and are now a more informed and exacting buyer. During the slow years, a number of new technologies have emerged and evolved, such as Web services, the software on demand (SoD) model, and enterprise computing platforms. End-user organizations have taken the time to become educated about the potential and value of these technologies and their own ability to absorb risk. They have been designing their inner environment with these technologies as either future components of the framework or current requirements. This attention to the long-term road map is placing pressure on suppliers to demonstrate how they offer value today, fit into a framework, and will continue to deliver flexibility in the future.

At the end of 2004, the leaders in CRM were engaged in heavy competition. Siebel, Oracle, and SAP, all traditional transactional CRM suppliers, dominate the top 3 positions. Siebel remained the market leader with over $1.0 billion in revenue in 2004, capturing 10.7% market share. The newly combined Oracle/PeopleSoft entity moved ahead of SAP by 0.1 percentage point to capture the second place position. Oracle finished with a revenue market share of 6.8%, while SAP held third with 6.7%. The next cluster of suppliers, ranked fourth through eighth in the market, are clustered between 4% and approximately 3% of the overall market per company. This close grouping is a mixed set of both contact center enabling suppliers and transactional vendors. Avaya, Aspect, and Genesys (placed fourth, fifth, and seventh, respectively) are market leaders in the contact center market and finished the year within the top 10 for the broader CRM applications arena. Sprinkled among them are Amdocs (in sixth) and Reynolds & Reynolds (in eighth), both transactional vendors with more vertical-oriented installed bases.

6.0 VALUATION METHODS

We considered the following approaches when estimating the Fair Value of the Subject Assets: the Income Approach, the Market 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 Non-Competition Agreement.

We used the Income Approach in our valuation of the Non-Competition Agreement because of its appropriateness in calculating the value of such an asset to an investor. In estimating the Fair Value of the Non-Competition Agreement, we use a variation of the Income Approach called the Differential Cash Flow Method. As discussed above, the Income Approach measures the total cash flow available to an investor due to the ownership of a specific asset. Accordingly, an investor would be willing to pay a price equal to the present value of the incremental cash flows attributable to the economic benefit derived from the Non-Competition Agreement.

Royalty Savings Method

In estimating the Fair Value of the Patents/Core Technology and Trade Name/Trademarks, we use a variation of the Income Approach called the Royalty Savings Method. This methodology is considered the standard and preferred technique to value such intangible assets. In the Royalty Savings Method, 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 Method was used to estimate the Fair Value of the Company's Patents/Core Technology and Trade Name/Trademarks.

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.

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

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 Siebel's Deferred Revenue will be discussed in Section 13.0.

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 11.0% 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 residual growth rate of 3.5%. The IRR was approximately 12.0%. We believe the IRR (in this case) is most reflective of a market participant based discount rate given the Company's specific risk profile and the significant projected increase in operating margins. 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 Existing Technology as Siebel 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 IRR 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 11.0% 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. A discount rate of 10.0% was applied to the Maintenance Agreements and Related Customer Relationships, Customer Relationships, and Trade Name/Trademarks to reflect the lower risk of the assets as they were existing as of the Valuation Date. A discount rate of 12.0% was applied to the Non-Competition Agreement as the asset is reflective of the overall risk of the business.

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

Table 1 *Intangible Asset Discount Rates*

Intangible Asset	Discount Rate
Existing Technology – License	10%
Existing Technology – OnDemand	10%
In-Process Technology – CRM	17%
In-Process Technology – OnDemand	18%
Patents/Core Technology	11%
Maintenance Agreements and Related Customer Relationships	10%
Customer Relationships [3]	10%
Trade Name/Trademarks	10%
Non-Competition Agreement	12%

The discount rates used to estimate Siebel's Deferred Revenue will be discussed in Section 13.0.

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 approximately 20.2%.

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).

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.

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

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." [4]

- 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." [5]

In assessing Siebel's R&D projects, we considered many key characteristics of Siebel 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

Siebel's multichannel offerings allow organizations to intelligently manage and coordinate all customer interactions across the Internet, contact center, field sales/service force, branch/retail network, and indirect and partner distribution channels. Siebel's solutions draw upon Siebel's industry-leading capabilities in customer relationship management, business intelligence, and customer data integration and can be deployed as licensed software or as an OnDemand hosted service. Siebel's current product offerings include CRM 7.8, Analytics 7.8, Siebel Components Assembly ("SCA") 3.0, and OnDemand 10.0.

In-process research development efforts as of the Valuation Date were primarily related to the development of CRM 8.0 and OnDemand 11.0. Based on discussions with Siebel management, development efforts on CRM 8.0 were related to industry applications enhancements such as

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

claims management, web services, manageability enhancements, a task-based user interface, and an improved user interface similar to OnDemand. The development of CRM 8.0 began in March 2004 and is expected to be complete by September 2006. Development efforts on OnDemand 11.0 were related to additional administrative tools and industry applications such as e-mail marketing and stack support. The development of OnDemand 11.0 began in September 2005 and is expected to be complete by May 2006.

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 Siebel's CRM software products.

In-Process Research and Development

The CRM segment of the enterprise software industry requires innovative technology to address the evolving needs of the consumer. Siebel'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. Siebel'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 Siebel'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 Siebel for the second half of the fiscal year ending May 31, 2006 ("2H 06") and the fiscal years ending May 31, 2007 through 2012 (the "Projection Period"). Based on discussions with Management, the projections are representative of what a hypothetical third-party buyer (market participant) can achieve. The revenue forecast is reflective of the synergies that Siebel can achieve by leveraging Oracle's distribution channels and global sales force. We assessed the reasonableness of the projections by comparing the projected revenue growth and operating margins to comparable companies and market participants. We also considered industry CAGRs as discussed in detail in Section 5.0.

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 Siebel 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 Siebel 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
Siebel CRM 8.0	$ 276,000	$ 106,500
Siebel CRM OnDemand 11.0	12,750	6,000

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. 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. Siebel management also provided us with an estimate of the percentage complete based upon design milestones achieved. We averaged the time-based and cost-based percent complete estimates with Siebel 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 3.2.

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.

"Pre-tax Charges" and "Post-tax Returns" 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, pre-tax charges were taken for Patents/Core Technology, Trade Name/Trademarks, and Non-Competition Agreement. Post-tax returns were computed for property, plant, and equipment, working capital, customer relationships, and assembled workforce. The profit attributable to Product Level Technology was 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 Siebel'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 2H 06 and the fiscal years ending May 31, 2007 through 2012. The following assumptions were made relating to the projection of Siebel's cash flows for the Projection Period:

- **Revenue** – Management projected total license revenue (as presented in Exhibit 10.0, page 1 of 2) to be $117.0 million in 2H 06 and to grow from $240.0 million in fiscal year 2007 to $248.8 million in fiscal year 2011. Total license revenue represents a CAGR of 0.9% from fiscal years 2007 to 2011. Management projected OnDemand to be $16.5 million in 2H 06 and to grow from $40.4 million in fiscal year 2007 to $66.9 million in fiscal year 2011. Total OnDemand revenue represents a CAGR of 13.4% from fiscal years 2007 to 2011. IDC forecasts a CAGR of 4.7% over the three-year period from 2006 to 2009 for the CRM segment of the enterprise software market. License revenue was then further segregated between CRM, Analytics, and SCA based on discussions from Management.

- **Costs of Goods Sold ("COGS")** – COGS, as a percentage of license revenue, were projected to be 4.0% in 2H 06, 3.6% in 2007, and 3.0% for the remainder of the Projection Period. COGS, as a percentage of OnDemand revenue, were projected to be 30.0% throughout the Projection Period.

- **Research and Development ("R&D")** – R&D expenses, as a percentage of revenue, were projected to be 10.9% in 2H 06 and 10.2% for the remainder of the Projection Period based on Oracle's overall expense structure. Maintenance R&D was estimated to be 2.0% of revenue throughout the Projection Period.

- **Sales and Marketing Expenses** – Sales and Marketing expenses, as a percentage of revenue, were projected to be 20.5% in 2H 06 and 18.6% for the remainder of the Projection Period. Sales and marketing expenses were projected based on Oracle's overall expense structure.

- **General and Administrative Expenses ("G&A")** – G&A, as a percentage of revenue, were projected to be 4.6% in 2H 06 and 4.1% for the remainder of the Projection Period. G&A expenses were projected based on Oracle's overall expense structure.

- **Pre-tax Charges** – Pre-tax charges were deducted from earnings before interest and taxes to reflect the fact that the income generated by Existing and In-Process Technology cannot be solely attributed to the subject technology asset. Rent for Patents/Core Technology, Trade Name/Trademarks, and the Non-Competition Agreement were estimated and deducted from cash flow. In addition, the profit attributable to Product Level Technology was 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 35.0% was estimated based on the average five-year effective tax rate of hypothetical buyers (market participants) including Oracle.

- **Post-tax Returns** – Post-tax returns for contributory assets were deducted from after-tax operating profit. Returns for property, plant, and equipment, working capital, customer relationships, and assembled workforce were estimated and deducted from cash flow.

- **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 committed to developing and releasing CRM 8.0 and OnDemand 11.0, the next versions of Siebel's CRM and OnDemand applications, respectively. Additionally, Management has represented that Oracle will use Siebel's CRM applications as the centerpiece of their CRM strategy going forward. Siebel's CRM platform will represent the base set of features and functionality for the next generation of Oracle's Fusion CRM applications. Historically, the CRM segment of the enterprise software industry undergoes a major platform change cycle every five years. Thus, considering Management's roadmap regarding Siebel's technology, historical experience with the enterprise software industry, and discussions with Siebel 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 return 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:

License	**$ 360,600,000**
OnDemand[6]	**57,200,000**
Total Existing Technology	**$ 417,800,000**

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:

CRM	**$ 57,900,000**
OnDemand	**6,400,000**
Total In-Process Technology	**$ 64,300,000**

Summary of Technology Values

Based on our analysis, as summarized in Exhibits 2.0 through 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	**$ 417,800,000**
In-Process Technology	**$ 64,300,000**

[6] As of the Valuation Date, Siebel had entered into hosting (OnDemand) agreements for which the underlying hosting period had not yet started and for which Siebel had not yet been paid. These hosting agreements were not reflected in Siebel's January 31, 2006 balance sheet. Based on discussions with Management, the revenue associated with the hosting agreements (approximately $28.0 million) is reflected in the Existing Technology OnDemand revenue. As the Fair Value of the associated hosting revenue results in a nominal Fair Value, Oracle will not separately book the Fair Value of the hosting agreements as a separate component of prepaid expenses and other current assets. The Fair Value of hosting agreements is reflected in Existing Technology — OnDemand.

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 filed patent application 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 Method. This methodology is considered the standard and preferred technique to value Patents/Core Technology. In the application of the Royalty Savings Method, 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.

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 general business enterprise software technologies and 1% to 15% for CRM software 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 10.0%. Based upon discussions with Management, the analysis above, and industry experience, we concluded that 10.0% 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 Method:

- We estimated the total royalty revenue for products that benefit from the Patents/Core Technology from 2H 06 to fiscal year 2011, 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 35.0%, based on the average five-year effective tax rate of hypothetical buyers (market participants) including Oracle;

- We determined the present value of the after-tax royalty savings using a present value factor based on a discount rate of 11.0% 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 Useful 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 useful life of the Patents/Core Technology to be approximately five years.

Summary of Patents/Core Technology Value

Based on the Royalty Savings Method 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	**$ 199,100,000**

9.0 VALUATION OF MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS

The existing Maintenance Agreements relate to revenue generated by Siebel from fees that users pay when they subscribe to an annual maintenance and support contract for the software solutions. Subscribing customers are entitled to receive software product upgrades, product support, and technical support, as long as they remain continuous subscribers to maintenance. 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 $245.9 million in 2H 06. Total Maintenance Revenue from the Existing Installed Base is projected to decline from $474.0 million in 2007 to $246.7 million in 2016. In forecasting revenue from the Existing Installed Base, Management assumed a 7.0% annual revenue attrition rate. Management indicated that Siebel experienced a 90.0% annual customer retention rate historically. In addition, for those customers who do renew, approximately 48.0% of the maintenance renewals were with rate increases. The average rate increase was approximately 4.0%. Based on the historical attrition data, we believe a 7.0% annual revenue attrition rate is reasonable.

We have excluded Maintenance Revenue related to New Customers (acquired after the Valuation Date as that income stream is considered a component of goodwill). As Management indicated that the projections were prepared on a cash basis, we did not adjust for the deferred revenue balance as of the Valuation Date.

- **Cost of Goods Sold** – COGS, as a percentage of maintenance revenue, were projected to be 19.5% in 2H 06, 13.2% in 2007, and 10.5% for the remainder of the Projection Period.

- **Bug Fix and Product Support Expenses** – Bug fix and product support expenses (related to bug fixes and upgrades), as a percentage of maintenance revenue, were projected to be 7.0% throughout the Projection Period.

- **Sales and Marketing Expenses** – 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 25.0% of the average total Sales and Marketing percentage for Siebel. Therefore, Sales and Marketing Expenses, as a percentage of maintenance revenue, are projected to be 5.0% of revenue throughout the Projection Period.

- **General and Administrative Expenses** – G&A, as a percentage of revenue, were projected to be 4.6% in 2H 06 and 4.1% for the remainder of the Projection Period. G&A expenses were projected based on Oracle's overall expense structure.

- **Pre-tax Charges** – Pre-tax charges were deducted from earnings before interest and taxes to reflect the fact that the income generated by Maintenance Agreements cannot be solely attributed to the subject asset. Rent for Patents/Core Technology, Product Level Technology, Trade Name/Trademarks, and the Non-Competition Agreement were estimated and deducted from cash flow.

- **Income Taxes** – An effective tax rate of 35.0% was estimated based on the average five-year effective tax rate of hypothetical buyers (market participants) including Oracle.

- **Post-tax Returns** – Post-tax returns for contributory assets were deducted from after-tax operating profit. Returns for property, plant, and equipment, working capital, customer relationships, and assembled workforce were estimated and deducted from cash flow.

- **Tax Amortization Benefit** – A hypothetical purchaser of the Maintenance Agreements 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

Oracle has publicly committed to continue support for Siebel's CRM and Analytics solutions (providing seamless continuity for customers and maintaining support for heterogeneous databases). Based on discussions with Management regarding customer attrition, we estimate the remaining useful life of the Maintenance Agreements and Related Customer Relationships to be approximately ten years. In addition, as the enterprise software industry undergoes a major platform change cycle every five years, we have captured approximately two upgrade cycles within our cash flow period through 2016.

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	**$ 808,300,000**

10.0 VALUATION OF CUSTOMER RELATIONSHIPS

As of the Valuation Date, Siebel had approximately 4,000 active customers (collectively, the "Customer Relationships"). Based on discussions with Management, approximately 55.0% of existing Siebel customers overlap with Oracle customers (as they are currently running on Oracle's database/applications). The Customer Relationships reflect the value attributable to Oracle's ability to market new products to the existing Siebel 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/resellers to arrive at total cost to acquire the Customer Relationships;
- We deducted the income tax expense at an effective tax rate of 35.0%; 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 Useful 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 useful 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 6.0, we estimate the Fair Value of Siebel's Customer Relationships, as of the Valuation Date, to be:

Customer Relationships	**$ 107,800,000**

11.0 VALUATION OF TRADE NAME/TRADEMARKS

In estimating the Fair Value of Siebel's Trade Name/Trademarks, we used the Royalty Savings Method. This methodology is considered the standard and preferred technique to value trade name/trademarks. In the application of the Royalty Savings Method, we estimate the value of the Trade Name/Trademarks by capitalizing the royalties saved because the company owns the Trade Name/Trademarks. In other words, the owner of the Trade Name/Trademarks 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 Trade Name/Trademarks. According to discussions with Management, the Siebel trade name will remain an important part of Oracle's marketplace strategy as it relates to software sales. However, as the OnDemand branding has not been strong historically, Oracle may discontinue the use of the Siebel trademarks related to the OnDemand solution. Therefore, we have included the license (excluding OnDemand), maintenance, and professional services revenue in the valuation of the Trade Name/Trademarks. We adjusted the 1.0% royalty rate for the Trade Name/Trademarks to 0.5% beginning in 2009 to reflect Oracle's planned release of Fusion, the next generation solution that will combine Siebel's CRM applications with all of Oracle's other enterprise software applications, as Oracle will begin phasing out Siebel's Trade Name/Trademarks. After estimating the appropriate royalty rate, we completed the following steps to estimate the Fair Value of the Trade Name/Trademarks according to the Royalty Savings Method:

- We estimated the total revenue for license (excluding OnDemand), maintenance, and professional services that benefit from the Trade Name/Trademarks through fiscal year 2011;
- We calculated the royalty savings by multiplying the royalty rate by the revenues from 2H 06 through fiscal year 2011;
- We calculated the after-tax royalty savings using the estimated effective tax rate applicable to the entity of 35.0%;
- 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 the Trade Name/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 Useful Life

Based upon discussions with Management and our understanding that the Trade Name/Trademarks will be leveraged as long as the Existing Technology is in place, we estimate the remaining useful life of the Trade Name/Trademarks to be approximately five years.

Summary of Trade Name/Trademarks Value

Based on the Royalty Savings Method as described above and as summarized in Exhibit 7.0, we estimate the Fair Value of the Trade Name/Trademarks, as of the Valuation Date, to be approximately:

Trade Name/ Trademarks	**$ 27,100,000**

12.0 VALUATION OF NON-COMPETITION AGREEMENT

The Non-Competition Agreement allows Oracle to operate for 24 months without competition from George T. Shaheen. In absence of the Non-Competition Agreement, Mr. Shaheen would be free to compete against Siebel/Oracle, which would result in economic loss for Oracle. The economic loss is the reduced cash flows of the business due to competition from Mr. Shaheen.

We used the Income Approach in our valuation of the Non-Competition Agreement because of its appropriateness in calculating the value of such an asset to an investor. In applying the Income Approach to value the Non-Competition Agreement, the Fair Value of the Non-Competition Agreement equals the sum of the present value of the cash flows that would be lost if the Non-Competition Agreement was not in place.

To estimate the Fair Value of the Non-Competition Agreement, we first estimated the cash flows of Oracle, relating to the Siebel CRM business, over the period of the Non-Competition Agreement, in absence of any competition from Mr. Shaheen. This scenario is entitled the "Base Case." We then projected Oracle's cash flows, relating to the Siebel CRM business, given competition from Mr. Shaheen, and subtracted the present value of these cash flows from the present value of the Base Case cash flows. This results in a value for the Non-Competition Agreement. The income, revenue, and cash flow estimations for Mr. Shaheen is presented in Exhibit 8.0.

Base Case (No Competition) – Estimation of Future Cash Flows

For the purposes of this analysis, we have developed a discrete Base Case for Oracle's acquisition of Siebel. This Base Case was developed from Oracle's model presented to the Board of Directors in connection with the transaction. In the Base Case (no competition), we estimated pre-tax income over the non-compete period based on historical results and projections of revenue and expenses provided by Management for the Siebel business.

Based on the projections provided by Management, net revenue for Siebel was estimated to be approximately $586.3 million for 2H 06, $1.06 billion in 2007, and $1.11 billion in 2008. Expenses for Siebel were estimated based on projections provided by Management. Cost of Goods Sold was estimated to decline from 39.5% of revenue for 2H 06 to 25.4% for fiscal year 2008. From gross profit, we deducted estimated operating expenses to arrive at operating income (earnings before interest and taxes). Operating Expenses were estimated to decline from 35.9% of revenue for 2H 06 to 32.9% for fiscal year 2008.

We then subtracted income taxes, added back depreciation expenses, and deducted capital expenditures, investments in working capital, and previously accrued restructuring charges to estimate the after-tax cash flow over the two-year contractual period. Estimates of depreciation, capital expenditures, working capital investment, and previously accrued restructuring charges were based on Siebel's historical results, the projections provided by Management, and industry benchmarking.

Competition Scenario (Without Covenant)

We then estimated the impact that competition from Mr. Shaheen would have on the expected cash flows of Oracle if the Covenant were not in place.

Furthermore, since it is not absolutely certain that Mr. Shaheen would compete, we adjusted the estimated cash flows lost due to competition by conditional probability factors representing the likelihood that Mr. Shaheen would compete. Based on discussions with Management, there is probability that Mr. Shaheen would not compete against Oracle during the contractual period based on consideration of opportunities in the CRM industry, his age, and Mr. Shaheen's personal interest in a small segment (business intelligence and analytics) of the CRM industry. Therefore, the competition scenarios were adjusted to account for Mr. Shaheen not competing against Oracle. Based on Mr. Shaheen's indication of a 12-18 month timeline to develop a viable CRM/Analytics product to go to market, it is likely that the estimate probability will decline over the duration of the Non-Competition Agreement. The estimated probability factors represent the likelihood that Mr. Shaheen would compete in a particular year with the condition that Mr. Shaheen has not competed in the previous year. The estimated probability factors decrease in each successive year to reflect the Mr. Shaheen's diminishing ability and desire to compete after each period that he elects not to compete.

Estimation of Lost Cash Flows and Probabilities of Competition

Mr. Shaheen's most significant competitive threat to Oracle is his influence on current and future pipeline deals of both the Siebel CRM business and Oracle's enterprise software platform. According to discussions with Mr. Shaheen, there are several significant clients in which he was directly involved with as of the Valuation Date. He believes his influence on current and future pipeline deals relating to these strategic clients are significant to the extent that if he chose to compete he could directly cause loss of revenues to Oracle.

In order to determine the magnitude of the revenue lost relating to the deals that Mr. Shaheen was directly involved with, we analyzed the value of all active pipeline deals as of the Valuation Date. Of Siebel's \$3.2 billion active pipeline opportunities, \$309.7 million of the pipeline deals relate to pipeline deals he was directly involved with prior to the acquisition of Siebel by Oracle. As we have assumed there to be a 50% probability (on average) that the pipeline deals will actually close, we estimated the expected total value of the key pipeline deals to be approximately \$154.9 million. Based on discussions with Management and the average lifecycle of CRM solutions, we estimated the average life of the pipeline deal contracts to be approximately 5 years and that the average annual pipeline deals revenue is approximately \$30 million. This value represents potential revenue lost percentage of approximately 2.5% per year based on the average revenue of Siebel from 2006 to 2008.

We multiplied the estimated 2.5% loss in revenue by the probability of competition to arrive at the expected revenue lost with competition. Mr. Shaheen has extensive and specialized experience in the IT consulting and CRM industry given his tenure at Siebel and Accenture. Based on the discussions above, we estimated a probability of 10% that Mr. Shaheen would compete in the first year, a 7.5% probability that he would begin competing in the second year, and a 5.0% probability he would begin competing at the end of two years of the Non-Competition Agreement period.

We then subtracted expenses, income taxes, added back depreciation expenses and deducted capital expenditures, investments in working capital, and previously accrued restructuring charges to estimate the after-tax cash flow over the two-year contractual period. Under this competitive scenario, we have assumed that Siebel's cost of sales are 80% variable and 20% fixed, sales, general, and administrative expenses are 50% variable and 50% fixed, and research and development expenses are 20% variable and 80% fixed. Depreciation, capital expenditures, and working capital were computed as a percentage of adjusted revenue. Previously accrued restructuring expenses were estimated to remain the same.

Present Value of Cash Flow Lost from Competition

To estimate the Fair Value of the Non-Competition Agreement, we estimated the present value of the expected cash flows in the Base Case and in the Competition scenario. After determining the Base Case and individual competition expected cash flows, we then calculated the present value equivalent of each year's cash flow using a required rate of return of 12.0% and summed the present value of each year's cash flow for the Base Case and the Competition scenario.

We then subtracted the sum of the present value of the cash flows of the Competition scenario from the Base Case to determine the present value of the expected lost cash flow due to competition from Mr. Shaheen.

Analysis of Remaining Useful Life

Based upon the duration of the Non-Competition Agreement, we estimate the remaining useful life of the Non-Competition Agreement to be approximately two years.

Summary of Non-Competition Agreement Value

Based on the Income Approach as described above and as summarized in Exhibit 8.0, we estimate the Fair Value of the Non-Competition Agreements, as of the Valuation Date, to be approximately:

Non-Competition Agreement	**$ 4,100,000**

13.0 VALUATION OF DEFERRED REVENUE

The Cost Build-Up Approach was used to value the Deferred Maintenance, OnDemand, and Consulting and Training Liabilities. 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.

13.1 Deferred Revenue - Maintenance

In our analysis of the Deferred Revenue - Maintenance liability, we have considered the legal obligations related to customer support, specifically Bug Fix and Product Support Expenses and Other Product Marketing and General & Administrative Expenses. 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 net Maintenance balance as of the Valuation Date based on the timing of the expected delivery of maintenance. In our valuation of the maintenance deferred revenue, we have captured the $321.4 million of net deferred revenue balance reflected on Siebel's balance sheet which represents cash that has been received as of the Valuation Date for maintenance contracts.

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 the maintenance contracts and the indirect costs associated with servicing the deferred revenue balance. For the maintenance contracts, indirect costs included Bug Fix and Product Support Expenses and Other Product Marketing and General & 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 Siebel management, total direct cost of service was projected to be approximately 15.0% for maintenance. We believe 15.0% is appropriate based on historical and projected maintenance margins. Bug Fix and Product Support Expenses were projected to be approximately 7.0% of revenue for maintenance and Other Product Marketing and General & Administrative expenses were projected to be approximately 7.8% of revenue for maintenance based on the historical expense structure represented by Management.

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 Siebel'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 7.5% as of the Valuation Date.

Summary of Deferred Revenue - Maintenance

Based on our analysis as presented in Exhibit 12.0, we estimate the Fair Value of the Deferred Revenue - Maintenance, as of the Valuation Date, to be approximately:

Deferred Revenue – Maintenance	**$ 129,000,000**

13.2 Deferred Revenue – OnDemand

In our analysis of the Deferred Revenue OnDemand liability, we have considered the legal obligations related to Facilities & IT Expenses and General and Administrative expenses related to providing OnDemand.

Assumptions

Management provided us with the expected runoff of the net OnDemand balance as of the Valuation Date based on the timing of the expected delivery of OnDemand. In our valuation of the OnDemand deferred revenue, we have captured the $10.0 million of net deferred revenue balance reflected on Siebel's balance sheet which represents cash that has been received as of the Valuation Date for OnDemand contracts.

We determined the direct and indirect costs of servicing the OnDemand contracts that generated the deferred revenue balance by summing the direct cost of service for the OnDemand contracts and the indirect costs associated with servicing the deferred revenue balance. For the

OnDemand contracts, indirect costs included Facilities & IT expenses and General & 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 Siebel management, total direct cost of service was projected to be approximately 78.3% for OnDemand. Facilities & IT Expenses were projected to be approximately 6.0% of revenue for OnDemand. The General & Administrative expenses were projected to be approximately 7.4% of revenue based on the historical expense structure represented by Management.

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 10.0% (computed based on a 11.0% markup on cost) was estimated based on industry benchmarking.

We then discounted the total estimated cost of servicing the deferred revenue by the prime rate of 7.5% as of the Valuation Date.

Summary of Deferred Revenue - OnDemand

Based on our analysis as presented in Exhibit 12.1, we estimate the Fair Value of the Deferred Revenue - OnDemand, as of the Valuation Date, to be approximately:

Deferred Revenue - OnDemand	**$ 9,800,000**

13.3 Deferred Revenue – Consulting and Training

In our analysis of the Deferred Revenue Consulting and Training liability, we have considered the legal obligations related to Facilities & IT Expenses and General and Administrative expenses related to providing consulting and training services.

Assumptions

Management provided us with the expected runoff of the net Consulting and Training balance as of the Valuation Date based on the timing of the expected delivery of Consulting and Training. In our valuation of the consulting and training deferred revenue, we have captured the $48.7 million of net deferred revenue balance reflected on Siebel's balance sheet which represents cash that has been received as of the Valuation Date for consulting and training contracts.

We determined the direct and indirect costs of servicing the consulting and training contracts that generated the deferred revenue balance by summing the direct cost of service for the consulting and training contracts and the indirect costs associated with servicing the deferred revenue balance. For the consulting and training contracts, indirect costs included Facilities & IT expenses 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 Siebel management, total direct cost of service was projected to be approximately 78.3% for consulting and training. We believe 78.3% is appropriate based on historical Siebel professional services margins and Oracle's professional services margins. Facilities & IT Expenses were projected to be approximately 6.0% of revenue for consulting and training. The General and Administrative expenses were projected to be approximately 7.4% of revenue for consulting and training based on the historical expense structure represented by Management relating to professional services.

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 10.0% (computed based on a 11.0% markup on cost) was estimated based on industry benchmarking.

We then discounted the total estimated cost of servicing the deferred revenue by the prime rate of 7.5% as of the Valuation Date.

Summary of Deferred Revenue – Consulting and Training

Based on our analysis as presented in Exhibit 12.2, we estimate the Fair Value of the Deferred Revenue – Consulting and Training, as of the Valuation Date, to be approximately:

Deferred Revenue – Consulting and Training	**$ 48,000,000**

13.4 Summary of Deferred Revenue

Based on our analysis, as summarized in Exhibits 12.0, 12.1, and 12.2, we estimate the Fair Value of the Company's Deferred Revenue, as of the Valuation Date, to be approximately

Deferred Revenue – Maintenance	**$ 129,000,000**
Deferred Revenue – OnDemand	**9,800,000**
Deferred Revenue – Consulting and Training	**48,000,000**
Total Deferred Revenue	**$ 186,800,000**

14.0 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 Siebel as of January 31, 2006, to be approximately:

Existing Technology	**$**	**417,800,000**
In-Process Technology		**64,300,000**
Patents/Core Technology		**199,100,000**
Maintenance Agreements and Related Customer Relationships		**808,300,000**
Customer Relationships		**107,800,000**
Trade Name/Trademarks		**27,100,000**
Non-Competition Agreement		**4,100,000**
Total Identified Intangible Assets	**$**	**1,628,500,000**
Deferred Revenue — Maintenance	**$**	**129,000,000**
Deferred Revenue — OnDemand	**$**	**9,800,000**
Deferred Revenue — Consulting and Training	**$**	**48,000,000**

15.0 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 December 7, 2005.

Yours very truly,

Duff & Phelps LLC

Duff & Phelps, LLC

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:

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

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 Siebel competes was estimated to be 6.3%, 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 35.0% effective tax rate. Inserting these assumptions into the above formula results in a required rate of return on debt capital of 4.1%.

Preferred equity is not deductible against tax so the required rate on preferred equity capital is the rate of return on debt capital of 6.3%.

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.[7] 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:

$$Ke = Rf + B \times (Rm - Rf) + Ssp$$

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:

Risk-free rate of return:	4.7%
Projected Beta (industry average):	1.29
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.

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

Comparable Companies

In selecting the comparable companies, we researched companies involved in the CRM segment of the enterprise software industry and the market leaders in the enterprise software industry. Each of these companies was analyzed based on various factors including, but not limited to, industry similarity, financial risk, company size, and number of employees. Based on the above, we selected IBM, Oracle, Siebel, Microsoft, SAP, RightNow Technologies, and Salesforce.com in computing the industry WACC for Siebel.

Beta [8]

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. We determined that based on the data published by Ibbotson Associates. Siebel did not warrant a premium for small size based on the valuation of Siebel's business as of the Valuation Date.

Conclusion

Based on the method described above, we concluded that typical investors would require a WACC of 11.0% for an investment in the CRM segment of the enterprise software industry.

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

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
SUMMARY OF VALUES
($000's)

EXHIBIT 1.0
PAGE 1 OF 1

		Fair Value	Estimated Remaining Useful Life	Exhibit Number
INTANGIBLE ASSETS				
EXISTING TECHNOLOGY				
LICENSE	$	360,600	5 yrs.	2.0
ONDEMAND		57,200	5 yrs.	2.1
TOTAL EXISTING TECHNOLOGY		417,800		
IN-PROCESS TECHNOLOGY (1)				
CRM		57,900	N/A	3.0
ONDEMAND		6,400	N/A	3.1
TOTAL IN-PROCESS TECHNOLOGY		64,300		
PATENTS/CORE TECHNOLOGY		199,100	5 yrs.	4.0
MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS		808,300	10 yrs.	5.0
CUSTOMER RELATIONSHIPS		107,800	10 yrs.	6.0
TRADE NAME/TRADEMARKS		27,100	5 yrs.	7.0
NON-COMPETITION AGREEMENT (2)		4,100	2 yrs.	8.0
TOTAL IDENTIFIED INTANGIBLE ASSETS	$	1,628,500		
LIABILITY				
DEFERRED REVENUE				
MAINTENANCE	$	129,000		12.0
ONDEMAND		9,800		12.1
CONSULTING AND TRAINING		48,000		12.2
TOTAL DEFERRED REVENUE	$	186,800		

Notes:
(1) Based on AICPA IPR&D Practice Aid Guidelines.
(2) Valuation of the two-year Non-Competition Agreement between George T. Shaheen and Oracle Corporation.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF EXISTING TECHNOLOGY - LICENSE
($000's, except percentages)

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Existing Technology Revenue	$ 117,000	$ 181,920	$ 128,773	$ 94,184	$ 51,990	$ 24,634
Cost of Goods Sold (1)	4,680	6,476	3,863	2,826	1,560	739
Gross Profit	112,320	175,444	124,910	91,358	50,431	23,895
Operating Expenses:						
Research & Development (Maintenance) (2)	2,340	3,638	2,575	1,884	1,040	493
Sales & Marketing	23,945	33,853	23,963	17,527	9,675	4,584
General & Administrative	5,376	7,501	5,309	3,883	2,144	1,016
Total Operating Expenses	31,661	44,992	31,848	23,294	12,858	6,092
EBIT	80,659	130,451	93,062	68,065	37,572	17,802
Pre-tax Charges:						
Rent for Patents/Core Technology	11,700	18,192	12,877	9,418	5,199	2,463
Trade Name/Trademarks	1,170	1,819	1,288	471	260	123
Non-Competition Agreement	351	546	258	-	-	-
Total Pre-tax Charges	13,221	20,557	14,423	9,889	5,459	2,587
Profit Add-Back:						
Plus: Total Maintenance Agreements Profit Allocation	38,145	56,384	42,645	36,427	28,357	25,433
Operating Profit (Loss)	105,583	166,278	121,284	94,603	60,470	40,648
Income Taxes @ 35%	36,954	58,197	42,449	33,111	21,165	14,227
After-tax Operating Profit (Loss)	68,629	108,081	78,835	61,492	39,306	26,421
Post-tax Returns:						
Return on Property, Plant, and Equipment	234	364	258	188	104	49
Return on Working Capital	351	546	386	283	156	74
Return on Customer Relationships	936	1,455	1,030	753	416	197
Return on Assembled Workforce	468	728	515	377	208	99
Total Post-tax Returns	1,989	3,093	2,189	1,601	884	419
Cash Flow from Operations	66,640	104,988	76,645	59,891	38,422	26,003
Partial Period	0.6593	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.1644	0.8288	1.8288	2.8288	3.8288	4.8288
Present Value Factor @ 10%	0.9845	0.9240	0.8400	0.7637	0.6943	0.6311
Present Value of Cash Flows	43,255	97,014	64,386	45,737	26,674	16,411
Sum of Present Value of Cash Flows	293,478					
Tax Savings of Amortization	67,121					
Fair Value	360,599					
Fair Value of Existing Technology - (Rounded)	$ 360,600					

Notes:
(1) Cost of Goods Sold (COGS) computed based on license COGS % as shown on Exhibit 9.0, page 2 of 2.
(2) Research & Development consists of maintaining existing technology at 20% of the average total Research & Development percentage.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF EXISTING TECHNOLOGY - LICENSE
COMMON SIZE

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Existing Technology Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	4.0%	3.6%	3.0%	3.0%	3.0%	3.0%
Gross Profit	96.0%	96.4%	97.0%	97.0%	97.0%	97.0%
Operating Expenses:						
Research & Development (Maintenance)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sales & Marketing	20.5%	18.6%	18.6%	18.6%	18.6%	18.6%
General & Administrative	4.6%	4.1%	4.1%	4.1%	4.1%	4.1%
Total Operating Expenses	27.1%	24.7%	24.7%	24.7%	24.7%	24.7%
EBIT	68.9%	71.7%	72.3%	72.3%	72.3%	72.3%
Pre-tax Charges:						
Rent for Patents/Core Technology	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Trade Name/Trademarks	1.0%	1.0%	1.0%	0.5%	0.5%	0.5%
Non-Competition Agreement	0.3%	0.3%	0.2%	0.0%	0.0%	0.0%
Total Pre-tax Charges	11.3%	11.3%	11.2%	10.5%	10.5%	10.5%
Profit Add-Back:						
Plus: Total Maintenance Agreements Profit Allocation	32.6%	31.0%	33.1%	38.7%	54.5%	103.2%
Operating Profit (Loss)	90.2%	91.4%	94.2%	100.4%	116.3%	165.0%
Income Taxes @ 35%	31.6%	32.0%	33.0%	35.2%	40.7%	57.8%
After-tax Operating Profit (Loss)	58.7%	59.4%	61.2%	65.3%	75.6%	107.3%
Post-tax Returns:						
Return on Property, Plant, and Equipment	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Return on Working Capital	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Return on Customer Relationships	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Return on Assembled Workforce	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Total Post-tax Returns	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Cash Flow from Operations	57.0%	57.7%	59.5%	63.6%	73.9%	105.6%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF EXISTING TECHNOLOGY - ONDEMAND
($000's, except percentages)

EXHIBIT 2.1
PAGE 1 OF 2

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Existing Technology Revenue	$ 16,510	$ 30,294	$ 31,840	$ 28,043	$ 15,619	$ 6,685
Cost of Goods Sold (1)	4,953	9,088	9,552	8,413	4,686	2,006
Gross Profit	11,557	21,206	22,288	19,630	10,934	4,680
Operating Expenses:						
Research & Development (Maintenance) (2)	330	606	637	561	312	134
Sales & Marketing	3,379	5,637	5,925	5,219	2,907	1,244
General & Administrative	759	1,249	1,313	1,156	644	276
Total Operating Expenses	4,468	7,492	7,875	6,936	3,863	1,653
EBIT	7,089	13,713	14,413	12,695	7,071	3,026
Pre-tax Charges:						
Rent for Patents/Core Technology	1,651	3,029	3,184	2,804	1,562	669
Trade Name/Trademarks	165	303	318	140	78	33
Non-Competition Agreement	50	91	64	-	-	-
Total Pre-tax Charges	1,866	3,423	3,566	2,945	1,640	702
Profit Add-Back:						
Plus: Total Maintenance Agreements Profit Allocation	5,383	9,389	10,544	10,846	8,519	6,902
Operating Profit (Loss)	10,606	19,679	21,391	20,596	13,950	9,226
Income Taxes @ 35%	3,712	6,888	7,487	7,209	4,882	3,229
After-tax Operating Profit (Loss)	6,894	12,792	13,904	13,387	9,067	5,997
Post-tax Returns:						
Return on Property, Plant, and Equipment	33	61	64	56	31	13
Return on Working Capital	50	91	96	84	47	20
Return on Customer Relationships	132	242	255	224	125	53
Return on Assembled Workforce	66	121	127	112	62	27
Total Post-tax Returns	281	515	541	477	266	114
Cash Flow from Operations	6,614	12,277	13,363	12,911	8,802	5,883
Partial Period	0.6593	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.1644	0.8288	1.8288	2.8288	3.8288	4.8288
Present Value Factor @ 10%	0.9845	0.9240	0.8400	0.7637	0.6943	0.6311
Present Value of Cash Flows	4,293	11,344	11,226	9,860	6,111	3,713
Sum of Present Value of Cash Flows	46,546					
Tax Savings of Amortization	10,646					
Fair Value	57,192					
Fair Value of Existing Technology - (Rounded)	$ 57,200					

Notes:
(1) Cost of Goods Sold (COGS) computed based on OnDemand COGS % as shown on Exhibit 9.0, page 2 of 2.
(2) Research & Development consists of maintaining existing technology at 20% of the average total Research & Development percentage.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF EXISTING TECHNOLOGY - ONDEMAND
COMMON SIZE

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Existing Technology Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Gross Profit	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Operating Expenses:						
Research & Development (Maintenance)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sales & Marketing	20.5%	18.6%	18.6%	18.6%	18.6%	18.6%
General & Administrative	4.6%	4.1%	4.1%	4.1%	4.1%	4.1%
Total Operating Expenses	27.1%	24.7%	24.7%	24.7%	24.7%	24.7%
EBIT	42.9%	45.3%	45.3%	45.3%	45.3%	45.3%
Pre-tax Charges:						
Rent for Patents/Core Technology	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Trade Name/Trademarks	1.0%	1.0%	1.0%	0.5%	0.5%	0.5%
Non-Competition Agreement	0.3%	0.3%	0.2%	0.0%	0.0%	0.0%
Total Pre-tax Charges	11.3%	11.3%	11.2%	10.5%	10.5%	10.5%
Profit Add-Back:						
Plus: Total Maintenance Agreements Profit Allocation	32.6%	31.0%	33.1%	38.7%	54.5%	103.2%
Operating Profit (Loss)	64.2%	65.0%	67.2%	73.4%	89.3%	138.0%
Income Taxes @ 35%	22.5%	22.7%	23.5%	25.7%	31.3%	48.3%
After-tax Operating Profit (Loss)	41.8%	42.2%	43.7%	47.7%	58.1%	89.7%
Post-tax Returns:						
Return on Property, Plant, and Equipment	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Return on Working Capital	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Return on Customer Relationships	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Return on Assembled Workforce	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Total Post-tax Returns	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Cash Flow from Operations	40.1%	40.5%	42.0%	46.0%	56.4%	88.0%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF IN-PROCESS TECHNOLOGY - CRM
($000's, except percentages)

EXHIBIT 3.0
PAGE 1 OF 2

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
In Process Technology Revenue - CRM	$ -	$ 50,400	$ 67,648	$ 59,780	$ 51,744	$ 26,126
Cost of Goods Sold (1)	-	1,794	2,029	1,793	1,552	784
Gross Profit	-	48,606	65,619	57,987	50,192	25,343
Operating Expenses:						
Research & Development (Maintenance) (2)	-	1,008	1,353	1,196	1,035	523
Research & Development (Cost to Complete)	50,000	56,500	-	-	-	
Sales & Marketing	-	9,379	12,589	11,124	9,629	4,862
General & Administrative	-	2,078	2,789	2,465	2,133	1,077
Total Operating Expenses	50,000	68,965	16,731	14,785	12,797	6,462
EBIT	(50,000)	(20,359)	48,888	43,202	37,394	18,881
Pre-tax Charges:						
Rent for Patents/Core Technology	-	5,040	6,765	5,978	5,174	2,613
Trade Name/Trademarks	-	504	676	299	259	131
Non-Competition Agreement	-	151	135	-	-	-
Total Pre-tax Charges	-	5,695	7,577	6,277	5,433	2,743
Profit Add-Back:						
Plus: Total Maintenance Agreements Profit Allocation	-	15,621	22,403	23,121	28,222	26,974
Operating Profit (Loss)	(50,000)	(10,433)	63,714	60,046	60,184	43,112
Income Taxes @ 35%	(17,500)	(3,652)	22,300	21,016	21,064	15,089
After-tax Operating Profit (Loss)	(32,500)	(6,782)	41,414	39,030	39,119	28,023
Post-tax Returns:						
Return on Property, Plant, and Equipment	-	101	135	120	103	52
Return on Working Capital	-	151	203	179	155	78
Return on Customer Relationships	-	403	541	478	414	209
Return on Assembled Workforce	-	202	271	239	207	105
Total Post-tax Returns	-	857	1,150	1,016	880	444
Cash Flow from Operations	(32,500)	(7,639)	40,264	38,013	38,240	27,579
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.1644	0.8288	1.8288	2.8288	3.8288	4.8288
Present Value Factor @ 17%	0.9745	0.8780	0.7504	0.6414	0.5482	0.4685
Present Value of Cash Flows	(31,672)	(6,707)	30,215	24,381	20,963	12,922
Sum of Present Value of Cash Flows	50,102					
Tax Savings of Amortization	7,778					
Fair Value	57,880					
Fair Value of In Process Technology - CRM (Rounded)	$ 57,900					

Notes:
(1) Cost of Goods Sold (COGS) computed based on license COGS % as shown on Exhibit 9.0, page 2 of 2.
(2) Research & Development consists of maintaining existing technology at 20% of the average total Research & Development percentage.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF IN-PROCESS TECHNOLOGY - CRM
COMMON SIZE

EXHIBIT 3.0
PAGE 2 OF 2

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
In Process Technology Revenue - CRM	NA	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	NA	3.6%	3.0%	3.0%	3.0%	3.0%
Gross Profit	NA	96.4%	97.0%	97.0%	97.0%	97.0%
Operating Expenses:						
Research & Development (Maintenance)	NA	2.0%	2.0%	2.0%	2.0%	2.0%
Research & Development (Cost to Complete)	NA	112.1%	0.0%	0.0%	0.0%	0.0%
Sales & Marketing	NA	18.6%	18.6%	18.6%	18.6%	18.6%
General & Administrative	NA	4.1%	4.1%	4.1%	4.1%	4.1%
Total Operating Expenses	NA	136.8%	24.7%	24.7%	24.7%	24.7%
EBIT	NA	-40.4%	72.3%	72.3%	72.3%	72.3%
Pre-tax Charges:						
Rent for Patents/Core Technology	NA	10.0%	10.0%	10.0%	10.0%	10.0%
Trade Name/Trademarks	NA	1.0%	1.0%	0.5%	0.5%	0.5%
Non-Competition Agreement	NA	0.3%	0.2%	0.0%	0.0%	0.0%
Total Pre-tax Charges	NA	11.3%	11.2%	10.5%	10.5%	10.5%
Profit Add-Back:						
Plus: Total Maintenance Agreements Profit Allocation	NA	31.0%	33.1%	38.7%	54.5%	103.2%
Operating Profit (Loss)	NA	-20.7%	94.2%	100.4%	116.3%	165.0%
Income Taxes @ 35%	NA	-7.2%	33.0%	35.2%	40.7%	57.8%
After-tax Operating Profit (Loss)	NA	-13.5%	61.2%	65.3%	75.6%	107.3%
Post-tax Returns:						
Return on Property, Plant, and Equipment	NA	0.2%	0.2%	0.2%	0.2%	0.2%
Return on Working Capital	NA	0.3%	0.3%	0.3%	0.3%	0.3%
Return on Customer Relationships	NA	0.8%	0.8%	0.8%	0.8%	0.8%
Return on Assembled Workforce	NA	0.4%	0.4%	0.4%	0.4%	0.4%
Total Post-tax Returns	NA	1.7%	1.7%	1.7%	1.7%	1.7%
Cash Flow from Operations	NA	-15.2%	59.5%	63.6%	73.9%	105.6%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF IN-PROCESS TECHNOLOGY - ONDEMAND
($000's, except percentages)

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
In Process Technology Revenue - OnDemand	$ -	$ 8,078	$ 7,348	$ 5,609	$ 4,373	$ 3,343
Cost of Goods Sold [1]	-	2,423	2,204	1,683	1,312	1,003
Gross Profit	-	5,655	5,143	3,926	3,061	2,340
Operating Expenses:						
Research & Development (Maintenance) [2]	-	162	147	112	87	67
Research & Development (Cost to Complete)	6,000	-	-	-	-	-
Sales & Marketing	-	1,503	1,367	1,044	814	622
General & Administrative	-	333	303	231	180	138
Total Operating Expenses	6,000	1,998	1,817	1,387	1,082	827
EBIT	(6,000)	3,657	3,326	2,539	1,990	1,513
Pre-tax Charges:						
Rent for Patents/Core Technology	-	808	735	561	437	334
Trade Name/Trademarks	-	81	73	28	22	17
Non-Competition Agreement	-	24	15	-	-	-
Total Pre-tax Charges	-	913	823	589	459	351
Profit Add-Back:						
Plus: Total Maintenance Agreements Profit Allocation	-	2,504	2,433	2,169	2,385	3,451
Operating Profit (Loss)	(6,000)	5,248	4,936	4,119	3,906	4,613
Income Taxes @ 35%	(2,100)	1,837	1,728	1,442	1,367	1,615
After-tax Operating Profit (Loss)	(3,900)	3,411	3,209	2,677	2,539	2,999
Post-tax Returns:						
Return on Property, Plant, and Equipment	-	16	15	11	9	7
Return on Working Capital	-	24	22	17	13	10
Return on Customer Relationships	-	65	59	45	35	27
Return on Assembled Workforce	-	32	29	22	17	13
Total Post-tax Returns	-	137	125	95	74	57
Cash Flow from Operations	(3,900)	3,274	3,084	2,582	2,465	2,942
Partial Period	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Mid year adjustment	0.1644	0.8288	1.8288	2.8288	3.8288	4.8288
Present Value Factor @ 18%	0.9732	0.8718	0.7388	0.6261	0.5306	0.4497
Present Value of Cash Flows	(3,795)	2,854	2,278	1,617	1,308	1,323
Sum of Present Value of Cash Flows	5,584					
Tax Savings of Amortization	827					
Fair Value	6,412					
Fair Value of In Process Technology - OnDemand (Rounded)	$ 6,400					

Notes:
(1) Cost of Goods Sold (COGS) computed based on OnDemand COGS % as shown on Exhibit 9.0, page 2 of 2
(2) Research & Development consists of maintaining existing technology at 20% of the average total Research & Development percentage.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF IN-PROCESS TECHNOLOGY - ONDEMAND
COMMON SIZE

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
In Process Technology Revenue - OnDemand	NA	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	NA	30.0%	30.0%	30.0%	30.0%	30.0%
Gross Profit	NA	70.0%	70.0%	70.0%	70.0%	70.0%
Operating Expenses:						
Research & Development (Maintenance)	NA	2.0%	2.0%	2.0%	2.0%	2.0%
Research & Development (Cost to Complete)	NA	0.0%	0.0%	0.0%	0.0%	0.0%
Sales & Marketing	NA	18.6%	18.6%	18.6%	18.6%	18.6%
General & Administrative	NA	4.1%	4.1%	4.1%	4.1%	4.1%
Total Operating Expenses	NA	24.7%	24.7%	24.7%	24.7%	24.7%
EBIT	NA	45.3%	45.3%	45.3%	45.3%	45.3%
Pre-tax Charges:						
Rent for Patents/Core Technology	NA	10.0%	10.0%	10.0%	10.0%	10.0%
Trade Name/Trademarks	NA	1.0%	1.0%	0.5%	0.5%	0.5%
Non-Competition Agreement	NA	0.3%	0.2%	0.0%	0.0%	0.0%
Total Pre-tax Charges	NA	11.3%	11.2%	10.5%	10.5%	10.5%
Profit Add-Back:						
Plus: Total Maintenance Agreements Profit Allocation	NA	31.0%	33.1%	38.7%	54.5%	103.2%
Operating Profit (Loss)	NA	65.0%	67.2%	73.4%	89.3%	138.0%
Income Taxes @ 35%	NA	22.7%	23.5%	25.7%	31.3%	48.3%
After-tax Operating Profit (Loss)	NA	42.2%	43.7%	47.7%	58.1%	89.7%
Post-tax Returns:						
Return on Property, Plant, and Equipment	NA	0.2%	0.2%	0.2%	0.2%	0.2%
Return on Working Capital	NA	0.3%	0.3%	0.3%	0.3%	0.3%
Return on Customer Relationships	NA	0.8%	0.8%	0.8%	0.8%	0.8%
Return on Assembled Workforce	NA	0.4%	0.4%	0.4%	0.4%	0.4%
Total Post-tax Returns	NA	1.7%	1.7%	1.7%	1.7%	1.7%
Cash Flow from Operations	NA	40.5%	42.0%	46.0%	56.4%	88.0%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF IN-PROCESS TECHNOLOGY - PERCENT COMPLETE CALCULATION
($000s)

Valuation Date		31-Jan-06
Average Cost per Man Month:	$	15

Product Development	Project Start Date	Estimated Completion Date	Man Months Incurred to Valuation Date	Cost Incurred to Valuation Date	Man Months to Complete	Estimated Cost to Complete	Total Estimated Costs	Time-Based % Complete	Cost-Based % Complete	Complexity Based % Complete	Average % Complete
Siebel CRM 8.0	Mar-04	Sep-06	18,400	276,000	7,100	106,500	382,500	76.7%	72.2%	80.0%	76.3%
Siebel CRM OnDemand 11.0	Sep-05	May-06	850	12,750	400	6,000	18,750	62.8%	68.0%	80.0%	70.3%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF PATENTS/CORE TECHNOLOGY
($000's, except percentages)

EXHIBIT 4.0
PAGE 1 OF 1

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Patents/Core Technology Royalty Revenue						
Existing Technology Royalty @ 10%	$ 13,351	$ 21,221	$ 16,061	$ 12,223	$ 6,761	$ 3,132
In-Process Technology Royalty @ 10%	-	5,848	7,500	6,539	5,612	2,947
Existing Maintenance Royalty @ 10%	24,592	47,400	44,082	40,996	38,126	35,458
Total Royalty Revenue	37,943	74,469	67,643	59,758	50,499	41,536
Income Taxes @ 35%	13,280	26,064	23,675	20,915	17,675	14,538
After-Tax Royalty Savings	24,663	48,405	43,968	38,843	32,824	26,999
Partial Period	0.6593	1.0000	1.0000	1.0000	1.0000	1.0000
Mid-year Adjustment	0.1644	0.8288	1.8288	2.8288	3.8288	4.8288
Present Value Factor @ 11%	0.9830	0.9171	0.8263	0.7444	0.6706	0.6042
Present Value After-Tax Royalty Savings	15,985	44,394	36,329	28,913	22,012	16,311
Sum of Present Value After-Tax Royalty Savings	163,945					
Tax Savings of Amortization	35,205					
Fair Value	199,149					
Fair Value of Patents/Core Technology (Rounded)	**$ 199,100**					

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS
($000's, except percentages)

	Projections - For the Fiscal Years Ending May 31,										
	2/1/06	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue Attributable to Existing Maintenance Agreements and Related Customer Relationships [1]	$ 245,919	$ 473,999	$ 440,819	$ 409,962	$ 381,264	$ 354,376	$ 329,756	$ 306,673	$ 285,206	$ 265,241	$ 246,674
Cost of Sales	47,949	62,589	50,488	46,664	39,976	37,178	34,576	32,155	29,904	27,811	25,864
Gross Profit	197,970	411,410	390,331	363,298	341,288	317,198	295,180	274,518	255,301	237,430	220,810
Operating Expenses:											
Bug Fix and Product Support Expenses	17,214	33,180	30,857	28,697	26,619	24,820	23,013	21,467	19,964	18,567	17,267
Sales & Marketing (Maintenance) [2]	12,296	23,700	22,041	20,498	19,063	17,729	16,488	15,334	14,260	13,262	12,334
General & Administrative	11,299	19,543	18,175	16,903	15,720	14,619	13,596	12,644	11,759	10,936	10,170
Total Operating Expenses	40,809	76,423	71,073	66,098	61,471	57,168	53,166	49,445	45,984	42,765	39,771
EBIT	157,161	334,987	319,257	297,200	279,817	260,230	242,014	225,073	209,318	194,665	181,039
Pre-tax Charges:											
Rent for Patents/Core Technology	24,592	47,400	44,082	40,996	38,126	35,458	32,976	30,667	28,521	26,524	24,667
Rent for Product Level Technology	43,528	83,898	78,025	72,563	67,484	62,760	58,367	54,281	50,481	46,948	43,664
Trade Name/Trademarks	2,459	4,740	4,408	2,050	1,906	1,773	-	-	-	-	-
Non-Competition Agreement	738	1,422	882	-	-	-	-	-	-	-	-
Total Pre-tax Charges	71,316	137,460	127,397	115,609	107,517	99,990	91,342	84,948	79,002	73,472	68,329
Operating Profit (Loss)	85,844	197,528	191,861	181,591	172,300	160,239	150,671	140,124	130,316	121,194	112,710
Income Taxes @ 35%	30,045	69,135	67,151	63,557	60,305	56,084	52,735	49,044	45,610	42,418	39,448
After-tax Operating Profit (Loss)	55,799	128,393	124,709	118,034	111,995	104,156	97,936	91,081	84,705	78,776	73,261
Post-tax Returns:											
Return on Property, Plant, and Equipment	492	948	882	820	763	709	660	613	570	530	493
Return on Working Capital	738	1,422	1,322	1,230	1,144	1,064	989	920	856	796	740
Return on Customer Relationships	1,967	3,792	3,527	3,280	3,050	2,837	2,638	2,453	2,282	2,122	1,973
Return on Assembled Workforce	984	1,896	1,763	1,640	1,525	1,418	1,319	1,227	1,141	1,061	987
Total Post-tax Returns	4,181	8,058	7,494	6,969	6,481	6,028	5,606	5,213	4,848	4,509	4,193
Cash Flow from Operations	51,618	120,335	117,216	111,065	105,514	98,128	92,330	85,868	79,857	74,267	69,068
Partial Period	0.6593	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Midyear adjustment	0.1644	0.8288	1.8288	2.8288	3.8288	4.8288	5.8288	6.8288	7.8288	8.8288	9.8288
Present Value Factor @ 10%	0.9845	0.9240	0.8400	0.7637	0.6943	0.6311	0.5738	0.5216	0.4742	0.4311	0.3919
Present Value of Cash Flows	33,505	111,195	98,464	84,817	73,253	61,932	52,976	44,789	37,867	32,015	27,067
Sum of Present Value of Cash Flows	657,882										
Tax Savings of Amortization	150,463										
Fair Value	808,345										
Fair Value of Maintenance Agreements and Related Customer Relationships (Rounded)	$ 808,300										

Notes:
(1) Oracle Management estimates the existing maintenance agreements will experience a 7% annual attrition going forward. 2/1/06 maintenance revenue is calculated based on the Q3 2006 maintenance revenue estimate from the Project Sierra Model plus the Q3 2006 maintenance revenue estimate (less 7% attrition). 2007 Maintenance Revenue is calculated based on annualizing the Q3 2006 maintenance revenue estimate from the Project Sierra Model less 7% annual attrition.
(2) Sales & Marketing consists of maintaining existing customer relationships estimated at 25% of the average total Sales & Marketing percentage.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS
COMMON SIZE

EXHIBIT 5.0
PAGE 2 OF 2

	Projections - For the Fiscal Years Ending May 31,										
	2H 06	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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%
Cost of Sales	19.5%	13.2%	11.5%	11.4%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Gross Profit	80.5%	86.8%	88.5%	88.6%	89.5%	89.5%	89.5%	89.5%	89.5%	89.5%	89.5%
Operating Expenses:											
Bug Fix and Product Support Expenses	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)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
General & Administrative	4.6%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
Total Operating Expenses	16.6%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
EBIT	63.9%	70.7%	72.4%	72.5%	73.4%	73.4%	73.4%	73.4%	73.4%	73.4%	73.4%
Pre-tax Charges:											
Rent for Patents/Core Technology	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Rent for Product Level Technology	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%
Trade Name/Trademarks	1.0%	1.0%	1.0%	0.5%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Competition Agreement	0.3%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Pre-tax Charges	29.0%	29.0%	28.9%	28.2%	28.2%	28.2%	27.7%	27.7%	27.7%	27.7%	27.7%
Operating Profit (Loss)	34.9%	41.7%	43.5%	44.3%	45.2%	45.2%	45.7%	45.7%	45.7%	45.7%	45.7%
Income Taxes @ 35%	12.2%	14.6%	15.2%	15.5%	15.8%	15.8%	16.0%	16.0%	16.0%	16.0%	16.0%
After-tax Operating Profit (Loss)	22.7%	27.1%	28.3%	28.8%	29.4%	29.4%	29.7%	29.7%	29.7%	29.7%	29.7%
Post-tax Returns:											
Return on Property, Plant, and Equipment	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Return on Working Capital	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Return on Customer Relationships	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Return on Assembled Workforce	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Total Post-tax Returns	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Cash Flow from Operations	21.0%	25.4%	26.6%	27.1%	27.7%	27.7%	28.0%	28.0%	28.0%	28.0%	28.0%

ORACLE CORPORATION EXHIBIT 6.0
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC. PAGE 1 OF 1
AS OF JANUARY 31, 2006
VALUATION OF CUSTOMER RELATIONSHIPS
($000's, except number of customers)

Average Fully Burdened Salary	$	120.0
Overhead @ 25%		30
Average Salary with Overhead	$	150.0
Average Monthly Salary with Overhead	$	12.5
Customers		
Number of Active Customers (1)		4,000
% of Customer Overlap (2)		55%
Number of Non-Overlap Active Customers		1,800
Number of Person Months to Establish Customer Contract		6.0
Total Cost to Acquire Customer Relationships	$	135,000
Less: Income Tax Deduction Benefit @ 35%		47,250
		87,750
Plus: Tax Amortization Benefit (3)		20,069
		107,819
Fair Value of Customer Relationships (Rounded)	**$**	**107,800**

Notes:
(1) Active customers as of September 2005 as provided in Oracle Investor Presentation.
(2) Provided by Management.
(3) Based on a discount rate of 10%.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF TRADE NAME/TRADEMARKS
($000's, except percentages)

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Revenue: (1)						
License	$ 117,000	$ 240,000	$ 241,600	$ 244,000	$ 246,400	$ 248,824
Maintenance	255,948	540,874	577,114	613,714	650,674	687,997
Professional Services	196,798	240,000	241,600	244,000	246,400	248,824
Total Revenue	569,746	1,020,874	1,060,314	1,101,714	1,143,474	1,185,644
Brand Savings Rate (2)	1.0%	1.0%	1.0%	0.5%	0.5%	0.5%
Royalty Revenue	5,697	10,209	10,603	5,509	5,717	5,928
Income Tax @ 35%	1,994	3,573	3,711	1,928	2,001	2,075
After-Tax Brand Savings	3,703	6,636	6,892	3,581	3,716	3,853
Partial Period	0.6593	1.0000	1.0000	1.0000	1.0000	1.0000
Mid-point in Period	0.1644	0.8288	1.8288	2.8288	3.8288	4.8288
Present Value Factor @ 10%	0.9845	0.9240	0.8400	0.7637	0.6943	0.6311
Present Value After-Tax Brand Savings	2,404	6,132	5,790	2,734	2,580	2,432
Sum of Present Value After-Tax Brand Savings	22,072					
Tax Savings of Amortization	5,048					
Fair Value	27,120					
Fair Value of Trade Name/Trademarks (Rounded)	$ 27,100					

Notes:
(1) Per discussions with Oracle Management, the Siebel Trade Name/Trademarks will remain as an important part of Oracle's marketplace strategy as it relates to software sales. However, as the OnDemand branding has not been strong historically, Oracle may discontinue the use of the Siebel Trade Name/Trademarks as related to the OnDemand solution. Therefore, we have included the license (excluding OnDemand), maintenance, and professional services revenue in the valuation of the Trade Name/Trademarks.
(2) Royalty rate decreases in 2009 due to the planned release of Fusion in 2008.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF THE NON-COMPETITION AGREEMENT
DISCOUNTED CASH FLOW
($000s)

	WITH COVENANT "BASE CASE"			WITHOUT COVENANT "WITH COMPETITION"		
	Projections - For the Fiscal Years Ending May 31,			Projections - For the Fiscal Years Ending May 31,		
	2H 06	2007	2008	2H 06	2007	2008
Total Revenues - Siebel	586,256	1,061,265	1,109,298	586,256	1,061,265	1,109,298
Revenue Lost without Covenant				*1,466*	*4,457*	*5,768*
Total Adjusted Revenues - Siebel	586,256	1,061,265	1,109,298	584,791	1,056,808	1,103,530
COGS	231,663	290,936	281,301	231,199	289,959	280,131
Gross Profit	354,594	770,329	827,997	353,591	766,849	823,399
Gross Margin	*60.5%*	*72.6%*	*74.6%*	*60.5%*	*72.6%*	*74.6%*
Expenses:						
Selling, General & Administrative	146,920	241,247	252,166	146,736	240,740	251,510
Research & Development	63,784	108,345	113,249	63,752	108,254	113,131
Total Expenses	210,704	349,592	365,414	210,489	348,994	364,641
Operating Income	143,890	420,737	462,583	143,103	417,855	458,758
Operating Margin	*24.5%*	*39.6%*	*41.7%*	*24.5%*	*39.5%*	*41.6%*
Taxes @ 35%	50,361	147,258	161,904	50,086	146,249	160,565
Net Income	93,528	273,479	300,679	93,017	271,606	298,193
Adjustments to Net Income						
Plus: Depreciation	29,313	50,400	49,900	29,240	50,188	49,641
Less: Capital Expenditures	11,725	26,500	33,300	11,696	26,389	33,127
Less: Increase in Working Capital	-	(9,483)	2,402	-	(9,632)	2,336
Less: Previously Accrued Restructuring Charges	19,095	32,680	25,211	19,095	32,680	25,211
Total Adjustments to Net Income	(1,508)	703	(11,012)	(1,552)	752	(11,033)
Free Cash Flow	92,020	274,182	289,666	91,465	272,357	287,160
Portion of Period in DCF	0.6593	1.0000	0.6712	0.6593	1.0000	0.6712
Mid-Point in Period (Years)	0.1644	0.8288	1.6644	0.1644	0.8288	1.6644
Present Value Factor @ 12%	0.9815	0.9104	0.8281	0.9815	0.9104	0.8281
Present Value of Cash Flows	59,553	249,602	161,010	59,194	247,941	159,617

Sum of Cash Flows - No Competition "BASE CASE"	470,165
Sum of Cash Flows with Competition	466,752
Difference in Cash Flows	3,413
Tax Savings of Amortization	690
Estimated Fair Value	4,104
Estimated Fair Value of Non-Competition Agreement (Rounde	$ 4,100

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF THE NON-COMPETITION AGREEMENT
DISCOUNTED CASH FLOW COMMON SIZE
($000s)

	WITH COVENANT "BASE CASE"			WITHOUT COVENANT "WITH COMPETITION"		
	Projections - For the Fiscal Years Ending May 31,			Projections - For the Fiscal Years Ending May 31,		
	2H 06	2007	2008	2H 06	2007	2008
Total Revenues - Siebel						
Revenue Lost without Covenant						
Total Adjusted Revenue - Siebel	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
COGS	39.5%	27.4%	25.4%	39.5%	27.4%	25.4%
Gross Profit	60.5%	72.6%	74.6%	60.5%	72.6%	74.6%
Expenses:						
Selling, General & Administrative	25.1%	22.7%	22.7%	25.1%	22.8%	22.8%
Research & Development	10.9%	10.2%	10.2%	10.9%	10.2%	10.3%
Total Expenses	35.9%	32.9%	32.9%	36.0%	33.0%	33.0%
Operating Income	24.5%	39.6%	41.7%	24.5%	39.5%	41.6%
Taxes @ 35%	8.6%	13.9%	14.6%	8.6%	13.8%	14.6%
Net Income	16.0%	25.8%	27.1%	15.9%	25.7%	27.0%
Adjustments to Net Income						
Plus: Depreciation	5.0%	4.7%	4.5%	5.0%	4.7%	4.5%
Less: Capital Expenditures	2.0%	2.5%	3.0%	2.0%	2.5%	3.0%
Less: Increase in Working Capital	0.0%	-0.9%	0.2%	0.0%	-0.9%	0.2%
Less: Previously Accrued Restructuring Charges	3.3%	3.1%	2.3%	3.3%	3.1%	2.3%
Total Adjustments to Net Income	-0.3%	0.1%	-1.0%	-0.3%	0.1%	-1.0%
Free Cash Flow	15.7%	25.8%	26.1%	15.6%	25.8%	26.0%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF THE NON-COMPETITION AGREEMENT
EFFECT OF SALES - PROBABILITY
($000s)

			Potential Percent of Revenue Lost with Competition		
Competition Begins			2H 06	2007	2008
Year 1			2.50%	2.50%	2.50%
Year 2				2.50%	2.50%
Year 3					2.50%

			Potential Revenue Lost with Competition		
			2H 06	2007	2008
Total Revenue			$ 586,256	$ 1,061,265	$ 1,109,298
Competition Begins					
Year 1	2.50%	=	14,656	26,532	27,732
Year 2	2.50%	=		26,532	27,732
Year 3	2.50%	=			27,732

			Weighted Revenue Lost		
Competition Begins	Probability of Competition				
Year 1	10.0%		0.25%	0.25%	0.25%
Year 2	6.8%			0.17%	0.17%
Year 3	4.2%				0.10%
Expected Percent of Revenue Lost with Competition			0.25%	0.42%	0.52%

	Expected Revenue Lost		2H 06	2007	2008
Total Revenue			$ 586,256	$ 1,061,265	$ 1,109,298
Revenue Lost	0.25%	=	1,466		
Revenue Lost	0.42%	=		4,457	
Revenue Lost	0.52%	=			5,768
EXPECTED REVENUE LOST DUE TO COMPETITION			1,466	4,457	5,768

($000s)

Assumptions:	
Pr(Competition begins in Year 1) =	10.0%
Pr(Competition begins in Year 2, given competition did not begin before Year 2) =	6.8%
Pr(Competition begins in Year 3, given competition did not begin before Year 3) =	4.2%

For purposes of the table below:

Pr(Cn) = Probability Competition begins in Year N
Pr(Cn|NCm) = Probability Competition begins in Year m, given competition did not begin before Year n
Pr(Cn|NCm and NCo) = Probability Competition begins in Year N, given competition did not begin in Year M and or Year oO

	2H 06		2007		2008	Total Probability
P(C1) = P(C1|CB1)						
=	10.0%					10.00%
P(C2) = P(XC1|CB1)		*	P(C2|CB2)			
=	90.0%	*	7.5%			6.75%
P(C3) = P(XC1|CB1)		*	P(XC2|CB2)	*	P(C3|CB3)	
=	90.0%	*	92.5%	*	5.0%	4.16%

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
REVENUE ALLOCATION SUMMARY
($000s)

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Technology Revenue						
License Revenue	$ 117,000	$ 240,000	$ 241,600	$ 244,000	$ 246,400	$ 248,824
OnDemand Revenue	16,510	40,391	48,985	56,086	62,477	66,851
Total Technology Revenue	133,510	280,391	290,585	300,086	308,877	315,675
Revenue Allocation						
License:						
CRM	74.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Analytics	25.0%	28.0%	28.0%	28.0%	28.0%	28.0%
SCA	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100 0%
License:						
CRM	86,580	168,000	169,120	170,800	172,480	174,177
Analytics	29,250	67,200	67,648	68,320	68,992	69,671
SCA	1,170	4,800	4,832	4,880	4,928	4,976
Total	117,000	240,000	241,600	244,000	246,400	248,824
OnDemand	16,510	40,391	48,985	56,086	62,477	66,851
Total Technology Revenue	133,510	280,391	290,585	300,086	308,877	315,675
Revenue Summary						
Existing	133,510	212,214	160,613	122,227	67,610	31,319
In-Process	-	58,478	74,996	65,389	56,117	29,469
Future	-	9,700	54,976	112,470	185,150	254,887
Total Technology Revenue	$ 133,510	$ 280,391	$ 290,585	$ 300,086	$ 308,877	$ 315,675

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
REVENUE ALLOCATION SUMMARY
($000s)

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Existing Technology						
License						
CRM	$ 86,580	$ 117,600	$ 84,560	$ 59,780	$ 34,496	$ 17,418
Analytics	29,250	63,840	43,971	34,160	17,248	6,967
SCA	1,170	480	242	244	246	249
Total License	117,000	181,920	128,773	94,184	51,990	24,634
OnDemand	16,510	30,294	31,840	28,043	15,619	6,685
Total Existing	133,510	212,214	160,613	122,227	67,610	31,319
In-Process Technology						
License						
CRM	-	50,400	67,648	59,780	51,744	26,126
Analytics	-	-	-	-	-	-
SCA	-	-	-	-	-	-
Total License	-	50,400	67,648	59,780	51,744	26,126
OnDemand	-	8,078	7,348	5,609	4,373	3,343
Total In-Process	-	58,478	74,996	65,389	56,117	29,469
Future Technology						
License						
CRM	-	-	16,912	51,240	86,240	130,632
Analytics	-	3,360	23,677	34,160	51,744	62,704
SCA	-	4,320	4,590	4,636	4,682	4,728
Total License	-	7,680	45,179	90,036	142,666	198,064
OnDemand	-	2,020	9,797	22,434	42,485	56,823
Total Future	$ -	$ 9,700	$ 54,976	$ 112,470	$ 185,150	$ 254,887

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
REVENUE ALLOCATION - CRM
($000s)

EXHIBIT 9.0
PAGE 3 OF 6

		Projections - For the Fiscal Years Ending May 31,					
		2H 06	**2007**	**2008**	**2009**	**2010**	**2011**
Revenue Summary [1]							
CRM		$ 86,580	$ 168,000	$ 169,120	$ 170,800	$ 172,480	$ 174,177
Existing		100%	70%	50%	35%	20%	10%
In-Process		0%	30%	40%	35%	30%	15%
Future		0%	0%	10%	30%	50%	75%
	Total	100%	100%	100%	100%	100%	100%
Existing		86,580	117,600	84,560	59,780	34,496	17,418
In-Process		-	50,400	67,648	59,780	51,744	26,126
Future		-	-	16,912	51,240	86,240	130,632
	Total	$ 86,580	$ 168,000	$ 169,120	$ 170,800	$ 172,480	$ 174,177

Notes:
(1) Siebel CRM 8.0, the next major upgrade in CRM solutions, is scheduled to be released in September 2006.

REVENUE ALLOCATION - ANALYTICS
($000s)

		Projections - For the Fiscal Years Ending May 31,					
		2H 06	2007	2008	2009	2010	2011
Revenue Summary (1)							
Analytics		$ 29,250	$ 67,200	$ 67,648	$ 68,320	$ 68,992	$ 69,671
Existing		100%	95%	65%	50%	25%	10%
In-Process		0%	0%	0%	0%	0%	0%
Future		0%	5%	35%	50%	75%	90%
	Total	100%	100%	100%	100%	100%	100%
Existing		29,250	63,840	43,971	34,160	17,248	6,967
In-Process		-	-	-	-	-	-
Future		-	3,360	23,677	34,160	51,744	62,704
	Total	$ 29,250	$ 67,200	$ 67,648	$ 68,320	$ 68,992	$ 69,671

Notes:
(1) The Analytics 7.8x application was released in Calendar Year Q4 2005. The Analytics 7.8x platform is scheduled for release in March 2006. Based on discussions with Siebel management, the Analytics 7.8x platform is in beta and has reached technological feasibility as of the Valuation Date.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
REVENUE ALLOCATION - SCA
($000s)

	Projections - For the Fiscal Years Ending May 31,					
	2H 06	2007	2008	2009	2010	2011
Revenue Summary						
SCA	$ 1,170	$ 4,800	$ 4,832	$ 4,880	$ 4,928	$ 4,976
Existing	100%	10%	5%	5%	5%	5%
In-Process	0%	0%	0%	0%	0%	0%
Future	0%	90%	95%	95%	95%	95%
Total	100%	100%	100%	100%	100%	100%
Existing	1,170	480	242	244	246	249
In-Process	-	-	-	-	-	-
Future	-	4,320	4,590	4,636	4,682	4,728
Total	$ 1,170	$ 4,800	$ 4,832	$ 4,880	$ 4,928	$ 4,976

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
REVENUE ALLOCATION - ONDEMAND
($000s)

	Projections - For the Fiscal Years Ending May 31					
	2H 06	2007	2008	2009	2010	2011
Revenue Summary (1)						
OnDemand	$ 16,510	$ 40,391	$ 48,985	$ 56,086	$ 62,477	$ 66,851
Existing	100%	75%	65%	50%	25%	10%
In-Process	0%	20%	15%	10%	7%	5%
Future	0%	5%	20%	40%	68%	85%
Total	100%	100%	100%	100%	100%	100%
Existing	16,510	30,294	31,840	28,043	15,619	6,685
In-Process	-	8,078	7,348	5,609	4,373	3,343
Future	-	2,020	9,797	22,434	42,485	56,823
Total	$ 16,510	$ 40,391	$ 48,985	$ 56,086	$ 62,477	$ 66,851

Notes:
(1) The next version of OnDemand, OnDemand 11.0, is expected to be released in May 2006. Based on discussions with Siebel management, OnDemand has 2-3 releases per year.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
BUSINESS ENTERPRISE VALUATION
($000s)

	Projections - For the Fiscal Years Ending May 31,							
	2H 06	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**Residual**
Revenue: (1)								
License Revenue	$ 117,000	$ 240,000	$ 241,600	$ 244,000	$ 246,400	$ 248,824	$ 251,271	$ 253,743
Maintenance Revenue	255,948	540,874	577,114	613,714	650,674	687,997	725,688	763,749
Services Revenue	196,798	240,000	241,600	244,000	246,400	248,824	251,271	253,743
OnDemand Revenue	16,510	40,391	48,985	56,086	62,477	66,851	70,193	73,001
Total Revenue	586,256	1,061,265	1,109,298	1,157,800	1,205,951	1,252,495	1,298,423	1,344,235
Growth Rate (2)		*-15.2%*	*4.5%*	*4.4%*	*4.2%*	*3.9%*	*3.7%*	*3.5%*
Cost of Goods Sold: (3)								
License Revenue	4,680	8,544	7,248	7,320	7,392	7,465	7,538	7,612
Maintenance Revenue	49,904	71,419	66,099	69,856	68,224	72,138	76,090	80,081
Services Revenue	172,125	198,856	193,259	195,170	197,061	199,000	200,957	202,934
OnDemand Revenue	4,953	12,117	14,695	16,826	18,743	20,055	21,058	21,900
Total Cost of Goods Sold	231,663	290,936	281,301	289,172	291,421	298,657	305,643	312,527
Gross Profit	354,594	770,329	827,997	868,628	914,530	953,838	992,780	1,031,709
Operating Expenses: (4)								
Research & Development	63,784	108,345	113,249	118,200	123,116	127,868	132,557	137,234
Sales & Marketing	119,984	197,491	206,429	215,455	224,415	233,077	241,624	250,149
General & Administrative	26,936	43,756	45,736	47,736	49,721	51,640	53,534	55,423
Total Operating Expenses	210,704	349,592	365,414	381,391	397,253	412,585	427,714	442,805
Operating Income (EBIT)	143,890	420,737	462,583	487,237	517,277	541,253	565,066	588,904
Income Taxes @ 35%	50,361	147,258	161,904	170,533	181,047	189,438	197,773	206,116
Net Profit After Taxes	93,528	273,479	300,679	316,704	336,230	351,814	367,293	382,787
Cash Flow								
Plus: Depreciation (5)	29,313	50,400	49,900	49,200	48,200	50,060	51,896	53,727
Less: Capital Expenditures (6)	11,725	26,500	33,300	40,500	48,200	50,060	51,896	53,727
Less: Working Capital Investment	-	(9,483)	2,402	2,425	2,408	2,327	2,296	2,291
Less: Previously Accrued Restructuring Charges	19,095	32,680	25,211	20,967	53,198	-	-	-
Available Cash Flow	92,020	274,182	289,666	302,012	280,625	349,487	364,997	380,497
Partial Period	0.6593	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Mid-year adjustment	0.1644	0.8288	1.8288	2.8288	3.8288	4.8288	5.8288	
Present Value Factor @ 11.9%	0.9817	0.9112	0.8144	0.7280	0.6507	0.5816	0.5198	
Present Value of Available Cash Flows	**59,564**	**249,827**	**235,914**	**219,854**	**182,595**	**203,259**	**189,741**	
Sum of Present Value of Available Cash Flows	1,340,753							
Residual Cash Flow	380,497							
Rate of Return	11.9%							
Residual Growth Rate	3.5%							
Divided By: Cap Rate (r-g)	8.3%							
Equal: Residual Value	4,556,854							
Times: PV Factor	0.5198							
PV of Residual Value	2,368,849							
Sum of Present Value Cash Flows (2006-2012)	1,340,753							
Plus: Cash and Short-Term Investments (7)	2,362,587							
Plus: Excess Working Capital (Deficit) (8)	61,708							
Business Enterprise Value (9)	6,133,897							
Business Enterprise Value (Rounded)	**$ 6,133,897**							

Notes:
(1) Revenue through 2010 based on the Project Sierra Operating Model as provided in Oracle's board projections.
(2) FY 2006 total revenue is based on 1H 06 actual and 2H 06 estimated total revenue.
(3) Cost of Goods Sold through 2010 based on the Project Sierra Operating Model as provided in Oracle's board projections.
(4) Operating Expenses through 2010 based on the variable cost structure in the combined Oracle and Siebel Operating Model.
(5) Depreciation through 2010 based on the Project Sierra Operating Model as provided in Oracle's board projections.
(6) Capital Expenditures through 2010 based on the Project Sierra Operating Model as provided in Oracle's board projections.
(7) Cash and Short-Term Investment balances based on January 31, 2006 balance sheet.
(8) Excess Working Capital (Deficit) calculated based on working capital balances as of January 31, 2006.
(9) Allocable Purchase Price from Oracle management.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
BUSINESS ENTERPRISE VALUATION
COMMON SIZE

EXHIBIT 10.0
PAGE 2 OF 2

	Projections - For the Fiscal Years Ending May 31,							
	2H 06	2007	2008	2009	2010	2011	2012	Residual
Revenue:								
License Revenue	20.0%	22.6%	21.8%	21.1%	20.4%	19.9%	19.4%	18.9%
Maintenance Revenue	43.7%	51.0%	52.0%	53.0%	54.0%	54.9%	55.9%	56.8%
Services Revenue	33.6%	22.6%	21.8%	21.1%	20.4%	19.9%	19.4%	18.9%
OnDemand Revenue	2.8%	3.8%	4.4%	4.8%	5.2%	5.3%	5.4%	5.4%
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold: (1)								
License Revenue	4.0%	3.6%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Maintenance Revenue	19.5%	13.2%	11.5%	11.4%	10.5%	10.5%	10.5%	10.5%
Services Revenue	87.5%	82.9%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
OnDemand Revenue	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Total Cost of Goods Sold	39.5%	27.4%	25.4%	25.0%	24.2%	23.8%	23.5%	23.2%
Gross Profit	60.5%	72.6%	74.6%	75.0%	75.8%	76.2%	76.5%	76.8%
Operating Expenses:								
Research & Development	10.9%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%
Sales & Marketing	20.5%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%	18.6%
General & Administrative	4.6%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
Total Operating Expenses	35.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%
Operating Income (EBIT)	24.5%	39.6%	41.7%	42.1%	42.9%	43.2%	43.5%	43.8%
Income Taxes @ 35%	8.6%	13.9%	14.6%	14.7%	15.0%	15.1%	15.2%	15.3%
Net Profit After Taxes	16.0%	25.8%	27.1%	27.4%	27.9%	28.1%	28.3%	28.5%
Cash Flow								
Plus: Depreciation	5.0%	4.7%	4.5%	4.2%	4.0%	4.0%	4.0%	4.0%
Less: Capital Expenditures	2.0%	2.5%	3.0%	3.5%	4.0%	4.0%	4.0%	4.0%
Less: Working Capital Investment	0.0%	-0.9%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Less: Previously Accrued Restructuring Charges	3.3%	3.1%	2.3%	1.8%	4.4%	0.0%	0.0%	0.0%
Available Cash Flow	15.7%	25.8%	26.1%	26.1%	23.3%	27.9%	28.1%	28.3%

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

ORACLE CORPORATION EXHIBIT 11.0
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC. PAGE 1 OF 3
AS OF JANUARY 31, 2006
WEIGHTED AVERAGE COST OF CAPITAL (WACC)
SUMMARY OF WACC ANALYSIS

Required Return on Debt:

Before Tax Cost of Debt:(1)	6.3%
Less: Tax Deduction at 35%	2.2%
After Tax Cost Of Debt	4.1%

Required Return on Preferred Equity:(1) 6.3%

Required Return on Common Equity:

Capital Asset Pricing Model:

Re = Rf + Beta x MRP + SSP

4.7% + 1.29 x 5.0% + 0.0% = 11.2%

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 11.2%

WACC Calculation

	Required Return		Weighting		WACC
Required Return on Debt Capital	4.1%	x	2.3%	=	0.1%
Required Return on Preferred Equity Capital	6.3%	x	0.0%		0.0%
Required Ret -0.0474	11.2%	x	97.7%	=	10.9%
					11.0%

WEIGHTED AVERAGE COST OF CAPITAL (ROUNDED) **11.0%**

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
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
WEIGHTED AVERAGE COST OF CAPITAL (WACC)
($000's except Common Share Price)
CAPITAL ASSET PRICING MODEL

Assumptions

			Source:
Valuation Date	31-Jan-06		
Stock Price Date	31-Jan-06		
Risk-free Rate	Rf =	4.74%	Yield on long-term Treasury notes
Pretax Required Rate on Debt Capital	i =	6.30%	Standard & Poor's BBB corporate bond yield
Required Rate on Preferred Equity Capital	Rpc =	6.30%	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, 2005*

Tax Rate Calculation
Effective Income Tax Rate (1) (Rounded) 35.0%

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 MACHS	IBM	$ 21,422,000	$ -	81.30	1,579,517	$ 128,414,732	$ 149,836,732	85.7%
ORACLE CORP	ORCL	1,063,000	-	12.57	5,162,025	64,886,658	65,949,658	98.4%
SIEBEL SYS INC	SEBL	-	-	10.61	530,508	5,628,690	5,628,690	100.0%
MICROSOFT CORP	MSFT	-	-	28.15	10,333,369	290,884,337	290,884,337	100.0%
SAP AKTIENGESELLSCHAFT	SAP	-	-	51.37	1,264,016	64,932,502	64,932,502	100.0%
RIGHTNOW TECHNOLOGIES INC	RNOW	147	-	15.94	31,549	502,891	503,038	100.0%
SALESFORCE COM INC	CRM	799	-	41.05	108,300	4,445,715	4,446,514	100.0%

	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 MACHS	1	1.02	16.7%	0.0%	14.3%	0.0%	35.0%	0.92	0.93
ORACLE CORP	1	1.25	1.6%	0.0%	1.6%	0.0%	35.0%	1.24	1.26
SIEBEL SYS INC	1	1.45	0.0%	0.0%	0.0%	0.0%	35.0%	1.45	1.47
MICROSOFT CORP	1	1.09	0.0%	0.0%	0.0%	0.0%	35.0%	1.09	1.11
SAP AKTIENGESELLSCHAFT	1	0.87	0.0%	0.0%	0.0%	0.0%	35.0%	0.87	0.89
RIGHTNOW TECHNOLOGIES INC	1	1.45	0.0%	0.0%	0.0%	0.0%	35.0%	1.44	1.47
SALESFORCE COM INC	1	1.90	0.0%	0.0%	0.0%	0.0%	35.0%	1.90	1.93
Industry Average		1.29			2.3%	0.0%		1.27	1.29

Included in Averages

Industry Market Equity / Capita	97.7%
Industry Preferred Equity / Market Equity	0.0%
Industry Debt / Market Equity	2.3%

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.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
COST OF CAPITAL ANALYSIS
($000s)

	Values Allocated		% of Total Value	After-Tax Rates of Return	Wtd. Rate of Return
TANGIBLE ASSETS					
NET WORKING CAPITAL [1]	$ 2,285,338		37.3%	5.53%	2.1%
FIXED ASSETS [1]	52,991		0.9%	6.18%	0.1%
INTANGIBLE ASSETS					
EXISTING TECHNOLOGY					
LICENSE	360,600		5.9%	10.0%	0.6%
ONDEMAND	57,200		0.9%	10.0%	0.1%
IN-PROCESS TECHNOLOGY					
CRM	57,900		0.9%	17.0%	0.2%
ONDEMAND	6,400		0.1%	18.0%	0.0%
PATENTS/CORE TECHNOLOGY	199,100		3.2%	11.0%	0.4%
MAINTENANCE AGREEMENTS AND RELATED CUSTOMER RELATIONSHIPS	808,300		13.2%	10.0%	1.3%
CUSTOMER RELATIONSHIPS	107,800		1.8%	10.0%	0.2%
TRADE NAME/TRADEMARKS	27,100		0.4%	10.0%	0.0%
NON-COMPETITION AGREEMENT	4,100		0.1%	12.0%	0.0%
GOODWILL ITEMS					
UNIDENTIFIED INTANGIBLE VALUE [2]	$ 2,167,067		35.3%	20.2%	7.1%
BUSINESS ENTERPRISE VALUE		$ 6,133,897	100.0%		
WEIGHTED INDIVIDUAL ASSETS RETURNS					12.0%
DISCOUNT RATE					12.0%

Notes:
(1) As of January 31, 2006.
(2) Goodwill shown is approximate and is for rate of return calculation purposes only.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF DEFERRED REVENUE - MAINTENANCE
($000's, except percentages)

		2/06 - 5/06	FY 2007	FY 2008	
Annual Deferred Revenue Balance - Maintenance (1)		$ 148,488	$ 167,342	$ 5,573	
Cost Build-up Approach (2)					
Total Direct Cost of Service	15.0%	22,273	25,101	836	
Annual Direct Cost		22,273	25,101	836	(a)
		15.0%	15.0%	15.0%	
Plus:					
Bug Fix and Product Support Expenses	7.0%	10,394	11,714	390	
Other Product Marketing and General & Administrative Expenses	7.8%	11,582	13,053	435	
Total Indirect Costs		21,976	24,767	825	(b)
Total Direct and Indirect Costs Associated with Servicing Deferred Maintenance Revenue		44,249	49,868	1,661	(c) = (a) + (b)
Cost Plus % Markup @ 40% (3)		40.0%	40.0%	40.0%	(d)
Total Markup		17,700	19,947	664	(e) = (c) * (d)
Total Estimated Cost Plus Markup of Servicing Deferred Maintenance Revenue Balance (Rounded)		61,949	- 69,815	2,325	(c) + (e)
Partial Period		1.00	1.00	1.00	
Mid Year Adjustment		0.1644	0.8288	1.8288	
Present Value Factor @ 7.5%		0.9882	0.9418	0.8761	
		61,217	65,754	2,037	
Sum of Fair Value of Deferred Maintenance Revenue Balance (Rounded)		$ 129,000			

Notes:
(1) Expected run-off of deferred maintenance revenue balance of $321.4 million as of February 1, 2006, provided by Siebel management.
(2) Cost Build-up Approach based on cost data for the maintenance business provided by Oracle management.
(3) A 40% markup on costs implies an operating margin of approximately 30% on the fulfillment of the deferred revenue.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF DEFERRED REVENUE - ONDEMAND
($000's, except percentages)

		2/06 - 5/06	FY 2007	FY 2008	
Annual Deferred Revenue Balance - OnDemand [1]		$ 5,357	$ 4,351	$ 314	
Cost Build-up Approach [2]					
Total Direct Cost of Service	78.3%	4,193	3,406	246	
Annual Direct Cost		4,193 78.3%	3,406 78.3%	246 78.3%	(a)
Plus:					
Facilities & IT Expenses	6.0%	323	262	19	
General & Administrative	7.4%	395	321	23	
Total Indirect Costs		717	583	42	(b)
Total Direct and Indirect Costs Associated with Servicing Deferred OnDemand Revenue		4,910	3,989	288	(c) = (a) + (b)
Cost Plus % Markup @ 11% [3]		11.0%	11.0%	11.0%	(d)
Total Markup		540	439	32	(e) = (c) * (d)
Total Estimated Cost Plus Markup of Servicing Deferred OnDemand Revenue Balance (Rounded)		5,450	4,427	319	(c) + (e)
Partial Period		1.00	1.00	1.00	
Mid Year Adjustment		0.1644	0.8288	1.8288	
Present Value Factor @	7.5%	0.9882	0.9418	0.8761	
		5,386	4,170	280	
Sum of Fair Value of Deferred OnDemand Revenue Balance (Rounded)		$ 9,800			

Notes:
(1) Expected run-off of deferred OnDemand revenue balance of $10 million as of February 1, 2006, provided by Siebel management.
(2) Cost Build-up Approach based on Siebel cost data for the consulting business in 2005.
(3) An 11% markup on costs implies an operating margin of approximately 10% (based on industry comparables) on the fulfillment of the deferred revenue.

ORACLE CORPORATION
VALUATION OF CERTAIN ACQUIRED ASSETS OF SIEBEL SYSTEMS, INC.
AS OF JANUARY 31, 2006
VALUATION OF DEFERRED REVENUE - CONSULTING AND TRAINING
($000's, except percentages)

EXHIBIT 12.2
PAGE 1 OF 1

		2/06 - 5/06	FY 2007	
Annual Deferred Revenue Balance - Consulting and Training (1)		$ 26,805	$ 21,931	
Cost Build-up Approach (2)				
Total Direct Cost of Service	78.3%	20,980	17,166	
Annual Direct Cost		20,980	17,166	(a)
		78.3%	78.3%	
Plus:				
Facilities & IT Expenses	6.0%	1,615	1,321	
General & Administrative	7.4%	1,975	1,616	
Total Indirect Costs		3,590	2,937	(b)
Total Direct and Indirect Costs Associated with Servicing Consulting and Training Deferred Revenue		24,570	20,103	(c) = (a) + (b)
Cost Plus % Markup @ 11% (3)		11.0%	11.0%	(d)
Total Markup		2,703	2,211	(e) = (c) * (d)
Total Estimated Cost Plus Markup of Servicing Deferred Consulting and Training Revenue Balance (Rounded)		27,273	22,314	(c) + (e)
Partial Period		1.00	1.00	
Mid Year Adjustment		0.1644	0.8288	
Present Value Factor @ 7.5%		0.9882	0.9418	
		26,950	21,016	
Sum of Fair Value of Deferred Consulting and Training Revenue Balance (Rounded)		$ 48,000		

Notes:
(1) Expected run-off of deferred revenue balance of $48.7 million as of February 1, 2006, provided by Siebel management.
(2) Cost Build-up Approach based on Siebel cost data for the consulting business in 2005.
(3) An 11% markup on costs implies an operating margin of approximately 10% (based on industry comparables) on the fulfillment of the deferred revenue