EXHIBIT 16

ORACLE CORPORATION

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

AS OF DECEMBER 28, 2004

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

June 23, 2005

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

Dear Mr. Olinger:

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

FAIR VALUE

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

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

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

Background of Transaction

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

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

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

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

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

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

5.0 INDUSTRY OUTLOOK[3]

Enterprise Applications

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

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

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

16.0 SUMMARY CONCLUSION

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

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

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