

EXHIBIT H

ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2005

acquired a majority interest. The minority interest in the earnings of PeopleSoft for the period from December 29, 2004 to January 7, 2005 was nominal.

The Acquisition has been accounted for as a business combination. Assets acquired and liabilities assumed were recorded at their fair values as of December 29, 2004. The total preliminary purchase price is \$11.1 billion, and is comprised of:

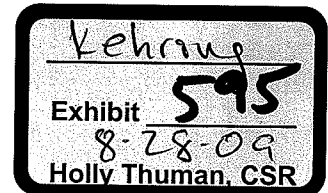
	(in millions)
Cash paid or payable to acquire the outstanding common stock of PeopleSoft	
PSFT-1 (399.1 million shares at \$26.50 per share).....	\$ 10,576
Fair value of PeopleSoft stock options assumed	492
Acquisition related transaction costs	12
Total preliminary purchase price	<u>\$ 11,080</u>

03 The fair value of options assumed was determined using an average price of \$13.86, which represented the average closing price of our common stock from two trading days before to two trading days after the Agreement Date and was calculated using a Black-Scholes-Merton valuation model with the following assumptions as of the Acquisition Date: expected life from vest date ranging from 90 days to 1.31 years, risk-free interest rate of 2.5% - 3.4%, expected volatility of 32% and no dividend yield. In accordance with our Agreement and Plan of Merger, the number of Oracle options exchanged was determined by multiplying the number of PeopleSoft options outstanding at closing and the amount determined by dividing \$26.50 by the average closing price of our common stock for the 10 trading days preceding the Merger, which was \$13.52. Approximately 48 million of the 97 million PeopleSoft options outstanding were fully vested as of the Merger. The portion of the intrinsic value of unvested PeopleSoft options related to future service has been allocated to deferred stock-based compensation and is being amortized using the accelerated expense attribution method over the remaining vesting period, which averages 2.6 years.

Acquisition related transaction costs include investment banking, legal and accounting fees, and other external costs directly related to the Acquisition and Merger.

Preliminary Purchase Price Allocation

Under business combination accounting, the total preliminary purchase price was allocated to PeopleSoft's net tangible and identifiable intangible assets based on their estimated fair values as of December 29, 2004 as set forth below. The excess of the purchase price over the net tangible and identifiable intangible assets was recorded as goodwill. The preliminary allocation of the purchase price was based upon a preliminary valuation and our estimates and assumptions are subject to change. The primary areas of the purchase price allocation that are not yet finalized relate to restructuring costs, certain legal matters, income and non-income based taxes and residual goodwill. In addition, upon the finalization of the combined company's legal entity structure, additional adjustments to deferred taxes may be required.



ORACLE CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
May 31, 2005

		(in millions)
Cash and marketable securities	PSFT-3	\$ 2,200
Trade receivables.....		610
Other current assets		305
Property		377
Goodwill.....		6,487
Intangible assets		3,384
Other non-current assets		106
Accounts payable and accrued liabilities.....		(762)
Restructuring		(380)
Deferred revenues.....		(419)
Deferred tax liabilities, net		(947)
Other non-current liabilities		(37)
Deferred stock-based compensation.....		123
In-process research and development.....		33
Total preliminary purchase price.....		\$ 11,080

Intangible Assets

In performing our purchase price allocation, we considered, among other factors, our intention for future use of acquired assets, analyses of historical financial performance and estimates of future performance of PeopleSoft's products. The fair value of intangible assets was based, in part, on a valuation completed by Standard & Poor's Corporate Value Consulting using an income approach and estimates and assumptions provided by management. The rates utilized to discount net cash flows to their present values were based on our weighted average cost of capital and ranged from 10% to 20%. These discount rates were determined after consideration of our rate of return on debt capital and equity and the weighted average return on invested capital. The following table sets forth the components of intangible assets associated with the acquisition at May 31, 2005:

(Dollars in millions)	61A-1 9/	Fair Value	Accumulated Amortization	Net Book Value	Useful Life
Software support agreements and related relationships		\$ 2,101	\$ (88)	\$ 2,013	10 years
Developed technology		614	(51)	563	5 years
Core technology.....		349	(29)	320	5 years
Customer relationships		250	(10)	240	10 years
Trademarks		70	(4)	66	7 years
Total intangible assets.....		\$ 3,384	\$ (182)	\$ 3,202	

Customer relationships and software support agreements and related relationships represent the underlying relationships and agreements with PeopleSoft's existing customers. Developed technology, which is comprised of products that have reached technological feasibility, includes products across most of PeopleSoft's product lines, principally the PeopleSoft Enterprise, JD Edwards Enterprise One and JD Edwards World products. Core technology represents a combination of PeopleSoft processes, patents, trade secrets and know-how related to the design and development of its applications products. This proprietary knowledge can be leveraged to develop new technology and improve our applications software products. Trademarks represent the estimated fair value of the PeopleSoft and JD Edwards trade names and trademarks. Intangible assets are being amortized using the straight-line method.