

## Overview and Frequently Asked Questions

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### Overview

#### Oracle Buys Primavera:

#### **Creates first, comprehensive Enterprise PPM solution for project-intensive industries**

On October 8, 2008, Oracle announced it has entered into an agreement to acquire Primavera, a leading provider of Project Portfolio Management (PPM) solutions for project-intensive industries. The transaction is subject to customary closing conditions and is expected to close in the second half of 2008. Until the deal closes, each company will continue to operate independently.

Enterprise PPM is evolving into an enterprise-wide application that drives business success and value creation, especially in industries managing complex and capital-intensive projects. Primavera offers best-in-class solutions focused on the mission critical PPM requirements of key vertical industries including engineering and construction, public sector, aerospace and defense, utilities, oil and gas, manufacturing and high tech, and IT and services. For more than 25 years, companies across these industries have turned to Primavera to help them make better project portfolio investment decisions, improve governance, manage risk, prioritize project resources, and deliver projects on-time and within budget resulting in tangible benefits to their businesses.

Primavera's PPM products, together with Oracle's project financials, human resources, supply chain management, product lifecycle management, business intelligence, and infrastructure software are expected to provide the first, comprehensive Enterprise Project Portfolio Management solution that helps companies optimize resources and the supply chain, reduce costs, manage changes, meet delivery dates, and ultimately make better decisions, all by using real-time data. Customers are also expected to be able to more effectively align project operations with business strategy and collaborate across functions, resulting in improved visibility into project portfolios enterprise-wide. In addition, the total cost of

ownership is expected to be reduced through the availability of a comprehensive Enterprise PPM solution from a single vendor.

Primavera's management and employees are expected to join Oracle to form a dedicated global business unit focused on Enterprise PPM solutions ensuring continuity of customer and partner relationships. Primavera's CEO Joel Koppelman is expected to lead this unit.

#### **CUSTOMER BENEFITS**

#### **The combination is expected to provide customers with the following benefits after the transaction closes:**

- Access to a best-in-class, comprehensive Enterprise PPM solution from a single vendor at a lower TCO
- Industry specific functionality for project-intensive industries such as architecture, engineering, and construction; public sector; aerospace and defense; utilities; oil and gas, manufacturing and high tech; and IT and services
- Better use of resources, reduced costs, and projects delivered on-time and within budget
- Better decision-making capabilities with improved transparency into project portfolios enterprise-wide
- Visibility into progress and performance, impact of changes on profitability, and enhanced what-if analysis capabilities for analyzing alternatives
- Added domain expertise and services through Primavera PARs and partners

## PARTNER BENEFITS

The combination is expected to provide partners with the following benefits after the transaction closes:

### Oracle Partners

- A single vendor to address customer needs for integrated Enterprise PPM
- System Integrators are expected to be able to address their customers' needs for comprehensive Enterprise Project Portfolio Management
- Strengthened vertical solutions for key project-intensive industries

### Primavera Partners

- Enhanced PPM solutions through Oracle R&D investments and increased levels of support
- Continued service of Primavera customers by Primavera Authorized Representatives (PARs) across 128 countries
- Continuity of Primavera and partner relationships through global business unit
- System Integrators are expected to gain a strategic partner for comprehensive Enterprise PPM
- Technology partners are expected to gain continued support for integrations with Oracle and non-Oracle enterprise software and third-party industry applications
- Access to Oracle's worldwide resources and partner ecosystem

## Frequently Asked Questions

### BUSINESS RATIONALE

#### What is the rationale for this acquisition?

With 20% of the world's GDP spent on projects (source: Project Management Institute), Enterprise PPM solutions are evolving into the mission-critical application for project-intensive industries. According to the Standish Group International, approximately 71% of all IT projects fail to meet expectations of time, cost, or quality. In addition, core PPM solutions have traditionally operated in silos separate from other key enterprise processes. Oracle's customers have told us that PPM is an integral part of their enterprise applications suite and one of their highest priorities.

The addition of Primavera will help Oracle address the unique requirements of architecture, engineering, and construction; utilities; oil and gas; public sector; aerospace and defense; manufacturing and high tech; and IT and services industries. Adding Primavera's leading PPM capabilities that support industry-specific business processes and requirements provides a complementary solution for Oracle's large ERP installed base. Capital-intensive industries, such as engineering and construction and aerospace and defense need to improve coordination and collaboration to manage large programs with multiple suppliers and subcontractors. Service industries and IT departments require simplified processes for allocating scarce resources and for managing costs, issues, risks, and deliverables. Manufacturing and high tech companies need to speed their time to delivery of new products and collaborate across the global supply chain. Utilities as well as oil and gas companies need to increase productivity and the speed of project delivery while managing short-duration, high-intensity outages and shutdowns.

Primavera offers a proven PPM solution that is currently being used by 375 of the top 400 engineering companies, all five of the US military branches, 12 out of 16 US Federal agencies, and supports the largest PPM for professional services implementation anywhere. Oracle is well positioned and committed to support Enterprise PPM customers. Effective project portfolio management (PPM) integrated with financial, human capital management, product lifecycle management and supply chain applications is critical to accelerating business innovation, enabling efficient project execution, driving project profitability, and reducing risk for large complex and capital intensive projects and programs. The combination of Oracle and Primavera is expected to deliver the first, comprehensive Enterprise PPM solution for project-intensive industries provided by a single vendor.

### Why did Oracle select Primavera to extend its applications strategy?

Primavera is a recognized leading choice for PPM solutions across project-intensive industries and organizations with an estimated \$6 trillion worth of projects managed by Primavera solutions.

Primavera provides industry-specific PPM solutions to more than 5,000 global enterprises and over 2.5 million users around the world. Primavera offers portfolio management solutions focused on the specific needs of key vertical industries, including architecture, engineering, and construction; public sector; aerospace and defense; utilities; oil and gas, manufacturing and high tech; and IT and services. Many of Primavera's top customers are also Oracle customers. 64% of Primavera's top customers are Oracle ERP customers and 88% of Primavera's top customers are Oracle technology customers.

Primavera's capabilities are complementary to Oracle Project Financials, Human Resources, Product Life-cycle, Supply Chain Management, Business Intelligence, and infrastructure software. Primavera software is based on industry standards and supports industry-specific business processes required by project-intensive industries.

### How will the acquisition of Primavera accelerate Oracle's strategy to become the leading enterprise application provider?

The acquisition of Primavera supports Oracle's strategy to provide mission-critical operational applications for key industries. Recently, Oracle has formed dedicated business units for Retail, Communications, Tax and Utilities, Health Sciences, Financial Services, and Insurance, all of which are dedicated to developing technology that is unique and vital to their industries.

Approximately 20% of the world's GDP is spent annually on projects (source: Project Management Institute). Primavera is a leader in PPM solutions with over 25 years experience in helping customers in project-intensive industries succeed at managing projects, programs, portfolios, and resources. Primavera products and solutions are complementary to Oracle providing easy to use, open- and standards-based PPM that manages projects of all types and sizes across enterprises and public agencies. Primavera is expected to accelerate Oracle's drive to provide mission-critical applications as a part of an overall open, standards-based and integrated solution for customers in project-intensive industries.

## PRODUCT OVERVIEW AND STRATEGY

### What products does Primavera currently develop and support?

Primavera products offer the richest PPM functionality that help customers manage their entire project portfolio, including all projects, resources, costs, risks, and project changes.

- Primavera P6 is an industry-leading, powerful, easy-to-use project and program management solution that helps organizations effectively plan, manage, control, and deliver projects on time and on budget.
- Primavera ProSight is a leading portfolio management and analysis solution that can identify, select, and prioritize the right strategic projects and investment.
- Primavera Contract Manager is a document management, job cost, and project controls solution that can increase construction project management efficiency and speed, while reducing schedule delays.
- Primavera Pertmaster is an industry-leading risk management solution that is a vital component for large-scale programs, helping customers reduce project and portfolio uncertainty by modeling risks and analyzing the cost and schedule impacts of mitigation scenarios.
- Primavera Cost Manager is an Earned Value Management solution for tracking and reporting project and program performance, managing costs, and meeting public sector and government budgeting and reporting requirements.
- Primavera Resource Management provides best-in-class enterprise workforce planning and resource management for professional services organizations.
- By enabling important information to flow freely between Primavera's project management solution and non-Oracle applications, Primavera Inspire enables non-Oracle applications customers to accurately forecast cost, schedule, and resource to completion.

### How will Primavera fit into Oracle's overall enterprise application software strategy?

Primavera PPM is complementary to Oracle's financials, human resources, product lifecycle, supply chain management, business

intelligence, and infrastructure software, and together forms the first, comprehensive Enterprise PPM solution offered from a single vendor. The addition of Primavera supports Oracle's strategy of providing the industry's most comprehensive and compelling enterprise applications.

#### **How is this expected to impact Primavera's product roadmap?**

Until the closing of the acquisition, Primavera and Oracle will remain separate companies. Primavera intends to continue to deliver enhancements and improvements to its products. After the closing, Oracle plans to support customers' investments in Primavera products, which will become a component of Oracle's applications portfolio. Research and development investments in Primavera solutions are expected to increase after the closing as it will then be able to leverage Oracle's \$2.7 billion R&D budget.

#### **Will Oracle continue to support customers running Primavera solutions on non-Oracle technology?**

After the closing, Oracle plans to continue to support Primavera product integrations with other technology platforms to serve customer needs.

#### **How compatible are Primavera's products with Oracle's products?**

Primavera's products are complementary to Oracle technology and adhere to open industry standards. The combination of Oracle's ERP applications with Primavera's PPM applications is expected to provide end-to-end support for the project portfolio lifecycle.

#### **How does Oracle plan to maintain Primavera's industry and domain expertise after the closing?**

The goal of the combination is to complement Oracle's solutions for the architecture, engineering, and construction; public sector; aerospace and defense; manufacturing and high tech; and IT and services industries. Primavera brings significant domain expertise in these industries, specifically in the area of PPM. Primavera management and employees are expected to join Oracle after the closing to form a dedicated global business unit focused on Enterprise PPM solutions.

#### **Will Oracle be integrating the Primavera products to their existing PPM & ERP applications?**

Oracle is in a unique position to support the integration of PPM and ERP. Oracle has the technology foundation and enterprise application experience to drive this innovation. Oracle intends to support and develop standards and functional integration to Oracle and non-Oracle enterprise applications so that customers of Oracle's ERP systems and customers of Primavera solutions secure maximum benefits.

#### **When will Oracle be providing this integration?**

After the close of the transaction, Oracle expects to provide integrated solutions for end-to-end enterprise project portfolio management, removing the silos that separate traditional PPM from other key enterprise processes. Timelines will be shared as they become available.

### **CUSTOMERS AND PARTNERS**

#### **How is the proposed transaction between Oracle and Primavera expected to benefit Primavera customers?**

Customers' investments in Primavera's products are expected to be protected as Primavera's products become the foundation of a global business unit within Oracle focused on providing Enterprise PPM solutions to project-intensive industries. After the closing, Oracle expects to continue to sell and support Primavera products in standalone situations and with Oracle and non-Oracle environments. As with other strategic acquisitions, Oracle will review all currently supported Primavera products and will document defined support timeframes for each with a view to their inclusion in Oracle's Lifetime Support policy.

Primavera customers are expected to benefit from improved service and support through the breadth and scale of Oracle's service and customer support organizations. Further, the scale of the combined business is expected to accelerate innovation for customers via Oracle's \$2.7 billion R&D investment and technology base driving advances to Primavera's product suite and delivering new and industry-specific technology to market faster.

#### **How will customers' investments in Primavera solutions be protected by Oracle?**

After the closing, Oracle intends to continue to enhance Primavera products and solutions.

### As an existing Oracle Projects customer, what will be the impact of the proposed transaction with Primavera?

This acquisition underscores Oracle's commitment to building a comprehensive integrated Enterprise PPM platform for its customer base. The combined solution is expected to provide the following benefits for customers in the following industries:

- Architecture, Engineering, and Construction customers are expected to maximize the value of their resources, accelerate project delivery, effectively manage project and business risks and contracts to enforce clear accountability across organizational lines, and better deliver on their obligations through visibility into all aspects of project performance past, present, and future.
- Public Sector customers are expected to increase efficiency and improve stakeholder visibility and transparency through the monitoring of IT and other programs, and ensure compliance with an industry-leading Earned Value capability.
- Services customers are expected to build the right project portfolios, improve engagement cash flow and profitability, better manage internal assets and resources, and standardize and improve project delivery.
- Utilities customers are expected to benefit from increased business insight and operational agility as they manage intensive outage and shutdown projects, coordinate subcontractors and major procurement items, and share critical resources between both major projects and routine maintenance.
- Manufacturing customers are expected to evaluate product and project portfolios to improve competitive position in the market, and have visibility into the key skills and resources that will be required to carry out their commitments to stakeholders and customers.

All project centric businesses are expected to benefit from:

- A comprehensive Enterprise Project Portfolio Management solution supporting all communication, workflow, budgets, and approval processes for scoping, sourcing, executing, and billing for any project
- Enhanced efficient project delivery, including improved project execution based on on-time and on-budget success factors, as well as proactive project rejection, postponement, or cancellation based on real-world rationale
- Real-time, accurate scoping, assessment, and analysis of the organization's ability to initiate, execute, and successfully deliver a

project or portfolio of projects, in terms of time, cost, and resources

- Role-based support, allowing business development managers to view key project investments in high-level views and analyze these portfolios of projects in terms of earned value and ROI
- End-to-end visibility at all stakeholder levels for project status, health, and anticipated business benefit

### How is the proposed transaction expected to benefit partners?

Primavera Resellers will benefit from expanded opportunities via access to a more complete set of applications and technology available for reselling. System Integrators will be able to provide customers with a single partner to address their needs for PPM. Value-added resellers will benefit from expanded global opportunities to provide end-to-end project portfolio management solutions. Technology partners will be able to offer integrated PPM solutions covering the entire infrastructure stack including database, middleware, and applications.

All partners will gain access to Oracle's worldwide resources and partner ecosystem providing access to resources, information, support, and education from one global partner.

### How will Oracle continue to support and broaden relationships with Primavera partners?

Primavera will become an Oracle global business unit. Therefore, we expect business to continue as usual for Primavera partners after closing. To provide for a smooth transition, existing Primavera partner contracts for support, professional services, and sales are expected to remain in effect until they expire or until further notice. Primavera management will be reaching out to Primavera partners to answer any questions.

Partners are essential to Oracle's economic and growth strategy. In addition to increased product support and investment, Primavera partners are expected to benefit from the Oracle PartnerNetwork, our global world-class partner program which provides access to a broader portfolio of solutions, comprehensive resources to support partner business and opportunities for growth with Oracle.

## BUSINESS CONTINUITY

### Can I still purchase Primavera products?

Yes, Primavera and Oracle will remain separate companies until the closing of the acquisition. Please contact your existing Primavera sales representative or authorized representative (PAR) to assist you, or visit [www.Primavera.com](http://www.Primavera.com) for contact information.

### Should Primavera customers continue to call Primavera customer support?

Yes, Primavera and Oracle will remain separate companies until the closing of the acquisition. Primavera customers should continue to use existing Primavera contacts for support, professional services, and sales to address immediate and ongoing needs. We will communicate any changes and transitions occurring after the close of the transaction well in advance through these familiar channels.

### Should Primavera customers continue to contact their Primavera sales representative?

Yes. Until the closing of the transaction, Primavera continues to operate as a separate business and until further advised, customers should continue to rely on existing relationships.

### Will training on Primavera products continue?

Yes. Until the closing of the transaction, Primavera continues to operate as a separate business. After the closing, we plan to combine the Primavera education program with Oracle University. We want to ensure that our customers' software provides the best possible service for their organizations, and we know excellent training is critical to reach that goal.

### Will the Primavera leadership and employees be retained?

The goal of the combination is to complement Oracle offerings. The acquisition of Primavera demonstrates Oracle's commitment to providing leading industry specific PPM solutions. As a result, Primavera's management and employees will continue with Oracle to form a new global business unit focused on Enterprise PPM for project-intensive industries.

### Where can I find out more information about the proposed Oracle and Primavera combination?

For more information, please visit [oracle.com/primavera](http://oracle.com/primavera)

The above is for informational purposes and may not be incorporated into a contract.

IT IS NOT A COMMITMENT TO DELIVER ANY MATERIAL, CODE OR FUNCTIONALITY, AND SHOULD NOT BE RELIED UPON IN MAKING PURCHASING DECISIONS. THE DEVELOPMENT, RELEASE AND TIMING OF ANY FEATURES OR FUNCTIONALITY DESCRIBED FOR ORACLE'S PRODUCTS REMAINS AT THE SOLE DISCRETION OF ORACLE. THE DEVELOPMENT, RELEASE AND TIMING OF ANY FEATURES OR FUNCTIONALITY DESCRIBED FOR PRIMAVERA'S PRODUCTS REMAINS AT THE SOLE DISCRETION OF PRIMAVERA.

This acquisition is subject to the satisfaction of a variety of conditions. Oracle is not affiliated with Primavera and Primavera is not affiliated with Oracle until the official close of the transaction.