Oracle and MetaSolv – Acquisition Announcement

Delivering a leading end-to-end packaged software solution addressing the key business processes of the Communications Industry

General Presentation
October 2006

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any 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.

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Agenda

- What We are Announcing

- Strategic Rationale

- Customer and Partner Benefits

- MetaSolv Software Overview

- MetaSolv Customer Overview

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What We are Announcing

- **Oracle to acquire MetaSolv Software, a leading provider of Operational Support Systems (OSS) for the Communications Industry**
  - Acquiring MetaSolv Software for $4.10 per share, subject to required approvals
  - Expands Oracle's Communications Suite to include Provisioning, Network Inventory and Activation solution
  - Transaction expected to close in late 2006 or early 2007

- **The combination will provide a leading software solution for end-to-end Communications processes across the Enterprise, including BSS, OSS, ERP and Service Delivery**
  - Oracle as the leading choice for ERP, Supply Chain, HCM, database and infrastructure software
  - Siebel as the CRM standard for worldwide Communications Service Providers
  - Portal Software as a leading Billing and Revenue Management system
  - Oracle SDP as the platform for delivering next generation services
  - MetaSolv as the leading comprehensive OSS Service Fulfilment solution including Provisioning, Network Inventory and Activation

- **MetaSolv's management and employees will become a part of Oracle's Communications Global Business Unit**
  - Build on a dedicated team focused on packaged software solutions for the Communications industry
  - Retain domain expertise and customer relationships
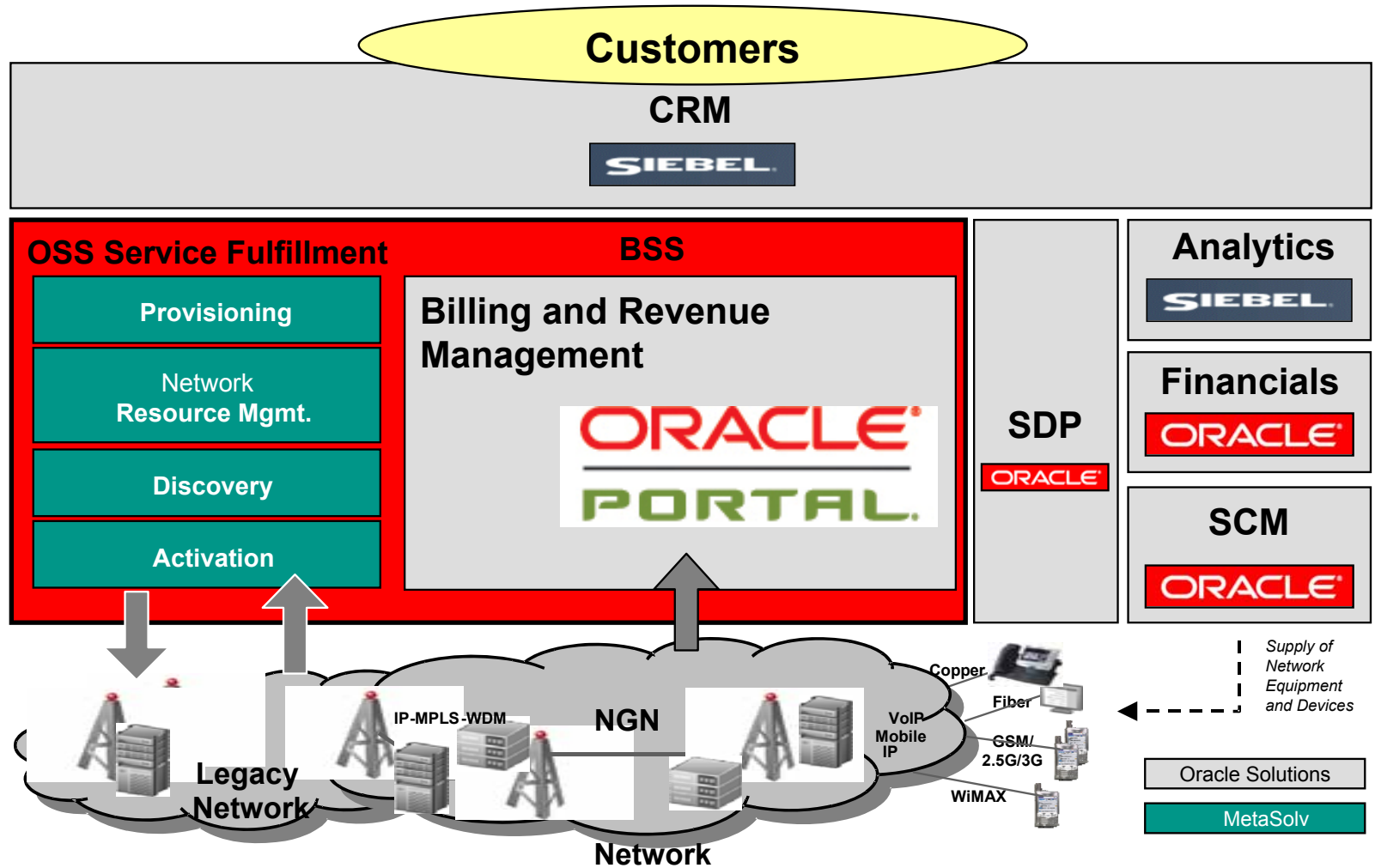 - Provide a smooth transition for customers without interruption

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Overview of Strategic Rationale

- **Communications continues to be a important industry for Oracle**
  - Fourth largest industry in terms of software spend
  - Communications Operational Support Systems (OSS) is the fastest growing IT domain in the Communications Industry
- **Demand for packaged software solutions to support key business processes spanning customer relationship, service fulfilment, asset utilization and revenues management continues to grow**
  - Streamlining the end-to-end "Campaign-to-Cash" Process
  - Providing comprehensive, end-to-end Network Asset Lifecycle Management & Optimization
  - Simplifying the Service Configuration & Deployment process through the Service Creation Environment
  - Extending Customer Data through Subscriber and Service Management and Communications-specific extensions to core data repositories
- **Combination will increase Oracle's addressable customer base and strengthens its position in the industry**
  - Significant customer commonality provides immediate benefits
  - Oracle will be a leading packaged application vendor in the communications industry
  - Additive to Oracle's goal to become #1 globally in applications

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OSS is the Next Logical Focus for Oracle

- Operational Support Systems (OSS) is the fastest growing IT domain in the Communications Industry
    - Deployment of Mass-Market Broadband is requiring the transition to Next Generation Networks
    - Increased complexity of IP-services, including VoIP, and IP-TV is driving the replacement of high-TCO infrastructure
    - Transition to all-IP and IMS-driven service convergence network infrastructure promotes the deployment of standard packaged software

- The combination of Oracle and MetaSolv has the ability to lead the shift to product based solutions in OSS
    - MetaSolv offers a comprehensive, proven OSS Suite for multi-service communications service providers, with a focus on next generation networks and services
    - Both companies share a common philosophy of integrated, modular product based solutions that are implemented through configuration, rather than customisation
    - Both support next generation services and networks
    - Oracle has a global presence that can help facilitate change

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End-to-End Communications Suite

Customers

CRM

SIEBEL.

OSS Service Fulfillment

- Provisioning
- Network Resource Mgmt.
- Discovery
- Activation

BSS

Billing and Revenue Management

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SDP

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Analytics

SIEBEL.

Financials

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SCM

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IP-MPLS-WDM

NGN

Legacy Network

Network

Copper

Fiber

VoIP Mobile IP

GSM/ 2.5G/3G

WiMAX

Supply of Network Equipment and Devices

Oracle Solutions

MetaSolv

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End-to-End Communications Suite

- **Provides a Single Campaign-to-Cash Software Suite**
  - Incorporates OSS, CRM, Revenue Management and ERP applications
  - Manages customer interactions, revenue realization and automated service fulfillment to optimize processes
  - Lowers transaction costs and accelerates time-to-revenue
- **Improves Network Asset Management**
  - Tracks and manages the entire life cycle of costly network assets
  - Improves efficiency and maximize asset utilization by accurately managing and accounting for assets from initial procurement through to customer production
  - Reduces capital expenditures
- **Rapid Time-to-Market for New Services**
  - Streamlines and automates product/service creation, pricing, packaging and definition
  - Provides a single view of customers, products, and services and their relationship to the underlying network will allow service providers
  - Enhances competitiveness through the rapid introduction of innovative services

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A Strong Combined Industry Offering

	Oracle + MetaSolv	Other Solutions
Convergence	Unified OSS/BSS/ERP to support any business model for all service over any network	Choice of OSS and BSS systems depend on what services are launched, multiple overlapping systems may be required
Configuration vs. Customization	Highly configurable, packaged software	Toolkit and professional services
Architecture	Modern configuration model, open APIs, and built on emerging software engineering principles and standards	Legacy custom software approach with limited APIs, one-off integrations, and unproven upgradeability
Time-to-Market with New Services	Measured in Hours or Days	Typically Measured in several months
TCO	Lower predictable CAPEX and OPEX	Higher lifetime costs due to heavy services and customized approach
R&D Strategy	Product-based, proven roadmap	Custom, services-driven model with unpublished roadmap and little to no investment in product R&D.
Delivery Model	Integrated, yet modular, all around solution and complementary partner approach	One-stop, customized approach requiring massive vendor resources and long-term engagement model/lock-in.
Next Generation Networks & Services	IMS-ready today with end-to-end support for real-time and on-demand IP-based services	Lacks credibility and packaged product support for future needs of IMS / NGN service providers

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Oracle in Communications

Supplying applications and infrastructure software to the industry since the mid-1980s

- 90% of Communications companies worldwide use Oracle applications and/or infrastructure software
- Nearly 700 Communications customers globally
- 17 of the world's top 20 communications service providers run Oracle applications
- Oracle's existing offering for the Communications industry has significant breadth
  - Portal Billing and Revenue Management
  - Oracle E-Business Suite for ERP/SCM
  - Siebel Systems for CRM and Analytics
  - PeopleSoft for HCM
  - TimesTen and Sleepycat for real-time data management
  - HotSip and Net4Call for the Oracle Service Delivery Platform
  - Data Hubs for customer and product master data management

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Expected MetaSolv Customer Benefits

MetaSolv applications supported and protected as the Service Fulfilment standard for the combined companies

- Stronger combined vendor with complementary products
  - Improved stability in a highly fragmented competitive landscape
  - All of MetaSolv's customers are currently Oracle technology customers
  - Highly complementary combination of product offerings
- Preserve customers investment in MetaSolv product and vision
  - Management & employees will continue as part of the Communications Global business unit within Oracle
  - Current MetaSolv employees will provide retained industry domain expertise and knowledge
- Provide smooth transition for customers without disruption
  - Enhanced support and services through scale
  - Global 24x7 support network for streamlined commercial relationship
  - Extended partner ecosystem with increased investment
  - Support and broaden relationship with MetaSolv alliance partners

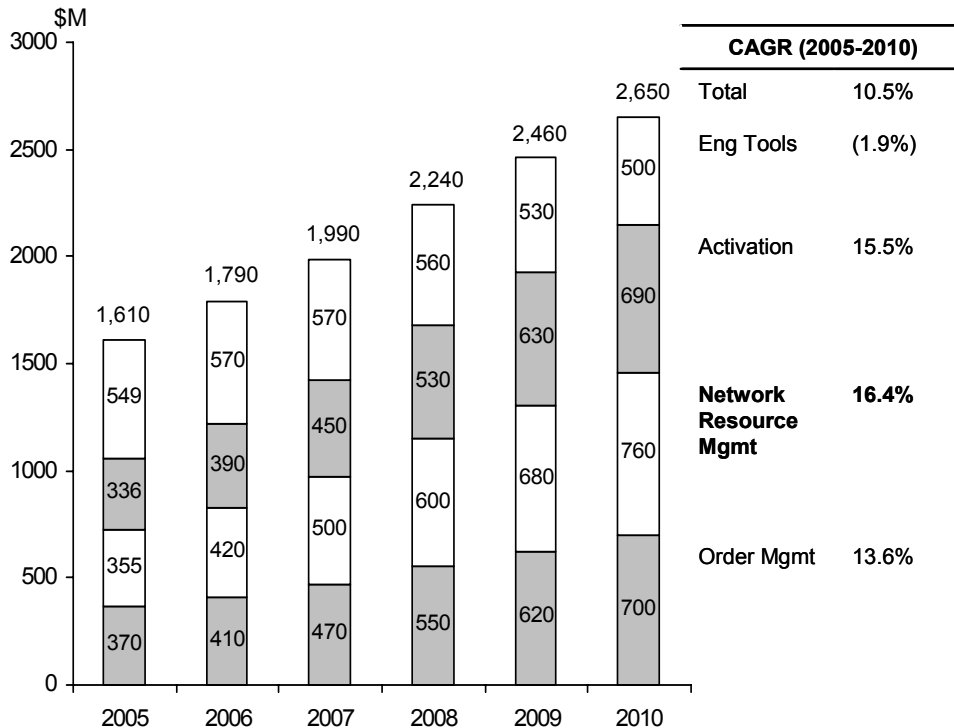**ORACLE**

Expected Oracle Customer Benefits

MetaSolv Software acquisition underscores Oracle's focus and commitment to the Communications Industry

- Communications service providers have told Oracle that accessing an integrated packaged applications suite is one of their highest priorities
  - Combination of MetaSolv and Oracle will provide a catalyst to simplify their architectures and move to enterprise-wide product-based solutions
- Complementary product offerings form a packaged software offering that addresses the business processes for Service Providers
  - Streamline Service Fulfilment
  - Comprehensive Network Lifecycle Management
  - Simplification of Service Creation
- Acquisition is consistent with Oracle's intent to develop deep industry functionality and focus
  - Transaction expands industry expertise, complements Oracle's applications and technology, and creates new growth opportunities
  - Delivered by industry experts with significant domain knowledge
  - Continues Oracle's strategy of addressing specific industries, which has included Communications, Retail and Financial Services

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Expected Oracle and MetaSolv Partner Benefits

- Leverage partner relationship to address customer needs for OSS (Provisioning, Network Inventory and Provisioning) Billing, CRM, ERP, analytics and infrastructure software
  - Benefit from Oracle's worldwide resources and partner investment
  - Benefit from MetaSolv's best-in-class OSS suite solutions
  - Protects partners' investments and experience with MetaSolv
- Continue partnering with Network Equipment Manufacturers in the Activation and Network Inventory domains
  - Continue commitment work with leading systems integrators
  - Larger footprint from Oracle simplifies choices for SIs
  - Complementary delivery model
- Commitment to continue supporting other OSS ISVs
  - For provision of Oracle's infrastructure software (RDBMS, In-Memory Database, Middleware, BI)
  - For integration between ISVs and Oracle's enterprise applications
  - Provision of technology support and collaboration will be conducted independently from MetaSolv Software

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OSS Market Segment Overview

$M

CAGR (2005-2010)	
Total	10.5%
Eng Tools	(1.9%)
Activation	15.5%
Network Resource Mgmt	**16.4%**
Order Mgmt	13.6%

Chart values:

Year	Values (bottom to top)	Total
2005	370, 355, 336, 549	1,610
2006	410, 420, 390, 570, 570	1,790
2007	470, 500, 450, 570	1,990
2008	550, 600, 530, 530, 560	2,240
2009	620, 680, 630, 530	2,460
2010	700, 760, 690, 500	2,650

Source: OSS Observer, Nov 2005

- Growth drivers include:
  - Deployment of Mass-Market Broadband
  - Transition to Next Generation Networks, including VoIP, and IP-TV
  - IMS-driven Service Convergence
  - Replacement of high-TCO infrastructure
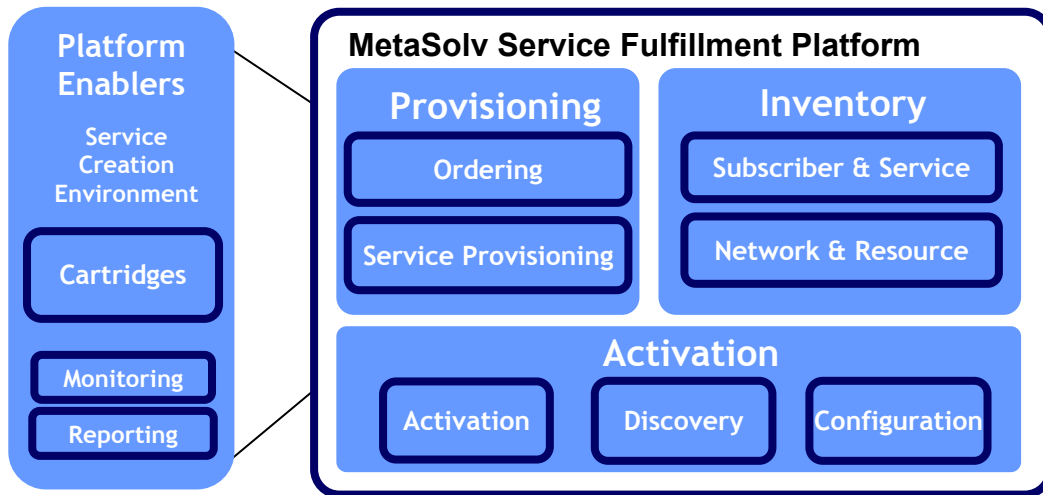 - Transition to all-IP network infrastructure

MetaSolv Software is:
- #1 in service activation and a 13% market share
- #2 in order management
- #3 in network resource management and a 12% market share

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Overview of MetaSolv Software Solutions

- MetaSolv has a comprehensive suite for OSS service fulfillment that enables automated service delivery and management of subscriber and services
  - Addresses key service provider requirements as either a complete suite or on a modular basis
  - Rapid configuration and deployment through a single service creation environment
  - Supports all types of services including next-generation IMS, VoIP, IPTV, IP VPN, Broadband and Mobile services, as well as traditional voice and data services
- MetaSolv solutions are based on enterprise software principles
  - Accelerates time-to-revenue with highly configurable product solutions vs. traditional legacy systems that require frequent code changes
  - MetaSolv products are based on modular components, common data architectures, and flexible processes and workflows
  - MetaSolv leads service fulfillment vendors in software license revenues

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MetaSolv Footprint

Platform Enablers

Service Creation Environment

- Cartridges
- Monitoring
- Reporting

MetaSolv Service Fulfillment Platform

Provisioning
- Ordering
- Service Provisioning

Inventory
- Subscriber & Service
- Network & Resource

Activation
- Activation
- Discovery
- Configuration

Provisioning
- Co-ordinate All Service or Network Delivery Activities, manual or automated, internal or inter-carrier

Inventory
- Enterprise-wide Platform to Manage All Network Resources and Services
- Subscriber & Service Management & Abstraction

Activation
- Multi-Service & Multi-Vendor Activation & Discovery Platform
- Centralized Management & Control of Network-wide Device Configurations

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MetaSolv Customer Overview

IP VPNs
(25+)

VoIP/IPTV

Broadband
(40+)

Mobile
(55+)

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Case Study: XO Communications

Case Study   **Broadband Provisioning**

Business Challenge:

- National network serving carriers and large businesses
- Seeking to provide bundled services for voice, data and Internet
- Experiencing rapid customer growth as well as corporate consolidation

MetaSolv Solution:

- Next generation capabilities for effective broadband provisioning
- Flow-through order management, inventory management, and activation
- Comprehensive data migration

Business Benefits:

- Reduced provisioning time for services
- Introduce bundles and new services faster
- Consolidated, centralized database for merged inventories

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Case Study: Vodafone

Case Study

Mobile Activation

Business Challenge:

- Order volumes outpacing ability to meet customer demands
- Inability to activate and modify new next-generation services
- Time to market with new services: >12

MetaSolv Solution:

- High volume provisioning and activation system
- Need scalability to manage growing volumes
- Flexibility to activate and modify new services across new networks and technologies

Business Benefits:

- Reduced time to market to <30 days
- Enable high-volume customer demands on 3G Network (1.5 million order per day)
- Flexible service creation environment for varied service bundles across 2.5/3G network infrastructure

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Case Study: Cable & Wireless

Case Study

Business Challenge:

- Need to consolidate two large, complex MPLS-based IP networks onto a single platform
- Seeking to deliver high margin, differentiated IP services to large customer base

MetaSolv Solution:

- Pre-integrated IP provisioning platform
- Carrier-grade provisioning controller
- Multi-service activation
- Advanced configuration management

Business Benefits:

- Full automation of IP service provisioning
- Effective network consolidation and transformation
- Cost savings through multi-service provisioning and automation

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Next Steps

- General announcement October 23, 2006
- Communicate extensively with all constituents
- Complete transaction
  - Obtain shareholder, regulatory and other necessary approvals
  - Expect to close by end of 2006 or early 2007
- More information can be found at www.oracle.com/metasolv or www.metasolv.com

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