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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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ORACLE
ENTERPRISE PERFORMANCE
MANAGEMENT

41740: Hyperion Enterprise Planning Solution
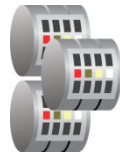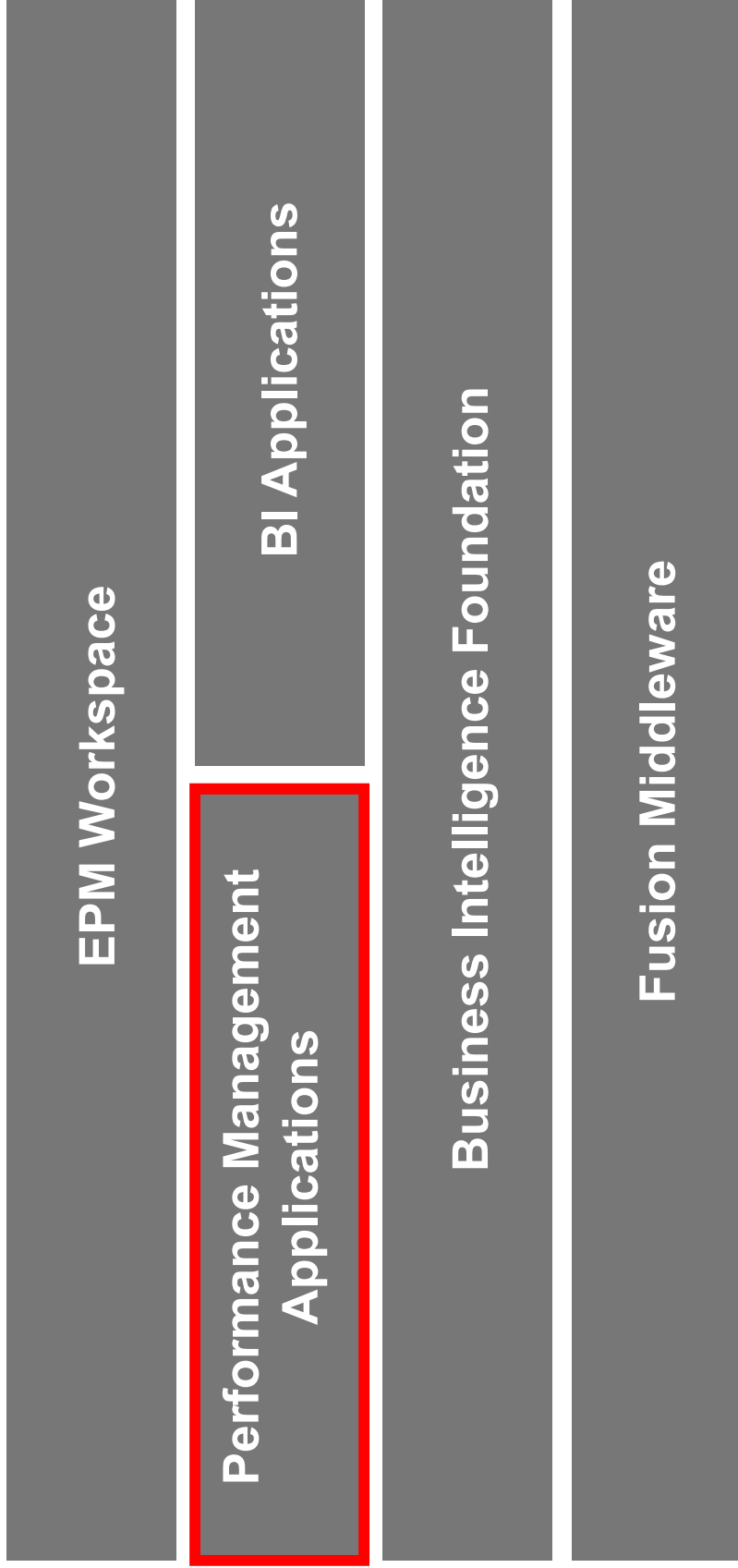
Ivo Bauermann
Director Product Marketing

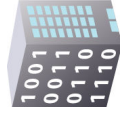Floyd Conrad
Global Domain Expert

Session Agenda

- Enterprise Planning facts
- Enterprise Planning overview
- Hyperion Strategic Finance
- Hyperion Planning
- Product demonstration
- Q & A

Oracle's Enterprise Performance Management System

EPM Workspace

BI Applications

Performance Management Applications

Business Intelligence Foundation

Fusion Middleware
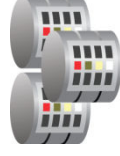
OLTP & ODS Systems	Data Warehouse Data Mart	OLAP	SAP, Oracle, Siebel, PeopleSoft, Custom	Excel XML
				Business Process
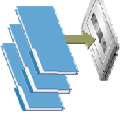
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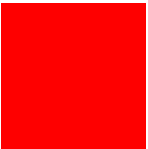
Enterprise Planning - Market Leading Solution with Ongoing Momentum

Enterprise Planning - Customers Acquisition

	FY05-Q1	FY05-Q2	FY05-Q3	FY05-Q4	FY06-Q1	FY06-Q2	FY06-Q3	FY06-Q4	FY07-Q1	FY07-Q2	FY07-Q3	FY07-Q4
Hyperion Planning	908	972	1,041	1,151	1,189	1,264	1,334	1,433	1,485	1,551	1,637	1,736
Hyperion Strategic Finance	159	183	206	230	244	269	289	320	336	350	375	400

■ Hyperion Planning ■ Hyperion Strategic Finance

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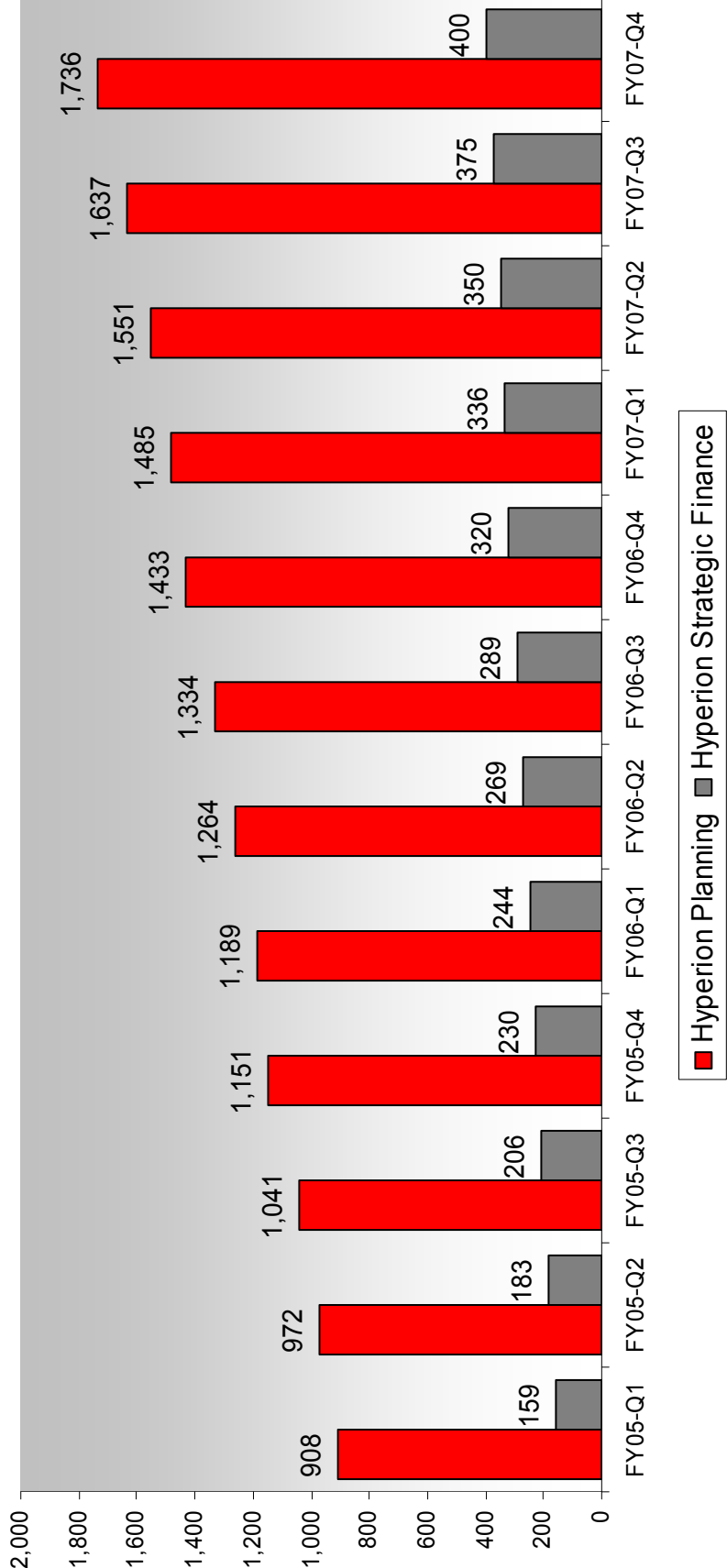
Provide Value to Companies in Capital Intensive Industries

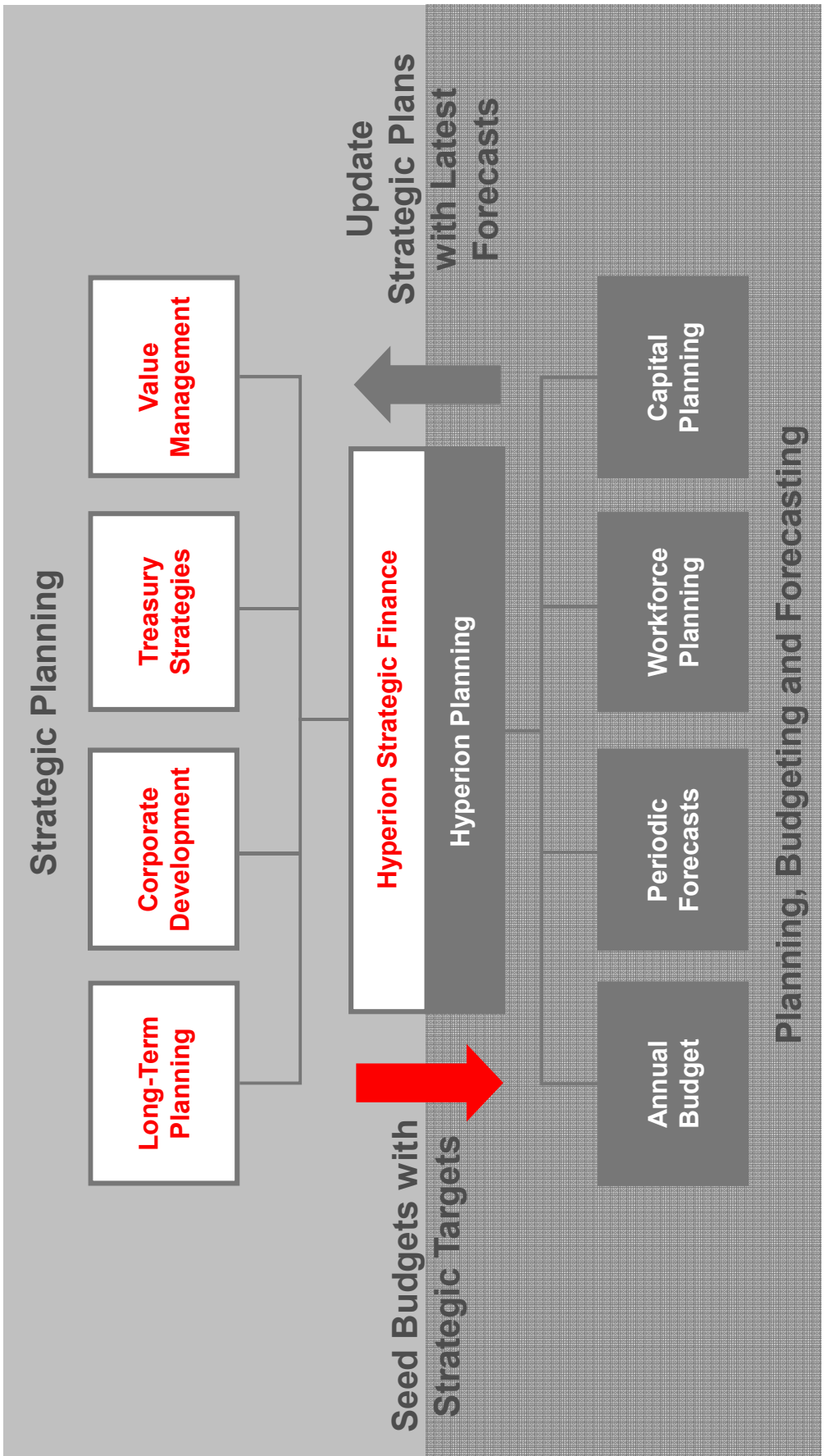| Industry	Customer Examples
Manufacturing	BMW, Dell, ABB, Northrop Grumman, Baker Hughes, Dole Foods, Rockwell Automation
CPG	Heinz, Coca-Cola, Coty, Brown-Forman, Carlsberg
Oil & Gas	Marathon Oil, Pride International, Teppco, Shell Canada, Petrobas
Mining & Resources	Newmont Mining, Anglo Platinum, Anglo Gold, Xstrata
Retail	Burger King, Denny's, Toys R Us, Radioshack. Men's Warehouse
Pharmaceuticals	Pfizer, Nycomed
Telco & Media	BT, Verizon, Telenor
Entertainment & Hospitality	Hyatt, Harrah's, Marriott, Six Continents Hotels
Energy & Utility	ConocoPhillips, Sempra Energy, Edison International, Unisource Energy
Banking	JP Morgan Chase, Merill Lynch, Bank of America, Bancwest, Deutsche Bank, Lloyds TSB, GE Capital

Align the Enterprise Planning Process

Strategic Planning

- Long-Term Planning
- Corporate Development
- Treasury Strategies
- Value Management

Hyperion Strategic Finance

Update Strategic Plans with Latest Forecasts

Seed Budgets with Strategic Targets

Hyperion Planning

Planning, Budgeting and Forecasting

- Annual Budget
- Periodic Forecasts
- Workforce Planning
- Capital Planning

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Companies Lack Integrated Modeling to Assess Financial Impact of Corporate Strategy
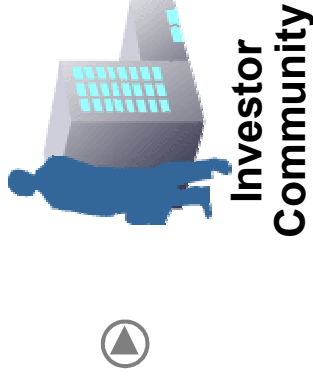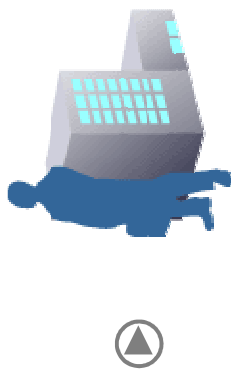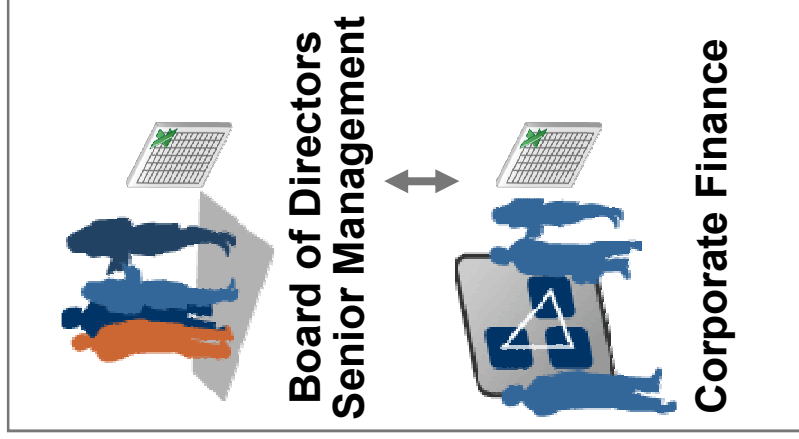
Challenges:

- Complex spreadsheet models
- Spreadsheets are error prone
- Limited accounting integrity
- Lack of integrated models make scenario analysis cumbersome
- Long simulation times

Banks

Investor Community

Acquisition Targets

Board of Directors Senior Management

Corporate Finance

Overcome a Major Liquidity Crisis

ABB

$22 Billion global provider of power and automation technologies

Before

- Lost investment-grade credit rating
- Needed recapitalize balance sheet
- No cash flow modeling capability
- No simulations at the divisional or business unit level

After

- Credit rating back to investment grade
- $4 Billion debt restructuring
- Simulate capital structure and cash flow
- 3% accuracy in net income projection

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Integrated Financial Modeling Critical to Manage Corporate Value

CFO

- **Corporate Finance**
- **Treasury**
- **Corporate Development**
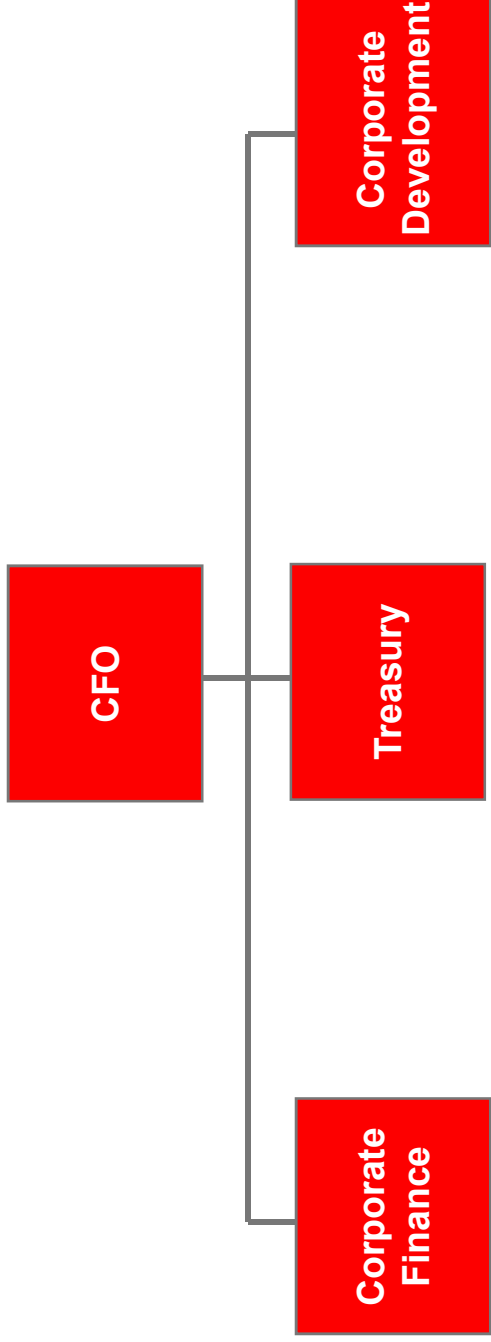
Top-Down Target Setting	Covenant/Ratio Analysis	Mergers & Acquisitions
Contingency Planning	Funding Alternatives	Valuation Analysis
Strategy Screening	Rating Agencies	Divestitures

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Hyperion Strategic Finance
Accounting Integrity and Modeling Speed

- Analyze Trail Feature
  - Visualize model logic
- Consolidation Intelligence
  - Complex entity structures
- "Deal Period" Functionality
  - Create M&A simulations
- Debt Scheduler
  - Cashflow implications of debt
- Funding Options
  - Optimize capital structure
- "What-If" Analysis Toolkit
  - Unlimited scenarios
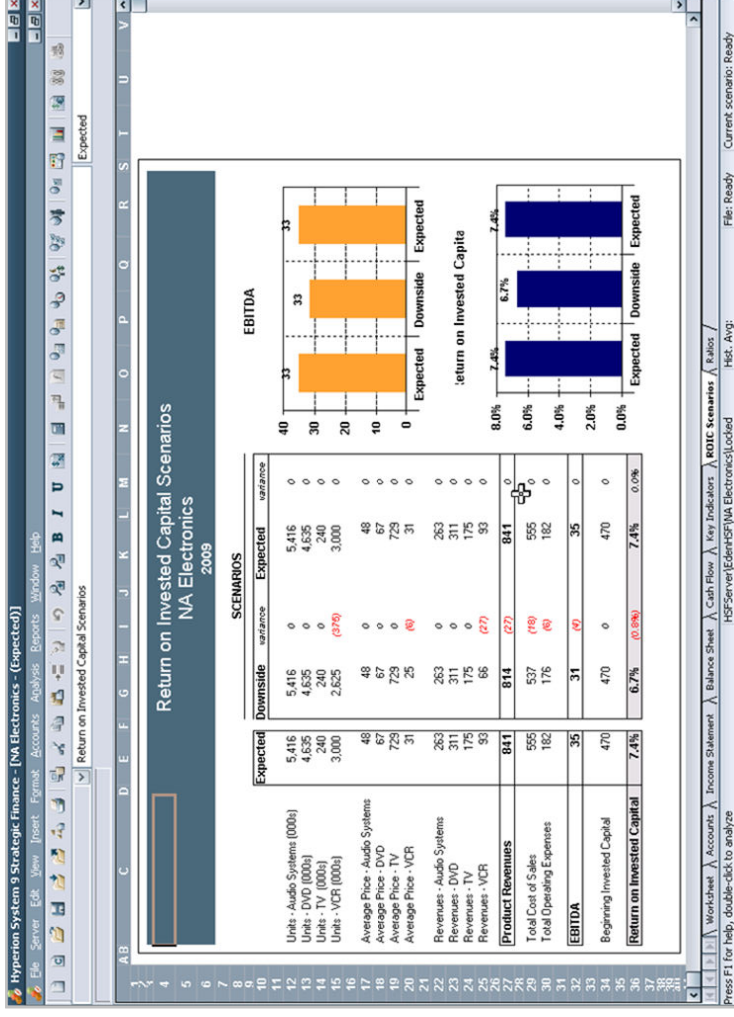
Integrated Financial Statements Provide a Complete Financial Picture

- Balance sheet
- Income statement
- Cash flow
  - Operating
  - Investment
  - Financing
- Tax calculations
- Interest calculations
- Shareholder value
- Economic profit

Balance Sheet for NA Electronics

Author: Strategic Planning Group
Scenario: Expected
Millions of Dollars

	2006	2007	2008	2009	2010	2011
Cash Other	16.0	16.4	16.4	16.4	16.4	16.4
Short Term Investments (Excess MS)	0.0	0.0	0.0	0.0	3.1	11.9
Total Cash & Cash Equivalents	**16.0**	**16.4**	**16.4**	**16.4**	**19.4**	**28.2**
Accounts Receivable - Net	57.6	74.4	74.5	78.2	82.9	88.6
Total Inventory	106.9	125.1	128.2	133.2	141.1	150.9
Total Prepaid Expenses	20.0	21.6	23.8	26.1	28.9	32.3
Total Current Assets	**200.6**	**237.5**	**242.9**	**253.9**	**272.3**	**300.0**
Gross Fixed Assets	329.0	344.1	360.9	379.9	395.5	415.3
Accumulated Depreciation	185.7	191.3	196.6	201.9	207.4	213.1
Net Fixed Assets	**143.4**	**152.8**	**164.3**	**178.0**	**188.1**	**202.2**
Total Intangible Assets	6.7	6.9	6.9	6.9	6.9	6.9
Investments in Subsidiaries	13.5	13.7	13.7	13.7	13.7	13.7
LT Deferred Tax Asset	10.1	10.3	10.3	10.3	10.3	10.3
Other LT Assets	3.4	3.4	3.4	3.4	3.4	3.4
Total Other Assets	**33.7**	**34.4**	**34.4**	**34.4**	**34.4**	**34.4**
Total Assets	**377.6**	**424.6**	**441.6**	**466.3**	**494.8**	**536.6**

LIABILITIES:

Worksheet \ Accounts \ Income Statement \ Balance Sheet \ Cash Flow \ Key Indicators \ ROIC Scenarios \ R

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Simulate Effects of Mergers & Acquisions

- Deal period
- Target valuation
- Synergies
- EPS impact
- Offer prices
- Goodwill
- Financing:
  - Cash
  - Debt
  - Shares

Balance Sheet for Target Blue

Author: Corporate Development
SIC Code: 0
Scenario: Synergies
Thousands of Dollars

	Jun06	Jul06	Aug06	Sep06:CLOSING	Sep06:DEAL	Sep06	Oct06	Nov06	Dec06	2006
Transaction Goodwill	0	0	0	0	264,270	264,270	264,270	264,270	264,270	264,270
Transaction Fees	0	0	0	0	8,500	8,500	8,500	8,500	8,500	8,500
Investments: Equity Method	750	750	750	750	750	750	750	750	750	750
Total Non-Current Assets	58,050	59,051	60,049	61,061	333,831	333,831	335,305	336,791	338,254	338,254
Total Assets	136,191	139,134	142,242	145,452	368,178	368,178	370,565	373,089	376,172	376,172
LIABILITIES:										
Accounts Payable	60,095	60,114	60,132	60,151	60,151	60,151	60,171	60,190	60,282	60,282
Notes Payable	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	60,095	60,114	60,132	60,151	60,151	60,151	60,171	60,190	60,282	60,282
New Senior Notes	0	0	0	0	81,137	81,137	81,137	81,137	81,137	81,137
Long-Term Debt Scheduled	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Total Long-Term Debt	36,000	36,000	36,000	36,000	117,137	117,137	117,137	117,137	117,137	117,137
Deferred Income Taxes										
Other Liabilities	860	860	860	860	860	860	860	860	860	860
Total Liabilities	97,413	97,513	97,617	97,722	178,859	178,859	178,964	179,071	179,257	179,257
EQUITY:										
Common Stock (Par Value)	12,660	12,660	12,660	12,660	0	0	0	0	0	0
New Common Stock	0	0	0	0	189,319	189,319	189,319	189,319	189,319	189,319
Retained Earnings	26,118	28,961	31,965	35,070	0	0	2,282	4,700	7,596	7,596
Total Equity	38,778	41,621	44,625	47,730	189,319	189,319	191,601	194,019	196,915	196,915
Total Liabilities & Equity	136,191	139,134	142,242	145,452	368,178	368,178	370,565	373,089	376,172	376,172

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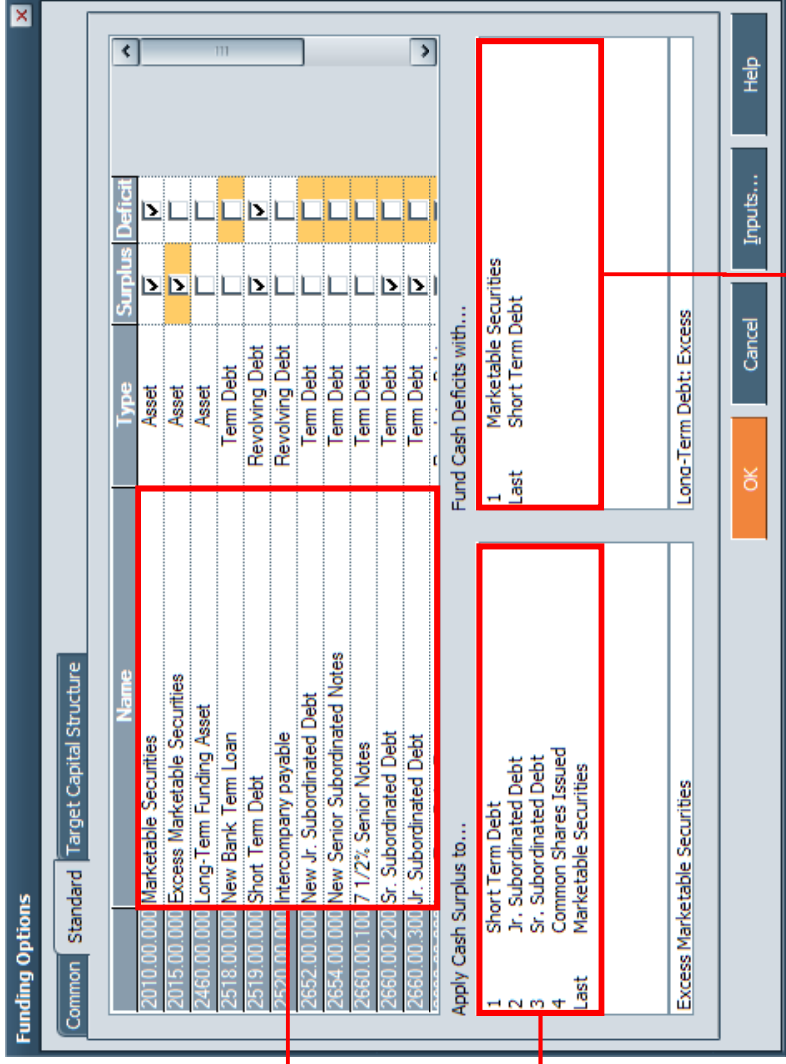**Ray Fulcher**

Manager of Financial Analysis

Northrop Grumman

"provide financial statements and analyses to upper management illustrating the impact of financing choices and different offer prices within minutes"

Manage Capital Structure

- Cash generation
- Debt to equity ratio
- Repay or borrow debt
- Issue or buy-back shares
- Financing costs
- Credit ratings
- Dividend pay-out

Capital Structure for Eden Consolidated

Author: Strategic Planning Group
SIC Code: 0
Scenario: Expected
Millions of Dollars

	2006	2007	2008	2009	2010	2011
Senior Debt - Fixed Rate	330	336	336	336	336	336
Senior Debt - Variable (4% Spread)	220	224	224	224	224	224
Senior Debt - Variable (1.1% Spread)	0	0	0	0	0	0
LT Debt	549	560	560	560	560	560
IC LT Loan Payable	0	0	0	0	0	0
Long-Term Debt Excess	0	0	0	0	0	0
Common Equity	665	722	743	786	842	920
Interest on Senior Debt - Fixed Rate	0	12	24	24	24	24
Interest on Senior Debt - Variable (4% Spread)	0	8	18	18	18	18
Interest on Senior Debt - Variable (1.1% Spread)	0	0	0	0	0	0
SHARES OUTSTANDING:						
Common Shares Outstanding	25.00	25.00	25.00	25.00	25.00	25.00
Cumulative Buyback Authorized Shares	0	1	1	1	1	1
Minimum Common Shares Issued	25.00	24.00	24.00	24.00	24.00	24.00
Share Price as Multiple of EBITDA	2.0x	2.0x	2.0x	2.0x	2.0x	2.0x
Share Price for Stock Repurchase	$0.00	$11.88	$8.96	$11.76	$13.46	$16.36
Cash Used in Stock BuyBack	0	0	0	0	0	0
EARNINGS PER SHARE:						

Built-in Funding Options Optimize Financing Choices

Funding Options

Tabs: Common | Standard | Target Capital Structure

	Name	Type	Surplus	Deficit
2010.00.000	Marketable Securities	Asset	☑	☑
2015.00.000	Excess Marketable Securities	Asset	☑	☐
2460.00.000	Long-Term Funding Asset	Asset	☐	☑
2518.00.000	New Bank Term Loan	Term Debt	☐	☑
2519.00.000	Short Term Debt	Revolving Debt	☑	☐
2520.00.000	Intercompany payable	Revolving Debt	☐	☐
2652.00.000	New Jr. Subordinated Debt	Term Debt	☐	☑
2654.00.000	New Senior Subordinated Notes	Term Debt	☐	☑
2660.00.100	7 1/2% Senior Notes	Term Debt	☑	☑
2660.00.200	Sr. Subordinated Debt	Term Debt	☑	☑
2660.00.300	Jr. Subordinated Debt	Term Debt	☐	☑

Apply Cash Surplus to...

1 Short Term Debt
2 Jr. Subordinated Debt
3 Sr. Subordinated Debt
4 Common Shares Issued
Last Marketable Securities

Excess Marketable Securities

Fund Cash Deficits with...

1 Marketable Securities
Last Short Term Debt

Long-Term Debt: Excess

Buttons: OK | Cancel | Inputs... | Help

Select from predefined financial instruments

Determine allocation of surplus cash

Define how to fund cash deficits

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Hyperion Crystal Ball Adds Monte Carlo Simulation to Manage Risk and Uncertainty


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Align the Enterprise Planning Process

Strategic Planning

Long-Term Planning | Corporate Development | Treasury Strategies | Value Management

Hyperion Strategic Finance

Update Strategic Plans with Latest Forecasts

Seed Budgets with Strategic Targets

Hyperion Planning

Annual Budget | Periodic Forecasts | Workforce Planning | Capital Planning

Planning, Budgeting and Forecasting

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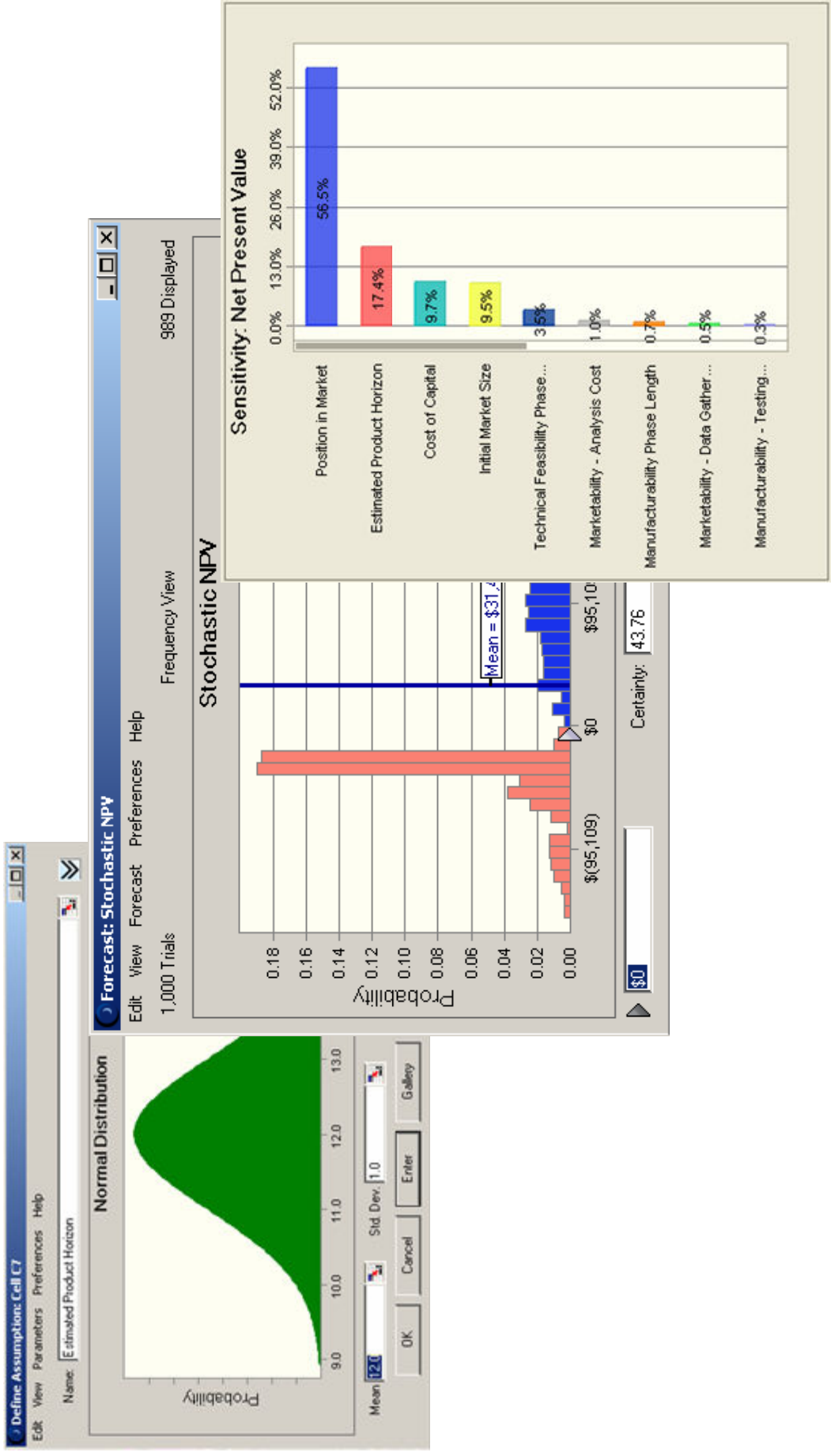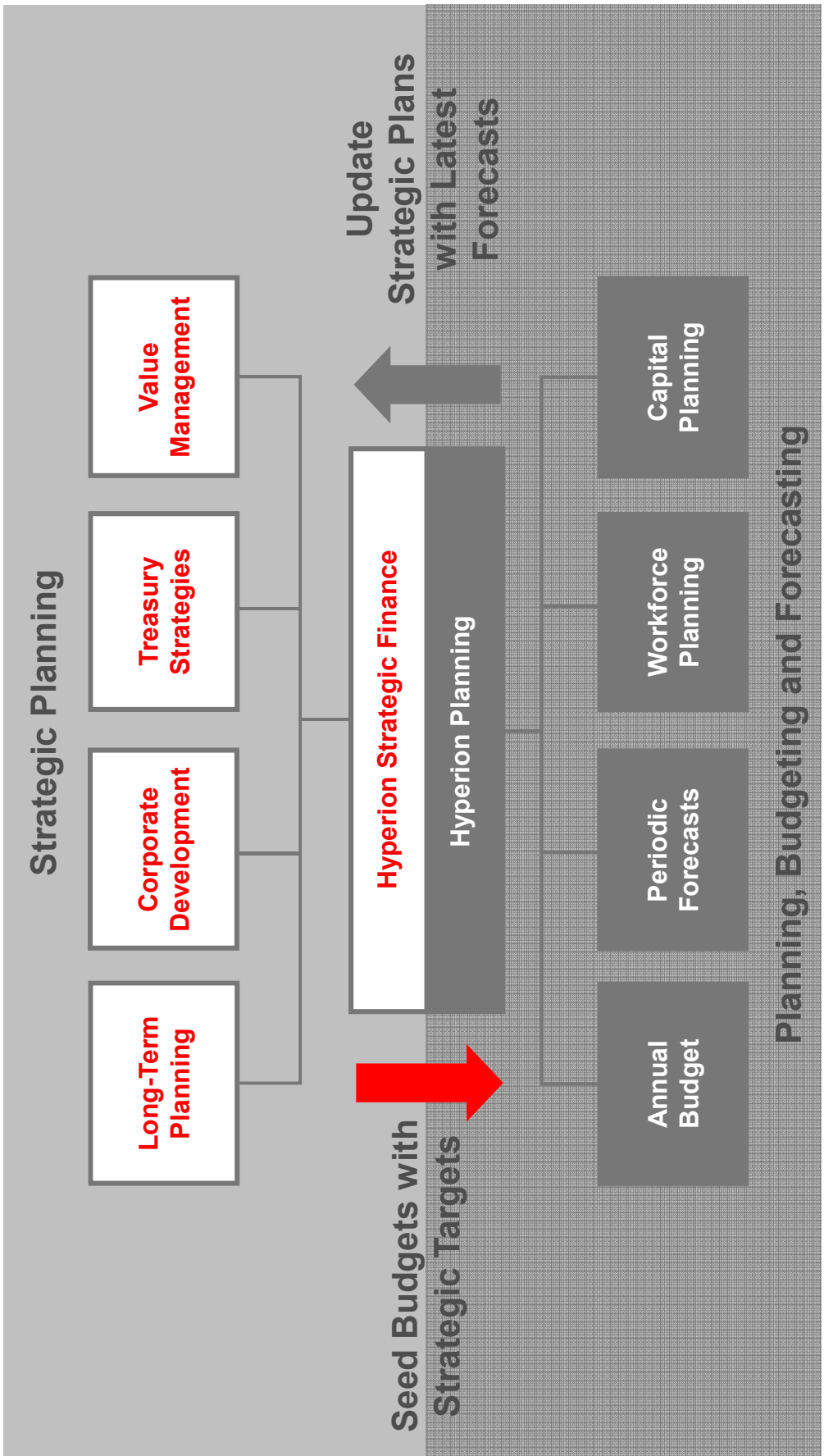
Budgeting Process is Highly Inefficient

- **Time** – takes too long, results obsolete

- **Quality** – political/negotiation, not reflective of business

- **Cost** – many wasted resources, dubious benefits

- **Flexibility** – lack of responsiveness to changes

Senior Management

FP&A Group

Dept A

Dept B

Dept C

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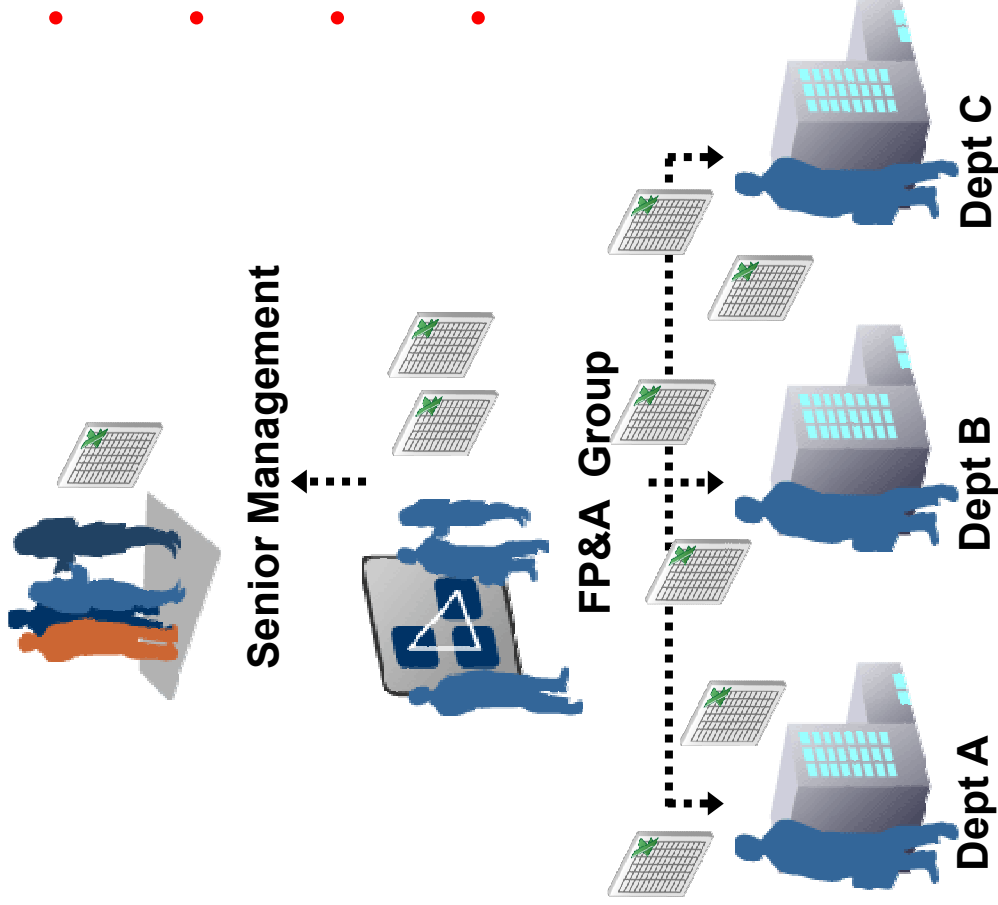
Streamline Planning, Budgeting and Forecasting
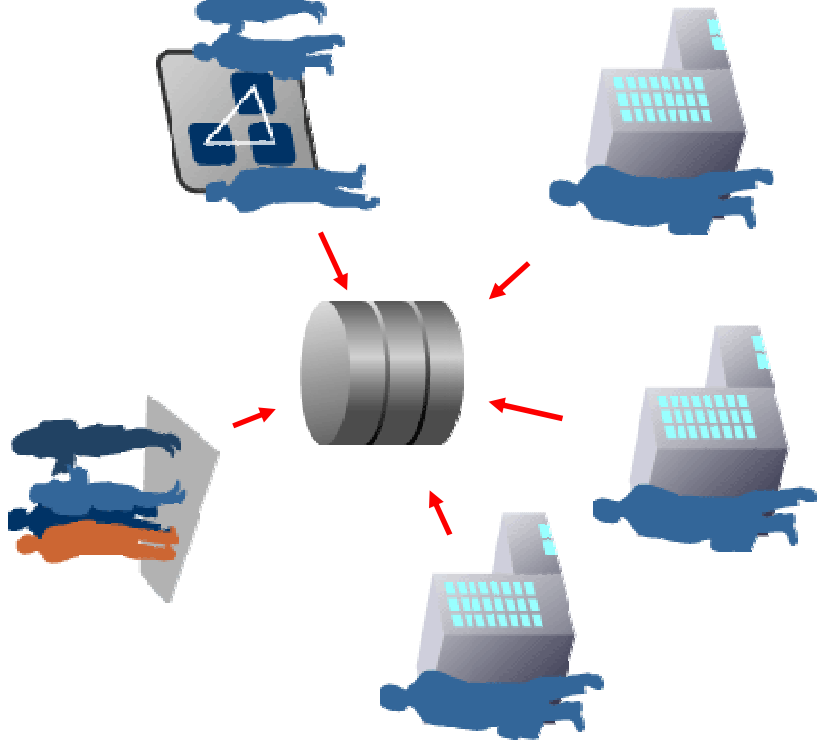
- Centralized, not distributed
- Short budget cycles
- Collaboration across organization
- Consistent assumptions and calculations
- Accurate data and plans
- Accountability
- Align top-down with bottom-up
- Driver-based planning
- Rolling forecasting

Allocate Strategic Targets to Detailed Budget Levels

Allocate Strategic Targets to Detailed Budget Levels

- 6 Allocations
  - Target Allocations
  - Facilities Allocation
  - IT Allocation
  - Marketing Allocation

	Audio Systems	Digital Video	Televisions	VCRs	Electronics
East Sales	109,342,416	116,775,640	72,918,607	51,549,236	350,585,899
CA	56,073,034	59,884,944	37,394,157	26,435,506	179,787,641
CO	16,821,910	17,965,483	11,218,247	7,930,652	53,936,292
WA	8,410,955	8,982,742	5,609,124	3,965,326	26,968,146
West Sales	81,305,899	86,833,169	54,221,528	38,331,483	260,692,079
IL	2,803,652	2,994,247	1,869,708	1,321,775	8,989,382
MN	19,625,562	20,959,730	13,087,955	9,252,427	62,925,674
North Sales	22,429,214	23,953,977	14,957,663	10,574,202	71,915,056
FL	14,018,258	14,971,236	9,348,539	6,608,876	44,946,910
TX	5,607,303	5,988,494	3,739,416	2,643,551	17,978,764
South Sales	19,625,562	20,959,730	13,087,955	9,252,427	62,925,674
USA Sales	232,703,090	248,522,517	155,185,753	109,707,348	746,118,708
Canada Sales	11,214,607	11,976,989	7,478,832	5,287,101	35,957,528
Canada	11,214,607	11,976,989	7,478,832	5,287,101	35,957,528
Mexico Sales	5,607,303	5,988,495	3,739,416	2,643,551	17,978,764
Mexico	5,607,303	5,988,495	3,739,416	2,643,551	17,978,764
North America	249,525,000	266,488,000	166,404,000	117,638,000	800,055,000

Capture Bottom-Up Plans Across the Enterprise

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Guide Users Through Budget Process to Ensure Completeness

- Budget wizard to guide planners
- Include instructions
- Set due dates
- Alerts and progress monitoring
- Send email reminders
- Report on budget status

Task List : 4 Sales

Status: [Incomplete](#)

Completed Date:

Task	Complete	Due Date
1.0 Review Guidelines	☐	3/31/07 5:00 PM
⊟ 2.0 Review Revenue Plan	☐	4/15/07 5:00 PM
2.1 Plan Revenue Drivers	☐	
2.2 Product Mix	☐	
2.3 Review Detailed Revenue Plan	☐	
⊟ 3.0 Operating Expenses	☐	4/18/07 5:00 PM
3.1 Department Expenses	☐	
3.2 Manage Existing Employees	☐	
3.3 Manage New Hires	☐	
3.4 Add New Assets	☐	
⊟ 4.0 Review Financial Statements	☐	4/30/07 5:04 PM
4.1 Income Statement	☐	
4.2 Balance Sheet	☐	
4.3 Cash Flow Statement	☐	

Capture Detailed Headcount and Compensation Plan with Hyperion Workforce Planning

- Packaged solution for quick implementations
- Plan salary and other compensation at any level
- Add, edit and delete employees and new hires
- Pre-defined or custom calculations for taxes, etc.
- Integrates actuals from HR systems
- Test scenarios in real-time for impact analysis

3 Human Resources
- Add New Hires
- Add New Hire Expenses
- Review Compensation

BPM Add TBH

Department	"E01_0"
Employee Type	Regular
FTE	30
Month	May
Position	Sales Rep
Grade	3
Tax Region	USA
Health Plan	Individual
Market Adjustment	0
Scenario	"Plan"
Version	"Working"
Year	"FY07"

Help

Add Cancel

Optimize Resource Allocation with Hyperion Capital Expense Planning

- Packaged solution
- Customizable
- Plan for asset purchases and asset related expenses
- Transfer, retire, and improve assets
- Directly linked to main plan
- Interfaces with external systems

Add Asset

Asset Class	"Machinery and Equipment"
Number of requests	1
Description	Expansion of DV Line
Asset CAR#	
Priority	High
Justification	Competitive Advantage
Asset Units	1
Asset Rate	10000000
Salvage Value	1000000
Purchase Date	4/13/2007
In Service Date	7/13/2007
Physical Location	Location 1

Help   OK   Cancel

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Compare Bottom-Up with Top-Down Plan

- Check if on target
- Assess plan feasibility
- Revenue growth
- Expense reductions
- Working capital limits
- Investment limits
- Assets allocation
- Headcount plan

	Working +YearTotal	What If +YearTotal	Variance +YearTotal	Variance % +YearTotal
Operating Revenue	149,866,340	142,530,898	(7,335,442)	(4.9)%
⊟Gross Revenue	149,866,340	142,530,898	(7,335,442)	(4.9)%
Sales Returns	(9,164,143)	(8,735,897)	428,245	4.7%
Sales Discounts	(6,499,310)	(6,200,531)	298,779	4.6%
⊟Returns and Allowances	(15,663,453)	(14,936,428)	727,024	4.6%
⊟Net Revenue	134,202,887	127,594,470	(6,608,417)	(4.9)%
Operating COS	84,789,959	78,910,240	5,879,719	6.9%
⊟Cost of Sales	84,789,959	78,910,240	5,879,719	6.9%
⊟Gross Profit	49,412,928	48,684,230	(728,698)	(1.5)%
Employee Expenses	2,542,294	2,665,514	(123,220)	(4.8)%
Total Travel	540,914	527,666	13,248	2.4%
General Supplies	75,437	76,831	(1,395)	(1.8)%
Telecommunications	135,547	136,736	(1,189)	(0.9)%
Equipment Maintenance	109,436	276,961	(167,525)	(153.1)%
Fees Outside Services	143,713	126,444	17,270	12.0%
Operating Expenses	3,547,341	3,810,152	(262,811)	(7.4)%
Net Income	45,865,587	44,874,078	(991,509)	(2.2)%

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Monitor Execution to Plan
## Detect and Anticipate Areas of Concern

- Online dashboards
- Quick overview
- KPI's
- Identify trends
- Drill-down
- Send alerts

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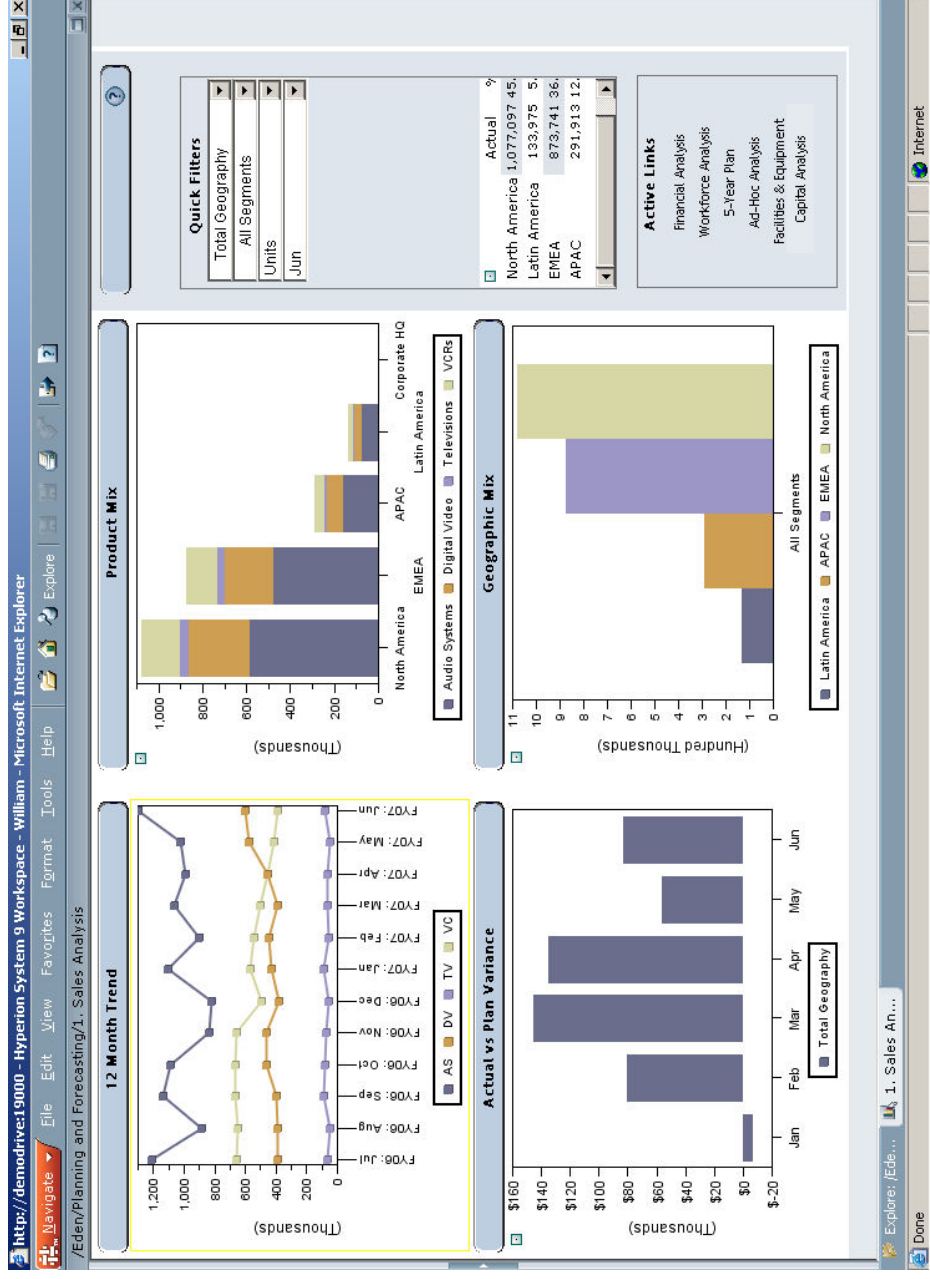
Analyze and Explore Plan Variations
Understand Issues and Causes

- Ad-hoc analysis
- Gain detailed insight
- Visualize large data sets
- Trend analysis
- Extrapolate data
- Seek correlations
- Predictive modeling
- Identify optimal choices

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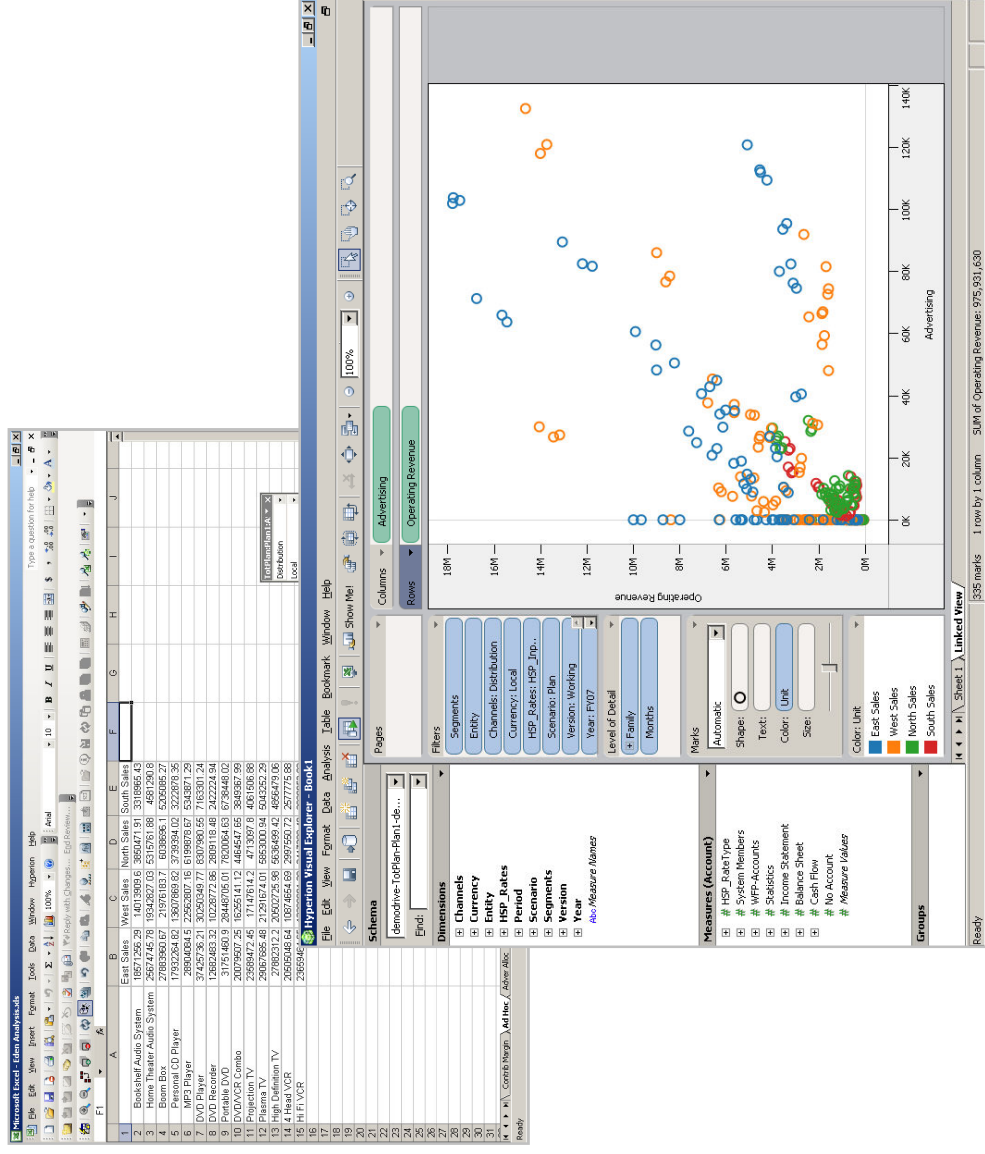
Report Plan Status to Management

Assess Impact on Strategy and Plan

- Formatted reporting
- Management overview
- Summary of key facts
- Automated distribution
- Accurate information
- Support management decisions

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Eden Corporation
Forecast – Compare Versions
MA
FY07
Report Run Date: 13-Apr-07 10:20:12 AM by Henry

Page: YearTotal ▶

	Plan	Forecast	Plan vs Fcst		Forecast		
	Final	Working	Variance	Working	What If	Version Var	Variance %
▶ Net Revenue	147,429,851	134,202,887	(13,226,964)	134,202,887	128,042,068	(6,160,819)	(4.6)
▶ Cost of Sales	81,432,123	84,789,959	(3,357,835)	84,789,959	79,705,105	5,084,854	6.0%
Gross Profit	65,997,728	49,412,928	(16,584,800)	49,412,928	48,336,963	(1,075,966)	(2.2)
▶ Total Travel	502,117	540,914	(38,797)	540,914	510,973	29,941	5.5%
▶ General Supplies	89,971	75,437	14,534	75,437	74,406	1,030	1.4%
▶ Telecommunications	162,690	135,547	27,143	135,547	132,412	3,135	2.3%
▶ Equipment Maintenance	331,586	109,436	222,150	109,436	268,201	(158,765)	(145.1)
▶ Fees Outside Services	149,825	143,713	6,112	143,713	122,495	21,218	14.8%
▶ Employee Expenses	2,552,533	2,542,294	10,239	2,542,294	2,569,476	(27,182)	(1.1)
Allocations							
Operating Expenses	3,788,722	3,547,341	241,381	3,547,341	3,677,963	(130,622)	(3.7)
Pretax Income From Operations	62,209,006	45,865,587	(16,343,419)	45,865,587	44,659,000	(1,206,587)	(2.6)
▶ Other Exp (Inc)							
Total Pretax Income	62,209,006	45,865,587	(16,343,419)	45,865,587	44,659,000	(1,206,587)	(2.6)

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Product Demonstration