INTELLECTUAL CAPITAL REPORT
ORACLE

2005

CONTENT

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KNOWLEDGE IS THE WAY TO SUCCESS

"Our mission is to assist customers in creating information-driven organisations"

STIG JØRGENSEN, EXECUTIVE DIRECTOR

Welcome to Oracle Denmark's first intellectual capital report which covers the 2005 fiscal.

I am delighted to be able to present our first intellectual capital report which describes what Oracle does to create innovation and development throughout our business.

Our mission is to assist customers in creating information-driven organisations which always have access to accurate, reliable and up-to-date information and can thereby gain an overview and insight. This requires all employees at Oracle to have an understanding of business and IT skills.

The intellectual capital report is important because it documents Oracle Denmark's activities and results in knowledge development, which is created by our employees, and which puts us in a position to meet the constantly increasing demands of the market.

The knowledge that the business is to focus on must be carefully selected and create competitive advantages that are shared and used by everyone to create an efficient organisation. This has been a prerequisite of our existence for more than 30 years, and it has created the business which we are today.

Customs and corporate culture, including how knowledge is selected, shared and used, are difficult to describe because they are upheld by the employees and function as a natural part of being employed at Oracle.

I hope that our customers, partners and others interested in Oracle will derive pleasure from the 2005 intellectual capital report.

Enjoy!

Stig Jørgensen
Executive Director

Note: Oracle Denmark's fiscal year is from June to May. This knowledge account covers the fiscal year 2005, i.e. from 1 June 2004 to 31 May 2005. When reference is made to 2005 in the report, this means the fiscal year.

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CUSTOMERS AND PARTNERS

Oracle Denmark's most important objective is to constantly contribute to our customers' and partners' success. Development and knowledge resource sharing play a central role here.

New offer process
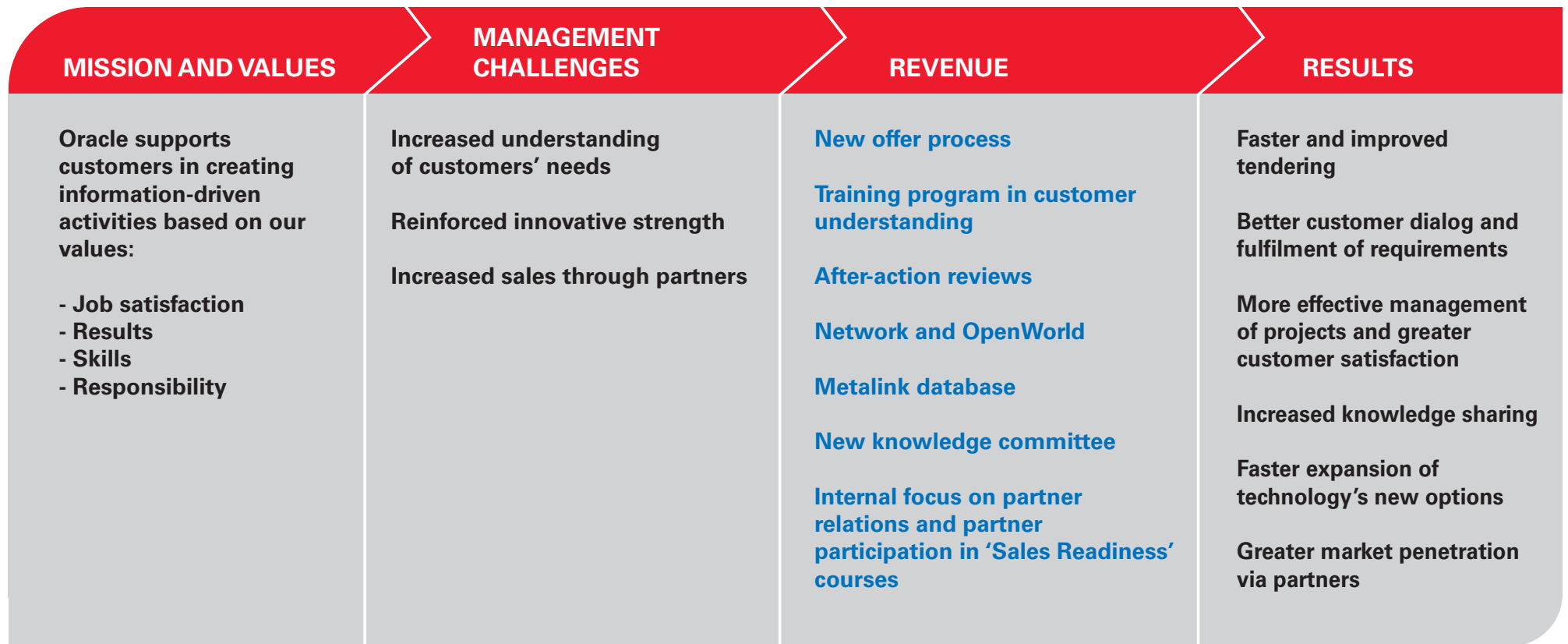The offer process is crucial to Oracle and our partners, and Oracle Denmark has therefore implemented a new model for the offer process which reduces delivery time and increases the quality of our offer in 2005.

The offer process often involves more than one business unit internally at Oracle. The new model has made co-operation throughout the organisation more efficient and has therefore resulted in better offer quality.

Increased business understanding
In order to provide an even better service to our customers, all employees in direct sales have participated in the training program 'Sales Readiness'. The program

MISSION AND VALUES	MANAGEMENT CHALLENGES	REVENUE	RESULTS
Oracle supports customers in creating information-driven activities based on our values: - Job satisfaction - Results - Skills - Responsibility	Increased understanding of customers' needs Reinforced innovative strength Increased sales through partners	New offer process Training program in customer understanding After-action reviews Network and OpenWorld Metalink database New knowledge committee Internal focus on partner relations and partner participation in 'Sales Readiness' courses	Faster and improved tendering Better customer dialog and fulfilment of requirements More effective management of projects and greater customer satisfaction Increased knowledge sharing Faster expansion of technology's new options Greater market penetration via partners

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focuses on increasing understanding of customers' business and requirements, and how these requirements can be met by good IT solutions.

We have strengthened both informal and structured knowledge sharing, among other things, through a series of meetings and after-action reviews for selected customer projects and offer processes, etc.

After-action reviews take place with employees who have been involved in a completed task meeting for some hours to share and clarify their experiences - in other words to learn. Moreover, they decide how the experiences are to be passed on to others in the organisation.

After-action reviews have, among other things, resulted in our changing procedures in connection with the start and finish of projects so that projects are now controlled more efficiently with closer customer contact.

Furthermore, after-action reviews positively contribute to co-operation and training and mean that

a series of new procedures have been developed which now have become standard in Oracle.

Network and communities

Finally we have focused on increased networking which has resulted in faster problem-solving both internally and externally because the experiences are re-used both in Oracle's professional communities and in informal forums.

98 percent of our consultants participate in at least one professional community where there is high-level knowledge sharing about, for example, Oracle products or methods. This benefits customers and partners because our consultants become more efficient as a result and can share their knowledge with customers and partners.

Open knowledge sharing

We have also intensified knowledge sharing with our customers and partners in other ways. This sharing of knowledge takes place at many levels, from face-to-face training at the customer's premises to seminars and workshops at Oracle, where new product features and new publications

"We see it as our obligation to know everything about Oracle's solutions and to always solve problems or questions the customer has — regardless of where in our world-wide organisation we get help to do this"

PETER LAIER, CONSULTING DIRECTOR

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are presented and participants have access to expert advice. Furthermore, customers and partners are invited to Open-World which offers a long series of workshops over a number of days. In 2005 approximately 100 Danish customers participated in OpenWorld in San Francisco where they took advantage of the opportunity to network with other Oracle customers. In other words, there is intensive sharing of knowledge between customers, partners and Oracle at Open-World.

Metalink database

Furthermore, Oracle puts a database, Metalink, at the disposal of all customers with a support agreement, for partners and for employees.

Metalink contains answers to questions which have been raised about the entire product portfolio and is therefore a goldmine of knowledge. With a few search words, you can find the solution to the problem you have encountered.

Metalink is continuously updated by Oracle employees around the world as they are obliged to describe solutions to fault reports, enquiries, clever shortcuts – in short, anything about which knowledge has not been shared before.

Knowledge committee

In 2004 Oracle Denmark established a cross-organisational group which in 2004 and 2005 worked with the content of the intellectual capital report by preparing activities and following up objectives.

Furthermore, in 2005 Oracle established a knowledge committee with the task of selecting the most relevant new product features and publications from Oracle. In this way, we can quickly spread knowledge internally and to partners about the latest options made available by the technology.

"Oracle's smooth-running professional communities mean that individually we can meet customers with broad expertise and are always capable of acquiring skills across our business fields"

HEIDI LINDEROD, EDUCATION MANAGER

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Increased sales through partners
Our efficient partners are a determining factor in Oracle's success. An increasing proportion of our business is though partners and this has produced results in the form of an increased market share.

We have therefore strengthened our internal focus on the partner relationship and we wish to display openness, reliability, honesty and long-term commitment to our partners. Several major partners, for example, participated in Oracle's Sales Readiness program in which we established common knowledge about customers and how their requirements can be met with the aid of Oracle solutions.

"It is positive for solution quality to exchange knowledge with our partners. Oracle's product expertise combined with the partner's market knowledge produces the right cocktail to ensure customers precisely the solution they need"

TRINE PUGE, CHANNEL CAMPAIGN MANAGER

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EMPLOYEES

Employees' competence is decisive in Oracle's being able to offer customers and partners the best solutions. Our aim is therefore to attract and retain the best employees on the market.
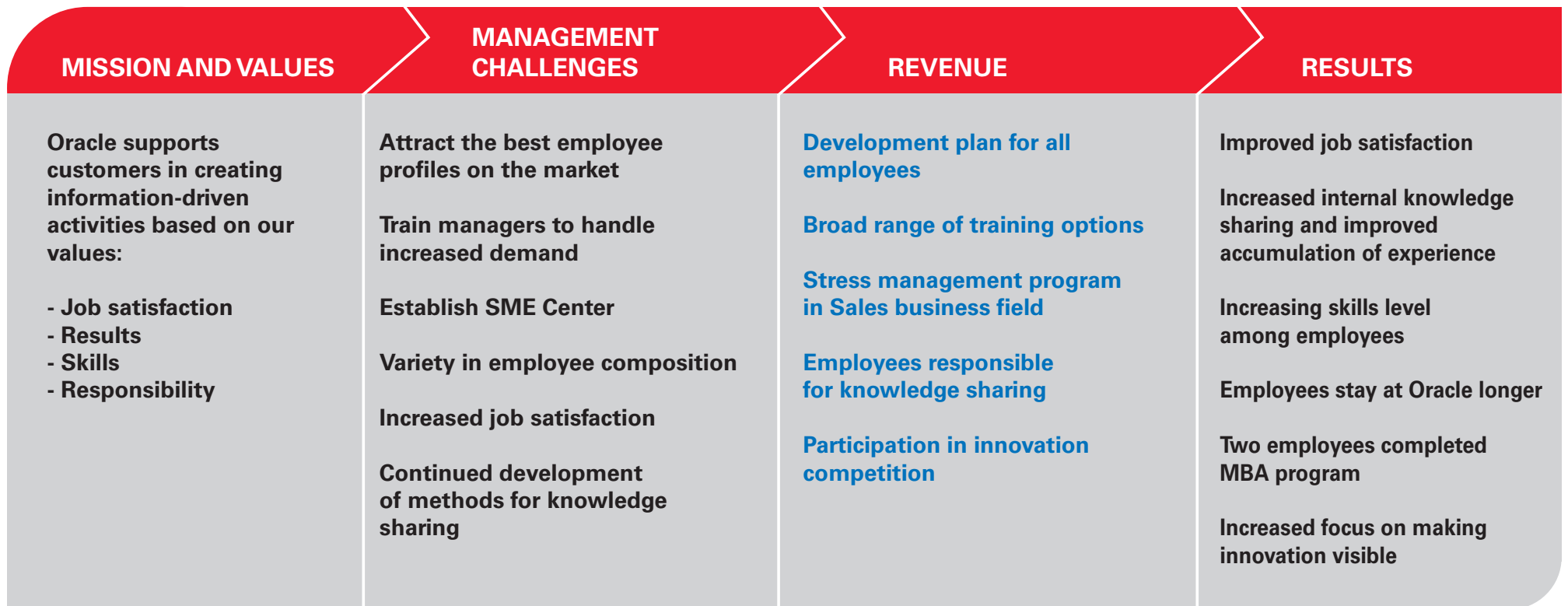
New employees
In 2005 Oracle Denmark was selected in the Oracle group to accommodate a new Nordic centre servicing small and medium-sized enterprises (SME). Therefore within a very few months we were to appoint more than 20 employees with profiles which Oracle Denmark had not previously employed. At the same time the Consulting division of Oracle Denmark also needed new employees in 2005.

Retention of employees
The departure of employees at Oracle Denmark was 8.4 percent. There is therefore good retention of employees who today remain a couple of years longer than previously. This has a good effect on our customer and partner relations which experience increased continuity of contact.

MISSION AND VALUES	MANAGEMENT CHALLENGES	REVENUE	RESULTS
Oracle supports customers in creating information-driven activities based on our values: **- Job satisfaction** **- Results** **- Skills** **- Responsibility**	**Attract the best employee profiles on the market** **Train managers to handle increased demand** **Establish SME Center** **Variety in employee composition** **Increased job satisfaction** **Continued development of methods for knowledge sharing**	**Development plan for all employees** **Broad range of training options** **Stress management program in Sales business field** **Employees responsible for knowledge sharing** **Participation in innovation competition**	**Improved job satisfaction** **Increased internal knowledge sharing and improved accumulation of experience** **Increasing skills level among employees** **Employees stay at Oracle longer** **Two employees completed MBA program** **Increased focus on making innovation visible**

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Due to its size with representation in 142 countries, the Oracle concern offers good opportunities for an international career with a base in Denmark. In 2005, 10 employees exchanged their career at Oracle Denmark for a career at Oracle EMEA (Europe, Middle East and Africa), and a total of 51 Oracle employees in Denmark worked in international positions in 2005.

Development plans
Increased competition and speed in the market places demands on Oracle's employees to train and develop themselves throughout their working lives, and the organisation must be attentive to training requests from employees.

At Oracle one of the tools for achieving this is for individual employees to receive a yearly personal assessment from their manager and a development plan for the coming year.

Courses, training and education
All employees have learned something new in 2005: Either through courses and seminars, internal courses via the Internet or on-the-job training which is incorporated into all job functions.

The range of courses which Oracle offers employees comprises training in our products, solutions, sales tools, manager development, personal development, etc.

Furthermore, in 2005 four out of five business fields carried out a tailor-made development plan for the department including courses and other development activities. Moreover, two employees completed their MBA.

Variety
Oracle aims at employee composition that reflects society, including a male:female ratio with at least the same number of women as in the rest of the IT sector, as well as variety in employees' ages, educational and ethnic backgrounds, where the level of education at Oracle is higher than in Denmark as a whole.

More men than women choose the IT sector and for this reason a totally equal distribution of the sexes is not possible. Oracle

"At Oracle we employ people who want something, who are intelligent and curious and who therefore wish to acquire new knowledge and to improve all the time. These are people who embrace opportunities to make a positive contribution to everyday life"

DITTE KOLBÆK, PROJECT MANAGER, EMEA KNOWLEDGE MANAGEMENT

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Denmark's distribution of the sexes is quite reasonable against this background. 67 percent men and 33 percent women. In Oracle Denmark's top management, the Country Management Team, the distribution of the sexes was 78 percent men and 22 percent women.

The youngest employee was 21 years old, the oldest 61, and the average age was 40.5 years old.

Satisfaction
Oracle's values focus on individual satisfaction and on good relations between employees and managers and between employees.

Part of being satisfied is having a challenging job as well and this requirement is met, among other things, by Oracle offering particularly good career opportunities (see also the section on retention of employees and employee development).

2005 has offered special challenges in connection with tackling stress in the Sales business field.

We therefore started a stress-handling program in which all employees in one of the sales departments participated.

For all of Oracle Denmark, average absence due to sickness was 3.6 percent per employee, which must be seen as an acceptable, low level.

Employees responsible for knowledge sharing
All national companies within the Oracle group have a portal manager and an employee responsible for knowledge management and for promoting the internal sharing of knowledge.

Among other things, the portal leader is responsible for the local intranet in co-operation with Oracle's global IT organisation and is therefore responsible for structuring the local sharing of knowledge online.

The employee responsible for knowledge management participates in an international team at Oracle EMEA (Europe, Middle East

"The employees' network across the organisation is the most important basis for our increased skills at Oracle. We have good tools and forums for searching and disseminating knowledge quickly and efficiently"

MARTIN JENSEN, DOMAIN LEADER

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and Africa). This team puts tools and consultants at the disposal of the national person responsible for knowledge sharing and the team is in regular contact in order to inspire and offer help with daily knowledge work.

Innovation competition
In 2005 Oracle Denmark participated in Oracle's internal innovation competition for the first time. This is intended to increase innovation in all fields within Oracle and at all levels. Most countries in the Oracle group participate, many with a good many suggestions. Oracle Denmark's suggestion managed to get nominated for the prize and the project was therefore a success for Oracle Denmark.

"Oracle's focus on training employees is a fantastic asset and it means a lot for everyday motivation. Training not only provides a breath of fresh air in the working day, but also gives new inspiration which benefits our customers"

JESPER SACHMANN, SALES DIRECTOR, PUBLIC

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OTHER INTERESTED PARTIES AND SOCIETIES

Oracle wishes to be respected as a responsible and reliable company which participates in the social and IT debate – not only with existing customers and partners but also with other interested parties, including industry and the IT sector in general, the press, political decision makers, students, etc.

Sharing of knowledge via the press
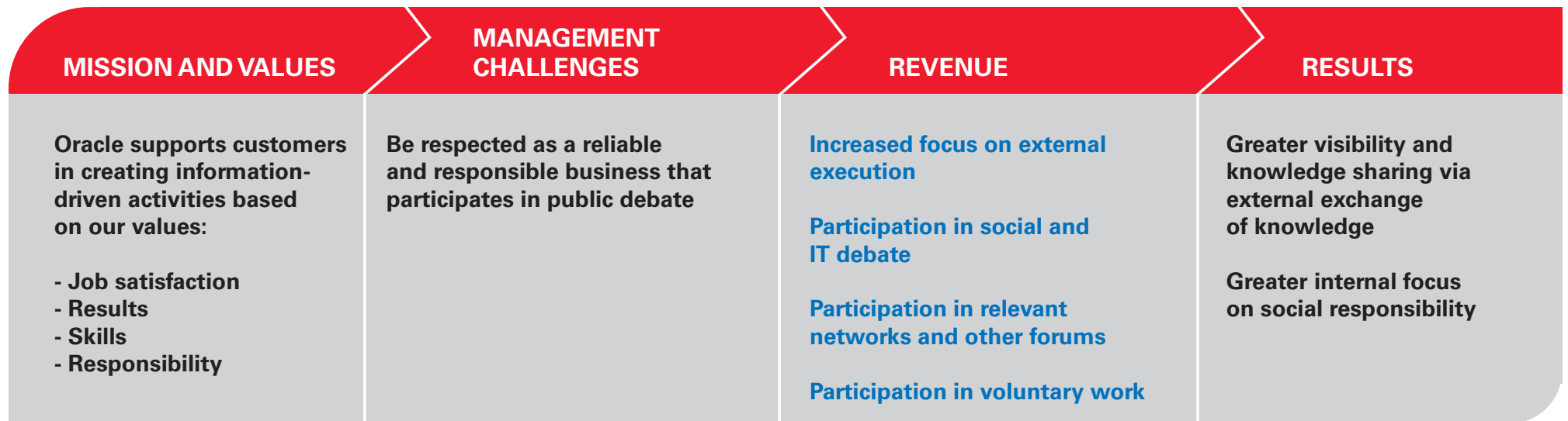Oracle contributes to setting the agenda in the IT sector by sharing knowledge with all interested parties in the market about efficient use of IT systems. Furthermore, we participate in the social debate about relevant topics in the labour market, among other things, about globalisation and Denmark's role, stress-handling and the flexible labour market.

In this connection, Oracle attaches importance to good contact with the press in order to have the opportunity of participating in the debate via the media.

External lectures
Oracle provides knowledge and experience in external lectures about, among other things, labour market issues (e.g. stress-handling), personnel policy and HR procedures (e.g. flexible employee benefits), products, procedures (e.g. e-learning and iProcurement), etc. Moreover, one of our key issues is to highlight the need for open standards because this is an advantage to society and customers. In 2005 we contributed with

MISSION AND VALUES	MANAGEMENT CHALLENGES	REVENUE	RESULTS
Oracle supports customers in creating information-driven activities based on our values: - Job satisfaction - Results - Skills - Responsibility	Be respected as a reliable and responsible business that participates in public debate	Increased focus on external execution Participation in social and IT debate Participation in relevant networks and other forums Participation in voluntary work	Greater visibility and knowledge sharing via external exchange of knowledge Greater internal focus on social responsibility

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35 lectures in different forums and about different topics.

Participation in networks and forums

We participate in external networks, forums and committees where we contribute our knowledge and skills for the positive development of the IT sector and society.

Among other things we participate in various working groups in ITEK (Branch Community for IT, Telecommunications, Electronics and Communications companies) and the IT Sector Association, we provide external examiners for IT training courses at several universities and we are active in professional networks such as Zonta, Netværk Danmark and CBN Katalyze.

Social responsibility

Oracle wishes to participate in society actively and wholeheartedly by showing social responsibility in the daily running of our company, participating in voluntary work and supporting benevolent projects.

We therefore select activities every year in which we can provide our knowledge and resources for voluntary work.

In 2005 we decided to collect money for the victims of the tsunami disaster.

Five days after the tsunami hit Southeast Asia, Oracle Denmark's employees were collecting money for the victims. More than 50 employees participated in a call centre established together with the largest emergency organisations in Denmark.

For five consecutive evenings Oracle employees received calls from Danes who wanted to donate money. Furthermore, employees took the initiative for an internal collection which was doubled by the company.

Another project for which Oracle's employees often provide resources is the Special Olympics. In 2005 five employees helped to set up an athletics competition for disabled children.

"Dialog with the outside world is important for Oracle. We use the knowledge we obtain by actively participating in social debate. Conversely, Oracle also has some interesting knowledge to offer in external knowledge exchange"

KARINA BUCH, SALES DIRECTOR, SME

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OBJECTIVES FOR 2006

Oracle Denmark wants continuous development of our knowledge resources. We have therefore set ourselves a series of new objectives for the 2006 fiscal:

Objectives	Results 2005	Objectives for 2006
Human resources		
Attract the best employees	8.4 percent departure of employees. Average of 3.6 days' absence due to sickness No measurements of employee satisfaction took place in 2005 (due to the desire to finish integrating the purchase of Peoplesoft first). Total number of employees: 240.	Employee departure of maximum 10 percent. Low absence due to sickness from 2005 is expected to be maintained. Measured employee satisfaction of minimum 90 percent (very satisfied or satisfied with working at Oracle). Total number of employees: 270.
Variety in employee composition	Employees from 21 to 61 years old. Average age 40.5 years old. 78 percent men in management team, 22 percent women.	Attract employees from 21 to 67 years old, i.e. more very young and more very experienced employees. More women in management team (Country Management Team).
Continuous learning	Development plan for 48 percent of employees in the first quarter.	100 percent of employees must have a development plan in the first quarter.
Management development	Criteria developed for when an employee is a 'Top Talent' at Oracle. Two employees completed their MBA program.	The 'Top Talent' program must be implemented, i.e. new managers must be identified and trained. Focus on developing more management talents in internal talent program. Three employees must participate in the EMEA management foundation manager program and three in coaching training for managers.
Increased innovation strength	Participated in the internal innovation competition with one contribution.	Participate in internal innovation competition with at least two contributions.
Sharing of knowledge	Implemented five after-action reviews. 98 percent of employees in the Consulting business field are members of at least one professional community.	Implement at least six after-action reviews. Maintain the level of community participation from 2005.

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Structural resources		
Further development of internal use of Oracle tools	Implemented and everybody trained in online personnel assessment and development dialogs.	To perform part of the personnel development dialogs and development plans online.
New intranet	Essential renovation and cleaning up on the international intranet.	Intranet on new Oracle 10g platform with higher quality, updated content, higher speed and standardisation between countries.
Customer portals	Spread the idea about customer portals for major customers to all relevant interested parties at Oracle Denmark.	Launching of customer portals for major customers to manage communications and projects.
Customer database	Development of structure for updating of the customer database.	The customer database must be made more efficient and be used across business fields. Major customers must be contacted at least once a month.
Relations resources		
Contribute to customers' success	No customer satisfaction analysis was carried out in 2005.	Carry out a customer satisfaction analysis.
Increase Oracle's sharing of knowledge with interested parties	Applied press strategy has been developed and implemented.	Continue press contact, especially with regard to six selected key issues.
	Many key employees are members of relevant networks and forums.	All key employees must participate in relevant networks and forums.
	Held 35 external lectures.	Perform minimum 50 external lectures.
Strengthen partner relations	Several major partners have participated in 'Sales Readiness' courses.	Contribute to development of partners' business and their skills.
	Deselected partners without income for Oracle and focused on the best partners.	Continuously increase the number of qualified partners.

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