

June 29, 2010

Via E-Mail

Claudia J. Betzner
Executive Director
Service Industry Association
2164 Historic Decatur Road, Villa 19
San Diego, CA 92106

Dear Ms. Betzner:

I am writing on behalf of Oracle Corporation in reply to your May 14, 2010 letter to Denise Harms-Campbell. I would like to clarify several issues that were raised by your letter.

By way of background, Oracle is well-recognized as an industry leader in offering customers innovative, open solutions that provide flexibility and choice across the IT infrastructure. We have dedicated ourselves to developing products around open standards such as Java, so that our offerings can be better integrated and supported in a wide range of IT environments. We work with hundreds of independent software vendors and service providers around the world to further customize, expand and support our customers' systems in a timely and cost-effective manner. We are continually evaluating and improving our software, hardware, and support solutions so that we can better compete and drive greater value for our customers.

Oracle's Hardware and Systems Support Policies reflect this ongoing effort to improve our offerings for our customers. These Policies update our support program and provide hardware customers with either operating system support or total system support at competitive prices. We adopted these Policies in part to address our customers' demand for better, simplified support, and we believe that these changes are necessary to meet the competition we face from other hardware solutions.

We therefore reject the implication in your letter that Oracle designed its Hardware and Systems Support Policies with the intent to monopolize support services or to reduce competition in any way. These Policies improve Oracle's offerings and make them more attractive to customers, while enabling Oracle to provide better, faster service at a lower cost of ownership for the end user. We likewise do not agree with how you have characterized the details of our support policies—Oracle is not “denying” customers access to firmware updates, for example, but rather is providing updates to any customer on active support. We also are continuing to provide time-and-materials support where we have contracts to do so, and we are offering new support agreements to our installed base on very favorable terms.

More fundamentally, we do not accept the suggestion in your letter that the antitrust laws somehow prevent Oracle from modifying the terms of its support programs as it responds to the

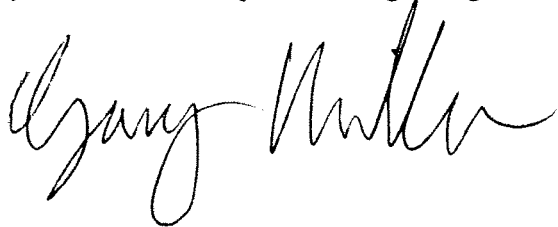
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broader competitive environment. To the contrary, we believe competition compels us to improve our offerings in this way, and we are fully committed to doing so.

Oracle has a long history of working well with independent support providers, and we value our relationships with your membership. We realize that some of your members may face challenges in offering support on terms comparable to Oracle's. If you or your members have questions about Oracle's policies or ideas on how to empower independent support personnel to better support Oracle customers, I am happy to discuss them with you.

Please let me know if you have further questions regarding these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary N. Miller". The signature is fluid and cursive, with a large initial "G" and "M".

Gary N. Miller
Senior Vice-President, Business Operations