digital

DIGITAL EQUIPMENT CORPORATION

Russell A. Gullotti
Vice President

Digital Drive
Merrimack, New Hampshire
03054-9501

30 June 1994

Mr. Bob Gordon
President
Oracle Corporation Canada Inc.
110 Matheson Blvd. West
Mississauga, Ontario
L5R 3P4

Dear Bob,

Thanks very much for spending time with me on Tuesday, June 21st, to discuss the progress of our partnership in Canada. Commitment and support that have been demonstrated by you and your whole team is outstanding.

Everywhere I turn in our company I see a growing and strengthening relationship between our two organizations. Certainly, the business model for partnering that we have built in Canada could be used as the framework for furthering our relationship around the world. In fact, the contacts that you have given me for central and south America have already been communicated to our Latin America manager for further investigation.

Also, you can rest assured that the appropriate people will work to resolve the remaining issues and action items that we discussed, e.g., DECbank in an expedient manner.

Things change quickly at Digital...since we met, my role has changed from President of the Americas to Vice President of Mfg. and Logistics for our company. My replacement in the Americas is Mr. Harry Copperman. I have discussed our visit with him and at a mutually agreeable time I'm confident that the two of you will get together and continue the excellent dialogue that you and I started. I look forward to both of our companies continuing a mutually beneficial relationship. Please do not hesitate to contact me if you are in the Boston area. I can be reached at 603-884-6209.

Sincerely,

Russ Gullotti
Vice President
Worldwide Manufacturing & Logistics

cc: Bob White
     Mark Holleran
     Marie-Josee Cousineau
     Harry Copperman
     Ron Larkin

INTEROFFICE MEMORANDUM

Doc. No: 056558
Date: 25-May-1993 05:48pm DST
From: STEVEN WITTENBERG
           WITTENBERG.STEVEN AT A1USWRSL
Dept: FS
Tel No:

TO: Russ Gullotti @mko

Subject: Briefing for meeting with Ray Lane

Russ:

The goal of this meeting is to discuss and agree upon specific actions
that will result in our field organizations working together
collaboratively.

In my absence, I recommend Gareth Taube, the manager of the Digital's
Third Party Database Program office, join you at this meeting.

I. Background

   Over the past two years we have worked hard to improve our relationship
   with Oracle. Oracle is the largest 3rd party database vendor
   with revenues of over $1B. Today we have multiple positive activities
   underway. Larry Ellison and Bob Palmer, who met for the first time at
   the CSO Executive Seminar last December in Palm Springs, now speak on
   a regular basis. Larry is very pleased with the improvement in our
   relationship.

   o Alpha Ports - Oracle has committed to port their products
     to Alpha VMS, OSF and NT. Oracle7 goes production on both Alpha
     OpenVMS and OSF on May 31.

   o Database Performance - Performance is measured in transactions per
     second. The most popular test is the TPC-A benchmark. With Oracle,
     we have submitted to the TPC Council one of the best price/performance
     TPC-A results in history, fifth best overall performance, on a
     VAX 7640 at 508 TPS. More recently, we set a TPC-A record for
     uni-processor performance with 258 TPS on a DEC 10610 running VMS.
     Plans are in place to run uni-processor OSF benchmarks and SMP VMS
     benchmarks. We expect to be able to go over 1000 TPS on a DEC 7660.
     (Subsequent to the Oracle 10610 benchmark, Rdb has run a 300+ TPS
     benchmark on a DEC 7610, with Rdb V.6, due to ship in CY94).

   o Engineering Optimizations - CSG has provided direct links between

DEC Engineering and Oracle Engineering. This dialogue has provided not only performance improvements but a greater orientation toward working with Digital.

o Market Development - Oracle and Digital jointly funded customer seminars, direct mail lead generation campaigns, and joint selling projects. We recently completed a 6-city joint seminar series that was attended by approximately 620 customers. Oracle has participated in numerous Open System Open Houses. They demonstrated their Alpha NT port in our ISV booth at Windows World the week of 5/24.

o Announcement Support - Larry Ellison participated via video, Jerry Baker, Oracle Senior V.P. Product Lines, participated live in the Alpha press announcement on the west coast, and Dick Doerr participated live in a regional Alpha announcement in Dallas. In addition, Oracle conducted demonstrations in Boston and San Jose.

II. Financials

Oracle Revenues	Percent on DEC Platforms
FY91 $1028M	28%
FY92 $1170M	21%

Oracle license revenues on DEC platforms has decreased over the last two years due to the growth of Unix and our lack of competitive Unix products. Compounding the problem has been the historical distrust between our sales teams as a result of Rdb. Still, Oracle did over $150M in license revenue on Digital platforms in FY92, representing their single largest product line.

III. Issues

o Cooperative Selling - We have invested significant time and money ($2M+ in hardware, programs and manpower during FY93) in the Oracle relationship, and this is beginning to pay returns. The bulk of our success though has been in engineering and marketing. Our sales teams still tend to work as two completely independent entities. Typically, a Digital rep working an Oracle opportunity will not know who his Oracle counterpart is.

Digital's Database Mission Statement, as articulated jointly by the Software Group and the Third Party Data Base Program Office, includes making Digital the "platform of choice" for DB processing, in part through an aggressive third party program.

By boldly articulating this to the Digital and Oracle sales forces we can begin to change the field paradigm. A draft of a memo that Ray and you could jointly send to our sales forces is attached. (Bobby Choonavala and Tony Craig (Lane's GIA counterpart) are working on a similar memo to GIA.)

Other areas you could explore with Ray would include:

* a joint DVN (HP has done this with Oracle in the past) This would symbolically and substantively demonstrate a partnership between our companies.

* integration of Oracle into the CBU's plans (Oracle, under Lane's leadership, is building a vertical marketing team). An offer to introduce Ray or Dick to CBU senior management would be well received.

* aggressively collaborating on a small number of very large accounts. Through a focused, joint selling effort we can begin to establish a track record of successful field collaborations.

* Issues Oracle will want to discuss

> Ray Lane is architecting a reorganization that will
> move many hardware vendor relationship issues into his
> area of responsibility. Dick Doerr will have a Global
> Account Manager responsible for the Digital business
> reporting to him. (HP, IBM, SUN and NCR will also have
> Global Account Managers). This individual's primary
> responsibility will be to leverage Oracle/Digital business.
> In addition, in each of their 16 U.S. territories, they
> will have Partner Account Managers responsible for
> interfacing with computer manufacturers in their territory.
> A review of our own new organization would also be
> appropriate.

> Ray and Dick may want to explore more substantive business
> relationships between our companies. Ray may be particularly
> interested in an SI relationship. Conversations between our
> companies have begun in this space but progress to date has
> been modest. A simple MIDAS is being negotiated for pass-thru
> deals. Doerr is also interested in a "strategic alliance"
> that could have Digital reselling (and adding value) Oracle
> licenses.

> Oracle7, VMS and OSF, is shipping to our Alpha Migration
> Centers around the world. We are readying a press release
> announcing this and Oracle will run a mini-marketing
> campaign getting the word out. Doerr will want to review
> this.

IV. Meeting Attendees

Oracle:

Ray Lane, President, Oracle U.S.A. His responsibilities include all
domestic commercial and federal sales, marketing and consulting
activities.

Prior to joining Oracle, Mr. Lane was senior vice president of
Booz Allen & Hamilton, where he led their Information Systems
group, a worldwide consulting practice targeted at helping senior
management achieve better results from information technology
investments.

Prior to joining Booz Allen & Hamilton, Mr. Lane served as division
vice president with Electronic Data Systems Corporation (EDS) where
he led EDS' entry into the manufacturing and distribution markets.
He began his career with IBM and served in various product management
and marketing positions.

Mr. Lane received his academic training at West Virginia University in mathematics and computer science.

Dick Doerr, V.P. Channels. Dick has been at Oracle 1.5 years. Prior to joining Oracle is was West Area Sales V.P. for Digital.

Date: 25-May-1993 07:42pm DST
From: STEVEN WITTENBERG
             WITTENBERG.STEVEN AT A1USWRSL
Dept: FS
Tel No:

Subject: Joint letter

To: Digital and Oracle U.S. Sales

From: Ray Lane, President, Oracle U.S.A.
             Russ Gullotti, Senior Vice President,
             Digital Equipment Corporation

Subject: Digital and Oracle

The Digital/Oracle partnership has been a long-standing, mutually
profitable relationship for both our companies. Digital continues to be the
most popular platform for Oracle users and Oracle continues to be the
dollar volume data base leader for the DEC platform.

Today, the opportunities are greater than ever to profitably collaborate
while delighting our mutual customers. Oracle7, which was developed on
VAX/VMS, provides data base performance on Digital computers, both VAX and
Alpha, unsurpassed in the industry. The Oracle7 TPC-A benchmark of 258
transactions per second on a DEC 10610 represents the fastest uniprocessor
benchmark of any currently shipping data base on the market today.
AlphaAXP-based computers provide the best performance and price
performance, based on a broad suite of industry benchmarks, available in
the industry today.

Based on these facts, we strongly encourage you to collaborate with one
another. Certain customer situations have characteristics in which it is
clearly in the best interest of all three parties (Oracle, Digital, and our
mutual customers) to do so. These characteristics include, but are not
limited to:

Current Digital/Oracle customers. Our mutual installed base is fertile
ground for upgrade business. By working together we can insure our
customers receive the best support possible.

There is a Digital/Oracle CSO, VAR or ISV providing specific vertical
application solutions based on our respective offerings.

The customer is evaluating downsizing from an IBM mainframe. Oracle and Digital teaming on such an opportunity can win where neither of us could win alone.

Customers insisting on the Unix operating system. Clearly, both Digital and Oracle have numerous choices in this space. Still, AlphaAXP does have the best price performance of any system in the market and Oracle's 50%+ market share amongst data bases is equally impressive. At a minimum, give serious consideration to partnering.

Customers evaluating data bases to support PC LANS. By mid-year Digital will be shipping the highest performance Windows NT solution....Oracle's RDBMS port will be available on or about Digital's first hardware deliveries.

There are a number of other customer situations where it may make sense for us to partner. Only through pro-active, open communications will these situations be made obvious to our sales teams. We urge you to open regular dialogues with one another. Look for opportunities to sell together. The corporate offices for both our companies are behind these efforts. For further information call Steve Wittenberg at Digital (408-748-4484) or ????? ??????? at Oracle (xxx-xxx-xxxx).

Ray Lane   Russ Gullotti