



Larry Ellison says German rival SAP's strategy is for the birds.

Photo: AP

# Oracle chief boasts of two-year market lead

## Chris Jenkins

Oracle senior executives have used the company's first-quarter results to put the boot into chief rival SAP as they continue efforts to dislodge the German giant from the top of the enterprise applications market.

In characteristic style, Oracle chief executive Larry Ellison launched a scathing attack on his opponent, saying Oracle's move into applications — largely underpinned by \$US25 billion (\$29 billion) in acquisitions since its bloody 2005 takeover of PeopleSoft — had forced a rethink at SAP.

"SAP appears to be rethinking their strategy as they lose application market share to Oracle and confront the difficulties of moving their application software to a modern service-oriented architecture [SOA]," Mr Ellison said in a statement.

He said SAP's next generation of applications was not due until 2010, putting it two years behind Oracle's long-promised SOA Fusion systems, which would bring together as a single platform Oracle's own systems with those of PeopleSoft and JD Edwards.

"And now [SAP chief executive Henning] Kagermann is talking about an acquisition strategy to augment SAP's slowing organic growth," he said. "These are major

changes of direction for SAP."

Meanwhile, Oracle president Charles Phillips said Oracle had seen new licence growth of more than 80 per cent for the first quarter. "We are rapidly taking applications market share from SAP," he said.

SAP recently announced the

same period in 2006. The result was well down on the \$US684 million recorded in the final quarter of 2006.

Asia-Pacific region database and middleware new licence revenue came to \$US149 million, up from \$US134 million in the 2006 first



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Larry Ellison pours scorn on his counterpart Henning Kagermann, left.

availability of its on-demand Business ByDesign suite for mid-sized companies, but said it would not be available in Australia and New Zealand for another year.

Growth in the small to medium business market was central to its plans to double the size of its business in Australia and New Zealand by 2010.

In its first-quarter results, Oracle said its Asia-Pacific operations had booked \$US495 million in revenue, compared with \$US410 million in

quarter, while new application licences jumped to \$US33 million from \$US14 million.

Globally, Oracle revealed a 30 per cent revenue rise and 29 per cent increase in net profit compared with the same period in 2006.

First-quarter revenue came to \$US3.6 billion, with net profit of \$US670 million. Oracle said licence revenue was up 29 per cent to \$US2.7 billion and service revenue increased 33 per cent to \$US846 million for the same period.