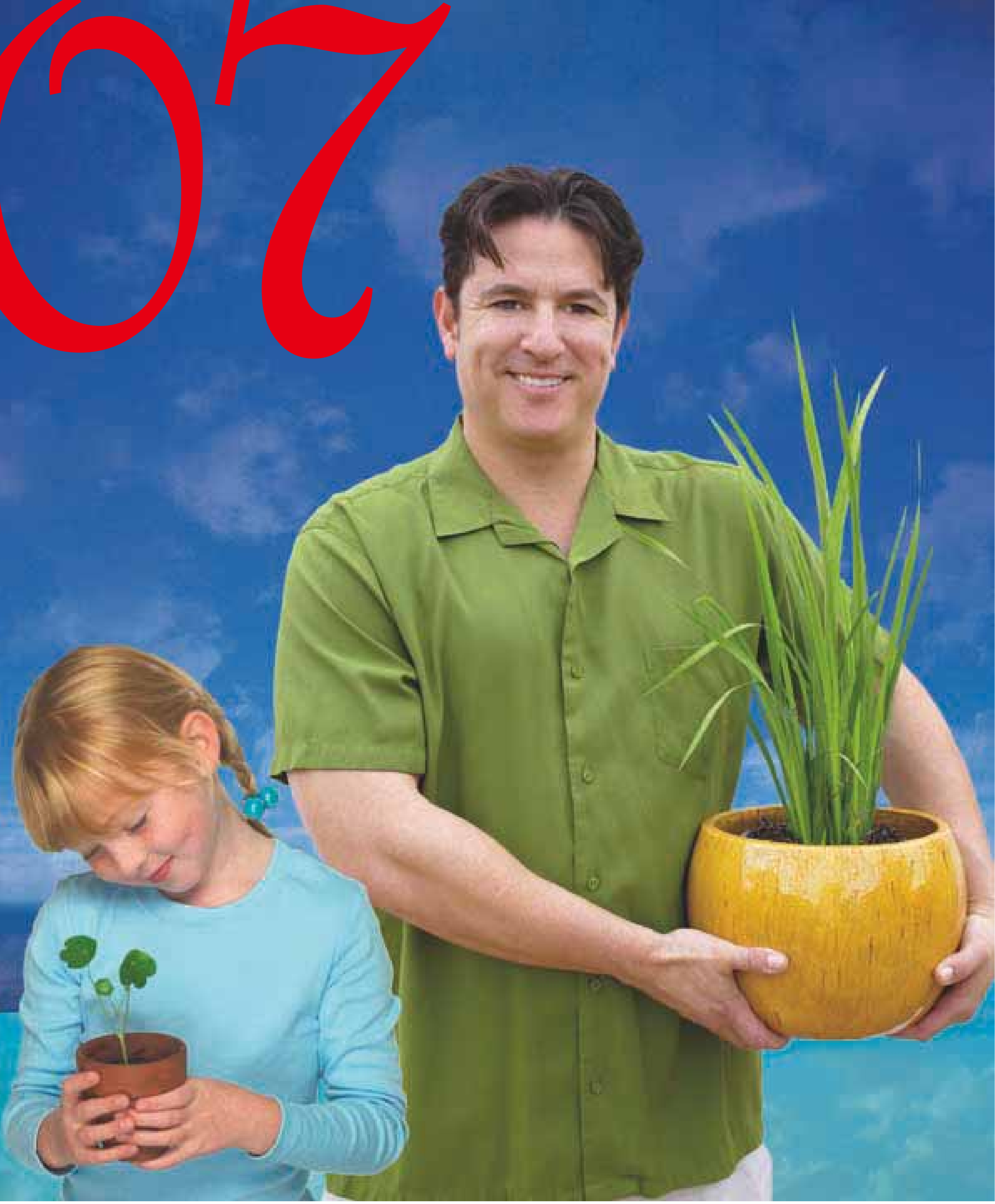


2007 Annual Report

Oracle Superannuation Plan

Supplementary Product Disclosure Statement
1 April 2008

Oracle Superannuation Plan

Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (SPDS), dated 1 April 2008, updates the Product Disclosure Statement (PDS) for the Oracle Superannuation Plan (ABN 17 608 890 083, RSE Registration No. R1005646), which includes:

- The Plan's latest *Annual Report* (dated 5 September 2007); and
- The Plan's member booklet, *Your Super, Your Plan* (dated 18 May 2007).

You should read this SPDS with the PDS. Additional copies of the PDS are available from the Plan Administrator or the Plan's *MySuper* website, http://mysuper.watsonwyatt.com/orac.

The purpose of this SPDS is to update the contact details of the Plan Administrator and remove references to the Plan Administrator as CitiStreet Australia Pty Limited.

Replace all references in the PDS to the contact details of the Plan Administrator with the following:

The Plan Administrator
Oracle Superannuation Plan
GPO Box 4346
Sydney NSW 2001

Phone: (02) 9004 2600
Fax: (02) 9081 0236
Website: **http://mysuper.watsonwyatt.com/orac**

In addition, all references in the PDS to CitiStreet Australia Pty Limited should be removed. From 1 April 2008, the Plan Administrator, Watson Wyatt Australia Pty Ltd, changed its outsourced provider of administration services to IBM SuperLife Services Pty Limited (ABN 31 116 067 602, AFSL 296317).

Issued on 1 April 2008 by Watson Wyatt Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049, RSE Licence No. L0000185) as Trustee for the Oracle Superannuation Plan (ABN 17 608 890 083, RSE Registration No. R1005646).

A word from the Trustee

The Trustee is delighted to present the *Annual Report* for the Oracle Superannuation Plan for the year ending 31 May 2007.

Whether you have been a member for some time or are new to the Plan, your *Annual Report* provides you with important information about your super investment, including:

- The latest super news;
- How the Trustee invests your super and how your investment has performed during the year to 31 May 2007;
- How the Plan is managed;
- The fees and taxes that may apply to your super in the Plan; and
- A summary of the Plan's financial statements for the year to 31 May 2007.

Please read it carefully, along with your *Annual Benefit Statement*, which you received with this *Annual Report*.

Another year of solid investment returns

The strong performance of investment markets, and the Australian share market in particular, continued during the year to 31 May 2007. This had a positive impact on the Plan, with all the Plan's investment options achieving positive investment returns for the year. See pages 3 – 5 for details.

A new era in super

The extensive changes to super proposed in the 2006 Federal Budget, and foreshadowed in last year's *Annual Report*, are now law. Most of these changes came into effect from 1 July 2007.

The overall effect of these changes has been to make the taxation of super much simpler. And, now that benefit payments to super fund members over age 60 are tax free, super may now be a much more attractive means of saving for retirement. To find out if your retirement savings are on track, we encourage you to read the story on page 8.

For a summary of these and other recent changes to super and the Plan, see pages 1 and 2.

Any questions?

If you have any questions, contact the Plan Administrator on (02) 9004 2600. We also encourage you to speak to a licensed financial adviser if you need advice on how best to take advantage of the recent changes to super – see page 10 to find out more.

The Trustee
Watson Wyatt Superannuation Pty Ltd

About your Plan

The Plan provides superannuation benefits to the employees of Oracle Corporation Australia Pty Limited and their spouses, and to former employees of the Company.

This is an Accumulation Plan. This means that your benefit is made up of contributions from the Company and your own contributions, if any. The size of your benefit is also affected by the investment returns earned by your chosen investment option(s). The Plan may also provide extra benefits if you die or become disabled.

Remember, if your family situation changes, you need to update your nominated beneficiaries. If you want to change your nomination, you can do so through the Plan's *MySuper* website, **http://mysuper.watsonwyatt.com/orac**.

Product Disclosure Statement (PDS)

This *Annual Report* dated 5 September 2007 forms part of the PDS for the Oracle Superannuation Plan (ABN 17 608 890 083, RSE Registration No. R1005646), along with the Plan's member booklet, *Your Super, Your Plan*.

This Report was issued by Watson Wyatt Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049, RSE Licence No. L0000185) as Trustee of the Plan, and outlines how your Plan has performed during the past 12 months, how your Plan is managed and includes some general news about super.

The information in this publication is general information only and does not take into account your particular objectives, financial circumstances or needs. It is not personal or tax advice. You should consider obtaining professional advice about your particular circumstances before making any financial or investment decisions based on the information contained in this document.

Each year you will receive a Periodic Statement from the Plan. This Statement consists of this *Annual Report* and your *Annual Benefit Statement*. These documents should be read together.

Super news

Super reforms now law

The 'Better Super' initiatives announced in last year's Federal Budget are now law, with most coming into effect from 1 July 2007. Here is a summary of these changes.

Super benefits tax free after age 60

Lump sums and pensions paid to members from age 60 are now tax free provided they are paid from a taxed super fund, such as the Oracle Superannuation Plan. Previously, Reasonable Benefit Limits restricted the amount of benefits that were eligible for concessional tax treatment; however, these have now been abolished.

Tax on benefits before age 60 now simpler

Members taking a lump sum benefit in cash before age 60 may still pay tax (as will non-dependants receiving death benefits), but the rules have been simplified. The number of tax components that could potentially apply to your benefit has been reduced from eight to two – a taxable component and a tax-free component.

Caps on contributions

Caps now apply to employer and member contributions made to the Plan. Contributions within these caps receive concessional tax treatment (see pages 9 and 10 for details).

Consequences of no Tax File Number

The consequences of not providing your Tax File Number (TFN) to your super fund have now increased. For example, concessional contributions will be subject to a much higher rate of tax, and your super fund cannot accept your after-tax contributions. See page 10 for more information. So if you haven't given the Plan your TFN, contact the Plan Administrator today!

Leave your benefit in super after age 65

If you are over age 65 and have permanently retired from paid work, you can now leave your super benefit in your super fund. Previously, you were required to cash out your benefit or transfer it to a superannuation income stream product (such as an allocated pension) on reaching age 65 if you were no longer working.

Extra co-contribution payment for 2006

There was good news in the 2007 Federal Budget for members who participated in the co-contribution scheme in the year ending 30 June 2006. The Government will double its co-contribution payment for the 2006 tax year only.

This means that if you qualified for the full co-contribution payment of $1,500 in 2005/06 you will receive an extra $1,500 payment into your super fund. Similarly, if you initially received $400 from the Government, an additional $400 will be paid into your super fund.

Eligibility for 2007/08

Under the co-contribution scheme, eligible members receive $1.50 for every dollar of personal after-tax contributions made. The full payment is made for those on incomes of $28,980 p.a. or less. The payment progressively reduces until it cuts out at an income of $58,980 p.a. Income figures quoted are for the year ending 30 June 2008 and are indexed each year. To determine your eligibility for the co-contribution, 'income' is total assessable income plus any reportable fringe benefits. The Government automatically determines eligibility for the co-contribution when you submit your tax return and pays contributions directly to the Plan on the member's behalf.

MySuper – access your super 24/7

Have you visited the Plan's new-look *MySuper* website yet? *MySuper* lets you stay in touch and up-to-date with information about your personal super benefit and the Plan.
http://mysuper.watsonwyatt.com/orac.

News from the Plan

During the year, the Trustee in conjunction with the Policy Committee made some **improvements to spouse membership** by introducing contribution splitting and investment choice for spouse members. The Trustee also introduced some changes to the Plan's investment strategy.

Introducing contribution splitting

You can now transfer some of your super contributions in the Plan to your spouse once each financial year. Contribution splitting is designed to help low income or non-working spouses build their own super benefits for retirement. It may also be attractive to those couples where one partner is much closer to retirement than the other. For more details, read the member booklet, *Your Super, Your Plan,* or visit the Plan's *MySuper* website.

Spouse members now access investment choice

Spouse members can now choose how their Spouse Account is invested rather than having the same choice as their spouse. Spouse members can choose from the Plan's four investment options, which are explained on pages 6 and 7. To change investment options, spouse members will need to complete a *My Spouse form*, available on the *MySuper* website.

Changes to investment strategy

In July 2006, the Trustee, in conjunction with your Policy Committee implemented some changes to the Plan's investment strategy to help lower volatility in investment returns over time and lower the probability of generating negative returns in any one year. This was achieved by further diversifying the Plan's assets and reducing its reliance on shares. Importantly, the expected returns for each of the Plan's investment options have not changed as a result of the change in asset allocation.

In summary, the Plan's investment in the State Street (SSgA) Indexed Conservative Trust was transferred into its component asset classes, and an allocation was made to a fund of hedge funds, Warakirri Alternative Strategies Fund (which invests in the Mesirow Multi-Strategy Fund) and the RREEF Global Property Securities Fund through Deutsche Asset Management (Australia) Limited.

You can find out more about hedge funds in the Plan's member booklet, *Your Super, Your Plan,* or on the *MySuper* website.

In February 2007, Credit Suisse closed their Fully Hedged International Shares Pooled Superannuation Trust. Consequently, the Trustee transferred this investment to the equivalent unit trust, the Credit Suisse Fully Hedged International Shares Fund.

Also, during April 2007, GMO announced the closure of their Australian Equity Pooled Superannuation Trust. As a result, the Trustee transferred this investment to the equivalent unit trust, the GMO Australian Equity Unit Trust.

In July 2007, following consistent poor performance from the Credit Suisse Fully Hedged International Shares Fund, the Trustee redeemed the assets held in this product and invested in the SSgA International Equities Index Trust (Hedged). The SSgA product is passively managed with less risk of underperforming the benchmark.

Membership changes during the year

Members on 31 May 2006	**1,308**
Plus new members	399
Minus members who left	(200)
Members on 31 May 2007	**1,507**

The Plan's investments

How your super is invested

The Plan offers you investment choice. This means you can choose how to invest your super from a range of investment options offered by the Plan. If you did not choose an investment option when you joined the Plan, your super was invested in the Growth option. See pages 6 and 7, and your member booklet, *Your Super, Your Plan*, for more information about the Plan's investment options.

Each investment option invests in a range of investment products, which are managed by professional investment managers. These managers, and their products, are reviewed regularly by the Trustee and may be changed from time to time without prior notice to, or consent from, members.

See below for the net investment earnings for each option during the past five years. The returns shown are after tax and investment fees. Positive earnings increase the amount in your accounts, while the amount in your accounts will fall if the investment earnings are negative. For more information on the taxes and fees deducted from investment earnings, see pages 12 and 13.

When you leave the Plan, your benefit will remain invested in your current investment choice, as part of the Retained Benefit section of the Plan, until it is paid out of the Plan. Contact the Plan Administrator for more information regarding your options when you leave the Plan.

Investment objectives

The Trustee measures the performance of each investment option against established goals, known as investment objectives. These investment objectives are neither forecasts nor a guarantee of future investment returns.

The Trustee's general investment objectives are to:

- Invest the assets as permitted by the Trust Deed and by superannuation law, and to exercise those investment powers prudently;
- Ensure that the assets are adequately diversified;
- Ensure there are sufficient assets to meet benefit payments to members when they are due; and
- Ensure that the investment managers appointed by the Plan exercise integrity, prudence and professional skill in fulfilling the investment tasks delegated to them.

The investment objectives for each investment option are shown on pages 6 and 7.

Investment strategies

The Trustee also establishes a specific investment strategy for each investment option. This is the plan that the Trustee follows to achieve the investment objectives for that option. For details of the Plan's investment strategy, see pages 6 and 7.

How the Plan's investment options performed (2003 – 2007)

Year ending 31 May

Investment options	2007	2006	2005	2004	2003	Compound average return p.a.
Diversified Shares	21.2%	26.2%	15.4%	16.7%	-13.8%	12.2%
Growth	17.3%	19.9%	13.3%	12.8%	-7.2%	10.8%
Balanced	13.6%	13.5%	11.1%	8.9%	-0.8%	9.1%
Stable	10.4%	8.1%	9.2%	5.6%	5.1%	7.7%

Note: Investment returns are net of tax and investment fees. Past performance is not necessarily a reliable indicator of future performance.

Investment performance

How investment markets performed in 2006/07

After a slow start, the Australian economy moved ahead in the second half of the 2006/07 financial year, buoyed by strong consumer sentiment, growing investor confidence and historically low unemployment rates. Solid economic growth was achieved despite the Reserve Bank of Australia increasing interest rates in the first two quarters of the financial year due to inflationary pressures.

Solid corporate earnings growth (particularly businesses in the mining and energy sectors) and continued merger and acquisition activity contributed to the Australian share market recording its strongest performance for the past 20 years, rising 29.2% for the year to 30 June 2007 (as measured by the S&P/ASX 300 Accumulation Index).

The Australian listed property market continued to prosper throughout 2006/07 due to merger and acquisition activity, and strong investor demand. The S&P/ASX 300 Property Accumulation Index returned 26.3% for the financial year.

The Australian fixed interest market performed relatively poorly in 2006/07 due to interest rate activity favouring shorter-term fixed interest investments (i.e. cash) during this period. The UBSA Composite Bond Index (All Maturities) returned 4.0% for the financial year.

The international economy was fairly robust overall, despite a slowing US economy and a significant fall in China's share market at the end of February 2007. Economic data released towards the end of the financial year showed no signs of a slowdown in China's economy, with their central bank moving to tighten monetary policy in an attempt to cool the economy.

Internationally, the performance of the share market in 2006/07 was strong but did not perform as well as the Australian share market overall. The Australian share market finished the year ahead of most major developed countries, including the US, Japan, the UK, and Europe.

The effect of the rising Australian dollar against the currencies of these countries meant that returns on unhedged international investments were lower for Australian investors. The MSCI World ex-Australia Index in AUD (unhedged) returned 8.3% for the year, while the return on hedged international shares was 23.8%. International fixed interest markets outperformed the Australian fixed interest market, with the Lehmann Brothers Global Aggregate Index (hedged to AUD) returning 5.7% for the year.

Note: This investment commentary does not constitute advice. All investment figures quoted relate to before-tax performance of the relevant industry benchmark.

Investment growth over time

Each of the Plan's investment options invests in one or more different types of investments or assets:

- **Growth assets** include shares, alternative assets and property. These assets generally offer higher returns over the long term than income assets. They also usually have a higher risk in the short term because returns can vary (or fluctuate) widely from year to year. Growth assets may also experience periods of negative returns.
- **Income assets** include cash and fixed interest, such as Australian and international government bonds and corporate debt. They are generally regarded as lower-risk investments and offer lower expected returns over the long term compared with growth assets. They also have a lower likelihood of negative returns compared with growth assets.

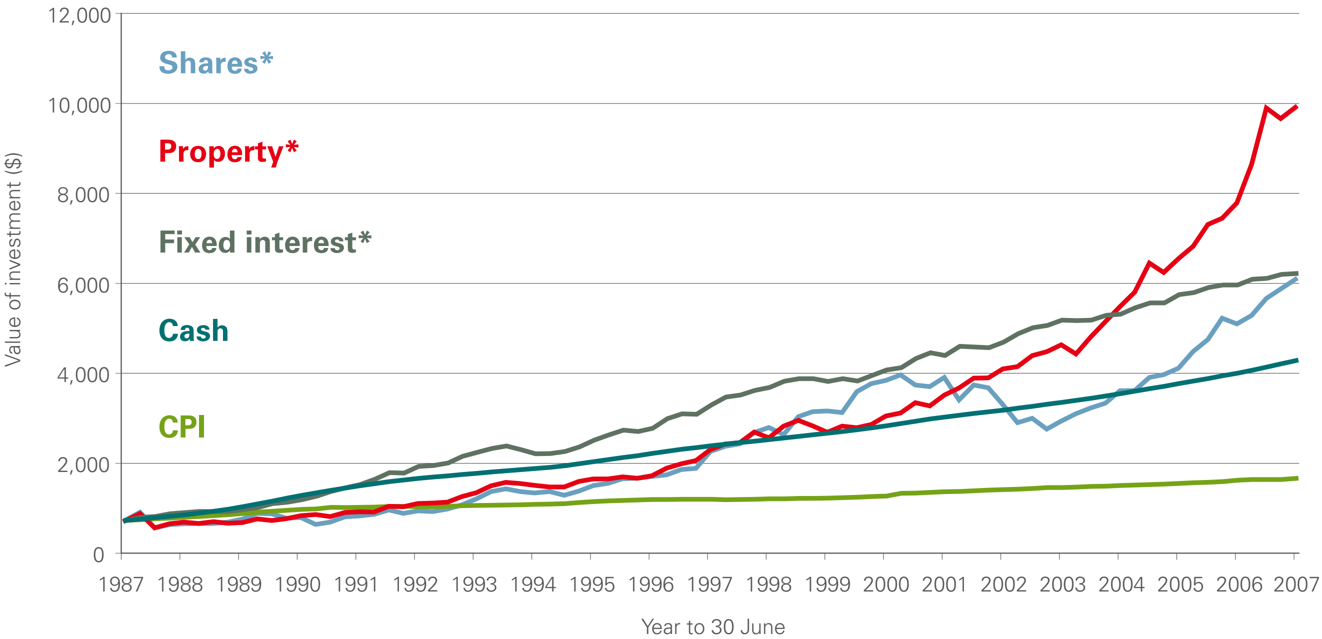
The graph on page 5 shows the growth of $1,000 invested in each of the four main asset classes – shares, property, fixed interest and cash – over 20 years to 30 June 2007 (gross of tax and fees).

Reserves

The Trustee does not maintain investment reserves. All investment earnings are distributed to members. However, there is a small Company reserve, which will be used over time to finance certain Plan expenses and manage cashflows from time to time. The level of the general reserve over the past three years has been as follows:

As at 31 May	$	% of Plan assets
2007	279,954	0.34%
2006	353,805	0.56%
2005	259,051	0.51%

Growth of asset classes based on $1,000 investment – 1987 to 2007
(Gross of tax and fees)



* 50% Australian shares and 50% unhedged international shares. Property is Australian listed property. Fixed interest is Australian fixed interest.
Past performance is not a reliable indicator of future performance.
This chart has been produced by Watson Wyatt Australia Pty Ltd, who consents to its inclusion in this Report.

The Plan's investment options

Diversified Shares

Objectives

- To achieve a return (after tax and investment fees) that is at least **4.5% p.a.** more than movements in the Consumer Price Index (CPI) over moving five-year periods.
- To avoid more than one negative annual return every **four years**.

Strategy

To invest totally in shares, with about 50% in Australian shares and the remainder in international shares.

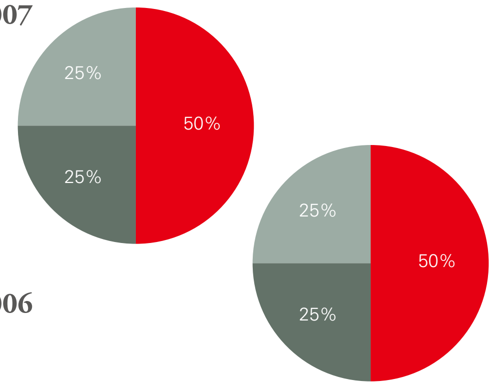
Investment managers at 31 May 2007

- GMO Australia Limited (Australian Equities Unit Trust)
- Schroder Investment Management Australia Ltd (Australian Equities PST)
- Alliance Bernstein Australia Ltd (Global Style Blend Trust)
- Credit Suisse Asset Management (Australia) Limited (Fully Hedged International Shares Fund)

Asset allocation

31 May 2007

31 May 2006



Growth

Objectives

- To achieve a return (after tax and investment fees) that is at least **3.5% p.a.** more than movements in the CPI over moving five-year periods.
- To avoid more than one negative annual return every **five years**.

Strategy

To invest about 80% in growth assets, and about 20% in income assets.

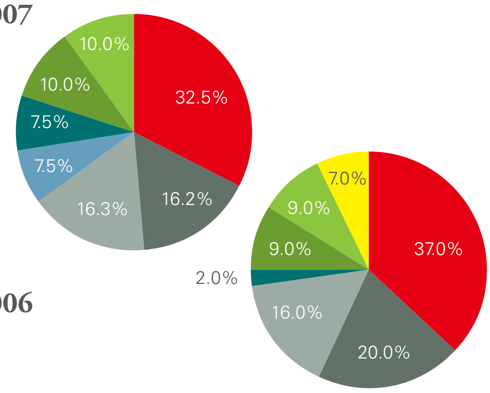
Investment managers at 31 May 2007

- GMO Australia Limited (Australian Equities Unit Trust)
- Schroder Investment Management Australia Ltd (Australian Equities PST)
- Alliance Bernstein Australia Ltd (Global Style Blend Trust)
- Credit Suisse Asset Management (Australia) Limited (Fully Hedged International Shares Fund)
- Warakirri Asset Management Pty Ltd (Fund of Hedge Funds)
- Deutsche Australia Asset Management (RREEF Global Property Securities Fund)
- State Street Global Advisors (SSgA) (Australian Fixed Interest Trust)
- SSgA (International Fixed Interest (Hedged) Trust)

Asset allocation

31 May 2007

31 May 2006



Australian shares | International shares (hedged) | International shares (unhedged) | Hedge funds | Property (2006)/Global listed property – hedged (2007)

Balanced

Objectives

- To achieve a return (after tax and investment fees) that is at least **2.5% p.a.** more than movements in the CPI over moving five-year periods.
- To avoid more than one negative annual return every **six years**.

Strategy

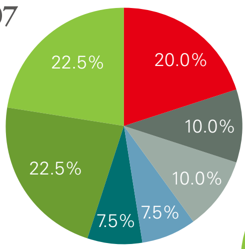
To invest about 55% in growth assets, and about 45% in income assets.

Investment managers at 31 May 2007

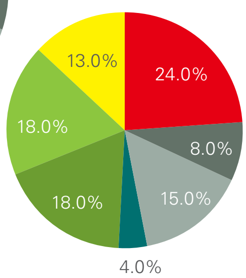
- GMO Australia Limited (Australian Equities Unit Trust)
- Schroder Investment Management Australia Ltd (Australian Equities PST)
- Alliance Bernstein Australia Ltd (Global Style Blend Trust)
- Credit Suisse Asset Management (Australia) Limited (Fully Hedged International Shares Fund)
- Warakirri Asset Management Pty Ltd (Fund of Hedge Funds)
- Deutsche Australia Asset Management (RREEF Global Property Securities Fund)
- SSgA (Australian Fixed Interest Trust)
- SSgA (International Fixed Interest (Hedged) Trust)

Asset allocation

31 May 2007



31 May 2006



Stable

Objectives

- To achieve a return (after tax and investment fees) that is at least **1.5% p.a.** more than movements in the CPI over moving five-year periods.
- To avoid more than one negative annual return every **12 years**.

Strategy

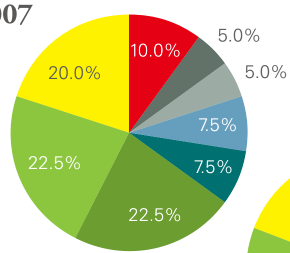
To invest about 35% in growth assets, and about 65% in income assets.

Investment managers at 31 May 2007

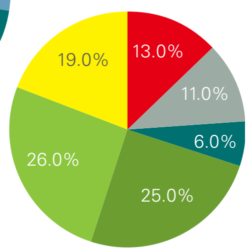
- GMO Australia Limited (Australian Equities Unit Trust)
- Schroder Investment Management Australia Ltd (Australian Equities PST)
- Alliance Bernstein Australia Ltd (Global Style Blend Trust)
- Credit Suisse Asset Management (Australia) Limited (Fully Hedged International Shares Fund)
- Warakirri Asset Management Pty Ltd (Fund of Hedge Funds)
- Deutsche Australia Asset Management (RREEF Global Property Securities Fund)
- SSgA (Australian Fixed Interest Trust)
- SSgA (International Fixed Interest (Hedged) Trust)
- SSgA (Australian Cash Trust)

Asset allocation

31 May 2007



31 May 2006



Australian fixed interest   International fixed interest (hedged)   Cash

Additional investment information

Derivatives

Approximately 7.5% of each investment option (except the Diversified Shares option) is invested in a fund of hedge funds managed by Warakirri Asset Management Pty Ltd. The underlying managers for this investment may use derivatives to help achieve their objectives.

Apart from this, the Plan's investment managers only use derivatives for risk-control purposes or to more efficiently shift asset allocations.

Legislation requires the investment managers to adopt a derivatives risk management statement. The statement outlines the controls that are in place to protect against the improper use of derivatives.

Socially responsible investments

The Trustee does not take into account social, ethical or environmental considerations or labour standards for the purpose of selecting, retaining or realising the Plan's investments. When the Plan's investment managers were selected, the Trustee did not consider whether the managers took these factors into account.

Will you have enough super to enjoy retirement?

A recent report[1] by The Association of Superannuation Funds of Australia Ltd (ASFA) found that many Australians, particularly women, are not saving enough super to adequately fund their retirement.

Although people are starting to put more money into super, the average super account balance is still relatively low and unlikely to support even a modest lifestyle in retirement without significant action, according to ASFA.

The ASFA study reported that 70% of men and 90% of women who retired in 2003/04 had less than $100,000 in super. Even more concerning is that average retirement payouts in 2006/07 were estimated to be only $130,000 for men and $45,000 for women.

To put these figures into context, a 2007 ASFA-Westpac study[2] indicates that a retired couple who own their own home will need at least $25,780 a year to maintain a "modest[3]" lifestyle or $47,766 a year for a "comfortable[4]" lifestyle in retirement.

The important question for you is how is your super tracking? You can estimate your retirement savings using the Benefit Calculator on the secure 'Access MySuper' section of the Plan's *MySuper* website, **http://mysuper.watsonwyatt.com/orac.**

Your retirement may be a long way off, but the decisions you make now can have a large bearing on your final retirement benefit. If you want to contribute more to super, visit the *MySuper* website or contact the Plan Administrator on (02) 9004 2600. For further information and advice related to your personal circumstances, speak to a licensed financial adviser.

Further details of the recent ASFA and ASFA-Westpac studies are available at the ASFA website, **www.superannuation.asn.au**.

Sources:

1 Research Report: *Are retirement savings on track*, The Association of Superannuation Funds of Australia Ltd, Research & Resource Centre, June 2007.

2 Westpac ASFA Retirement Standard, The Association of Superannuation Funds of Australia Ltd, March 2007.

3 A "modest" lifestyle is better than that provided by the age pension, but limited to fairly basic activities.

4 A "comfortable" lifestyle enables an older, healthy retiree to be involved in a broad range of leisure and recreational activities and to have a good standard of living through the purchase of household goods, private health insurance, a reasonable car, good clothes, a range of electronic equipment, and domestic and occasionally international holiday travel.

How taxes affect your super

A number of taxes may apply to your super. These are:

1. Contributions tax at the rate of 15%, which is deducted from all concessional contributions (see opposite). This rate will increase to the top marginal personal tax rate (plus the Medicare levy) if the Plan doesn't have your TFN. If you were a member before 1 July 2007, the higher tax rate only applies if your concessional contributions are more than $1,000 p.a.

2. Tax on investment earnings at the rate of 15% less any applicable deductions and imputation credits that may be available to the investment managers of the Plan. This tax is deducted from the Plan's investment earnings before being applied to your accounts.

3. Excess contributions tax may apply if your contributions exceed certain caps set by the government (see opposite).

4. Tax on benefits that are paid in cash. The amount of tax payable depends on a number of factors including:

- What type of benefit is paid (retirement, disability or death);
- Who receives the benefit;
- How you receive the benefit (e.g. lump sum amount or pension); and
- Your age when you receive the benefit. **If you are age 60 or over, all lump sum payments and pensions paid to you from a taxed super fund (such as this Plan) will be tax free**. If you are less than age 60, any lump sum amounts paid to you will consist of only two tax components – a tax-free component and a taxable component.

5. The superannuation surcharge – an additional tax of up to 15% levied against the employer and before-tax (salary sacrifice) contributions of high-income earners. This surcharge was abolished from 1 July 2005; however, the Plan may still receive assessments from the Australian Taxation Office (ATO) for members affected by the surcharge in prior years. If so, any surcharge amounts will be deducted from your accounts in the Plan. For more information about the surcharge, contact the Plan Administrator on (02) 9004 2600.

New super terms

The Government has introduced some new super terms:

- 'Deductible contributions' are now **concessional contributions**, which include employer and before-tax contributions to super.
- 'Undeducted (or after-tax) contributions' are now **non-concessional contributions** along with contributions from other non-salary sources (e.g. contributions made for you by your spouse, overseas transfers and excess concessional contributions).
- Your 'Post-June 1983' component is now your **taxable component**.

You should become familiar with these terms to help you better understand your super and the choices available to you. The Plan's member publications have been updated to reflect these new terms.

Tax limits

A number of caps, which are indexed annually as at 1 July, affect how super contributions and benefits are taxed. The limits for the period 1 July 2007 to 30 June 2008 are shown below.

$50,000 cap on concessional contributions

A flat $50,000 p.a. cap applies to concessional contributions made to your super (see above for definition). Any excess contributions will be taxed at the top marginal personal tax rate of 46.5% (including Medicare levy).

A higher transitional limit of $100,000 p.a. (not indexed) applies from 1 July 2007 to 30 June 2012 for anyone who is aged 50 or over at 1 July 2007 or who reaches age 50 during that period (i.e. the higher limit applies from the financial year of the member's 50th birthday).

The ATO determines whether any excess tax applies and if so, will forward a tax assessment and a release authority directly to the affected member. It is then up to the member to either pay the excess tax directly to the ATO, or arrange with their super fund to pay the tax on their behalf and deduct it from their benefit by giving the release authority to the fund. Time limits apply to the payment of any tax.

$150,000 cap on non-concessional contributions

Any non-concessional contributions (see box on previous page) you make to super are subject to a cap of $150,000 p.a.

If you are below age 65, limits for the following two years can be brought forward so you can make larger one-off payments up to $450,000 (but then no further contributions for the next two years). The Plan cannot accept individual lump sum amounts above this limit (which remains $150,000 if you are over age 65), and any such payments will be returned to you.

If you exceed the cap, the excess contributions will be taxed at the top marginal personal tax rate of 46.5% (including Medicare levy). The ATO assessment process for concessional contributions also applies for non-concessional contributions. However, any excess non-concessional contributions tax must be paid from your super fund.

Providing your Tax File Number (TFN)

As noted on page 1, significant consequences apply if you have not provided the Plan with your TFN. These include:

- Taxing your concessional contributions at the top marginal personal tax rate of 46.5% (including Medicare levy);
- Taxing the taxable component of your benefit at 46.5%; and
- Prohibiting the Plan from accepting any non-concessional contributions from you.

Contact the Plan Administrator to obtain the appropriate form if you have not previously provided your TFN to the Plan and wish to do so.

From 1 July 2007, employers are obliged to pass on the TFN of new employees to their super fund within 14 days of receiving it. If you joined Oracle after this date, the Plan would have a record of your TFN.

Do you need financial advice?

If you need advice about your super, especially in light of the new super rules, the Trustee recommends you speak to a licensed financial adviser.

Watson Wyatt Australia Pty Ltd has arrangements in place to offer Plan members financial planning services through qualified financial planners. Watson Wyatt has financial planners in its Melbourne office. In Sydney, Watson Wyatt has engaged ipac securities limited (ABN 30 008 587 595) to provide financial planning services. You can take advantage of these arrangements at any time, including when you leave the Plan. To speak with a licensed financial adviser from Watson Wyatt in Melbourne, contact Susan Rio on (03) 9655 5222. Alternatively, to speak with a licensed financial adviser from ipac in Sydney, contact ipac on 1800 080 494.

There will be no charge for the initial fact find meeting. You will be charged a fee for any additional work as agreed between you and the adviser.

If you live outside Melbourne or Sydney and want to find a licensed adviser in your area, the Financial Planning Association (FPA) can refer you to a licensed financial adviser in your area. Call them on 1800 337 301 or visit the FPA's website at www.fpa.asn.au.

Here are some tips to help you find a financial adviser:

- Deal only with professional financial advisers and planners who hold an Australian Financial Services Licence (AFSL), which is provided by ASIC, the government regulator. You can check if an adviser is licensed at no cost by visiting ASIC's consumer website, FIDO (www.fido.gov.au) or by phoning ASIC's Infoline on 1300 300 630.
- Speak to a few financial advisers from different firms and ask each one to send you their Financial Services Guide, which they must produce by law. Check if the services offered suit your needs.
- Ask about the financial adviser's experience and qualifications.
- Ask what the advice will cost. Do they charge a flat fee for service or rely on commissions from the products you invest in?
- Find out whether there are any restrictions on the products that the financial adviser can recommend.

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www. fido.asic.gov.au) has a superannuation fee calculator to help you check out different fee options

The above wording is required to be shown by ASIC. The Plan does not negotiate in relation to the fees and costs that it charges.

Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Plan assets as a whole. Taxes and insurance costs are set out in the notes overleaf. The fees shown are effective from 1 November 2007.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Plan		
Establishment fee: The fee to open your investment.	Nil	Not applicable.
Contribution fee: The fee on each amount contributed to your investment – either by you or your employer.	Nil	Not applicable.
Withdrawal fee: The fee on each amount you take out of your investment.	$110	By a deduction from each withdrawal or each contribution split with your spouse at the time of payment.
Termination fee: The fee to close your investment.	$110	By a deduction from the benefit payment amount at the time of payment.
Management costs		
The fees and costs for managing your investment.	**All current members:** nil since the cost is met by Oracle. **Retained Benefit members:** fee of 0.5% p.a.	**All current members:** not applicable. **Retained Benefit members:** fees are deducted from investment earnings monthly before they are applied to the accounts of Retained Benefit members.
The amount you pay for specific investment options.	**Diversified Shares** 0.49% ($4.90 per $1,000) **Growth** 0.48% ($4.80 per $1,000) **Balanced** 0.40% ($4.00 per $1,000) **Stable** 0.32% ($3.20 per $1,000)	Deducted from investment earnings monthly before they are applied to accounts.
Service fees[1]		
Investment switching fee: The fee for changing investment options.	$49.60 excluding switches on 1 December each year	Deducted from your account balances when the investment switch is made.

[1] Details of other service fees are described in the 'Additional explanation of fees and costs' on the following pages.

Additional explanation of fees and costs

1. Buy-sell spread

This is a fee charged by the Plan to reflect any costs charged by the investment managers when you change investment options.

It is deducted from your account balance when you change investment options (based on the option you transfer into) and is therefore an additional cost to you.

The fee for each of the Plan's investment options is a percentage of your account balance as set out below:

- Diversified Shares 0.44% ($4.40 per $1,000).
- Growth 0.33% ($3.30 per $1,000).
- Balanced 0.25% ($2.50 per $1,000).
- Stable 0.16% ($1.60 per $1,000).

2. Management costs

These costs include administration, consulting, audit, legal and other fees incurred by the Plan.

The fees shown in the table on the previous page are gross of tax.

Any management costs not covered by deductions from your accounts (as set out in the table on the previous page) are paid by Oracle directly.

If your total account balances are less than $1,000, the Plan will ensure that these expenses do not exceed the investment earnings applied to your accounts. This is designed to protect small account balances from erosion by fees. Please note that this protection does not apply to any other fees, taxes or insurance premiums deducted from your accounts.

3. Investment fees

The investment fees shown on the previous page are deducted from the investment returns earned by each option before they are applied to your accounts. This means that the returns shown on page 3 have been reduced by these fees and taxes.

Tax is deducted from the Plan's investment earnings at the rate of 15%, less any applicable deductions available to the investment managers or the Plan. None of the Plan's investment managers charge performance-based fees.

4. Taxes and insurance premiums

The following taxes and premiums are deducted from your accounts in the Plan:

- **An insurance premium of $5 per month** for every additional unit of death and disablement insurance cover you have is deducted from your Company Account within the Plan. The premium is **$3 per unit per month for spouse members** (for death-only cover). The amount of additional insurance cover for each unit of insurance depends on your age and the number of units you buy. A copy of the age-based scale is included in the booklet, *Your Super, Your Plan*, or on the *MySuper* website.
- **Contributions tax at the rate of 15%** from concessional contributions (i.e. Company contributions and any salary sacrifice contributions) to your accounts. Any deductions available to the Plan, such as expenses and insurance premiums, reduce the amount of tax deducted.
- Any surcharge tax assessed by the ATO as being applicable to you. This is deducted from your accounts when the assessment is received by the Plan.

5. Other service fees

A **rollover fee of $110** is deducted each time you roll over any super from other funds into the Plan during the year. This fee is deducted from your Rollover Account when your rollover is received.

A **contribution splitting fee of $110** is deducted each time you split your super contributions with your spouse. This fee is deducted from your Company Account when your splitting application is approved by the Trustee.

If you, or your spouse, require information on your benefit in relation to a **Family Law matter**, a fee of $275 will be charged for each date at which information is required. You, or your spouse, are required to pay this fee at the time of any request for information – it is not deducted from your accounts.

In addition, if your super is split under a Family Law agreement or Court Order, fees will apply for the splitting of your super and the payment of an amount to your former spouse. These fees are normally shared evenly between you and your former spouse, unless your agreement or Court Order provides otherwise. The fees may be paid by you and/or your spouse by cheque, or otherwise will be deducted from the applicable benefit. The fees are:

- **Establishment of a base amount** and payment to your spouse: **$222.**
- **Annual maintenance fee** (non-member spouse): **$75.50.**

All fees include GST where applicable.

6. Fee changes

Some of the fees are dependent on the fees charged by the Plan's service providers. Some of these fees may be indexed annually (e.g., in line with increases in Average Weekly Ordinary Time Earnings); others depend on the services provided to the Plan each year.

The Trustee reserves the right to increase the fees without your consent if necessary in order to manage the Plan. You will be given at least 30 days' notice of any fee increases.

The fees shown are effective from 1 November 2007.

Details of the fees that applied to you for the year ending 31 May 2007 are shown on your *Annual Benefit Statement,* which accompanies this *Annual Report*.

You should note that the fees charged may depend on your employment status or membership category in the Plan. If you change categories, you will be advised of any changes to the fees that apply to you.

Further details of the fees and taxes paid by the Plan can be found in the Plan's Financial Statements. A summary is included on page 17, or a copy can be obtained from the Plan Administrator (see back cover for contact details).

Example of annual fees and costs for the default investment option

The table below gives an example of how the fees and costs in the default investment option for this product can affect your superannuation investment over a one-year period from July 2007. You should use this table to compare this product with other superannuation products. The default investment option for this product has an 80% weighting to growth assets (shares and property). You should check other products' weighting to growth assets when making comparisons. Please note, different fees apply to Retained Benefit members (see page 12).

Example – the Growth Option		Balance of $50,000 with total contributions of $5,000 during year
Contribution fees	Nil	For every $5,000 you put in, you will be charged nil.
PLUS management costs	0.48%	**And**, for every $50,000 you have in the Plan you will be charged **$240** each year plus nil in administration fees regardless of your balance.
EQUALS Cost of Plan		If you put in $5,000 during a year and your balance was $50,000, then for that year you will be charged fees of **$240***. What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

* Additional fees may apply:

Establishment fee – Nil

And, if you withdraw an amount before leaving the Plan, you will also be charged a **withdrawal fee of $110** for every withdrawal, regardless of the amount.

And, when you finally leave the Plan, you will also be charged a **termination fee of $110** regardless of the amount.

All about your Plan

Your Trustee

The Trustee of the Plan is Watson Wyatt Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049, RSE Licence No. L0000185), a company that has been approved and licensed to act as a trustee of superannuation funds by the principal regulator of super funds in Australia, the Australian Prudential Regulation Authority (APRA). The Trustee Directors as at 31 May 2007 were Andrew Boal, Pauline Durant, Brad Jeffrey and David McNeice. There were no changes to the directors during the year.

The Trustee is currently covered by a Trustee Professional Indemnity insurance policy that protects the Plan's assets from a legal liability to the extent permitted by law and the policy conditions.

Watson Wyatt Superannuation Pty Ltd is a subsidiary of Watson Wyatt Australia Pty Ltd (ABN 45 002 415 349, AFSL 229921), a company that also acts as administrator (in partnership with CitiStreet Australia Pty Limited), and consultant to the Plan.

Your Policy Committee

A Policy Committee is responsible for ensuring that the interests of members and Oracle are represented in the management of the Plan. The Committee comprises eight members, with half appointed by the Company and half elected periodically by members. The next Policy Committee election will be held in February 2010.

At 31 May 2007, the Policy Committee members were:

Company-apointed	Member-elected
Gareth Hunt	Paul Davidson
Robyn Merchant	Peter Iredale
Brett Reeves	Wesley Kowalski
Ian White	Wayne Parry

During the year, Gareth Hunt was appointed as a Company representative to the Committee. Also, Paul Davidson and Wayne Parry joined the Committee following receipt of the same number of nominations as for vacant positions in February 2007, replacing Stephen Carroll and CJ Halvorson.

The Trust Deed

The Plan is managed and administered in accordance with its Trust Deed. The Trust Deed is the legal document that sets out details of members' benefits and the rules and operating requirements of the Plan.

A complying fund

The Plan is a complying superannuation fund for tax purposes.

The Trustee has lodged all necessary returns and certificates with the Australian Prudential Regulation Authority (APRA). The returns for the year ending 31 May 2007 will be lodged after the audit of the Plan's financial statements has been completed.

Specialist advisers

The following organisations have been retained by the Trustee to provide specialist services to the Plan:

Consultant and actuary
Watson Wyatt Australia Pty Ltd

Administrator
Watson Wyatt Australia Pty Ltd (outsourced to CitiStreet Australia Pty Limited)

Investment consultant
Watson Wyatt Australia Pty Ltd

Auditor
Deloitte Touche Tohmatsu

Insurer
ING Life Limited

The Trustee does not receive commissions or other similar payments from any of its specialist advisers.

Enquiries and complaints

Initial enquiries and complaints, including privacy-related enquiries, should be directed to the Plan Administrator (see back cover for contact details).

If you are not satisfied with the response you receive, there is a formal process through which the Trustee reviews enquiries and complaints. To make a formal enquiry or complaint, please obtain an Enquiry or Complaint form from Human Resources. The Trustee will respond within 90 days.

If you are not happy with the Trustee's handling of your enquiry or complaint, you may then contact the Superannuation Complaints Tribunal. The Tribunal is an independent body set up by the Government to deal with certain enquiries or complaints that the Trustee has not dealt with to your satisfaction. You can contact the Tribunal on **1300 780 808.**

There are some complaints that the Tribunal cannot consider, such as those relating to the management of the Plan as a whole. In addition, time limits apply to certain complaints relating to total and permanent disability claims and to complaints about objections to the payment of death benefits. If your complaint is in relation to one of these areas, please contact the Plan Administrator or refer to the Tribunal's website at www.sct.gov.au as soon as possible for further information.

For privacy-related matters, the Federal Privacy Commissioner may review your complaint. You can contact the Privacy Commissioner on **1300 363 992**.

If you leave the Plan

If you leave Oracle, or if you choose another fund, you will be contacted by the Plan Administrator and asked how you want to receive your benefit.

If you do not give the Plan Administrator instructions within 180 days of receiving details of your benefit, or if your chosen fund does not accept your benefit, the Trustee may roll over your benefit to an Eligible Rollover Fund (ERF). The Trustee has nominated:

The Administrator
Colonial SuperTrace
Approved Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124
Phone: 1300 788 750

If your benefit is transferred to the ERF, you will no longer be a member of, or have any rights under the Plan and you will need to contact the ERF directly in relation to your benefit. You can also obtain a Product Disclosure Statement from the ERF using the contact details above.

You should note that the investment and crediting rate policy of the ERF may be different to those that applied in the Plan. In addition, the ERF does not offer any insurance cover. The ERF may not be a suitable long-term investment vehicle for your super, as the returns may be lower than those available from other products.

Providing proof of identity

The Trustee is required to verify the identity of members and any other benefit recipients before any superannuation benefit is withdrawn from, or rolled out of the Plan. This 'identity check' (e.g. a certified copy of a driver's licence or passport) helps ensure that the Plan is not being used for money laundering, or the funding of terrorist or criminal activities.

Withdrawals cannot be processed until you (or your nominated representatives) have supplied the required proof of identity to the Plan Administrator.

The Trustee may need to obtain additional identification information and to verify your identity from time to time.

In some circumstances the Trustee may have to disclose information about you to the regulator of this legislation, the Australian Transactions Reports and Analysis Centre (AUSTRAC). If this happens, the Trustee is not permitted to inform you due to the sensitive nature of this information.

Summary of financial statements

These summaries have been prepared from the unaudited financial accounts of the Plan for the year to 31 May 2007. The final audit is expected to be completed by September 2007. The audited financial accounts and auditor's report will be available on request from the Plan Administrator on (02) 9004 2600.

Change in net assets during the year		$
Net assets at the beginning of the year		**63,122,507**
Plus income	Contributions	17,045,929
	Rollovers	4,098,713
	Net investment income	12,954,250
	Other	520,414
Less outgoings	Benefit payments	9,319,439
	Insurance premiums	1,280,000
	Tax due	3,077,457
	Superannuation surcharge	775,785
	Expenses and charges	124,188
Net assets at the end of the year		**83,164,944**

Net assets at the end of the year		2006 $	2007 $
Investments	GMO Australia Limited (Australian Equities PST)	10,771,634	-
	Credit Suisse Asset Management (Fully Hedged International Shares PST)	10,619,412	-
	Schroder Investment Management Australia Ltd (Australian Equities PST)	11,273,563	14,076,614
	Alliance Bernstein Australia Ltd (Global Style Blend Trust)	10,599,338	14,222,365
	State Street Global Advisors (Indexed Conservative Trust)	24,035,325	-
	Deutsche Australia Asset Management (RREEF Global Property Securities Fund)	-	5,399,518
	State Street Global Advisors (SSgA) (Australian Cash Trust)	-	1,249,901
	SSgA (Australian Fixed Interest Trust)	-	7,771,996
	SSgA (International Fixed Interest (Hedged) Trust)	-	7,672,120
	Warakirri Asset Management Pty Ltd (Fund of Hedge Funds)	-	5,078,858
	Credit Suisse Asset Management (Fully Hedged International Shares Fund)	-	14,136,568
	GMO Australia Limited (Australian Equities Unit Trust)	-	14,574,051
Current assets		2,768,673	5,842,245
Current liabilities	Benefits payable	(5,708,486)	(5,210,957)
	Taxation payable	(1,206,194)	(1,629,552)
	Other	(30,758)	(18,783)
Net assets at the end of the year		**63,122,507**	**83,164,944**

Current assets include amounts in the Plan's bank account. All contributions due at 31 May 2007 have now been paid to the Plan.

Who to contact

For more information about your benefits in the Plan and the options available to you, refer to your member booklet, *Your Super, Your Plan*.

Copies of the Trust Deed, Risk Management Plan and audited accounts may also be requested by current and former members and their dependants.

If you have questions about the Plan or this *Annual Report*, please contact:

The Plan Administrator
Oracle Superannuation Plan
CitiStreet Australia Pty Limited
GPO Box 4346
Sydney NSW 2001
Phone: (02) 9004 2600
Fax: (02) 9081 0236
Website: **http://mysuper.watsonwyatt.com/orac**

You can also contact:

Human Resources
Oracle Corporation Australia Pty Ltd
4 Julius Avenue
North Ryde NSW 2113
Phone: (02) 9491 1188

OR

The Plan Trustee
Oracle Superannuation Plan
Watson Wyatt Superannuation Pty Ltd
GPO Box 468
Sydney NSW 2001
Phone: (02) 9253 3333
Fax: (02) 9253 3199

Issued by Watson Wyatt Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049, RSE Licence No. L0000185), as Trustee of the Oracle Superannuation Plan (ABN 17 608 890 083, RSE Registration No. R1005646) on 5 September 2007.