

Oracle plays up promise of Sun take-over

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Oracle CEO Larry Ellison delivers a keynote address at the 2009 Oracle Open World conference in San Francisco, California. Ellison opened fire on US technology veteran IBM and expressed optimism about the pending 7.4-billion-dollar-deal to buy Sun Microsystems.

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While kicking off an [Oracle](#) Open World conference in downtown San Francisco, Ellison vowed to merge his company's business software prowess with Sun's hardware innovations in a synergy powerful enough to take on IBM.

"We're in it to win it," Ellison said as he joined Sun founder and chief executive Scott McNealy on stage to open a week-long gathering of fans

of Oracle's software for businesses.

"We look forward to competing with IBM...We think the combination of Sun and Oracle will be well equipped to go up against the giant."

Ellison threw down a gauntlet, challenging any company to run [database](#) applications on a Sun-Oracle system.

If the Sun gear doesn't perform at least twice as fast, Oracle will pay the company 10 million dollars, Ellison said.

"By the way, IBM, you are welcome to enter," Ellison said in a swipe at the competitor.

McNealy and Ellison assured the thousands of Open World attendees that Oracle intended to invest in Sun, maker of SPARC microprocessors, database management system MySQL, and Solaris operating system.

"I believe our board and our shareholders made a very wise and exciting decision," McNealy said of backing they gave earlier this year to an acquisition by Oracle, based not far from Sun in Northern California.

"I'm counting on Larry and the Oracle team to take very good care of a very important legacy of mine."

Business software giant Oracle's bid for Sun is under investigation under EU merger regulation, according to the European Commission.

Brussels "has to examine very carefully the effects on competition in Europe when the world's leading proprietary database company proposes to take over the world's leading open source database company," sCompetition Commissioner Neelie Kroes said last month.

The 5.17-billion-euro deal for Sun, a one-time Silicon Valley star and developer of the popular Java programming language, was approved by Sun shareholders in July and the US Department of Justice in August, but is now on hold.

A decision is due by 19 January, 2010.

The Commission said it wants to be certain that customers would not face reduced choice or higher prices as a result of this takeover. Databases are a key element of company IT systems.

Oracle, IBM and Microsoft together control about 85 percent of the database market in terms of revenue, according to the EU.

[IBM](#) made a bid to acquire Sun but was edged out by Oracle.

Among the issues the Commission expressed interest in addressing was Oracle's incentive to further develop MySQL as an open-source database.

"If this merger goes through, and we think it will, we will spend more not less on MySQL," Ellison said.

Ellison compared a combined Oracle-Sun with Apple, the iconic California company that makes iPhones, iPods, and Macintosh computers.

"Whatever you think of Apple, I think they've done a terrific job of tackling the hardware problem at the same time they tackle the software problem," Ellison said.

"With the merged companies we're going to try to make all the pieces fit together well."

Oracle develops, manufactures and distributes company software, and is the market leader in proprietary databases -- big beasts for large-scale management of businesses' commercial information.

Sun, meanwhile, has built up the leading [open source](#) databases -- which are now able to support similarly large-scale commercial databases running to hundreds of computing Gigabytes in size.

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