

ORACLE CORPORATION
Q4 FISCAL 2010 FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(\$ in millions, except per share data)

	Three Months Ended May 31,				% Increase (Decrease) in US \$	% Increase (Decrease) in Constant Currency (1)
	2010	% of Revenues	2009	% of Revenues		
REVENUES						
New software licenses	\$ 3,135	33%	\$ 2,744	40%	14%	15%
Software license updates and product support	3,431	36%	3,052	44%	12%	11%
Software Revenues	6,566	69%	5,796	84%	13%	13%
Hardware systems products	1,233	13%	-	0%	*	*
Hardware systems support	598	6%	-	0%	*	*
Hardware Systems Revenues	1,831	19%	-	0%	*	*
Services	1,108	12%	1,065	16%	4%	3%
Total Revenues	9,505	100%	6,861	100%	39%	38%
OPERATING EXPENSES						
Sales and marketing	1,745	18%	1,326	19%	32%	31%
Software license updates and product support	292	3%	293	4%	0%	(2%)
Hardware systems products	675	7%	-	0%	*	*
Hardware systems support	306	4%	-	0%	*	*
Services	969	10%	886	13%	9%	8%
Research and development	1,063	11%	731	11%	46%	44%
General and administrative	293	3%	214	3%	37%	36%
Amortization of intangible assets	605	6%	437	7%	38%	38%
Acquisition related and other	103	1%	19	0%	450%	441%
Restructuring	154	2%	71	1%	117%	116%
Total Operating Expenses	6,205	65%	3,977	58%	56%	54%
OPERATING INCOME	3,300	35%	2,884	42%	14%	15%
Interest expense	(201)	(2%)	(159)	(2%)	27%	27%
Non-operating income (expense), net	(24)	0%	29	0%	(181%)	(171%)
INCOME BEFORE PROVISION FOR INCOME TAXES	3,075	33%	2,754	40%	12%	12%
Provision for income taxes	711	8%	863	12%	(18%)	(17%)
NET INCOME	\$ 2,364	25%	\$ 1,891	28%	25%	26%
EARNINGS PER SHARE:						
Basic	\$ 0.47		\$ 0.38			
Diluted	\$ 0.46		\$ 0.38			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	5,022		4,995			
Diluted	5,090		5,043			

(1) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rate in effect on May 31, 2009, which was the last day of our prior fiscal year, rather than the actual exchange rates in effect during the respective periods. Movements in international currencies relative to the United States dollar during the three months ended May 31, 2010 compared with the corresponding prior year period increased our revenues by 1 percentage point, operating expenses by 2 percentage points and reduced our operating income by 1 percentage point.

* Not meaningful

ORACLE CORPORATION
Q4 FISCAL 2010 FINANCIAL RESULTS
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES (1)
(\$ in millions, except per share data)

	Three Months Ended May 31,						% Increase (Decrease) in US \$		% Increase (Decrease) in Constant Currency (2)	
	2010 GAAP	Adj.	2010 Non-GAAP	2009 GAAP	Adj.	2009 Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES (3) (4)	\$ 9,505	\$ 126	\$ 9,631	\$ 6,861	\$ 20	\$ 6,881	39%	40%	38%	39%
TOTAL SOFTWARE REVENUES (3)	\$ 6,566	\$ 36	\$ 6,602	\$ 5,796	\$ 20	\$ 5,816	13%	14%	13%	13%
New software licenses	3,135	-	3,135	2,744	-	2,744	14%	14%	15%	15%
Software license updates and product support (3)	3,431	36	3,467	3,052	20	3,072	12%	13%	11%	11%
TOTAL HARDWARE SYSTEMS REVENUES (4)	\$ 1,831	\$ 90	\$ 1,921	\$ -	\$ -	\$ -	*	*	*	*
Hardware systems products	1,233	-	1,233	-	-	-	*	*	*	*
Hardware systems support (4)	598	90	688	-	-	-	*	*	*	*
TOTAL OPERATING EXPENSES	\$ 6,205	\$ (989)	\$ 5,216	\$ 3,977	\$ (609)	\$ 3,368	56%	55%	54%	53%
Hardware systems products	675	(6)	669	-	-	-	*	*	*	*
Stock-based compensation (5)	121	(121)	-	82	(82)	-	51%	*	51%	*
Amortization of intangible assets (6)	605	(605)	-	437	(437)	-	38%	*	38%	*
Acquisition related and other	103	(103)	-	19	(19)	-	450%	*	441%	*
Restructuring	154	(154)	-	71	(71)	-	117%	*	116%	*
OPERATING INCOME	\$ 3,300	\$ 1,115	\$ 4,415	\$ 2,884	\$ 629	\$ 3,513	14%	26%	15%	26%
OPERATING MARGIN %	35%		46%	42%		51%	(732) bp	(522) bp	(694) bp	(483) bp
INCOME TAX EFFECTS (7)	\$ 711	\$ 431	\$ 1,142	\$ 863	\$ 197	\$ 1,060	(18%)	8%	(17%)	8%
NET INCOME	\$ 2,364	\$ 684	\$ 3,048	\$ 1,891	\$ 432	\$ 2,323	25%	31%	26%	32%
DILUTED EARNINGS PER SHARE	\$ 0.46		\$ 0.60	\$ 0.38		\$ 0.46	24%	30%	25%	30%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,090	-	5,090	5,043	-	5,043	1%	1%	1%	1%
ESTIMATED OPERATING INCOME CONTRIBUTION FROM SUN (8)	\$ (91)	\$ 503	\$ 412	\$ -	\$ -	\$ -	*	*	*	*

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. For a detailed explanation of the adjustments made to comparable GAAP measures, the reasons why management uses these measures, the usefulness of these measures and the material limitations on the usefulness of these measures, please see Appendix A.

(2) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rate in effect on May 31, 2009, which was the last day of our prior fiscal year, rather than the actual exchange rates in effect during the respective periods.

(3) As of May 31, 2010, approximately \$61 million and \$25 million in estimated revenues related to assumed software support contracts will not be recognized for fiscal 2011 and fiscal 2012, respectively, due to business combination accounting rules.

(4) As of May 31, 2010, approximately \$148 million, \$35 million and \$11 million in estimated revenues related to hardware systems support contracts will not be recognized for fiscal 2011, fiscal 2012 and fiscal 2013, respectively, due to business combination accounting rules.

(5) Stock-based compensation is included in the following GAAP operating expense categories:

	Three Months Ended May 31, 2010			Three Months Ended May 31, 2009		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Sales and marketing	\$ 24	\$ (24)	\$ -	\$ 16	\$ (16)	\$ -
Software license updates and product support	5	(5)	-	4	(4)	-
Hardware systems products	1	(1)	-	-	-	-
Hardware systems support	1	(1)	-	-	-	-
Services	4	(4)	-	3	(3)	-
Research and development	50	(50)	-	34	(34)	-
General and administrative	36	(36)	-	25	(25)	-
Subtotal	121	(121)	-	82	(82)	-
Acquisition related and other	5	(5)	-	1	(1)	-
Total stock-based compensation	\$ 126	\$ (126)	\$ -	\$ 83	\$ (83)	\$ -

(6) Estimated future annual amortization expense related to intangible assets as of May 31, 2010 is as follows:

Fiscal 2011	\$ 2,285
Fiscal 2012	2,006
Fiscal 2013	1,638
Fiscal 2014	1,354
Fiscal 2015	1,015
Thereafter	638
Total intangible assets subject to amortization	8,936
In-process research and development	385
Total intangible assets, net	\$ 9,321

(7) Income tax effects were calculated reflecting an effective GAAP tax rate of 23.1% and 31.3% in the fourth quarter of fiscal 2010 and 2009, respectively, and an effective non-GAAP tax rate of 27.3% and 31.3% in the fourth quarter of fiscal 2010 and 2009, respectively. The differences between our GAAP and non-GAAP tax expense in the fourth quarter of fiscal 2010 were due to the income tax effects of non-GAAP pretax income adjustments including differences in jurisdictional tax rates, and related tax benefits attributable to our restructuring expenses in this period. The differences were also due to income tax effects related to acquired tax exposures.

(8) Our hardware systems business had a margin of \$406 million during the three months ended May 31, 2010 and was comprised of revenues and expenses that were directly attributable to our hardware systems business. A portion of Sun's legacy businesses, however, are also included in our software and services businesses. We estimate that during the three months ended May 31, 2010, Sun reduced our GAAP operating income by approximately \$91 million and increased our non-GAAP operating income by approximately \$412 million after including research and development expenses, an allocation of margin from Sun to our software and services businesses and an allocation of general and administrative expenses and other expenses, which cannot be directly identified as a result of the integration of Sun into our operations to date:

	Three Months Ended May 31, 2010		
	GAAP	Adj.	Non-GAAP
Hardware systems business direct revenues & expenses, net**	\$ 586	\$ 96	\$ 682
Stock-based compensation (5)**	(4)	4	-
Amortization of intangible assets (6)**	(176)	176	-
Total hardware systems business margin**	406	276	682
Allocation of margin from other Sun businesses***	139	27	166
Research and development expenses	(338)	-	(338)
Allocation of general and administrative expenses and other	(98)	-	(98)
Allocation of acquisition related and other (1)	(93)	93	-
Allocation of restructuring (1)	(107)	107	-
Total Sun contribution to operating margin	\$ (91)	\$ 503	\$ 412

* Not meaningful

** Derived from the total margin of, and other expenses allocated to, our hardware systems businesses as reported in Management's Discussion and Analysis of Financial Condition and Results of Operations within our Form 10-Q for the nine months ended February 28, 2010 and our to be filed Form 10-K for the fiscal year ended May 31, 2010. Our hardware systems business' direct revenues and expenses, net pursuant to GAAP include fair value adjustments of \$90 million related to our hardware systems support revenues and \$6 million related to our hardware systems products expenses. Our non-GAAP hardware systems business' direct revenues and expenses, net exclude these fair value adjustments and also exclude an allocation of stock-based compensation and amortization of intangible assets. Refer to Appendix A for a more complete discussion of these adjustments.

*** Represents management's estimated allocation of Sun's direct revenues and expenses contributions to our software and services businesses. The GAAP calculation presented includes fair value adjustments of \$27 million related to our software license updates and product support revenues. Our non-GAAP allocation of margin excludes this fair value adjustment. Refer to Appendix A for a more complete discussion of this fair value adjustment.

ORACLE CORPORATION

FISCAL 2010 YEAR TO DATE FINANCIAL RESULTS CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (\$ in millions, except per share data)

	Year Ended May 31,				% Increase (Decrease) in US \$	% Increase (Decrease) in Constant Currency (1)
	2010	% of Revenues	2009	% of Revenues		
REVENUES						
New software licenses	\$ 7,533	28%	\$ 7,123	31%	6%	4%
Software license updates and product support	13,092	49%	11,754	50%	11%	10%
Software Revenues	20,625	77%	18,877	81%	9%	8%
Hardware systems products	1,506	6%	-	0%	*	*
Hardware systems support	784	3%	-	0%	*	*
Hardware Systems Revenues	2,290	9%	-	0%	*	*
Services	3,905	14%	4,375	19%	(11%)	(12%)
Total Revenues	26,820	100%	23,252	100%	15%	14%
OPERATING EXPENSES						
Sales and marketing	5,080	19%	4,638	20%	10%	8%
Software license updates and product support	1,063	4%	1,088	4%	(2%)	(4%)
Hardware systems products	880	3%	-	0%	*	*
Hardware systems support	423	2%	-	0%	*	*
Services	3,398	13%	3,706	16%	(8%)	(9%)
Research and development	3,254	12%	2,767	12%	18%	17%
General and administrative	911	3%	785	3%	16%	16%
Amortization of intangible assets	1,973	7%	1,713	7%	15%	15%
Acquisition related and other	154	1%	117	1%	32%	36%
Restructuring	622	2%	117	1%	432%	423%
Total Operating Expenses	17,758	66%	14,931	64%	19%	18%
OPERATING INCOME	9,062	34%	8,321	36%	9%	6%
Interest expense	(754)	(3%)	(630)	(3%)	20%	20%
Non-operating income (expense), net	(65)	0%	143	1%	(145%)	(144%)
INCOME BEFORE PROVISION FOR INCOME TAXES	8,243	31%	7,834	34%	5%	3%
Provision for income taxes	2,108	8%	2,241	10%	(6%)	(9%)
NET INCOME	\$ 6,135	23%	\$ 5,593	24%	10%	7%
EARNINGS PER SHARE:						
Basic	\$ 1.22		\$ 1.10			
Diluted	\$ 1.21		\$ 1.09			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	5,014		5,070			
Diluted	5,073		5,130			

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* Not meaningful

ORACLE CORPORATION

FISCAL 2010 YEAR TO DATE FINANCIAL RESULTS RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES (1) (\$ in millions, except per share data)

	Year Ended May 31,						% Increase (Decrease) in US \$		% Increase (Decrease) in Constant Currency (2)	
	2010 GAAP	Adj.	2010 Non-GAAP	2009 GAAP	Adj.	2009 Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES (3) (4)	\$ 26,820	\$ 214	\$ 27,034	\$ 23,252	\$ 243	\$ 23,495	15%	15%	14%	14%
TOTAL SOFTWARE REVENUES (3)	\$ 20,625	\$ 86	\$ 20,711	\$ 18,877	\$ 243	\$ 19,120	9%	8%	8%	7%
New software licenses	7,533	-	7,533	7,123	-	7,123	6%	6%	4%	4%
Software license updates and product support (3)	13,092	86	13,178	11,754	243	11,997	11%	10%	10%	8%
TOTAL HARDWARE SYSTEMS REVENUES (4)	\$ 2,290	\$ 128	\$ 2,418	\$ -	\$ -	\$ -	*	*	*	*
Hardware systems products	1,506	-	1,506	-	-	-	*	*	*	*
Hardware systems support (4)	784	128	912	-	-	-	*	*	*	*
TOTAL OPERATING EXPENSES	\$ 17,758	\$ (3,199)	\$ 14,559	\$ 14,931	\$ (2,287)	\$ 12,644	19%	15%	18%	14%
Hardware systems products	880	(29)	851	-	-	-	*	*	*	*
Stock-based compensation (5)	421	(421)	-	340	(340)	-	24%	*	24%	*
Amortization of intangible assets (6)	1,973	(1,973)	-	1,713	(1,713)	-	15%	*	15%	*
Acquisition related and other	154	(154)	-	117	(117)	-	32%	*	36%	*
Restructuring	622	(622)	-	117	(117)	-	432%	*	423%	*
OPERATING INCOME	\$ 9,062	\$ 3,413	\$ 12,475	\$ 8,321	\$ 2,530	\$ 10,851	9%	15%	6%	13%
OPERATING MARGIN %	34%		46%	36%		46%	(200) bp	(4) bp	(237) bp	(28) bp
INCOME TAX EFFECTS (7)	\$ 2,108	\$ 1,054	\$ 3,162	\$ 2,241	\$ 730	\$ 2,971	(6%)	6%	(9%)	4%
NET INCOME	\$ 6,135	\$ 2,359	\$ 8,494	\$ 5,593	\$ 1,800	\$ 7,393	10%	15%	7%	13%
DILUTED EARNINGS PER SHARE	\$ 1.21		\$ 1.67	\$ 1.09		\$ 1.44	11%	16%	8%	14%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,073	-	5,073	5,130	-	5,130	(1%)	(1%)	(1%)	(1%)

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(2) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rate in effect on May 31, 2009, which was the last day of our prior fiscal year, rather than the actual exchange rates in effect during the respective periods.

(3) As of May 31, 2010, approximately \$61 million and \$25 million in estimated revenues related to assumed software support contracts will not be recognized for fiscal 2011 and fiscal 2012, respectively, due to business combination accounting rules.

(4) As of May 31, 2010, approximately \$148 million, \$35 million and \$11 million in estimated revenues related to hardware systems support contracts will not be recognized for fiscal 2011, fiscal 2012 and fiscal 2013, respectively, due to business combination accounting rules.

(5) Stock-based compensation is included in the following GAAP operating expense categories:

	Year Ended May 31, 2010			Year Ended May 31, 2009		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Sales and marketing	\$ 81	\$ (81)	\$ -	\$ 67	\$ (67)	\$ -
Software license updates and product support	17	(17)	-	13	(13)	-
Hardware systems products	3	(3)	-	-	-	-
Hardware systems support	2	(2)	-	-	-	-
Services	14	(14)	-	12	(12)	-
Research and development	172	(172)	-	155	(155)	-
General and administrative	132	(132)	-	93	(93)	-
Subtotal	421	(421)	-	340	(340)	-
Acquisition related and other	15	(15)	-	15	(15)	-
Total stock-based compensation	\$ 436	\$ (436)	\$ -	\$ 355	\$ (355)	\$ -

(6) Estimated future annual amortization expense related to intangible assets as of May 31, 2010 is as follows:

Fiscal 2011	\$ 2,285
Fiscal 2012	2,006
Fiscal 2013	1,638
Fiscal 2014	1,354
Fiscal 2015	1,015
Thereafter	638
Total intangible assets subject to amortization	8,936
In-process research and development	385
Total intangible assets, net	<u>\$ 9,321</u>

(7) Income tax effects were calculated reflecting an effective GAAP tax rate of 25.6% and 28.6% in fiscal 2010 and 2009, respectively, and an effective non-GAAP tax rate of 27.1% and 28.7% in fiscal 2010 and 2009, respectively. The differences between our GAAP and non-GAAP tax expense in fiscal 2010 were due to the income tax effects of non-GAAP pretax income adjustments including differences in jurisdictional tax rates, and related tax benefits attributable to our restructuring expenses in this period. The differences in fiscal 2010 and 2009 were also due to income tax effects related to acquired tax exposures.

* Not meaningful

ORACLE CORPORATION

FISCAL 2010 FINANCIAL RESULTS CONDENSED CONSOLIDATED BALANCE SHEETS (\$ in millions)

	May 31, 2010	May 31, 2009
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 9,914	\$ 8,995
Marketable securities	8,555	3,629
Trade receivables, net	5,585	4,430
Inventories	259	-
Deferred tax assets	1,159	661
Prepaid expenses and other current assets	1,532	866
Total Current Assets	27,004	18,581
Non-Current Assets:		
Property, plant and equipment, net	2,763	1,922
Intangible assets, net	9,321	7,269
Goodwill	20,425	18,842
Other assets	2,065	802
Total Non-Current Assets	34,574	28,835
TOTAL ASSETS	\$ 61,578	\$ 47,416
LIABILITIES AND EQUITY		
Current Liabilities:		
Notes payable, current and other current borrowings	\$ 3,145	\$ 1,001
Accounts payable	775	271
Accrued compensation and related benefits	1,895	1,409
Deferred revenues	5,900	4,592
Other current liabilities	2,976	1,876
Total Current Liabilities	14,691	9,149
Non-Current Liabilities:		
Notes payable and other non-current borrowings	11,510	9,237
Income taxes payable	2,695	2,423
Deferred tax liabilities	424	480
Other non-current liabilities	1,059	682
Total Non-Current Liabilities	15,688	12,822
Equity	31,199	25,445
TOTAL LIABILITIES AND EQUITY	\$ 61,578	\$ 47,416

ORACLE CORPORATION

FISCAL 2010 FINANCIAL RESULTS CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (\$ in millions)

	Year Ended May 31,	
	2010	2009
Cash Flows From Operating Activities:		
Net income	\$ 6,135	\$ 5,593
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	298	263
Amortization of intangible assets	1,973	1,713
Deferred income taxes	(511)	(395)
Stock-based compensation	436	355
Tax benefits on the exercise of stock options and vesting of restricted stock-based awards	203	252
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	(110)	(194)
Other, net	13	185
Changes in operating assets and liabilities, net of effects from acquisitions:		
(Increase) decrease in trade receivables, net	(219)	454
Decrease in inventories	73	-
Decrease in prepaid expenses and other assets	340	145
Decrease in accounts payable and other liabilities	(360)	(691)
(Decrease) increase in income taxes payable	(79)	142
Increase in deferred revenues	489	433
Net cash provided by operating activities	8,681	8,255
Cash Flows From Investing Activities:		
Purchases of marketable securities and other investments	(15,703)	(9,315)
Proceeds from maturities and sales of marketable securities and other investments	11,220	8,404
Acquisitions, net of cash acquired	(5,606)	(1,159)
Capital expenditures	(230)	(529)
Net cash used for investing activities	(10,319)	(2,599)
Cash Flows From Financing Activities:		
Payments for repurchases of common stock	(992)	(3,972)
Proceeds from issuances of common stock	874	760
Payment of dividends to stockholders	(1,004)	(250)
Proceeds from borrowings, net of issuance costs	7,220	-
Repayments of borrowings	(3,582)	(1,004)
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	110	194
Distributions to noncontrolling interests	(59)	(53)
Other, net	97	(97)
Net cash provided by (used for) financing activities	2,664	(4,422)
Effect of exchange rate changes on cash and cash equivalents	(107)	(501)
Net increase in cash and cash equivalents	919	733
Cash and cash equivalents at beginning of period	8,995	8,262
Cash and cash equivalents at end of period	\$ 9,914	\$ 8,995

ORACLE CORPORATION
FISCAL 2010 FINANCIAL RESULTS
FREE CASH FLOW - TRAILING 4-QUARTERS (1)
(\$ in millions)

	Fiscal 2009				Fiscal 2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP Operating Cash Flow	\$ 7,941	\$ 8,089	\$ 8,542	\$ 8,255	\$ 8,753	\$ 8,654	\$ 8,178	\$ 8,681
Capital Expenditures (2)	(479)	(486)	(539)	(529)	(261)	(230)	(199)	(230)
Free Cash Flow	\$ 7,462	\$ 7,603	\$ 8,003	\$ 7,726	\$ 8,492	\$ 8,424	\$ 7,979	\$ 8,451
% Growth over prior year	20%	15%	14%	8%	14%	11%	0%	9%
GAAP Net Income	\$ 5,758	\$ 5,750	\$ 5,739	\$ 5,593	\$ 5,640	\$ 5,802	\$ 5,663	\$ 6,135
Free Cash Flow as a % of Net Income	130%	132%	139%	138%	151%	145%	141%	138%

(1) To supplement our statements of cash flows presented on a GAAP basis, we use non-GAAP measures of cash flows on a trailing 4-quarter basis to analyze cash flow generated from operations. We believe free cash flow is also useful as one of the bases for comparing our performance with our competitors. The presentation of non-GAAP free cash flow is not meant to be considered in isolation or as an alternative to net income as an indicator of our performance, or as an alternative to cash flows from operating activities as a measure of liquidity.

(2) Represents capital expenditures as reported in cash flows from investing activities on our cash flow statements presented in accordance with GAAP.

ORACLE CORPORATION
FISCAL 2010 FINANCIAL RESULTS
SUPPLEMENTAL ANALYSIS OF GAAP REVENUES AND HEADCOUNT (1)
(\$ in millions)

	Fiscal 2009					Fiscal 2010				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
REVENUES										
New software licenses	\$ 1,237	\$ 1,626	\$ 1,516	\$ 2,744	\$ 7,123	\$ 1,028	\$ 1,653	\$ 1,718	\$ 3,135	\$ 7,533
Software license updates and product support	2,935	2,850	2,917	3,052	11,754	3,117	3,247	3,297	3,431	13,092
Software Revenues	4,172	4,476	4,433	5,796	18,877	4,145	4,900	5,015	6,566	20,625
Hardware systems products	-	-	-	-	-	-	-	273	1,233	1,506
Hardware systems support	-	-	-	-	-	-	-	185	598	784
Hardware Systems Revenues	-	-	-	-	-	-	-	458	1,831	2,290
Consulting	865	842	758	782	3,247	663	692	651	713	2,720
On Demand	195	189	191	204	779	180	188	211	295	874
Education	99	100	71	79	349	66	78	69	100	311
Services Revenues	1,159	1,131	1,020	1,065	4,375	909	958	931	1,108	3,905
Total Revenues	\$ 5,331	\$ 5,607	\$ 5,453	\$ 6,861	\$ 23,252	\$ 5,054	\$ 5,858	\$ 6,404	\$ 9,505	\$ 26,820
AS REPORTED REVENUE GROWTH RATES										
New software licenses	14%	(3%)	(6%)	(13%)	(5%)	(17%)	2%	13%	14%	6%
Software license updates and product support	23%	14%	11%	8%	14%	6%	14%	13%	12%	11%
Software Revenues	20%	8%	5%	(3%)	6%	(1%)	9%	13%	13%	9%
Hardware systems products	*	*	*	*	*	*	*	*	*	*
Hardware systems support	*	*	*	*	*	*	*	*	*	*
Hardware Systems Revenues	*	*	*	*	*	*	*	*	*	*
Consulting	8%	(4%)	(10%)	(18%)	(7%)	(23%)	(18%)	(14%)	(9%)	(16%)
On Demand	23%	13%	10%	5%	12%	(8%)	(1%)	10%	45%	12%
Education	(2%)	(9%)	(23%)	(30%)	(16%)	(34%)	(22%)	(4%)	26%	(11%)
Services Revenues	9%	(2%)	(8%)	(16%)	(5%)	(22%)	(15%)	(9%)	4%	(11%)
Total Revenues	18%	6%	2%	(5%)	4%	(5%)	4%	17%	39%	15%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	10%	5%	3%	(4%)	1%	(14%)	(5%)	8%	15%	4%
Software license updates and product support	18%	20%	20%	18%	19%	11%	9%	8%	11%	10%
Software Revenues	16%	14%	14%	6%	12%	4%	4%	8%	13%	8%
Hardware systems products	*	*	*	*	*	*	*	*	*	*
Hardware systems support	*	*	*	*	*	*	*	*	*	*
Hardware Systems Revenues	*	*	*	*	*	*	*	*	*	*
Consulting	5%	4%	0%	(10%)	(1%)	(19%)	(22%)	(18%)	(10%)	(17%)
On Demand	19%	19%	19%	15%	18%	(3%)	(4%)	6%	44%	11%
Education	(6%)	(3%)	(16%)	(23%)	(12%)	(30%)	(26%)	(8%)	24%	(12%)
Services Revenues	6%	5%	2%	(7%)	1%	(18%)	(19%)	(13%)	3%	(12%)
Total Revenues	14%	12%	11%	4%	10%	(1%)	0%	12%	38%	14%
GEOGRAPHIC REVENUES										
REVENUES										
Americas	\$ 2,687	\$ 2,904	\$ 2,846	\$ 3,463	\$ 11,900	\$ 2,671	\$ 2,979	\$ 3,284	\$ 4,886	\$ 13,819
Europe, Middle East & Africa	1,830	1,881	1,824	2,413	7,948	1,642	1,976	2,167	3,153	8,938
Asia Pacific	814	822	783	985	3,404	741	903	953	1,466	4,063
Total Revenues	\$ 5,331	\$ 5,607	\$ 5,453	\$ 6,861	\$ 23,252	\$ 5,054	\$ 5,858	\$ 6,404	\$ 9,505	\$ 26,820
HEADCOUNT										
GEOGRAPHIC AREA										
Americas	32,993	33,526	32,919	32,347		32,034	31,849	44,554	43,968	
Europe, Middle East & Africa	17,096	17,184	17,348	17,129		16,839	16,491	23,566	23,040	
Asia Pacific	35,099	35,947	36,321	36,086		35,766	35,026	38,372	37,561	
Total Company	85,188	86,657	86,588	85,562		84,639	83,366	106,492	104,569	

(1) The sum of the quarterly financial information may vary from year-to-date financial information due to rounding.

(2) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rates in effect on May 31, 2009 and 2008 for the fiscal 2010 and fiscal 2009 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

* Not meaningful

ORACLE CORPORATION
FISCAL 2010 FINANCIAL RESULTS
SUPPLEMENTAL TOTAL SOFTWARE PRODUCT REVENUE ANALYSIS (1)
(\$ in millions)

	Fiscal 2009					Fiscal 2010				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
SOFTWARE REVENUES										
DATABASE & MIDDLEWARE REVENUES										
New software licenses	\$ 906	\$ 1,157	\$ 1,120	\$ 1,939	\$ 5,123	\$ 711	\$ 1,175	\$ 1,241	\$ 2,280	\$ 5,406
Software license updates and product support	1,892	1,835	1,914	2,008	7,649	2,065	2,131	2,191	2,309	8,696
Database and Middleware Revenues	\$ 2,798	\$ 2,992	\$ 3,034	\$ 3,947	\$ 12,772	\$ 2,776	\$ 3,306	\$ 3,432	\$ 4,589	\$ 14,102
AS REPORTED GROWTH RATES										
New software licenses	27%	4%	(4%)	(10%)	0%	(22%)	1%	11%	18%	6%
Software license updates and product support	26%	17%	16%	12%	18%	9%	16%	14%	15%	14%
Database and Middleware Revenues	27%	12%	8%	0%	10%	(1%)	10%	13%	16%	10%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	23%	12%	6%	(1%)	7%	(19%)	(5%)	5%	18%	4%
Software license updates and product support	22%	24%	25%	23%	23%	14%	12%	9%	13%	12%
Database and Middleware Revenues	22%	19%	17%	10%	16%	4%	5%	8%	16%	9%
APPLICATIONS REVENUES										
New software licenses	\$ 331	\$ 469	\$ 396	\$ 805	\$ 2,000	\$ 317	\$ 478	\$ 477	\$ 855	\$ 2,127
Software license updates and product support	1,043	1,015	1,003	1,044	4,105	1,052	1,116	1,106	1,122	4,396
Applications Revenues	\$ 1,374	\$ 1,484	\$ 1,399	\$ 1,849	\$ 6,105	\$ 1,369	\$ 1,594	\$ 1,583	\$ 1,977	\$ 6,523
AS REPORTED GROWTH RATES										
New software licenses	(12%)	(15%)	(12%)	(19%)	(16%)	(4%)	2%	21%	6%	6%
Software license updates and product support	16%	9%	3%	0%	7%	1%	10%	10%	8%	7%
Applications Revenues	9%	0%	(2%)	(9%)	(2%)	0%	7%	13%	7%	7%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	(14%)	(9%)	(4%)	(11%)	(10%)	0%	(3%)	15%	7%	5%
Software license updates and product support	13%	15%	11%	9%	12%	6%	6%	5%	6%	6%
Applications Revenues	5%	6%	7%	(1%)	4%	4%	3%	8%	6%	5%

(1) The sum of the quarterly financial information may vary from year-to-date financial information due to rounding.

(2) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rates in effect on May 31, 2009 and 2008 for the fiscal 2010 and fiscal 2009 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

ORACLE CORPORATION FISCAL 2010 FINANCIAL RESULTS SUPPLEMENTAL GEOGRAPHIC NEW SOFTWARE LICENSE AND HARDWARE SYSTEMS PRODUCTS REVENUES ANALYSIS (1) (\$ in millions)										
	Fiscal 2009					Fiscal 2010				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
AMERICAS										
Database & Middleware Applications	\$ 354	\$ 471	\$ 449	\$ 840	\$ 2,114	\$ 310	\$ 492	\$ 540	\$ 1,123	\$ 2,465
New Software License Revenues	182	280	224	416	1,102	185	286	283	485	1,239
Hardware Systems Products Revenues	\$ 536	\$ 751	\$ 673	\$ 1,256	\$ 3,216	\$ 495	\$ 778	\$ 823	\$ 1,608	\$ 3,704
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131	\$ 617	\$ 747
AS REPORTED GROWTH RATES										
Database & Middleware Applications	18%	5%	(7%)	(9%)	(2%)	(12%)	4%	20%	34%	17%
New Software License Revenues	(9%)	(9%)	(11%)	(25%)	(16%)	2%	2%	26%	16%	12%
Hardware Systems Products Revenues	7%	0%	(9%)	(15%)	(7%)	(7%)	4%	22%	28%	15%
	*	*	*	*	*	*	*	*	*	*
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware Applications	17%	10%	(1%)	(6%)	2%	(11%)	2%	16%	32%	15%
New Software License Revenues	(10%)	(6%)	(8%)	(22%)	(14%)	6%	1%	23%	15%	11%
Hardware Systems Products Revenues	6%	3%	(4%)	(12%)	(4%)	(5%)	1%	18%	26%	14%
	*	*	*	*	*	*	*	*	*	*
EUROPE / MIDDLE EAST / AFRICA										
Database & Middleware Applications	\$ 326	\$ 431	\$ 446	\$ 759	\$ 1,962	\$ 224	\$ 429	\$ 456	\$ 751	\$ 1,859
New Software License Revenues	94	126	125	282	627	90	119	134	261	604
Hardware Systems Products Revenues	\$ 420	\$ 557	\$ 571	\$ 1,041	\$ 2,589	\$ 314	\$ 548	\$ 590	\$ 1,012	\$ 2,463
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95	\$ 390	\$ 485
AS REPORTED GROWTH RATES										
Database & Middleware Applications	28%	2%	0%	(14%)	(2%)	(31%)	(1%)	2%	(1%)	(5%)
New Software License Revenues	(23%)	(28%)	(12%)	(11%)	(17%)	(5%)	(6%)	7%	(7%)	(4%)
Hardware Systems Products Revenues	11%	(7%)	(3%)	(13%)	(6%)	(25%)	(2%)	3%	(3%)	(5%)
	*	*	*	*	*	*	*	*	*	*
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware Applications	20%	16%	15%	1%	10%	(26%)	(10%)	(3%)	6%	(5%)
New Software License Revenues	(26%)	(16%)	2%	5%	(6%)	3%	(14%)	1%	(2%)	(3%)
Hardware Systems Products Revenues	5%	7%	12%	2%	6%	(20%)	(11%)	(2%)	4%	(4%)
	*	*	*	*	*	*	*	*	*	*
ASIA PACIFIC										
Database & Middleware Applications	\$ 226	\$ 255	\$ 225	\$ 340	\$ 1,047	\$ 177	\$ 254	\$ 245	\$ 406	\$ 1,082
New Software License Revenues	55	63	47	107	271	42	73	60	109	284
Hardware Systems Products Revenues	\$ 281	\$ 318	\$ 272	\$ 447	\$ 1,318	\$ 219	\$ 327	\$ 305	\$ 515	\$ 1,366
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47	\$ 226	\$ 274
AS REPORTED GROWTH RATES										
Database & Middleware Applications	45%	4%	(3%)	(1%)	7%	(22%)	0%	9%	19%	3%
New Software License Revenues	1%	(13%)	(18%)	(11%)	(11%)	(24%)	17%	29%	2%	5%
Hardware Systems Products Revenues	34%	0%	(6%)	(3%)	3%	(22%)	3%	12%	15%	4%
	*	*	*	*	*	*	*	*	*	*
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware Applications	38%	8%	1%	5%	11%	(22%)	(10%)	1%	14%	(3%)
New Software License Revenues	(1%)	(2%)	(2%)	(4%)	(3%)	(23%)	2%	16%	(3%)	(2%)
Hardware Systems Products Revenues	28%	5%	1%	3%	7%	(22%)	(8%)	4%	10%	(3%)
	*	*	*	*	*	*	*	*	*	*
TOTAL COMPANY										
Database & Middleware Applications	\$ 906	\$ 1,157	\$ 1,120	\$ 1,939	\$ 5,123	\$ 711	\$ 1,175	\$ 1,241	\$ 2,280	\$ 5,406
New Software License Revenues	331	469	396	805	2,000	317	478	477	855	2,127
Hardware Systems Products Revenues	\$ 1,237	\$ 1,626	\$ 1,516	\$ 2,744	\$ 7,123	\$ 1,028	\$ 1,653	\$ 1,718	\$ 3,135	\$ 7,533
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273	\$ 1,233	\$ 1,506
AS REPORTED GROWTH RATES										
Database & Middleware Applications	27%	4%	(4%)	(10%)	0%	(22%)	1%	11%	18%	6%
New Software License Revenues	(12%)	(15%)	(12%)	(19%)	(16%)	(4%)	2%	21%	6%	6%
Hardware Systems Products Revenues	14%	(3%)	(6%)	(13%)	(5%)	(17%)	2%	13%	14%	6%
	*	*	*	*	*	*	*	*	*	*
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware Applications	23%	12%	6%	(1%)	7%	(19%)	(5%)	5%	18%	4%
New Software License Revenues	(14%)	(9%)	(4%)	(11%)	(10%)	0%	(3%)	15%	7%	5%
Hardware Systems Products Revenues	10%	5%	3%	(4%)	1%	(14%)	(5%)	8%	15%	4%
	*	*	*	*	*	*	*	*	*	*

(1) The sum of the quarterly financial information may vary from year-to-date financial information due to rounding.

(2) We compare the percent change in the results from one period to another period using constant currency disclosure. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the exchange rates in effect on May 31, 2009 and 2008 for the fiscal 2010 and fiscal 2009 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

* Not meaningful

ORACLE CORPORATION
FISCAL 2010 FINANCIAL RESULTS
EXPLANATION OF NON-GAAP MEASURES

To supplement our financial results presented on a GAAP basis, we use the non-GAAP measures indicated in the tables, which exclude certain business combination accounting entries and expenses related to acquisitions, as well as other significant expenses including stock-based compensation, that we believe are helpful in understanding our past financial performance and our future results. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures. Our non-GAAP financial measures reflect adjustments based on the following items, as well as the related income tax effects:

- Software license updates and product support and hardware systems support deferred revenues: Business combination accounting rules require us to account for the fair value of software license updates and product support contracts and hardware systems support contracts assumed in connection with our acquisitions. Because these support contracts are typically one year in duration, our GAAP revenues for the one year period subsequent to our acquisition of a business do not reflect the full amount of support revenues on these assumed support contracts that would have otherwise been recorded by the acquired entity. The non-GAAP adjustment to our software license updates and product support revenues and hardware systems support revenues is intended to include, and thus reflect, the full amount of such revenues. We believe the adjustment to these support revenues is useful to investors as a measure of the ongoing performance of our business. We have historically experienced high renewal rates on our software license updates and product support contracts and our objective is to increase the renewal rates on acquired and new hardware systems support contracts; however, we cannot be certain that our customers will renew our software license updates and product support contracts or our hardware systems support contracts.

- Hardware systems products expenses: We have excluded the effects of the fair value adjustments to our inventories acquired from Sun that were sold to customers in the periods presented, which resulted in the exclusion of these adjustments from our hardware systems products expenses and net income measures. Business combination accounting rules require us to account for inventories assumed from our acquisitions at their fair values. The non-GAAP adjustment to our hardware systems products expenses is intended to reflect the hardware systems products expenses that would have been otherwise recorded by Sun as a standalone entity upon the sale of these inventories. We believe this adjustment is useful to investors as a measure of the ongoing performance of our business because we do not expect the fair value adjustments to our inventories to recur in future periods with respect to the Sun acquisition and, therefore, we expect that these adjustments will not impact our future operating expenses. Investors should note that other factors may affect the future values of our inventories and hardware systems products expenses. If we assume inventories in future acquisitions, we will be required to assess their fair values, which may result in fair value adjustments to those inventories.

- Stock-based compensation expenses: We have excluded the effect of stock-based compensation expenses from our non-GAAP operating expenses and net income measures. Although stock-based compensation is a key incentive offered to our employees, and we believe such compensation contributed to the revenues earned during the periods presented and also believe it will contribute to the generation of future period revenues, we continue to evaluate our business performance excluding stock-based compensation expenses. Stock-based compensation expenses will recur in future periods.

- Amortization of intangible assets: We have excluded the effect of amortization of intangible assets from our non-GAAP operating expenses and net income measures. Amortization of intangible assets is inconsistent in amount and frequency and is significantly affected by the timing and size of our acquisitions. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

- Acquisition related and other expenses; and restructuring expenses: We have excluded the effect of acquisition related and other expenses and the effect of restructuring expenses from our non-GAAP operating expenses and net income measures. We incurred significant expenses in connection with our acquisitions and also incurred certain other operating expenses or income, which we generally would not have otherwise incurred in the periods presented as a part of our continuing operations. Acquisition related and other expenses consist of personnel related costs for transitional employees, other acquired employee related costs, stock-based compensation expenses (in addition to the stock-based compensation expenses described above), integration related professional services, certain business combination adjustments after the measurement period or purchase price allocation period has ended and certain other operating expenses, net. Substantially all of the stock-based compensation expenses included in acquisition related and other expenses resulted from unvested options assumed in acquisitions whose vesting was fully accelerated upon termination of the employees pursuant to the original terms of those options. Restructuring expenses consist of employee severance and other exit costs. We believe it is useful for investors to understand the effects of these items on our total operating expenses. Although acquisition related expenses and restructuring expenses generally diminish over time with respect to past acquisitions, we generally will incur these expenses in connection with any future acquisitions.