ORACLE CORPORATION

Q2 FISCAL 2011 FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
($ in millions, except per share data)

	Three Months Ended November 30,				% Increase (Decrease) in US $	% Increase (Decrease) in Constant Currency (1)
	2010	% of Revenues	2009	% of Revenues		
REVENUES						
New software licenses	$ 1,999	23%	$ 1,653	28%	21%	23%
Software license updates and product support	3,645	43%	3,247	56%	12%	13%
Software Revenues	5,644	66%	4,900	84%	15%	17%
Hardware systems products	1,112	13%	-	0%	*	*
Hardware systems support	641	7%	-	0%	*	*
Hardware Systems Revenues	1,753	20%	-	0%	*	*
Services	1,185	14%	958	16%	24%	25%
Total Revenues	8,582	100%	5,858	100%	47%	48%
OPERATING EXPENSES						
Sales and marketing	1,530	18%	1,133	19%	35%	36%
Software license updates and product support	307	4%	264	5%	16%	17%
Hardware systems products	525	6%	-	0%	*	*
Hardware systems support	356	4%	-	0%	*	*
Services	969	11%	832	14%	16%	18%
Research and development	1,119	13%	708	12%	58%	58%
General and administrative (2)	156	2%	183	3%	(15%)	(17%)
Amortization of intangible assets	614	7%	436	8%	41%	41%
Acquisition related and other	47	1%	10	0%	349%	284%
Restructuring	189	2%	114	2%	66%	87%
Total Operating Expenses	5,812	68%	3,680	63%	58%	59%
OPERATING INCOME	2,770	32%	2,178	37%	27%	28%
Interest expense	(214)	(2%)	(188)	(3%)	14%	14%
Non-operating income, net	90	1%	33	1%	177%	178%
INCOME BEFORE PROVISION FOR INCOME TAXES	2,646	31%	2,023	35%	31%	32%
Provision for income taxes	776	9%	565	10%	37%	39%
NET INCOME	$ 1,870	22%	$ 1,458	25%	28%	30%
EARNINGS PER SHARE:						
Basic	$ 0.37		$ 0.29			
Diluted	$ 0.37		$ 0.29			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	5,044		5,010			
Diluted	5,117		5,064			

(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, 2010, 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 November 30, 2010 compared with the corresponding prior year period decreased our revenues, operating expenses and operating income, each by 1 percentage point.

(2) General and administrative expenses for the three months ended November 30, 2010 included a benefit of $120 million related to the recovery of legal costs.

* Not meaningful

ORACLE CORPORATION

Q2 FISCAL 2011 FINANCIAL RESULTS
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES (1)
($ in millions, except per share data)

	Three Months Ended November 30,						% 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)	$ 8,582	$ 67	$ 8,649	$ 5,858	$ 14	$ 5,872	47%	47%	48%	49%
TOTAL SOFTWARE REVENUES (3)	$ 5,644	$ 22	$ 5,666	$ 4,900	$ 14	$ 4,914	15%	15%	17%	17%
New software licenses	1,999	-	1,999	1,653	-	1,653	21%	21%	23%	23%
Software license updates and product support (3)	3,645	22	3,667	3,247	14	3,261	12%	12%	13%	14%
TOTAL HARDWARE SYSTEMS REVENUES (4)	$ 1,753	$ 45	$ 1,798	$ -	$ -	$ -	*	*	*	*
Hardware systems products	1,112	-	1,112	-	-	-	*	*	*	*
Hardware systems support (4)	641	45	686	-	-	-	*	*	*	*
TOTAL OPERATING EXPENSES	$ 5,812	$ (969)	$ 4,843	$ 3,680	$ (664)	$ 3,016	58%	61%	59%	62%
Stock-based compensation (5)	119	(119)	-	104	(104)	-	14%	*	14%	*
Amortization of intangible assets (6)	614	(614)	-	436	(436)	-	41%	*	41%	*
Acquisition related and other	47	(47)	-	10	(10)	-	349%	*	284%	*
Restructuring	189	(189)	-	114	(114)	-	66%	*	87%	*
OPERATING INCOME	$ 2,770	$ 1,036	$ 3,806	$ 2,178	$ 678	$ 2,856	27%	33%	28%	35%
OPERATING MARGIN %	32%		44%	37%		49%	(491) bp	(464) bp	(483) bp	(451) bp
INCOME TAX EFFECTS (7)	$ 776	$ 274	$ 1,050	$ 565	$ 175	$ 740	37%	42%	39%	44%
NET INCOME	$ 1,870	$ 762	$ 2,632	$ 1,458	$ 503	$ 1,961	28%	34%	30%	36%
DILUTED EARNINGS PER SHARE	$ 0.37		$ 0.51	$ 0.29		$ 0.39	27%	33%	28%	35%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,117	-	5,117	5,064	-	5,064	1%	1%	1%	1%

(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, 2010, 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 November 30, 2010, approximately $25 million, $19 million and $7 million in estimated revenues related to assumed support software contracts will not be recognized for the remainder of fiscal 2011, fiscal 2012 and fiscal 2013, respectively, due to business combination accounting rules.

(4) As of November 30, 2010, approximately $42 million, $35 million and $11 million in estimated revenues related to hardware systems support contracts will not be recognized for the remainder of 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 November 30, 2010			Three Months Ended November 30, 2009		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Sales and marketing	$ 19	$ (19)	$ -	$ 20	$ (20)	$ -
Software license updates and product support	3	(3)	-	4	(4)	-
Hardware systems products	1	(1)	-	-	-	-
Hardware systems support	1	(1)	-	-	-	-
Services	4	(4)	-	3	(3)	-
Research and development	55	(55)	-	44	(44)	-
General and administrative	36	(36)	-	33	(33)	-
Subtotal	119	(119)	-	104	(104)	-
Acquisition related and other	5	(5)	-	-	-	-
Total stock-based compensation	$ 124	$ (124)	$ -	$ 104	$ (104)	$ -

(6) Estimated future annual amortization expense related to intangible assets as of November 30, 2010 is as follows:

Remainder of Fiscal 2011	$ 1,175
Fiscal 2012	2,157
Fiscal 2013	1,788
Fiscal 2014	1,449
Fiscal 2015	1,065
Fiscal 2016	575
Thereafter	190
Total intangible assets subject to amortization	8,399
In-process research and development	127
Total intangible assets, net	$ 8,526

(7) Income tax effects were calculated reflecting an effective GAAP tax rate of 29.3% and 27.9% in the second quarter of fiscal 2011 and 2010, respectively, and an effective non-GAAP tax rate of 28.5% and 27.4% in the second quarter of fiscal 2011 and 2010, respectively. The differences between our GAAP and non-GAAP tax rates in the second quarter of fiscal 2011 and fiscal 2010 were due to differences in jurisdictional tax rates and the related tax benefits attributable to our restructuring expenses in these periods.

* Not meaningful

ORACLE CORPORATION

Q2 FISCAL 2011 YEAR TO DATE FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
($ in millions, except per share data)

	Six Months Ended November 30,					% Increase
	2010	% of Revenues	2009	% of Revenues	% Increase in US $	in Constant Currency (1)
REVENUES						
New software licenses	$ 3,284	21%	$ 2,681	25%	22%	24%
Software license updates and product support	7,096	44%	6,364	58%	12%	13%
Software Revenues	10,380	65%	9,045	83%	15%	16%
Hardware systems products	2,190	13%	-	0%	*	*
Hardware systems support	1,261	8%	-	0%	*	*
Hardware Systems Revenues	3,451	21%	-	0%	*	*
Services	2,253	14%	1,866	17%	21%	22%
Total Revenues	16,084	100%	10,911	100%	47%	49%
OPERATING EXPENSES						
Sales and marketing	2,864	18%	2,093	19%	37%	38%
Software license updates and product support	615	4%	490	4%	26%	26%
Hardware systems products	1,082	7%	-	0%	*	*
Hardware systems support	656	4%	-	0%	*	*
Services	1,865	11%	1,614	15%	16%	17%
Research and development	2,222	14%	1,368	13%	62%	62%
General and administrative (2)	428	3%	383	4%	12%	11%
Amortization of intangible assets	1,217	7%	867	8%	40%	40%
Acquisition related and other	130	1%	16	0%	705%	580%
Restructuring	318	2%	162	1%	97%	116%
Total Operating Expenses	11,397	71%	6,993	64%	63%	64%
OPERATING INCOME	4,687	29%	3,918	36%	20%	20%
Interest expense	(410)	(2%)	(368)	(3%)	12%	12%
Non-operating income, net	165	1%	35	0%	383%	406%
INCOME BEFORE PROVISION FOR INCOME TAXES	4,442	28%	3,585	33%	24%	25%
Provision for income taxes	1,219	8%	1,003	9%	22%	13%
NET INCOME	$ 3,223	20%	$ 2,582	24%	25%	30%
EARNINGS PER SHARE:						
Basic	$ 0.64		$ 0.52			
Diluted	$ 0.63		$ 0.51			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	5,035		5,010			
Diluted	5,100		5,063			

(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, 2010, 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 six months ended November 30, 2010 compared with the corresponding prior year period decreased our revenues by 2 percentage points and operating expenses by 1 percentage point.

(2) General and administrative expenses for the six months ended November 30, 2010 included a benefit of $120 million related to the recovery of legal costs.

* Not meaningful

ORACLE CORPORATION

Q2 FISCAL 2011 YEAR TO DATE FINANCIAL RESULTS
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES (1)
($ in millions, except per share data)

	Six Months Ended November 30,						% 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)	$ 16,084	$ 153	$ 16,237	$ 10,911	$ 23	$ 10,934	47%	48%	49%	50%
TOTAL SOFTWARE REVENUES (3)	$ 10,380	$ 47	$ 10,427	$ 9,045	$ 23	$ 9,068	15%	15%	16%	16%
New software licenses	3,284	-	3,284	2,681	-	2,681	22%	22%	24%	24%
Software license updates and product support (3)	7,096	47	7,143	6,364	23	6,387	12%	12%	13%	13%
TOTAL HARDWARE SYSTEMS REVENUES (4)	$ 3,451	$ 106	$ 3,557	$ -	$ -	$ -	*	*	*	*
Hardware systems products	2,190	-	2,190	-	-	-	*	*	*	*
Hardware systems support (4)	1,261	106	1,367	-	-	-	*	*	*	*
TOTAL OPERATING EXPENSES	$ 11,397	$ (1,913)	$ 9,484	$ 6,993	$ (1,233)	$ 5,760	63%	65%	64%	66%
Stock-based compensation (5)	248	(248)	-	188	(188)	-	32%	*	32%	*
Amortization of intangible assets (6)	1,217	(1,217)	-	867	(867)	-	40%	*	40%	*
Acquisition related and other	130	(130)	-	16	(16)	-	705%	*	580%	*
Restructuring	318	(318)	-	162	(162)	-	97%	*	116%	*
OPERATING INCOME	$ 4,687	$ 2,066	$ 6,753	$ 3,918	$ 1,256	$ 5,174	20%	31%	20%	32%
OPERATING MARGIN %	29%		42%	36%		47%	(677) bp	(572) bp	(671) bp	(566) bp
INCOME TAX EFFECTS (7)	$ 1,219	$ 528	$ 1,747	$ 1,003	$ 337	$ 1,340	22%	30%	13%	32%
NET INCOME	$ 3,223	$ 1,538	$ 4,761	$ 2,582	$ 919	$ 3,501	25%	36%	30%	38%
DILUTED EARNINGS PER SHARE	$ 0.63		$ 0.93	$ 0.51		$ 0.69	24%	35%	29%	37%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,100	-	5,100	5,063	-	5,063	1%	1%	1%	1%

(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, 2010, 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 November 30, 2010, approximately $25 million, $19 million and $7 million in estimated revenues related to assumed support software contracts will not be recognized for the remainder of fiscal 2011, fiscal 2012 and fiscal 2013, respectively, due to business combination accounting rules.

(4) As of November 30, 2010, approximately $42 million, $35 million and $11 million in estimated revenues related to hardware systems support contracts will not be recognized for the remainder of 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:

	Six Months Ended November 30, 2010			Six Months Ended November 30, 2009		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Sales and marketing	$ 42	$ (42)	$ -	$ 36	$ (36)	$ -
Software license updates and product support	8	(8)	-	8	(8)	-
Hardware systems products	2	(2)	-	-	-	-
Hardware systems support	2	(2)	-	-	-	-
Services	8	(8)	-	6	(6)	-
Research and development	114	(114)	-	76	(76)	-
General and administrative	72	(72)	-	62	(62)	-
Subtotal	248	(248)	-	188	(188)	-
Acquisition related and other	6	(6)	-	-	-	-
Total stock-based compensation	$ 254	$ (254)	$ -	$ 188	$ (188)	$ -

(6) Estimated future annual amortization expense related to intangible assets as of November 30, 2010 is as follows:

Remainder of Fiscal 2011	$ 1,175
Fiscal 2012	2,157
Fiscal 2013	1,788
Fiscal 2014	1,449
Fiscal 2015	1,065
Fiscal 2016	575
Thereafter	190
Total intangible assets subject to amortization	8,399
In-process research and development	127
Total intangible assets, net	$ 8,526

(7) Income tax effects were calculated reflecting an effective GAAP tax rate of 27.4% and 28.0% in the first half of fiscal 2011 and 2010, respectively, and an effective non-GAAP tax rate of 26.8% and 27.7% in the first half of fiscal 2011 and 2010, respectively. The differences between our GAAP and non-GAAP tax rates in the first half of fiscal 2011 and fiscal 2010 were due to differences in jurisdictional tax rates and the related tax benefits attributable to our restructuring expenses in these periods.

* Not meaningful

ORACLE CORPORATION

Q2 FISCAL 2011 FINANCIAL RESULTS
CONDENSED CONSOLIDATED BALANCE SHEETS
($ in millions)

	November 30, 2010	May 31, 2010
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 10,420	$ 9,914
Marketable securities	14,425	8,555
Trade receivables, net	4,406	5,585
Inventories	236	259
Deferred tax assets	1,219	1,159
Prepaid expenses and other current assets	2,017	1,532
Total Current Assets	32,723	27,004
Non-Current Assets:		
Property, plant and equipment, net	2,870	2,763
Intangible assets, net	8,526	9,321
Goodwill	20,889	20,425
Deferred tax assets	1,220	1,267
Other assets	1,015	798
Total Non-Current Assets	34,520	34,574
TOTAL ASSETS	$ 67,243	$ 61,578
LIABILITIES AND EQUITY		
Current Liabilities:		
Notes payable, current and other current borrowings	$ 2,255	$ 3,145
Accounts payable	762	775
Accrued compensation and related benefits	1,642	1,895
Deferred revenues	5,742	5,900
Other current liabilities	2,935	2,976
Total Current Liabilities	13,336	14,691
Non-Current Liabilities:		
Notes payable and other non-current borrowings	14,780	11,510
Income taxes payable	2,791	2,695
Deferred tax liabilities	350	424
Other non-current liabilities	1,136	1,059
Total Non-Current Liabilities	19,057	15,688
Equity	34,850	31,199
TOTAL LIABILITIES AND EQUITY	$ 67,243	$ 61,578

ORACLE CORPORATION

Q2 FISCAL 2011 FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in millions)

	Six Months Ended November 30,	
	2010	**2009**
Cash Flows From Operating Activities:		
Net income	$ 3,223	$ 2,582
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	194	123
Amortization of intangible assets	1,217	867
Deferred income taxes	(76)	(216)
Stock-based compensation	254	188
Tax benefits on the exercise of stock options and vesting of restricted stock-based awards	142	71
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	(86)	(42)
Other, net	24	56
Changes in operating assets and liabilities, net of effects from acquisitions:		
Decrease in trade receivables, net	1,343	1,437
Decrease in inventories	25	-
Decrease in prepaid expenses and other assets	280	235
Decrease in accounts payable and other liabilities	(620)	(523)
(Decrease) increase in income taxes payable	(613)	59
Decrease in deferred revenues	(546)	(448)
Net cash provided by operating activities	4,761	4,389
Cash Flows From Investing Activities:		
Purchases of marketable securities and other investments	(16,802)	(6,185)
Proceeds from maturities and sales of marketable securities and other investments	11,153	4,088
Acquisitions, net of cash acquired	(806)	(392)
Capital expenditures	(239)	(100)
Net cash used for investing activities	(6,694)	(2,589)
Cash Flows From Financing Activities:		
Payments for repurchases of common stock	(504)	(496)
Proceeds from issuances of common stock	734	371
Payment of dividends to stockholders	(504)	(501)
Proceeds from borrowings, net of issuance costs	3,204	4,461
Repayments of borrowings	(890)	-
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	86	42
Distributions to noncontrolling interests	(38)	(34)
Net cash provided by financing activities	2,088	3,843
Effect of exchange rate changes on cash and cash equivalents	351	281
Net increase in cash and cash equivalents	506	5,924
Cash and cash equivalents at beginning of period	9,914	8,995
Cash and cash equivalents at end of period	$ 10,420	$ 14,919

ORACLE CORPORATION
Q2 FISCAL 2011 FINANCIAL RESULTS
FREE CASH FLOW - TRAILING 4-QUARTERS (1)
($ in millions)

	Fiscal 2010				Fiscal 2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP Operating Cash Flow	$ 8,753	$ 8,654	$ 8,178	$ 8,681	$ 8,760	$ 9,053		
Capital Expenditures (2)	(261)	(230)	(199)	(230)	(293)	(369)		
Free Cash Flow	$ 8,492	$ 8,424	$ 7,979	$ 8,451	$ 8,467	$ 8,684		
% Growth over prior year	14%	11%	0%	9%	0%	3%		
GAAP Net Income	$ 5,640	$ 5,802	$ 5,663	$ 6,135	$ 6,363	$ 6,776		
Free Cash Flow as a % of Net Income	151%	145%	141%	138%	133%	128%		

(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

Q2 FISCAL 2011 FINANCIAL RESULTS

SUPPLEMENTAL ANALYSIS OF GAAP REVENUES AND HEADCOUNT (1)

($ in millions)

	Fiscal 2010					Fiscal 2011				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
REVENUES										
New software licenses	$ 1,028	$ 1,653	$ 1,718	$ 3,135	$ 7,533	$ 1,286	$ 1,999			$ 3,284
Software license updates and product support	3,117	3,247	3,297	3,431	13,092	3,450	3,645			7,096
Software Revenues	4,145	4,900	5,015	6,566	20,625	4,736	5,644			10,380
Hardware systems products	-	-	273	1,233	1,506	1,079	1,112			2,190
Hardware systems support	-	-	185	598	784	619	641			1,261
Hardware Systems Revenues	-	-	458	1,831	2,290	1,698	1,753			3,451
Consulting	663	692	651	713	2,720	666	738			1,404
On Demand	180	188	211	295	874	321	350			671
Education	66	78	69	100	311	81	97			178
Services Revenues	909	958	931	1,108	3,905	1,068	1,185			2,253
Total Revenues	$ 5,054	$ 5,858	$ 6,404	$ 9,505	$ 26,820	$ 7,502	$ 8,582			$ 16,084
AS REPORTED REVENUE GROWTH RATES										
New software licenses	(17%)	2%	13%	14%	6%	25%	21%			22%
Software license updates and product support	6%	14%	13%	12%	11%	11%	12%			12%
Software Revenues	(1%)	9%	13%	13%	9%	14%	15%			15%
Hardware systems products	*	*	*	*	*	*	*			*
Hardware systems support	*	*	*	*	*	*	*			*
Hardware Systems Revenues	*	*	*	*	*	*	*			*
Consulting	(23%)	(18%)	(14%)	(9%)	(16%)	0%	7%			4%
On Demand	(8%)	(1%)	10%	45%	12%	78%	86%			82%
Education	(34%)	(22%)	(4%)	26%	(11%)	24%	25%			25%
Services Revenues	(22%)	(15%)	(9%)	4%	(11%)	18%	24%			21%
Total Revenues	(5%)	4%	17%	39%	15%	48%	47%			47%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	(14%)	(5%)	8%	15%	4%	25%	23%			24%
Software license updates and product support	11%	9%	8%	11%	10%	12%	13%			13%
Software Revenues	4%	4%	8%	13%	8%	15%	17%			16%
Hardware systems products	*	*	*	*	*	*	*			*
Hardware systems support	*	*	*	*	*	*	*			*
Hardware Systems Revenues	*	*	*	*	*	*	*			*
Consulting	(19%)	(22%)	(18%)	(10%)	(17%)	1%	8%			5%
On Demand	(3%)	(4%)	6%	44%	11%	80%	86%			83%
Education	(30%)	(26%)	(8%)	24%	(12%)	24%	26%			25%
Services Revenues	(18%)	(19%)	(13%)	3%	(12%)	18%	25%			22%
Total Revenues	(1%)	0%	12%	38%	14%	49%	48%			49%
GEOGRAPHIC REVENUES										
REVENUES										
Americas	$ 2,671	$ 2,979	$ 3,284	$ 4,886	$ 13,819	$ 3,904	$ 4,452			$ 8,356
Europe, Middle East & Africa	1,642	1,976	2,167	3,153	8,938	2,381	2,738			5,119
Asia Pacific	741	903	953	1,466	4,063	1,217	1,392			2,609
Total Revenues	$ 5,054	$ 5,858	$ 6,404	$ 9,505	$ 26,820	$ 7,502	$ 8,582			$ 16,084
HEADCOUNT										
GEOGRAPHIC AREA										
Americas	32,034	31,849	44,554	43,968		44,494	44,815			44,815
Europe, Middle East & Africa	16,839	16,491	23,566	23,040		22,886	22,690			22,690
Asia Pacific	35,766	35,026	38,372	37,561		37,856	38,225			38,225
Total Company	84,639	83,366	106,492	104,569		105,236	105,730			105,730

(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, 2010 and 2009 for the fiscal 2011 and fiscal 2010 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

* Not meaningful

ORACLE CORPORATION

Q2 FISCAL 2011 FINANCIAL RESULTS

SUPPLEMENTAL TOTAL SOFTWARE PRODUCT REVENUE ANALYSIS (1)

($ in millions)

	Fiscal 2010					Fiscal 2011				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
SOFTWARE REVENUES										
DATABASE & MIDDLEWARE REVENUES										
New software licenses	$ 711	$ 1,175	$ 1,241	$ 2,280	$ 5,406	$ 937	$ 1,420			$ 2,356
Software license updates and product support	2,065	2,131	2,191	2,309	8,696	2,316	2,443			4,760
Database and Middleware Revenues	$ 2,776	$ 3,306	$ 3,432	$ 4,589	$ 14,102	$ 3,253	$ 3,863			$ 7,116
AS REPORTED GROWTH RATES										
New software licenses	(22%)	1%	11%	18%	6%	32%	21%			25%
Software license updates and product support	9%	16%	14%	15%	14%	12%	15%			13%
Database and Middleware Revenues	(1%)	10%	13%	16%	10%	17%	17%			17%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	(19%)	(5%)	5%	18%	4%	32%	23%			27%
Software license updates and product support	14%	12%	9%	13%	12%	13%	16%			15%
Database and Middleware Revenues	4%	5%	8%	16%	9%	18%	18%			18%
APPLICATIONS REVENUES										
New software licenses	$ 317	$ 478	$ 477	$ 855	$ 2,127	$ 349	$ 579			$ 928
Software license updates and product support	1,052	1,116	1,106	1,122	4,396	1,134	1,202			2,336
Applications Revenues	$ 1,369	$ 1,594	$ 1,583	$ 1,977	$ 6,523	$ 1,483	$ 1,781			$ 3,264
AS REPORTED GROWTH RATES										
New software licenses	(4%)	2%	21%	6%	6%	10%	21%			17%
Software license updates and product support	1%	10%	10%	8%	7%	8%	8%			8%
Applications Revenues	0%	7%	13%	7%	7%	8%	12%			10%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	0%	(3%)	15%	7%	5%	10%	22%			17%
Software license updates and product support	6%	6%	5%	6%	6%	9%	9%			9%
Applications Revenues	4%	3%	8%	6%	5%	9%	13%			11%

(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, 2010 and 2009 for the fiscal 2011 and fiscal 2010 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

ORACLE CORPORATION

Q2 FISCAL 2011 FINANCIAL RESULTS

SUPPLEMENTAL GEOGRAPHIC NEW SOFTWARE LICENSE AND HARDWARE SYSTEMS PRODUCTS REVENUES ANALYSIS (1)

($ in millions)

	Fiscal 2010					Fiscal 2011				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
AMERICAS										
Database & Middleware	$ 310	$ 492	$ 540	$ 1,123	$ 2,465	$ 446	$ 671			$ 1,116
Applications	185	286	283	485	1,239	212	359			571
New Software License Revenues	$ 495	$ 778	$ 823	$ 1,608	$ 3,704	$ 658	$ 1,030			$ 1,687
Hardware Systems Products Revenues	$ -	$ -	$ 131	$ 617	$ 747	$ 543	$ 602			$ 1,144
AS REPORTED GROWTH RATES										
Database & Middleware	(12%)	4%	20%	34%	17%	44%	36%			39%
Applications	2%	2%	26%	16%	12%	14%	26%			21%
New Software License Revenues	(7%)	4%	22%	28%	15%	33%	32%			33%
Hardware Systems Products Revenues	*	*	*	*	*	*	*			*
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware	(11%)	2%	16%	32%	15%	43%	36%			39%
Applications	6%	1%	23%	15%	11%	14%	26%			21%
New Software License Revenues	(5%)	1%	18%	26%	14%	32%	32%			32%
Hardware Systems Products Revenues	*	*	*	*	*	*	*			*
EUROPE / MIDDLE EAST / AFRICA										
Database & Middleware	$ 224	$ 429	$ 456	$ 751	$ 1,859	$ 279	$ 426			$ 705
Applications	90	119	134	261	604	73	148			220
New Software License Revenues	$ 314	$ 548	$ 590	$ 1,012	$ 2,463	$ 352	$ 574			$ 925
Hardware Systems Products Revenues	$ -	$ -	$ 95	$ 390	$ 485	$ 338	$ 329			$ 667
AS REPORTED GROWTH RATES										
Database & Middleware	(31%)	(1%)	2%	(1%)	(5%)	25%	(1%)			8%
Applications	(5%)	(6%)	7%	(7%)	(4%)	(19%)	23%			5%
New Software License Revenues	(25%)	(2%)	3%	(3%)	(5%)	12%	5%			7%
Hardware Systems Products Revenues	*	*	*	*	*	*	*			*
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware	(26%)	(10%)	(3%)	6%	(5%)	32%	7%			16%
Applications	3%	(14%)	1%	(2%)	(3%)	(16%)	31%			10%
New Software License Revenues	(20%)	(11%)	(2%)	4%	(4%)	18%	12%			14%
Hardware Systems Products Revenues	*	*	*	*	*	*	*			*
ASIA PACIFIC										
Database & Middleware	$ 177	$ 254	$ 245	$ 406	$ 1,082	$ 212	$ 323			$ 535
Applications	42	73	60	109	284	64	72			137
New Software License Revenues	$ 219	$ 327	$ 305	$ 515	$ 1,366	$ 276	$ 395			$ 672
Hardware Systems Products Revenues	$ -	$ -	$ 47	$ 226	$ 274	$ 198	$ 181			$ 379
AS REPORTED GROWTH RATES										
Database & Middleware	(22%)	0%	9%	19%	3%	19%	27%			24%
Applications	(24%)	17%	29%	2%	5%	54%	(1%)			19%
New Software License Revenues	(22%)	3%	12%	15%	4%	26%	21%			23%
Hardware Systems Products Revenues	*	*	*	*	*	*	*			*
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware	(22%)	(10%)	1%	14%	(3%)	13%	22%			18%
Applications	(23%)	2%	16%	(3%)	(2%)	47%	(5%)			15%
New Software License Revenues	(22%)	(8%)	4%	10%	(3%)	19%	16%			17%
Hardware Systems Products Revenues	*	*	*	*	*	*	*			*
TOTAL COMPANY										
Database & Middleware	$ 711	$ 1,175	$ 1,241	$ 2,280	$ 5,406	$ 937	$ 1,420			$ 2,356
Applications	317	478	477	855	2,127	349	579			928
New Software License Revenues	$ 1,028	$ 1,653	$ 1,718	$ 3,135	$ 7,533	$ 1,286	$ 1,999			$ 3,284
Hardware Systems Products Revenues	$ -	$ -	$ 273	$ 1,233	$ 1,506	$ 1,079	$ 1,112			$ 2,190
AS REPORTED GROWTH RATES										
Database & Middleware	(22%)	1%	11%	18%	6%	32%	21%			25%
Applications	(4%)	2%	21%	6%	6%	10%	21%			17%
New Software License Revenues	(17%)	2%	13%	14%	6%	25%	21%			22%
Hardware Systems Products Revenues	*	*	*	*	*	*	*			*
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware	(19%)	(5%)	5%	18%	4%	32%	23%			27%
Applications	0%	(3%)	15%	7%	5%	10%	22%			17%
New Software License Revenues	(14%)	(5%)	8%	15%	4%	25%	23%			24%
Hardware Systems Products Revenues	*	*	*	*	*	*	*			*

(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, 2010 and 2009 for the fiscal 2011 and fiscal 2010 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

* Not meaningful

ORACLE CORPORATION
Q2 FISCAL 2011 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 values 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.

• 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 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.