

ORACLE CORPORATION
Q1 FISCAL 2012 FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(\$ in millions, except per share data)

	Three Months Ended August 31,				% Increase (Decrease) in US \$	% Increase (Decrease) in Constant Currency (1)
	2011	% of Revenues	2010	% of Revenues		
REVENUES						
New software licenses	\$ 1,498	18%	\$ 1,286	17%	17%	11%
Software license updates and product support	4,022	48%	3,450	46%	17%	10%
Software Revenues	5,520	66%	4,736	63%	17%	11%
Hardware systems products	1,029	12%	1,079	15%	(5%)	(11%)
Hardware systems support	645	8%	619	8%	4%	(3%)
Hardware Systems Revenues	1,674	20%	1,698	23%	(1%)	(8%)
Services	1,180	14%	1,068	14%	10%	5%
Total Revenues	8,374	100%	7,502	100%	12%	5%
OPERATING EXPENSES						
Sales and marketing	1,630	19%	1,333	18%	22%	16%
Software license updates and product support	297	4%	308	4%	(4%)	(6%)
Hardware systems products	472	6%	557	7%	(15%)	(19%)
Hardware systems support	283	3%	301	4%	(6%)	(11%)
Services	936	11%	896	12%	5%	(1%)
Research and development	1,050	13%	1,103	15%	(5%)	(6%)
General and administrative	311	4%	272	4%	14%	10%
Amortization of intangible assets	592	7%	603	8%	(2%)	(2%)
Acquisition related and other	19	0%	83	1%	(77%)	(78%)
Restructuring	101	1%	129	1%	(21%)	(28%)
Total Operating Expenses	5,691	68%	5,585	74%	2%	(2%)
OPERATING INCOME	2,683	32%	1,917	26%	40%	26%
Interest expense	(192)	(2%)	(196)	(3%)	(2%)	(2%)
Non-operating income (expense), net	(20)	0%	74	1%	(127%)	(126%)
INCOME BEFORE PROVISION FOR INCOME TAXES	2,471	30%	1,795	24%	38%	23%
Provision for income taxes	631	8%	443	6%	43%	27%
NET INCOME	\$ 1,840	22%	\$ 1,352	18%	36%	21%
EARNINGS PER SHARE:						
Basic	\$ 0.36		\$ 0.27			
Diluted	\$ 0.36		\$ 0.27			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	5,062		5,026			
Diluted	5,150		5,083			

(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 rates in effect on May 31, 2011, 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 August 31, 2011 compared with the corresponding prior year period increased our revenues by 7 percentage points, operating expenses by 4 percentage points and operating income by 14 percentage points.

ORACLE CORPORATION
Q1 FISCAL 2012 FINANCIAL RESULTS
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES (1)
(\$ in millions, except per share data)

	Three Months Ended August 31,						% Increase (Decrease) in US \$		% Increase (Decrease) in Constant Currency (2)	
	2011 GAAP	Adj.	2011 Non-GAAP	2010 GAAP	Adj.	2010 Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES (3) (4)	\$ 8,374	\$ 24	\$ 8,398	\$ 7,502	\$ 86	\$ 7,588	12%	11%	5%	5%
TOTAL SOFTWARE REVENUES (3)	\$ 5,520	\$ 13	\$ 5,533	\$ 4,736	\$ 25	\$ 4,761	17%	16%	11%	10%
New software licenses	1,498	-	1,498	1,286	-	1,286	17%	17%	11%	11%
Software license updates and product support (3)	4,022	13	4,035	3,450	25	3,475	17%	16%	10%	10%
TOTAL HARDWARE SYSTEMS REVENUES (4)	\$ 1,674	\$ 11	\$ 1,685	\$ 1,698	\$ 61	\$ 1,759	(1%)	(4%)	(8%)	(10%)
Hardware systems products	1,029	-	1,029	1,079	-	1,079	(5%)	(5%)	(11%)	(11%)
Hardware systems support (4)	645	11	656	619	61	680	4%	(4%)	(3%)	(10%)
TOTAL OPERATING EXPENSES	\$ 5,691	\$ (859)	\$ 4,832	\$ 5,585	\$ (944)	\$ 4,641	2%	4%	(2%)	0%
Stock-based compensation (5)	147	(147)	-	129	(129)	-	14%	*	14%	*
Amortization of intangible assets (6)	592	(592)	-	603	(603)	-	(2%)	*	(2%)	*
Acquisition related and other	19	(19)	-	83	(83)	-	(77%)	*	(78%)	*
Restructuring	101	(101)	-	129	(129)	-	(21%)	*	(28%)	*
OPERATING INCOME	\$ 2,683	\$ 883	\$ 3,566	\$ 1,917	\$ 1,030	\$ 2,947	40%	21%	26%	12%
OPERATING MARGIN %	32%		42%	26%		39%	649 bp.	362 bp.	512 bp.	282 bp.
INCOME TAX EFFECTS (7)	\$ 631	\$ 258	\$ 889	\$ 443	\$ 253	\$ 696	43%	28%	27%	18%
NET INCOME	\$ 1,840	\$ 625	\$ 2,465	\$ 1,352	\$ 777	\$ 2,129	36%	16%	21%	7%
DILUTED EARNINGS PER SHARE	\$ 0.36		\$ 0.48	\$ 0.27		\$ 0.42	34%	14%	20%	5%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,150	-	5,150	5,083	-	5,083	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 rates in effect on May 31, 2011, 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 August 31, 2011, approximately \$19 million, \$9 million and \$2 million in estimated revenues related to assumed software support contracts will not be recognized for the remainder of fiscal 2012, fiscal 2013 and fiscal 2014, respectively, due to business combination accounting rules.

(4) As of August 31, 2011, approximately \$19 million and \$11 million in estimated revenues related to hardware systems support contracts will not be recognized for the remainder of fiscal 2012 and fiscal 2013, respectively, due to business combination accounting rules.

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

	Three Months Ended August 31, 2011				Three Months Ended August 31, 2010		
	GAAP	Adj.	Non-GAAP		GAAP	Adj.	Non-GAAP
Sales and marketing	\$ 26	\$ (26)	\$ -		\$ 23	\$ (23)	\$ -
Software license updates and product support	4	(4)	-		5	(5)	-
Hardware systems products	1	(1)	-		1	(1)	-
Hardware systems support	1	(1)	-		1	(1)	-
Services	4	(4)	-		4	(4)	-
Research and development	71	(71)	-		59	(59)	-
General and administrative	40	(40)	-		36	(36)	-
Subtotal	147	(147)	-		129	(129)	-
Acquisition related and other	1	(1)	-		1	(1)	-
Total stock-based compensation	\$ 148	\$ (148)	\$ -		\$ 130	\$ (130)	\$ -

(6) Estimated future annual amortization expense related to intangible assets as of August 31, 2011 was as follows:

Remainder of Fiscal 2012	\$ 1,737
Fiscal 2013	1,967
Fiscal 2014	1,619
Fiscal 2015	1,220
Fiscal 2016	717
Fiscal 2017	176
Thereafter	176
Total intangible assets subject to amortization	7,612
In-process research and development	50
Total intangible assets, net	\$ 7,662

(7) Income tax effects for the first quarter of fiscal 2012 were calculated reflecting an effective GAAP tax rate of 25.6% and an effective non-GAAP tax rate of 26.5%. The differences between our GAAP and non-GAAP tax rates in the first quarter of fiscal 2012 were primarily due to income tax effects related to our acquired tax exposures and the differences in jurisdictional tax rates and the related tax benefits attributable to our restructuring expenses. Income tax effects for the first quarter of fiscal 2011 were calculated reflecting an effective GAAP and non-GAAP tax rate of 24.7%.

* Not meaningful

ORACLE CORPORATION
Q1 FISCAL 2012 FINANCIAL RESULTS
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in millions)

	August 31, 2011	May 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 13,162	\$ 16,163
Marketable securities	18,498	12,685
Trade receivables, net	4,194	6,628
Inventories	259	303
Deferred tax assets	1,262	1,189
Prepaid expenses and other current assets	1,831	2,206
Total Current Assets	39,206	39,174
Non-Current Assets:		
Property, plant and equipment, net	2,930	2,857
Intangible assets, net	7,662	7,860
Goodwill	21,831	21,553
Deferred tax assets	1,152	1,076
Other assets	1,078	1,015
Total Non-Current Assets	34,653	34,361
TOTAL ASSETS	\$ 73,859	\$ 73,535
LIABILITIES AND EQUITY		
Current Liabilities:		
Notes payable, current and other current borrowings	\$ -	\$ 1,150
Accounts payable	614	701
Accrued compensation and related benefits	1,553	2,320
Deferred revenues	7,925	6,802
Other current liabilities	2,964	3,219
Total Current Liabilities	13,056	14,192
Non-Current Liabilities:		
Notes payable and other non-current borrowings	14,789	14,772
Income taxes payable	3,281	3,169
Other non-current liabilities	1,494	1,157
Total Non-Current Liabilities	19,564	19,098
Equity	41,239	40,245
TOTAL LIABILITIES AND EQUITY	\$ 73,859	\$ 73,535

ORACLE CORPORATION

Q1 FISCAL 2012 FINANCIAL RESULTS CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (\$ in millions)

	Three Months Ended August 31,	
	2011	2010
Cash Flows From Operating Activities:		
Net income	\$ 1,840	\$ 1,352
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	117	99
Amortization of intangible assets	592	603
Deferred income taxes	(116)	(15)
Stock-based compensation	148	130
Tax benefits on the exercise of stock options and vesting of restricted stock-based awards	39	24
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	(24)	(10)
Other, net	27	26
Changes in operating assets and liabilities, net of effects from acquisitions:		
Decrease in trade receivables, net	2,483	1,942
Decrease in inventories	57	11
Decrease in prepaid expenses and other assets	469	348
Decrease in accounts payable and other liabilities	(1,374)	(898)
Increase (decrease) in income taxes payable	159	(529)
Increase in deferred revenues	1,004	734
Net cash provided by operating activities	5,421	3,817
Cash Flows From Investing Activities:		
Purchases of marketable securities and other investments	(12,588)	(7,650)
Proceeds from maturities and sales of marketable securities and other investments	6,768	4,684
Acquisitions, net of cash acquired	(343)	(832)
Capital expenditures	(160)	(118)
Net cash used for investing activities	(6,323)	(3,916)
Cash Flows From Financing Activities:		
Payments for repurchases of common stock	(800)	(249)
Proceeds from issuances of common stock	182	169
Payments of dividends to stockholders	(304)	(251)
Proceeds from borrowings, net of issuance costs	-	3,204
Repayments of borrowings	(1,150)	(885)
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	24	10
Distributions to noncontrolling interests	(163)	(38)
Net cash (used for) provided by financing activities	(2,211)	1,960
Effect of exchange rate changes on cash and cash equivalents	112	243
Net (decrease) increase in cash and cash equivalents	(3,001)	2,104
Cash and cash equivalents at beginning of period	16,163	9,914
Cash and cash equivalents at end of period	\$ 13,162	\$ 12,018

ORACLE CORPORATION
Q1 FISCAL 2012 FINANCIAL RESULTS
FREE CASH FLOW - TRAILING 4-QUARTERS (1)
(\$ in millions)

	Fiscal 2011				Fiscal 2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP Operating Cash Flow	\$ 8,760	\$ 9,053	\$ 9,948	\$ 11,214	\$ 12,818			
Capital Expenditures (2)	(293)	(369)	(441)	(450)	(492)			
Free Cash Flow	\$ 8,467	\$ 8,684	\$ 9,507	\$ 10,764	\$ 12,326			
% Growth over prior year	0%	3%	19%	27%	46%			
GAAP Net Income	\$ 6,363	\$ 6,776	\$ 7,701	\$ 8,547	\$ 9,035			
Free Cash Flow as a % of Net Income	133%	128%	123%	126%	136%			

(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
Q1 FISCAL 2012 FINANCIAL RESULTS
SUPPLEMENTAL ANALYSIS OF GAAP REVENUES AND HEADCOUNT (1)
(\$ in millions)

	Fiscal 2011					Fiscal 2012				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
REVENUES										
New software licenses	\$ 1,286	\$ 1,999	\$ 2,214	\$ 3,736	\$ 9,235	\$ 1,498				\$ 1,498
Software license updates and product support	3,450	3,645	3,740	3,961	14,796	4,022				4,022
Software Revenues	4,736	5,644	5,954	7,697	24,031	5,520				5,520
Hardware systems products	1,079	1,112	1,035	1,157	4,382	1,029				1,029
Hardware systems support	619	641	629	673	2,562	645				645
Hardware Systems Revenues	1,698	1,753	1,664	1,830	6,944	1,674				1,674
Services Revenues	1,068	1,185	1,146	1,248	4,647	1,180				1,180
Total Revenues	\$ 7,502	\$ 8,582	\$ 8,764	\$ 10,775	\$ 35,622	\$ 8,374				\$ 8,374
AS REPORTED REVENUE GROWTH RATES										
New software licenses	25%	21%	29%	19%	23%	17%				17%
Software license updates and product support	11%	12%	13%	15%	13%	17%				17%
Software Revenues	14%	15%	19%	17%	17%	17%				17%
Hardware systems products	*	*	279%	(6%)	191%	(5%)				(5%)
Hardware systems support	*	*	239%	12%	227%	4%				4%
Hardware Systems Revenues	*	*	263%	0%	203%	(1%)				(1%)
Services Revenues	18%	24%	23%	13%	19%	10%				10%
Total Revenues	48%	47%	37%	13%	33%	12%				12%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	25%	23%	27%	12%	19%	11%				11%
Software license updates and product support	12%	13%	12%	10%	12%	10%				10%
Software Revenues	15%	17%	17%	11%	15%	11%				11%
Hardware systems products	*	*	274%	(11%)	184%	(11%)				(11%)
Hardware systems support	*	*	234%	6%	218%	(3%)				(3%)
Hardware Systems Revenues	*	*	258%	(5%)	195%	(8%)				(8%)
Services Revenues	18%	25%	21%	7%	17%	5%				5%
Total Revenues	49%	48%	35%	7%	30%	5%				5%
GEOGRAPHIC REVENUES										
REVENUES										
Americas	\$ 3,904	\$ 4,452	\$ 4,509	\$ 5,487	\$ 18,352	\$ 4,226				\$ 4,226
Europe, Middle East & Africa	2,381	2,738	2,815	3,564	11,497	2,704				2,704
Asia Pacific	1,217	1,392	1,440	1,724	5,773	1,444				1,444
Total Revenues	\$ 7,502	\$ 8,582	\$ 8,764	\$ 10,775	\$ 35,622	\$ 8,374				\$ 8,374
HEADCOUNT										
GEOGRAPHIC AREA										
Americas	44,494	44,815	45,825	45,887		46,338				
Europe, Middle East & Africa	22,886	22,690	22,705	22,394		22,210				
Asia Pacific	37,856	38,225	39,340	40,148		40,840				
Total Company	105,236	105,730	107,870	108,429		109,388				

(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, 2011 and 2010 for the fiscal 2012 and fiscal 2011 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

* Not meaningful

ORACLE CORPORATION
Q1 FISCAL 2012 FINANCIAL RESULTS
SUPPLEMENTAL TOTAL SOFTWARE PRODUCT REVENUE ANALYSIS (1)
(\$ in millions)

	Fiscal 2011					Fiscal 2012				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
SOFTWARE REVENUES										
DATABASE & MIDDLEWARE REVENUES										
New software licenses	\$ 937	\$ 1,420	\$ 1,575	\$ 2,694	\$ 6,626	\$ 1,070				\$ 1,070
Software license updates and product support	2,316	2,443	2,523	2,663	9,945	2,710				2,710
Database and Middleware Revenues	\$ 3,253	\$ 3,863	\$ 4,098	\$ 5,357	\$ 16,571	\$ 3,780				\$ 3,780
AS REPORTED GROWTH RATES										
New software licenses	32%	21%	27%	18%	23%	14%				14%
Software license updates and product support	12%	15%	15%	15%	14%	17%				17%
Database and Middleware Revenues	17%	17%	19%	17%	18%	16%				16%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	32%	23%	26%	10%	19%	8%				8%
Software license updates and product support	13%	16%	14%	10%	13%	12%				12%
Database and Middleware Revenues	18%	18%	18%	10%	15%	11%				11%
APPLICATIONS REVENUES										
New software licenses	\$ 349	\$ 579	\$ 639	\$ 1,042	\$ 2,609	\$ 428				\$ 428
Software license updates and product support	1,134	1,202	1,217	1,298	4,851	1,312				1,312
Applications Revenues	\$ 1,483	\$ 1,781	\$ 1,856	\$ 2,340	\$ 7,460	\$ 1,740				\$ 1,740
AS REPORTED GROWTH RATES										
New software licenses	10%	21%	34%	22%	23%	23%				23%
Software license updates and product support	8%	8%	10%	16%	10%	16%				16%
Applications Revenues	8%	12%	17%	18%	14%	17%				17%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	10%	22%	31%	16%	20%	19%				19%
Software license updates and product support	9%	9%	9%	10%	9%	7%				7%
Applications Revenues	9%	13%	16%	12%	13%	10%				10%

(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, 2011 and 2010 for the fiscal 2012 and fiscal 2011 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

ORACLE CORPORATION
Q1 FISCAL 2012 FINANCIAL RESULTS
SUPPLEMENTAL GEOGRAPHIC NEW SOFTWARE LICENSE AND HARDWARE SYSTEMS PRODUCTS REVENUES ANALYSIS (1)
(\$ in millions)

	Fiscal 2011					Fiscal 2012				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
AMERICAS										
Database & Middleware	\$ 446	\$ 671	\$ 755	\$ 1,284	\$ 3,155	\$ 478				\$ 478
Applications	212	359	355	580	1,507	249				249
New Software License Revenues	\$ 658	\$ 1,030	\$ 1,110	\$ 1,864	\$ 4,662	\$ 727				\$ 727
Hardware Systems Products Revenues	\$ 543	\$ 602	\$ 506	\$ 599	\$ 2,248	\$ 475				\$ 475
AS REPORTED GROWTH RATES										
Database & Middleware	44%	36%	40%	14%	28%	7%				7%
Applications	14%	26%	26%	20%	22%	18%				18%
New Software License Revenues	33%	32%	35%	16%	26%	10%				10%
Hardware Systems Products Revenues	*	*	287%	(3%)	201%	(12%)				(12%)
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware	43%	36%	39%	12%	27%	6%				6%
Applications	14%	26%	24%	18%	20%	16%				16%
New Software License Revenues	32%	32%	34%	14%	24%	9%				9%
Hardware Systems Products Revenues	*	*	285%	(4%)	199%	(13%)				(13%)
EUROPE / MIDDLE EAST / AFRICA										
Database & Middleware	\$ 279	\$ 426	\$ 505	\$ 925	\$ 2,137	\$ 322				\$ 322
Applications	73	148	197	308	724	118				118
New Software License Revenues	\$ 352	\$ 574	\$ 702	\$ 1,233	\$ 2,861	\$ 440				\$ 440
Hardware Systems Products Revenues	\$ 338	\$ 329	\$ 330	\$ 341	\$ 1,337	\$ 344				\$ 344
AS REPORTED GROWTH RATES										
Database & Middleware	25%	(1%)	11%	23%	15%	15%				15%
Applications	(19%)	23%	47%	18%	20%	63%				63%
New Software License Revenues	12%	5%	19%	22%	16%	25%				25%
Hardware Systems Products Revenues	*	*	246%	(13%)	176%	2%				2%
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware	32%	7%	12%	9%	12%	5%				5%
Applications	(16%)	31%	46%	7%	16%	55%				55%
New Software License Revenues	18%	12%	20%	9%	13%	15%				15%
Hardware Systems Products Revenues	*	*	246%	(21%)	165%	(11%)				(11%)
ASIA PACIFIC										
Database & Middleware	\$ 212	\$ 323	\$ 315	\$ 485	\$ 1,334	\$ 270				\$ 270
Applications	64	72	87	154	378	61				61
New Software License Revenues	\$ 276	\$ 395	\$ 402	\$ 639	\$ 1,712	\$ 331				\$ 331
Hardware Systems Products Revenues	\$ 198	\$ 181	\$ 199	\$ 217	\$ 797	\$ 210				\$ 210
AS REPORTED GROWTH RATES										
Database & Middleware	19%	27%	28%	20%	23%	28%				28%
Applications	54%	(1%)	45%	41%	33%	(4%)				(4%)
New Software License Revenues	26%	21%	32%	24%	25%	20%				20%
Hardware Systems Products Revenues	*	*	325%	(4%)	191%	6%				6%
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware	13%	22%	20%	8%	15%	15%				15%
Applications	47%	(5%)	34%	27%	24%	(11%)				(11%)
New Software License Revenues	19%	16%	23%	12%	16%	9%				9%
Hardware Systems Products Revenues	*	*	295%	(13%)	173%	(5%)				(5%)
TOTAL COMPANY										
Database & Middleware	\$ 937	\$ 1,420	\$ 1,575	\$ 2,694	\$ 6,626	\$ 1,070				\$ 1,070
Applications	349	579	639	1,042	2,609	428				428
New Software License Revenues	\$ 1,286	\$ 1,999	\$ 2,214	\$ 3,736	\$ 9,235	\$ 1,498				\$ 1,498
Hardware Systems Products Revenues	\$ 1,079	\$ 1,112	\$ 1,035	\$ 1,157	\$ 4,382	\$ 1,029				\$ 1,029
AS REPORTED GROWTH RATES										
Database & Middleware	32%	21%	27%	18%	23%	14%				14%
Applications	10%	21%	34%	22%	23%	23%				23%
New Software License Revenues	25%	21%	29%	19%	23%	17%				17%
Hardware Systems Products Revenues	*	*	279%	(6%)	191%	(5%)				(5%)
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware	32%	23%	26%	10%	19%	8%				8%
Applications	10%	22%	31%	16%	20%	19%				19%
New Software License Revenues	25%	23%	27%	12%	19%	11%				11%
Hardware Systems Products Revenues	*	*	274%	(11%)	184%	(11%)				(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, 2011 and 2010 for the fiscal 2012 and fiscal 2011 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

* Not meaningful

ORACLE CORPORATION
Q1 FISCAL 2012 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 including adjustments after the measurement period has ended and changes in fair value of contingent consideration payable, 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.