

ORACLE CORPORATION
Q2 FISCAL 2012 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)
	2011	% of Revenues	2010	% of Revenues		
REVENUES						
New software licenses	\$ 2,048	23%	\$ 1,999	23%	2%	3%
Software license updates and product support	3,986	46%	3,645	43%	9%	9%
Software Revenues	6,034	69%	5,644	66%	7%	7%
Hardware systems products	953	11%	1,112	13%	(14%)	(14%)
Hardware systems support	625	7%	641	7%	(2%)	(3%)
Hardware Systems Revenues	1,578	18%	1,753	20%	(10%)	(10%)
Services	1,180	13%	1,185	14%	0%	0%
Total Revenues	8,792	100%	8,582	100%	2%	2%
OPERATING EXPENSES						
Sales and marketing	1,697	19%	1,530	18%	11%	11%
Software license updates and product support	298	3%	307	4%	(3%)	(3%)
Hardware systems products	471	5%	525	6%	(10%)	(10%)
Hardware systems support	258	3%	356	4%	(27%)	(28%)
Services	929	11%	969	11%	(4%)	(3%)
Research and development	1,102	13%	1,119	13%	(2%)	(1%)
General and administrative (2)	277	3%	156	2%	77%	77%
Amortization of intangible assets	592	7%	614	7%	(4%)	(4%)
Acquisition related and other	5	0%	47	1%	(89%)	(92%)
Restructuring	52	1%	189	2%	(72%)	(72%)
Total Operating Expenses	5,681	65%	5,812	68%	(2%)	(2%)
OPERATING INCOME	3,111	35%	2,770	32%	12%	12%
Interest expense	(192)	(2%)	(214)	(2%)	(11%)	(11%)
Non-operating income, net	41	1%	90	1%	(55%)	(49%)
INCOME BEFORE PROVISION FOR INCOME TAXES	2,960	34%	2,646	31%	12%	11%
Provision for income taxes	768	9%	776	9%	(1%)	(2%)
NET INCOME	\$ 2,192	25%	\$ 1,870	22%	17%	17%
EARNINGS PER SHARE:						
Basic	\$ 0.43		\$ 0.37			
Diluted	\$ 0.43		\$ 0.37			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	5,041		5,044			
Diluted	5,123		5,117			

(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 November 30, 2011 compared with the corresponding prior year period had no impact on our revenues, operating expenses and operating income.

(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.

ORACLE CORPORATION
Q2 FISCAL 2012 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)	
	2011 GAAP	Adj.	2011 Non-GAAP	2010 GAAP	Adj.	2010 Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES (3) (4)	\$ 8,792	\$ 19	\$ 8,811	\$ 8,582	\$ 67	\$ 8,649	2%	2%	2%	2%
TOTAL SOFTWARE REVENUES (3)	\$ 6,034	\$ 10	\$ 6,044	\$ 5,644	\$ 22	\$ 5,666	7%	7%	7%	7%
New software licenses	2,048	-	2,048	1,999	-	1,999	2%	2%	3%	3%
Software license updates and product support (3)	3,986	10	3,996	3,645	22	3,667	9%	9%	9%	9%
TOTAL HARDWARE SYSTEMS REVENUES (4)	\$ 1,578	\$ 9	\$ 1,587	\$ 1,753	\$ 45	\$ 1,798	(10%)	(12%)	(10%)	(12%)
Hardware systems products	953	-	953	1,112	-	1,112	(14%)	(14%)	(14%)	(14%)
Hardware systems support (4)	625	9	634	641	45	686	(2%)	(8%)	(3%)	(8%)
TOTAL OPERATING EXPENSES	\$ 5,681	\$ (799)	\$ 4,882	\$ 5,812	\$ (969)	\$ 4,843	(2%)	1%	(2%)	1%
Stock-based compensation (5)	150	(150)	-	119	(119)	-	26%	*	26%	*
Amortization of intangible assets (6)	592	(592)	-	614	(614)	-	(4%)	*	(4%)	*
Acquisition related and other	5	(5)	-	47	(47)	-	(89%)	*	(92%)	*
Restructuring	52	(52)	-	189	(189)	-	(72%)	*	(72%)	*
OPERATING INCOME	\$ 3,111	\$ 818	\$ 3,929	\$ 2,770	\$ 1,036	\$ 3,806	12%	3%	12%	3%
OPERATING MARGIN %	35%		45%	32%		44%	310 bp.	59 bp.	291 bp.	42 bp.
INCOME TAX EFFECTS (7)	\$ 768	\$ 226	\$ 994	\$ 776	\$ 274	\$ 1,050	(1%)	(5%)	(2%)	(6%)
NET INCOME	\$ 2,192	\$ 592	\$ 2,784	\$ 1,870	\$ 762	\$ 2,632	17%	6%	17%	5%
DILUTED EARNINGS PER SHARE	\$ 0.43		\$ 0.54	\$ 0.37		\$ 0.51	17%	6%	16%	5%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,123	-	5,123	5,117	-	5,117	0%	0%	0%	0%

(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 November 30, 2011, approximately \$11 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 November 30, 2011, approximately \$10 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 November 30, 2011				Three Months Ended November 30, 2010		
	GAAP	Adj.	Non-GAAP		GAAP	Adj.	Non-GAAP
Sales and marketing	\$ 29	\$ (29)	\$ -		\$ 19	\$ (19)	\$ -
Software license updates and product support	5	(5)	-		3	(3)	-
Hardware systems products	-	-	-		1	(1)	-
Hardware systems support	2	(2)	-		1	(1)	-
Services	6	(6)	-		4	(4)	-
Research and development	68	(68)	-		55	(55)	-
General and administrative	40	(40)	-		36	(36)	-
Subtotal	150	(150)	-		119	(119)	-
Acquisition related and other	2	(2)	-		5	(5)	-
Total stock-based compensation	\$ 152	\$ (152)	\$ -		\$ 124	\$ (124)	\$ -

(6) Estimated future annual amortization expense related to intangible assets as of November 30, 2011 was as follows:

Remainder of Fiscal 2012	\$ 1,162
Fiscal 2013	1,991
Fiscal 2014	1,644
Fiscal 2015	1,244
Fiscal 2016	737
Fiscal 2017	183
Thereafter	180
Total intangible assets subject to amortization	7,141
In-process research and development	11
Total intangible assets, net	<u>\$ 7,152</u>

(7) Income tax effects were calculated reflecting an effective GAAP tax rate of 25.9% and 29.3% in the second quarter of fiscal 2012 and 2011, respectively, and an effective non-GAAP tax rate of 26.3% and 28.5% in the second quarter of fiscal 2012 and 2011, respectively. The differences between our GAAP and non-GAAP tax rates in the second quarter of fiscal 2012 and fiscal 2011 were primarily 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 2012 YEAR TO DATE FINANCIAL RESULTS CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (\$ in millions, except per share data)

	Six Months Ended November 30,				% Increase (Decrease) in US \$	% Increase (Decrease) in Constant Currency (1)
	2011	% of Revenues	2010	% of Revenues		
REVENUES						
New software licenses	\$ 3,546	21%	\$ 3,284	21%	8%	6%
Software license updates and product support	8,008	46%	7,096	44%	13%	10%
Software Revenues	11,554	67%	10,380	65%	11%	8%
Hardware systems products	1,981	12%	2,190	13%	(10%)	(13%)
Hardware systems support	1,271	7%	1,261	8%	1%	(3%)
Hardware Systems Revenues	3,252	19%	3,451	21%	(6%)	(9%)
Services	2,360	14%	2,253	14%	5%	2%
Total Revenues	17,166	100%	16,084	100%	7%	4%
OPERATING EXPENSES						
Sales and marketing	3,327	19%	2,864	18%	16%	13%
Software license updates and product support	594	3%	615	4%	(3%)	(5%)
Hardware systems products	943	6%	1,082	7%	(13%)	(14%)
Hardware systems support	541	3%	656	4%	(17%)	(20%)
Services	1,865	11%	1,865	11%	0%	(2%)
Research and development	2,152	13%	2,222	14%	(3%)	(4%)
General and administrative (2)	587	3%	428	3%	37%	34%
Amortization of intangible assets	1,184	7%	1,217	7%	(3%)	(3%)
Acquisition related and other	25	0%	130	1%	(81%)	(83%)
Restructuring	154	1%	318	2%	(52%)	(53%)
Total Operating Expenses	11,372	66%	11,397	71%	0%	(2%)
OPERATING INCOME	5,794	34%	4,687	29%	24%	17%
Interest expense	(384)	(2%)	(410)	(2%)	(6%)	(6%)
Non-operating income, net	21	0%	165	1%	(87%)	(84%)
INCOME BEFORE PROVISION FOR INCOME TAXES	5,431	32%	4,442	28%	22%	16%
Provision for income taxes	1,399	9%	1,219	8%	15%	9%
NET INCOME	\$ 4,032	23%	\$ 3,223	20%	25%	19%
EARNINGS PER SHARE:						
Basic	\$ 0.80		\$ 0.64			
Diluted	\$ 0.78		\$ 0.63			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	5,052		5,035			
Diluted	5,137		5,100			

(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 six months ended November 30, 2011 compared with the corresponding prior year period increased our revenues by 3 percentage points, operating expenses by 2 percentage points and operating income by 7 percentage points.

(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.

ORACLE CORPORATION
Q2 FISCAL 2012 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)	
	2011 GAAP	Adj.	2011 Non-GAAP	2010 GAAP	Adj.	2010 Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES (3) (4)	\$ 17,166	\$ 43	\$ 17,209	\$ 16,084	\$ 153	\$ 16,237	7%	6%	4%	3%
TOTAL SOFTWARE REVENUES (3)	\$ 11,554	\$ 24	\$ 11,578	\$ 10,380	\$ 47	\$ 10,427	11%	11%	8%	8%
New software licenses	3,546	-	3,546	3,284	-	3,284	8%	8%	6%	6%
Software license updates and product support (3)	8,008	24	8,032	7,096	47	7,143	13%	12%	10%	9%
TOTAL HARDWARE SYSTEMS REVENUES (4)	\$ 3,252	\$ 19	\$ 3,271	\$ 3,451	\$ 106	\$ 3,557	(6%)	(8%)	(9%)	(11%)
Hardware systems products	1,981	-	1,981	2,190	-	2,190	(10%)	(10%)	(13%)	(13%)
Hardware systems support (4)	1,271	19	1,290	1,261	106	1,367	1%	(6%)	(3%)	(9%)
TOTAL OPERATING EXPENSES	\$ 11,372	\$ (1,658)	\$ 9,714	\$ 11,397	\$ (1,913)	\$ 9,484	0%	2%	(2%)	0%
Stock-based compensation (5)	295	(295)	-	248	(248)	-	20%	*	20%	*
Amortization of intangible assets (6)	1,184	(1,184)	-	1,217	(1,217)	-	(3%)	*	(3%)	*
Acquisition related and other	25	(25)	-	130	(130)	-	(81%)	*	(83%)	*
Restructuring	154	(154)	-	318	(318)	-	(52%)	*	(53%)	*
OPERATING INCOME	\$ 5,794	\$ 1,701	\$ 7,495	\$ 4,687	\$ 2,066	\$ 6,753	24%	11%	17%	7%
OPERATING MARGIN %	34%		44%	29%		42%	461 bp.	196 bp.	393 bp.	154 bp.
INCOME TAX EFFECTS (7)	\$ 1,399	\$ 483	\$ 1,882	\$ 1,219	\$ 528	\$ 1,747	15%	8%	9%	4%
NET INCOME	\$ 4,032	\$ 1,218	\$ 5,250	\$ 3,223	\$ 1,538	\$ 4,761	25%	10%	19%	6%
DILUTED EARNINGS PER SHARE	\$ 0.78		\$ 1.02	\$ 0.63		\$ 0.93	24%	9%	18%	5%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	5,137	-	5,137	5,100	-	5,100	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 November 30, 2011, approximately \$11 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 November 30, 2011, approximately \$10 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:

	Six Months Ended November 30, 2011			Six Months Ended November 30, 2010		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Sales and marketing	\$ 55	\$ (55)	\$ -	\$ 42	\$ (42)	\$ -
Software license updates and product support	8	(8)	-	8	(8)	-
Hardware systems products	1	(1)	-	2	(2)	-
Hardware systems support	3	(3)	-	2	(2)	-
Services	10	(10)	-	8	(8)	-
Research and development	139	(139)	-	114	(114)	-
General and administrative	79	(79)	-	72	(72)	-
Subtotal	295	(295)	-	248	(248)	-
Acquisition related and other	3	(3)	-	6	(6)	-
Total stock-based compensation	\$ 298	\$ (298)	\$ -	\$ 254	\$ (254)	\$ -

(6) Estimated future annual amortization expense related to intangible assets as of November 30, 2011 was as follows:

Remainder of Fiscal 2012	\$ 1,162
Fiscal 2013	1,991
Fiscal 2014	1,644
Fiscal 2015	1,244
Fiscal 2016	737
Fiscal 2017	183
Thereafter	180
Total intangible assets subject to amortization	7,141
In-process research and development	11
Total intangible assets, net	\$ 7,152

(7) Income tax effects were calculated reflecting an effective GAAP tax rate of 25.8% and 27.4% in the first half of fiscal 2012 and 2011, respectively, and an effective non-GAAP tax rate of 26.4% and 26.8% in the first half of fiscal 2012 and 2011, respectively. The differences between our GAAP and non-GAAP tax rates in the first half 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. The differences between our GAAP and non-GAAP tax rates in the first half of fiscal 2011 were primarily due to differences in jurisdictional tax rates and the related tax benefits attributable to our restructuring expenses.

* Not meaningful

ORACLE CORPORATION
Q2 FISCAL 2012 FINANCIAL RESULTS
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in millions)

	November 30, 2011	May 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 13,286	\$ 16,163
Marketable securities	17,726	12,685
Trade receivables, net	4,434	6,628
Inventories	218	303
Deferred tax assets	1,239	1,189
Prepaid expenses and other current assets	1,579	2,206
Total Current Assets	38,482	39,174
Non-Current Assets:		
Property, plant and equipment, net	2,900	2,857
Intangible assets, net	7,152	7,860
Goodwill	21,994	21,553
Deferred tax assets	1,122	1,076
Other assets	1,260	1,015
Total Non-Current Assets	34,428	34,361
TOTAL ASSETS	\$ 72,910	\$ 73,535
LIABILITIES AND EQUITY		
Current Liabilities:		
Notes payable, current and other current borrowings	\$ -	\$ 1,150
Accounts payable	445	494
Accrued compensation and related benefits	1,582	2,320
Deferred revenues	6,091	6,802
Other current liabilities	2,954	3,426
Total Current Liabilities	11,072	14,192
Non-Current Liabilities:		
Notes payable and other non-current borrowings	14,778	14,772
Income taxes payable	3,383	3,169
Other non-current liabilities	1,410	1,157
Total Non-Current Liabilities	19,571	19,098
Equity	42,267	40,245
TOTAL LIABILITIES AND EQUITY	\$ 72,910	\$ 73,535

ORACLE CORPORATION

Q2 FISCAL 2012 FINANCIAL RESULTS CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (\$ in millions)

	Six Months Ended November 30,	
	2011	2010
Cash Flows From Operating Activities:		
Net income	\$ 4,032	\$ 3,223
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	226	194
Amortization of intangible assets	1,184	1,217
Deferred income taxes	(137)	(76)
Stock-based compensation	298	254
Tax benefits on the exercise of stock options and vesting of restricted stock-based awards	94	142
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	(53)	(86)
Other, net	53	24
Changes in operating assets and liabilities, net of effects from acquisitions:		
Decrease in trade receivables, net	2,128	1,343
Decrease in inventories	93	25
Decrease in prepaid expenses and other assets	424	280
Decrease in accounts payable and other liabilities	(1,306)	(620)
Increase (decrease) in income taxes payable	184	(613)
Decrease in deferred revenues	(544)	(546)
Net cash provided by operating activities	6,676	4,761
Cash Flows From Investing Activities:		
Purchases of marketable securities and other investments	(21,422)	(16,802)
Proceeds from maturities and sales of marketable securities and other investments	16,335	11,153
Acquisitions, net of cash acquired	(571)	(806)
Capital expenditures	(289)	(239)
Net cash used for investing activities	(5,947)	(6,694)
Cash Flows From Financing Activities:		
Payments for repurchases of common stock	(1,798)	(504)
Proceeds from issuances of common stock	434	734
Payments of dividends to stockholders	(607)	(504)
Proceeds from borrowings, net of issuance costs	-	3,204
Repayments of borrowings	(1,150)	(890)
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	53	86
Distributions to noncontrolling interests	(163)	(38)
Net cash (used for) provided by financing activities	(3,231)	2,088
Effect of exchange rate changes on cash and cash equivalents	(375)	351
Net (decrease) increase in cash and cash equivalents	(2,877)	506
Cash and cash equivalents at beginning of period	16,163	9,914
Cash and cash equivalents at end of period	\$ 13,286	\$ 10,420

ORACLE CORPORATION
Q2 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	\$ 13,129		
Capital Expenditures (2)	(293)	(369)	(441)	(450)	(492)	(500)		
Free Cash Flow	\$ 8,467	\$ 8,684	\$ 9,507	\$ 10,764	\$ 12,326	\$ 12,629		
% Growth over prior year	0%	3%	19%	27%	46%	45%		
GAAP Net Income	\$ 6,363	\$ 6,776	\$ 7,701	\$ 8,547	\$ 9,035	\$ 9,356		
Free Cash Flow as a % of Net Income	133%	128%	123%	126%	136%	135%		

(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 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
<u>REVENUES</u>										
New software licenses	\$ 1,286	\$ 1,999	\$ 2,214	\$ 3,736	\$ 9,235	\$ 1,498	\$ 2,048			\$ 3,546
Software license updates and product support	3,450	3,645	3,740	3,961	14,796	4,022	3,986			8,008
Software Revenues	4,736	5,644	5,954	7,697	24,031	5,520	6,034			11,554
Hardware systems products	1,079	1,112	1,035	1,157	4,382	1,029	953			1,981
Hardware systems support	619	641	629	673	2,562	645	625			1,271
Hardware Systems Revenues	1,698	1,753	1,664	1,830	6,944	1,674	1,578			3,252
Services Revenues	1,068	1,185	1,146	1,248	4,647	1,180	1,180			2,360
Total Revenues	\$ 7,502	\$ 8,582	\$ 8,764	\$ 10,775	\$ 35,622	\$ 8,374	\$ 8,792			\$ 17,166
AS REPORTED REVENUE GROWTH RATES										
New software licenses	25%	21%	29%	19%	23%	17%	2%			8%
Software license updates and product support	11%	12%	13%	15%	13%	17%	9%			13%
Software Revenues	14%	15%	19%	17%	17%	17%	7%			11%
Hardware systems products	*	*	279%	(6%)	191%	(5%)	(14%)			(10%)
Hardware systems support	*	*	239%	12%	227%	4%	(2%)			1%
Hardware Systems Revenues	*	*	263%	0%	203%	(1%)	(10%)			(6%)
Services Revenues	18%	24%	23%	13%	19%	10%	0%			5%
Total Revenues	48%	47%	37%	13%	33%	12%	2%			7%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	25%	23%	27%	12%	19%	11%	3%			6%
Software license updates and product support	12%	13%	12%	10%	12%	10%	9%			10%
Software Revenues	15%	17%	17%	11%	15%	11%	7%			8%
Hardware systems products	*	*	274%	(11%)	184%	(11%)	(14%)			(13%)
Hardware systems support	*	*	234%	6%	218%	(3%)	(3%)			(3%)
Hardware Systems Revenues	*	*	258%	(5%)	195%	(8%)	(10%)			(9%)
Services Revenues	18%	25%	21%	7%	17%	5%	0%			2%
Total Revenues	49%	48%	35%	7%	30%	5%	2%			4%
<u>GEOGRAPHIC REVENUES</u>										
REVENUES										
Americas	\$ 3,904	\$ 4,452	\$ 4,509	\$ 5,487	\$ 18,352	\$ 4,226	\$ 4,532			\$ 8,758
Europe, Middle East & Africa	2,381	2,738	2,815	3,564	11,497	2,704	2,756			5,460
Asia Pacific	1,217	1,392	1,440	1,724	5,773	1,444	1,504			2,948
Total Revenues	\$ 7,502	\$ 8,582	\$ 8,764	\$ 10,775	\$ 35,622	\$ 8,374	\$ 8,792			\$ 17,166
<u>HEADCOUNT</u>										
GEOGRAPHIC AREA										
Americas	44,494	44,815	45,825	45,887		46,338	46,672			
Europe, Middle East & Africa	22,886	22,690	22,705	22,394		22,210	22,725			
Asia Pacific	37,856	38,225	39,340	40,148		40,840	41,901			
Total Company	105,236	105,730	107,870	108,429		109,388	111,298			

(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
Q2 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	\$ 1,479			\$ 2,548
Software license updates and product support	2,316	2,443	2,523	2,663	9,945	2,710	2,707			5,416
Database and Middleware Revenues	\$ 3,253	\$ 3,863	\$ 4,098	\$ 5,357	\$ 16,571	\$ 3,780	\$ 4,186			\$ 7,964
AS REPORTED GROWTH RATES										
New software licenses	32%	21%	27%	18%	23%	14%	4%			8%
Software license updates and product support	12%	15%	15%	15%	14%	17%	11%			14%
Database and Middleware Revenues	17%	17%	19%	17%	18%	16%	8%			12%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	32%	23%	26%	10%	19%	8%	4%			6%
Software license updates and product support	13%	16%	14%	10%	13%	12%	13%			13%
Database and Middleware Revenues	18%	18%	18%	10%	15%	11%	10%			10%
APPLICATIONS REVENUES										
New software licenses	\$ 349	\$ 579	\$ 639	\$ 1,042	\$ 2,609	\$ 428	\$ 569			\$ 998
Software license updates and product support	1,134	1,202	1,217	1,298	4,851	1,312	1,279			2,592
Applications Revenues	\$ 1,483	\$ 1,781	\$ 1,856	\$ 2,340	\$ 7,460	\$ 1,740	\$ 1,848			\$ 3,590
AS REPORTED GROWTH RATES										
New software licenses	10%	21%	34%	22%	23%	23%	(2%)			8%
Software license updates and product support	8%	8%	10%	16%	10%	16%	6%			11%
Applications Revenues	8%	12%	17%	18%	14%	17%	4%			10%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses	10%	22%	31%	16%	20%	19%	(1%)			7%
Software license updates and product support	9%	9%	9%	10%	9%	7%	2%			4%
Applications Revenues	9%	13%	16%	12%	13%	10%	1%			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, 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 Q2 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 Applications	\$ 446	\$ 671	\$ 755	\$ 1,284	\$ 3,155	\$ 478	\$ 669			\$ 1,146
New Software License Revenues	212	359	355	580	1,507	249	358			608
Hardware Systems Products Revenues	\$ 658	\$ 1,030	\$ 1,110	\$ 1,864	\$ 4,662	\$ 727	\$ 1,027			\$ 1,754
	\$ 543	\$ 602	\$ 506	\$ 599	\$ 2,248	\$ 475	\$ 496			\$ 971
AS REPORTED GROWTH RATES										
Database & Middleware Applications	44%	36%	40%	14%	28%	7%	0%			3%
New Software License Revenues	14%	26%	26%	20%	22%	18%	0%			6%
Hardware Systems Products Revenues	33%	32%	35%	16%	26%	10%	0%			4%
	*	*	287%	(3%)	201%	(12%)	(17%)			(15%)
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware Applications	43%	36%	39%	12%	27%	6%	1%			3%
New Software License Revenues	14%	26%	24%	18%	20%	16%	1%			7%
Hardware Systems Products Revenues	32%	32%	34%	14%	24%	9%	1%			4%
	*	*	285%	(4%)	199%	(13%)	(17%)			(15%)
EUROPE / MIDDLE EAST / AFRICA										
Database & Middleware Applications	\$ 279	\$ 426	\$ 505	\$ 925	\$ 2,137	\$ 322	\$ 443			\$ 765
New Software License Revenues	73	148	197	308	724	118	141			259
Hardware Systems Products Revenues	\$ 352	\$ 574	\$ 702	\$ 1,233	\$ 2,861	\$ 440	\$ 584			\$ 1,024
	\$ 338	\$ 329	\$ 330	\$ 341	\$ 1,337	\$ 344	\$ 272			\$ 615
AS REPORTED GROWTH RATES										
Database & Middleware Applications	25%	(1%)	11%	23%	15%	15%	4%			8%
New Software License Revenues	(19%)	23%	47%	18%	20%	63%	(4%)			18%
Hardware Systems Products Revenues	12%	5%	19%	22%	16%	25%	2%			11%
	*	*	246%	(13%)	176%	2%	(17%)			(8%)
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware Applications	32%	7%	12%	9%	12%	5%	5%			5%
New Software License Revenues	(16%)	31%	46%	7%	16%	55%	(3%)			16%
Hardware Systems Products Revenues	18%	12%	20%	9%	13%	15%	3%			7%
	*	*	246%	(21%)	165%	(11%)	(17%)			(14%)
ASIA PACIFIC										
Database & Middleware Applications	\$ 212	\$ 323	\$ 315	\$ 485	\$ 1,334	\$ 270	\$ 367			\$ 637
New Software License Revenues	64	72	87	154	378	61	70			131
Hardware Systems Products Revenues	\$ 276	\$ 395	\$ 402	\$ 639	\$ 1,712	\$ 331	\$ 437			\$ 768
	\$ 198	\$ 181	\$ 199	\$ 217	\$ 797	\$ 210	\$ 185			\$ 395
AS REPORTED GROWTH RATES										
Database & Middleware Applications	19%	27%	28%	20%	23%	28%	14%			19%
New Software License Revenues	54%	(1%)	45%	41%	33%	(4%)	(4%)			(4%)
Hardware Systems Products Revenues	26%	21%	32%	24%	25%	20%	11%			14%
	*	*	325%	(4%)	191%	6%	2%			4%
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware Applications	13%	22%	20%	8%	15%	15%	12%			13%
New Software License Revenues	47%	(5%)	34%	27%	24%	(11%)	(6%)			(9%)
Hardware Systems Products Revenues	19%	16%	23%	12%	16%	9%	8%			9%
	*	*	295%	(13%)	173%	(5%)	(1%)			(3%)
TOTAL COMPANY										
Database & Middleware Applications	\$ 937	\$ 1,420	\$ 1,575	\$ 2,694	\$ 6,626	\$ 1,070	\$ 1,479			\$ 2,548
New Software License Revenues	349	579	639	1,042	2,609	428	569			998
Hardware Systems Products Revenues	\$ 1,286	\$ 1,999	\$ 2,214	\$ 3,736	\$ 9,235	\$ 1,498	\$ 2,048			\$ 3,546
	\$ 1,079	\$ 1,112	\$ 1,035	\$ 1,157	\$ 4,382	\$ 1,029	\$ 953			\$ 1,981
AS REPORTED GROWTH RATES										
Database & Middleware Applications	32%	21%	27%	18%	23%	14%	4%			8%
New Software License Revenues	10%	21%	34%	22%	23%	23%	(2%)			8%
Hardware Systems Products Revenues	25%	21%	29%	19%	23%	17%	2%			8%
	*	*	279%	(6%)	191%	(5%)	(14%)			(10%)
CONSTANT CURRENCY GROWTH RATES (2)										
Database & Middleware Applications	32%	23%	26%	10%	19%	8%	4%			6%
New Software License Revenues	10%	22%	31%	16%	20%	19%	(1%)			7%
Hardware Systems Products Revenues	25%	23%	27%	12%	19%	11%	3%			6%
	*	*	274%	(11%)	184%	(11%)	(14%)			(13%)
(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
Q2 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.