

ORACLE CORPORATION
Q2 FISCAL 2024 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)
	2023	% of Revenues	2022	% of Revenues		
REVENUES						
Cloud services and license support	\$ 9,639	74%	\$ 8,598	70%	12%	11%
Cloud license and on-premise license	1,178	9%	1,435	12%	(18%)	(19%)
Hardware	756	6%	850	7%	(11%)	(12%)
Services	1,368	11%	1,392	11%	(2%)	(3%)
Total revenues	12,941	100%	12,275	100%	5%	4%
OPERATING EXPENSES						
Cloud services and license support	2,274	17%	1,891	15%	20%	19%
Hardware	213	2%	286	2%	(25%)	(27%)
Services	1,253	10%	1,181	10%	6%	5%
Sales and marketing	2,093	16%	2,216	18%	(6%)	(7%)
Research and development	2,226	17%	2,158	18%	3%	3%
General and administrative	375	3%	366	3%	3%	2%
Amortization of intangible assets	755	6%	907	7%	(17%)	(17%)
Acquisition related and other	47	0%	62	1%	(23%)	(24%)
Restructuring	83	1%	137	1%	(39%)	(42%)
Total operating expenses	9,319	72%	9,204	75%	1%	0%
OPERATING INCOME	3,622	28%	3,071	25%	18%	15%
Interest expense	(888)	(7%)	(856)	(7%)	4%	4%
Non-operating expenses, net	(14)	0%	(71)	(1%)	(79%)	(81%)
INCOME BEFORE INCOME TAXES	2,720	21%	2,144	17%	27%	22%
Provision for income taxes	217	2%	403	3%	(46%)	(48%)
NET INCOME	\$ 2,503	19%	\$ 1,741	14%	44%	39%
EARNINGS PER SHARE:						
Basic	\$ 0.91		\$ 0.65			
Diluted	\$ 0.89		\$ 0.63			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	2,746		2,695			
Diluted	2,817		2,746			

(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, 2023, 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, 2023 compared with the corresponding prior year period increased our total revenues by 1 percentage point, total operating expenses by 1 percentage point and operating income by 3 percentage points.

ORACLE CORPORATION
Q2 FISCAL 2024 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)	
	2023 GAAP	Adj.	2023 Non-GAAP	2022 GAAP	Adj.	2022 Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES	\$ 12,941	\$ -	\$ 12,941	\$ 12,275	\$ -	\$ 12,275	5%	5%	4%	4%
TOTAL OPERATING EXPENSES	\$ 9,319	\$ (1,914)	\$ 7,405	\$ 9,204	\$ (2,015)	\$ 7,189	1%	3%	0%	2%
Stock-based compensation (3)	1,029	(1,029)	-	909	(909)	-	13%	*	13%	*
Amortization of intangible assets (4)	755	(755)	-	907	(907)	-	(17%)	*	(17%)	*
Acquisition related and other	47	(47)	-	62	(62)	-	(23%)	*	(24%)	*
Restructuring	83	(83)	-	137	(137)	-	(39%)	*	(42%)	*
OPERATING INCOME	\$ 3,622	\$ 1,914	\$ 5,536	\$ 3,071	\$ 2,015	\$ 5,086	18%	9%	15%	7%
OPERATING MARGIN %	28%		43%	25%		41%	297 bp.	135 bp.	266 bp.	121 bp.
INCOME TAX EFFECTS (5)	\$ 217	\$ 655	\$ 872	\$ 403	\$ 444	\$ 847	(46%)	3%	(48%)	1%
NET INCOME	\$ 2,503	\$ 1,259	\$ 3,762	\$ 1,741	\$ 1,571	\$ 3,312	44%	14%	39%	11%
DILUTED EARNINGS PER SHARE	\$ 0.89		\$ 1.34	\$ 0.63		\$ 1.21	40%	11%	35%	9%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	2,817	-	2,817	2,746	-	2,746	3%	3%	3%	3%

(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, 2023, which was the last day of our prior fiscal year, rather than the actual exchange rates in effect during the respective periods.

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

	Three Months Ended November 30, 2023			Three Months Ended November 30, 2022		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Cloud services and license support	\$ 137	\$ (137)	\$ -	\$ 113	\$ (113)	\$ -
Hardware	6	(6)	-	5	(5)	-
Services	45	(45)	-	35	(35)	-
Sales and marketing	174	(174)	-	151	(151)	-
Research and development	573	(573)	-	510	(510)	-
General and administrative	94	(94)	-	95	(95)	-
Total stock-based compensation	\$ 1,029	\$ (1,029)	\$ -	\$ 909	\$ (909)	\$ -

(4) Estimated future annual amortization expense related to intangible assets as of November 30, 2023 was as follows:

Remainder of fiscal 2024	\$ 1,488
Fiscal 2025	2,303
Fiscal 2026	1,639
Fiscal 2027	672
Fiscal 2028	635
Fiscal 2029	561
Thereafter	1,080
Total intangible assets, net	\$ 8,378

(5) Income tax effects were calculated reflecting an effective GAAP tax rate of 8.0% and 18.8% in the second quarter of fiscal 2024 and 2023, respectively, and an effective non-GAAP tax rate of 18.8% and 20.4% in the second quarter of fiscal 2024 and 2023, respectively. The difference in our GAAP and non-GAAP tax rates in each of the second quarter of fiscal 2024 and 2023 was primarily due to the net tax effects related to stock-based compensation expense; acquisition related and other items, including the tax effects on amortization of intangible assets; and restructuring expense, partially offset by the net deferred tax effects related to an income tax benefit that was previously recorded due to the partial realignment of our legal entity structure.

* Not meaningful

ORACLE CORPORATION
Q2 FISCAL 2024 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)
	2023	% of Revenues	2022	% of Revenues		
REVENUES						
Cloud services and license support	\$ 19,186	75%	\$ 17,015	72%	13%	11%
Cloud license and on-premise license	1,987	8%	2,339	10%	(15%)	(16%)
Hardware	1,470	6%	1,613	7%	(9%)	(10%)
Services	2,751	11%	2,753	11%	0%	(1%)
Total revenues	25,394	100%	23,720	100%	7%	6%
OPERATING EXPENSES						
Cloud services and license support	4,452	18%	3,626	15%	23%	22%
Hardware	432	2%	536	2%	(19%)	(21%)
Services	2,465	10%	2,233	9%	10%	9%
Sales and marketing	4,118	16%	4,393	19%	(6%)	(7%)
Research and development	4,442	17%	4,251	18%	4%	4%
General and administrative	769	3%	777	3%	(1%)	(2%)
Amortization of intangible assets	1,518	6%	1,826	8%	(17%)	(17%)
Acquisition related and other	58	0%	103	1%	(43%)	(43%)
Restructuring	222	1%	281	1%	(21%)	(22%)
Total operating expenses	18,476	73%	18,026	76%	2%	2%
OPERATING INCOME	6,918	27%	5,694	24%	22%	19%
Interest expense	(1,760)	(7%)	(1,643)	(7%)	7%	7%
Non-operating expenses, net	(63)	0%	(251)	(1%)	(75%)	(76%)
INCOME BEFORE INCOME TAXES	5,095	20%	3,800	16%	34%	30%
Provision for income taxes	172	1%	511	2%	(66%)	(68%)
NET INCOME	\$ 4,923	19%	\$ 3,289	14%	50%	45%
EARNINGS PER SHARE:						
Basic	\$ 1.80		\$ 1.22			
Diluted	\$ 1.75		\$ 1.20			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	2,737		2,690			
Diluted	2,820		2,747			

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ORACLE CORPORATION
Q2 FISCAL 2024 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)	
	2023			2022						
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES	\$ 25,394	\$ -	\$ 25,394	\$ 23,720	\$ -	\$ 23,720	7%	7%	6%	6%
TOTAL OPERATING EXPENSES	\$ 18,476	\$ (3,676)	\$ 14,800	\$ 18,026	\$ (3,869)	\$ 14,157	2%	5%	2%	4%
Stock-based compensation (3)	1,878	(1,878)	-	1,659	(1,659)	-	13%	*	13%	*
Amortization of intangible assets (4)	1,518	(1,518)	-	1,826	(1,826)	-	(17%)	*	(17%)	*
Acquisition related and other	58	(58)	-	103	(103)	-	(43%)	*	(43%)	*
Restructuring	222	(222)	-	281	(281)	-	(21%)	*	(22%)	*
OPERATING INCOME	\$ 6,918	\$ 3,676	\$ 10,594	\$ 5,694	\$ 3,869	\$ 9,563	22%	11%	19%	9%
OPERATING MARGIN %	27%		42%	24%		40%	324 bp.	141 bp.	293 bp.	128 bp.
INCOME TAX EFFECTS (5)	\$ 172	\$ 1,478	\$ 1,650	\$ 511	\$ 1,018	\$ 1,529	(66%)	8%	(68%)	6%
NET INCOME	\$ 4,923	\$ 2,198	\$ 7,121	\$ 3,289	\$ 2,851	\$ 6,140	50%	16%	45%	14%
DILUTED EARNINGS PER SHARE	\$ 1.75		\$ 2.53	\$ 1.20		\$ 2.24	46%	13%	41%	11%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	2,820	-	2,820	2,747	-	2,747	3%	3%	3%	3%

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

	Six Months Ended November 30, 2023			Six Months Ended November 30, 2022		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Cloud services and license support	\$ 248	\$ (248)	\$ -	\$ 204	\$ (204)	\$ -
Hardware	11	(11)	-	9	(9)	-
Services	78	(78)	-	60	(60)	-
Sales and marketing	309	(309)	-	275	(275)	-
Research and development	1,057	(1,057)	-	932	(932)	-
General and administrative	175	(175)	-	179	(179)	-
Total stock-based compensation	\$ 1,878	\$ (1,878)	\$ -	\$ 1,659	\$ (1,659)	\$ -

(4) Estimated future annual amortization expense related to intangible assets as of November 30, 2023 was as follows:

Remainder of fiscal 2024	\$ 1,488
Fiscal 2025	2,303
Fiscal 2026	1,639
Fiscal 2027	672
Fiscal 2028	635
Fiscal 2029	561
Thereafter	1,080
Total intangible assets, net	\$ 8,378

(5) Income tax effects were calculated reflecting an effective GAAP tax rate of 3.4% and 13.4% in the first half of fiscal 2024 and 2023, respectively, and an effective non-GAAP tax rate of 18.8% and 19.9% in the first half of fiscal 2024 and 2023, respectively. The difference in our GAAP and non-GAAP tax rates in each of the first half of fiscal 2024 and 2023 was primarily due to the net tax effects related to stock-based compensation expense; acquisition related and other items, including the tax effects on amortization of intangible assets; and restructuring expense, partially offset by the net deferred tax effects related to an income tax benefit that was previously recorded due to the partial realignment of our legal entity structure.

* Not meaningful

ORACLE CORPORATION
Q2 FISCAL 2024 FINANCIAL RESULTS
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in millions)

	November 30, 2023	May 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 8,244	\$ 9,765
Marketable securities	446	422
Trade receivables, net	6,804	6,915
Prepaid expenses and other current assets	3,795	3,902
Total Current Assets	19,289	21,004
Non-Current Assets:		
Property, plant and equipment, net	18,009	17,069
Intangible assets, net	8,378	9,837
Goodwill, net	62,231	62,261
Deferred tax assets	12,758	12,226
Other non-current assets	13,659	11,987
Total Non-Current Assets	115,035	113,380
TOTAL ASSETS	\$ 134,324	\$ 134,384
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable and other borrowings, current	\$ 6,321	\$ 4,061
Accounts payable	1,107	1,204
Accrued compensation and related benefits	1,706	2,053
Deferred revenues	8,878	8,970
Other current liabilities	6,395	6,802
Total Current Liabilities	24,407	23,090
Non-Current Liabilities:		
Notes payable and other borrowings, non-current	82,468	86,420
Income taxes payable	10,046	11,077
Deferred tax liabilities	5,244	5,772
Other non-current liabilities	7,781	6,469
Total Non-Current Liabilities	105,539	109,738
Stockholders' Equity	4,378	1,556
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 134,324	\$ 134,384

ORACLE CORPORATION
Q2 FISCAL 2024 FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(\$ in millions)

	Six Months Ended November 30,	
	2023	2022
Cash Flows From Operating Activities:		
Net income	\$ 4,923	\$ 3,289
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,510	1,138
Amortization of intangible assets	1,518	1,826
Deferred income taxes	(1,049)	(852)
Stock-based compensation	1,878	1,659
Other, net	331	289
Changes in operating assets and liabilities, net of effects from acquisitions:		
Decrease in trade receivables, net	145	516
Decrease in prepaid expenses and other assets	301	121
Decrease in accounts payable and other liabilities	(1,048)	(785)
Decrease in income taxes payable	(1,541)	(327)
Increase in deferred revenues	149	369
Net cash provided by operating activities	7,117	7,243
Cash Flows From Investing Activities:		
Purchases of marketable securities and other investments	(515)	(603)
Proceeds from sales and maturities of marketable securities and other investments	157	462
Acquisitions, net of cash acquired	(59)	(27,799)
Capital expenditures	(2,394)	(4,154)
Net cash used for investing activities	(2,811)	(32,094)
Cash Flows From Financing Activities:		
Payments for repurchases of common stock	(600)	(1,000)
Proceeds from issuances of common stock	426	661
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(1,733)	(895)
Payments of dividends to stockholders	(2,190)	(1,723)
Proceeds from issuances of commercial paper, net of repayments	1,749	1,880
Proceeds from issuances of senior notes and other borrowings, net of issuance costs	-	28,280
Repayments of senior notes and other borrowings	(3,500)	(16,692)
Other, net	31	(56)
Net cash (used for) provided by financing activities	(5,817)	10,455
Effect of exchange rate changes on cash and cash equivalents	(10)	(174)
Net decrease in cash and cash equivalents	(1,521)	(14,570)
Cash and cash equivalents at beginning of period	9,765	21,383
Cash and cash equivalents at end of period	\$ 8,244	\$ 6,813

ORACLE CORPORATION
Q2 FISCAL 2024 FINANCIAL RESULTS
FREE CASH FLOW - TRAILING 4-QUARTERS (1)
(\$ in millions)

	Fiscal 2023				Fiscal 2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP Operating Cash Flow	\$ 10,542	\$ 15,073	\$ 15,503	\$ 17,165	\$ 17,745	\$ 17,039		
Capital Expenditures	(5,168)	(6,678)	(8,205)	(8,695)	(8,290)	(6,935)		
Free Cash Flow	\$ 5,374	\$ 8,395	\$ 7,298	\$ 8,470	\$ 9,455	\$ 10,104		
Operating Cash Flow % Growth over prior year	(31%)	47%	49%	80%	68%	13%		
Free Cash Flow % Growth over prior year	(57%)	18%	11%	68%	76%	20%		
GAAP Net Income	\$ 5,808	\$ 8,797	\$ 8,373	\$ 8,503	\$ 9,375	\$ 10,137		
Operating Cash Flow as a % of Net Income	182%	171%	185%	202%	189%	168%		
Free Cash Flow as a % of Net Income	93%	95%	87%	100%	101%	100%		

(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.

ORACLE CORPORATION
Q2 FISCAL 2024 FINANCIAL RESULTS
SUPPLEMENTAL ANALYSIS OF GAAP REVENUES (1)
(\$ in millions)

	Fiscal 2023					Fiscal 2024				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
REVENUES BY OFFERINGS										
Cloud services	\$ 3,579	\$ 3,813	\$ 4,053	\$ 4,437	\$ 15,881	\$ 4,635	\$ 4,775			\$ 9,410
License support	4,838	4,785	4,870	4,933	19,426	4,912	4,864			9,776
Cloud services and license support	8,417	8,598	8,923	9,370	35,307	9,547	9,639			19,186
Cloud license and on-premise license	904	1,435	1,288	2,152	5,779	809	1,178			1,987
Hardware	763	850	811	850	3,274	714	756			1,470
Services	1,361	1,392	1,376	1,465	5,594	1,383	1,368			2,751
Total revenues	\$ 11,445	\$ 12,275	\$ 12,398	\$ 13,837	\$ 49,954	\$ 12,453	\$ 12,941			\$ 25,394
AS REPORTED REVENUE GROWTH RATES										
Cloud services	45%	43%	45%	54%	47%	30%	25%			27%
License support	(1%)	(2%)	0%	4%	0%	2%	2%			2%
Cloud services and license support	14%	14%	17%	23%	17%	13%	12%			13%
Cloud license and on-premise license	11%	16%	0%	(15%)	(2%)	(10%)	(18%)			(15%)
Hardware	0%	11%	2%	(1%)	3%	(6%)	(11%)			(9%)
Services	74%	74%	74%	76%	75%	2%	(2%)			0%
Total revenues	18%	18%	18%	17%	18%	9%	5%			7%
CONSTANT CURRENCY REVENUE GROWTH RATES (2)										
Cloud services	50%	48%	48%	55%	50%	29%	24%			26%
License support	4%	4%	3%	6%	4%	0%	0%			0%
Cloud services and license support	20%	20%	20%	25%	21%	12%	11%			11%
Cloud license and on-premise license	19%	23%	4%	(14%)	2%	(11%)	(19%)			(16%)
Hardware	5%	16%	4%	1%	6%	(8%)	(12%)			(10%)
Services	84%	83%	80%	78%	81%	1%	(3%)			(1%)
Total revenues	23%	25%	21%	18%	22%	8%	4%			6%
CLOUD SERVICES AND LICENSE SUPPORT REVENUES BY ECOSYSTEM										
Applications cloud services and license support	\$ 4,016	\$ 4,080	\$ 4,166	\$ 4,390	\$ 16,651	\$ 4,471	\$ 4,474			\$ 8,945
Infrastructure cloud services and license support	4,401	4,518	4,757	4,980	18,656	5,076	5,165			10,241
Total cloud services and license support revenues	\$ 8,417	\$ 8,598	\$ 8,923	\$ 9,370	\$ 35,307	\$ 9,547	\$ 9,639			\$ 19,186
AS REPORTED REVENUE GROWTH RATES										
Applications cloud services and license support	32%	30%	31%	36%	32%	11%	10%			11%
Infrastructure cloud services and license support	2%	3%	7%	14%	6%	15%	14%			15%
Total cloud services and license support revenues	14%	14%	17%	23%	17%	13%	12%			13%
CONSTANT CURRENCY REVENUE GROWTH RATES (2)										
Applications cloud services and license support	37%	35%	33%	37%	35%	11%	9%			10%
Infrastructure cloud services and license support	7%	9%	10%	15%	10%	14%	12%			13%
Total cloud services and license support revenues	20%	20%	20%	25%	21%	12%	11%			11%
GEOGRAPHIC REVENUES										
Americas	\$ 7,192	\$ 7,786	\$ 7,671	\$ 8,577	\$ 31,226	\$ 7,841	\$ 8,067			\$ 15,907
Europe/Middle East/Africa	2,691	2,895	3,067	3,457	12,109	3,005	3,170			6,175
Asia Pacific	1,562	1,594	1,660	1,803	6,619	1,607	1,704			3,312
Total revenues	\$ 11,445	\$ 12,275	\$ 12,398	\$ 13,837	\$ 49,954	\$ 12,453	\$ 12,941			\$ 25,394

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

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ORACLE CORPORATION
Q2 FISCAL 2024 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:

- Stock-based compensation expenses: We have excluded the effect of stock-based compensation expenses from our non-GAAP operating expenses, income tax effects 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, income tax effects 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, income tax effects and net income measures. We incurred 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 consisted of personnel related costs for transitional and certain other employees, certain business combination adjustments including certain adjustments after the measurement period has ended, and certain other operating items, net. Restructuring expenses consisted 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 and other expenses and restructuring expenses may diminish over time with respect to past acquisitions and/or strategic initiatives, we generally will incur certain of these expenses in connection with any future acquisitions and/or strategic initiatives.