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Financial News Details

Q4 Earnings per Share \$0.15, Operating Margin 40%, FY2001 Revenue \$11 Billion, Income up 25%, Operating Margin 35%

June 18, 2001

400 Customers live on the E-Business Suite Including Alcoa, BellSouth, Boeing, Cathay Pacific, Ford, GE, H-P, Sony

Redwood Shores, CA 18-JUN-2001 Today, Oracle Corporation announced that fourth quarter income was \$855 million, or \$0.15 per share, on revenue of \$3.3 billion. For the full fiscal year, net income increased 25% to \$2.6 billion, or \$0.44 per share, while revenue increased 7% to \$11 billion.

"While the economy slowed our sales growth, we still managed to increase profits and improve margins to record levels this past year," said Oracle CFO, Jeff Henley. "That's a pretty good financial result in this difficult economic climate."

"Our technical accomplishments this year position us for accelerating sales next year," said Oracle CEO, Larry Ellison. "We introduced Applications Release 11i -- the E-Business Suite -- just 12 months ago. In those 12 months more than 400 companies have gone live and are running their businesses using the E-Business Suite. In one short year the E-Business Suite has completed the transition from untested idea to proven technology. Our references are a who's-who of global business."

"Several General Electric divisions use the E-Business Suite for Internet procurement, supply chain automation, manufacturing, accounting, and customer relationship management. One major GE implementation took less than 6 months and required not a single modification to Oracle software. Hewlett-Packard implemented sales force automation for more than 2,000 sales reps in 30 countries. Alcoa, Boeing and Ford went live with no software modifications. BellSouth automated 10,000 call center agents. Cap Gemini and Westpac and Cathay Pacific went live globally. And Sony Electronics took just 45 days to implement supply chain automation. Well, that's 10 of the more than 400 customers running their businesses on the E-Business Suite. Not bad after just one year in the market."

"Just as the year ended we introduced new versions of our application server and database server -- Oracle9iAS and Oracle9iDB," Ellison continued. "We have published several benchmarks showing that Oracle9iAS runs Java much faster than either the BEA or IBM application servers. And, the Oracle database continues to be by far the fastest technology on the market. How fast? Well, when IBM wanted to demonstrate the speed of their fastest new computer, IBM chose Oracle, not DB2. The Oracle9i database, with 'Real Application Clusters', extends our performance lead while making all Oracle applications fault tolerant. These performance and reliability advantages over IBM and Microsoft in database, and IBM and BEA in applications servers, place us in a strong competitive position at the beginning of the new fiscal year."

Oracle Corporation is the world's second largest software company. With annual sales of \$11 billion, Oracle provides the software that powers the Internet. For more information about Oracle, please call Investor Relations at (650) 506-4073 or visit Oracle on the web at <http://www.oracle.com>.

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: Information in this release relating to Oracle's future prospects which are "forward-looking statements" are subject to certain risks and uncertainties that could cause actual results to differ materially, including, but not necessarily limited to, the following: (1) A weakening of economic indicators may affect the overall demand for computer software and services which could result in decreased revenues or lower revenue growth rates. (2) Management's ability to manage growth, continuously hire and retain significant numbers of qualified employees, forecast revenues and control expenses, especially on a quarterly basis, continues to be a challenge. An unexpected decline in the growth rate of revenues without a corresponding and timely slowdown in expense growth could have a material adverse effect on results of operations. (3) The market for Oracle's products is intensely competitive and is characterized by rapid technological advances and frequent new product introductions, including Oracle 9i, a new version of Oracle's core database product. There can be no assurances that Oracle will continue to introduce new products and new versions of existing products that keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance. (4) Delays in product delivery or closing of sales can cause quarterly revenues and income to fall significantly short of anticipated levels. (5) Oracle is introducing new products, such as internet procurement and supply chain management software, customer relationship management applications and application hosting services, as well as assisting its customers in forming exchanges for a number of business procurement needs; the market acceptance and contribution to Oracle's revenues of these products cannot be assured. (6) Oracle has recently changed its pricing model and is contemplating further changes which could lead to a decline or delay in sales as its sales force and customers adjust to the new pricing policies. Intense competition in the various markets in which Oracle competes may also put pressure on Oracle to reduce prices on certain products. Oracle undertakes no obligation to update information contained in this release. For further information regarding risks and uncertainties associated with Oracle's business, please refer to the "Risk Factors" section of Oracle Corporation's SEC filings, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q, copies of which may be obtained by contacting Oracle Corporation's Investor Relations Department at (650) 506-4073 or Oracle's Investor Relations website at <http://www.oracle.com>.

ORACLE CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS (amounts in thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	May 31, 2001	2000	May 31, 2001	2000
REVENUES				
Licenses and other	\$1,656,238	\$1,840,609	\$4,706,797	\$4,446,795
Services	1,607,646	1,533,701	6,152,875	5,683,333
Total revenues	3,263,884	3,374,310	10,859,672	10,130,128
OPERATING EXPENSES				
Sales and marketing	811,888	852,194	2,691,322	2,616,749
Cost of services	718,550	725,498	2,796,040	2,942,679
Research and development	319,829	270,229	1,138,591	1,009,882
General and administrative	118,691	137,878	456,628	480,658

Total operating expenses	1,968,958	1,985,799	7,082,581	7,049,968
OPERATING INCOME	1,294,926	1,388,511	3,777,091	3,080,160
Net investment gains (losses) related to equity securities (A)	3,385	6,521,496	(17,087)	6,936,955
Other income, net	27,364	48,372	211,226	106,319
INCOME BEFORE TAXES	1,325,675	7,958,379	3,971,230	10,123,434
Provision for income taxes	470,781	3,045,972	1,410,134	3,826,631
NET INCOME	\$854,894	\$4,912,407	\$2,561,096	\$6,296,803
EARNINGS PER SHARE				
Basic	\$0.15	\$0.87	\$0.46	\$1.11
Diluted	\$0.15	\$0.82	\$0.44	\$1.05
WEIGHTED SHARES OUTSTANDING				
Basic	5,602,590	5,637,856	5,596,721	5,678,839
Diluted	5,800,032	6,009,586	5,864,806	5,995,842

(A) Net investment gains related to equity securities in the quarter ended May 31, 2000 of \$6,521,496 relate to the gain on sale of existing shares in Oracle Japan in connection with its Secondary Public Offering, gains on sales of other marketable securities, and the Company's equity share in the results of non-consolidated subsidiaries. Excluding the effect of these transactions, the

effective income tax rate and provision for income taxes would have been 35.6% and \$510,984, respectively, and net income and fully diluted earnings per share would have been \$925,899 and \$0.15, respectively.

Net investment gains related to equity securities in the fiscal year ended May 31, 2000 of \$6,936,955 relate to the gain on sale of existing shares in Liberate Technologies and Oracle Japan in connection with Secondary Public Offerings, gains on sales of other marketable securities, and the Company's equity share in the results of non-consolidated subsidiaries. Excluding the effect of these transactions, the effective tax rate and provision for income taxes would have been 35.5% and \$1,131,199, respectively, and net income and

fully diluted earnings per share for the fiscal year ended May 31, 2000 would have been \$2,055,280 and \$0.34, respectively.

ORACLE CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS (\$ in thousands)

	May 31, 2001	May 31, 2000
ASSETS		
Current Assets		
Cash and short term investments	\$5,887,661	\$7,761,998
Trade receivables, net	2,432,131	2,533,964
Prepaid and refundable income taxes	272,742	212,829
Other current assets	370,616	374,543
Total current assets	8,963,150	10,883,334
Long-term cash investments	0	110,000
Property and equipment, net	974,751	934,455
Prepaid taxes	376,030	322,379
Other assets	716,229	826,611
TOTAL ASSETS	\$11,030,160	\$13,076,779

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Notes payable, including current maturities	\$2,849	\$2,691
Accounts payable	270,112	287,495
Income taxes	767,087	2,821,776
Customer advances and unearned revenues	1,213,529	1,133,482
Other current liabilities	1,663,042	1,616,794
Total current liabilities	3,916,619	5,862,238
Long-term debt	300,847	300,770
Long-term liabilities	207,135	186,178
Deferred income taxes	327,788	266,130
Stockholders' equity	6,277,771	6,461,463
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$11,030,160	\$13,076,779

ORACLE CORPORATION

Q4 FISCAL 2000 RESULTS

SUPPLEMENTAL ANALYSIS OF EFFECT OF SALES OF MARKETABLE SECURITIES

(\$ in thousands, except per share data)

Three Months Ended May 31, 2000

	As Reported	Gain on sale of shares in Oracle Japan	Other net investment gains related to equity securities	As Adjusted
REVENUES				
Licenses and other	\$1,840,609	\$--	\$--	\$1,840,609
Services	1,533,701	--	--	1,533,701
Total Revenues	3,374,310	--	--	3,374,310
OPERATING EXPENSES				
Sales and marketing	852,194	--	--	852,194
Cost of services	725,498	--	--	725,498
Research and development	270,229	--	--	270,229
General and administrative	137,878	--	--	137,878
Total Operating Expenses	1,985,799	--	--	1,985,799
OPERATING INCOME	1,388,511			1,388,511
Net investment gains related to equity securities (A)	6,521,496	6,466,378	55,118	--
Other income, net	48,372	--	--	48,372
INCOME BEFORE TAXES	7,958,379	6,466,378	55,118	1,436,883
Provision for income taxes	3,045,972	2,515,421	19,567	510,984
NET INCOME	\$4,912,407	\$3,950,957	\$35,551	\$925,899
EARNINGS PER SHARE				
Basic	\$0.87	\$0.70	\$0.01	\$0.16
Diluted	\$0.82	\$0.66	\$0.01	\$0.15

(A) Net investment gains related to equity securities in the quarter ended May 31, 2000 of \$6,521,496 relate to the gain on sale of existing shares in Oracle Japan in connection with its Secondary Public Offering, gains on sales of other marketable securities, and the Company's equity share in the results of non-consolidated subsidiaries. Excluding the effect of these transactions, the effective income tax rate and provision for income taxes would have been 35.6% and \$510,984, respectively and net income and fully diluted earnings per share would have been \$925,899 and \$0.15, respectively.

ORACLE CORPORATION
FISCAL 2000 RESULTS
SUPPLEMENTAL ANALYSIS OF EFFECT OF SALES OF MARKETABLE SECURITIES
(\$ in thousands, except per share data)

Twelve Months Ended May 31, 2000

	As Reported	Gain on sale of shares in Liberate Technologies	Gain on sale of shares in Oracle Japan	Other net investment gains related to equity securities	As Adjusted
REVENUES					
Licenses and other	\$4,446,795	\$--	\$--	\$--	\$4,446,795
Services	5,683,333	--	--	--	5,683,333
Total Revenues	10,130,128	--			10,130,128
OPERATING EXPENSES					
Sales and marketing	2,616,749	--	--	--	2,616,749
Cost of services	2,942,679	--	--	--	2,942,679
Research and development	1,009,882	--	--	--	1,009,882
General and administrative	480,658	--	--	--	480,658
Total Operating Expenses	7,049,968	--	--	--	7,049,968
OPERATING INCOME	3,080,160	--	--	--	3,080,160
Net investment gains related to equity securities (A)	6,936,955	431,846	6,466,378	38,731	--
Other income, net	106,319	--	--	--	106,319
INCOME BEFORE TAXES	10,123,434	431,846	6,466,378	38,731	3,186,479
Provision for income taxes	3,826,631	166,261	2,515,421	13,750	1,131,199
NET INCOME	\$6,296,803	\$265,585	\$3,950,957	\$24,981	\$2,055,280
EARNINGS PER SHARE					
Basic	\$1.11	\$0.05	\$0.70	nm	\$0.36
Diluted	\$1.05	\$0.04	\$0.66	nm	\$0.34

(A) Net investment gains related to equity securities in the fiscal year ended May 31, 2000 of \$6,936,955 relate to the gain on sale of existing shares in Liberate Technologies and Oracle Japan in connection with Secondary Public Offerings, gains on sales of other marketable securities, and the Company's equity share in the results of non-consolidated subsidiaries. Excluding the effect of these transactions, the effective income tax rate and provision for income taxes would have been 35.5% and \$1,131,199, respectively, and net income and fully diluted earnings per share would have been \$2,055,280 and \$0.34, respectively.