ORACLE

News Release

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ORACLE REPORTS FISCAL Q2 EARNINGS PER SHARE OF $0.12

Applications New License Sales Up 27%; Database New License Sales Up 11%

Redwood Shores, Calif., December 15, 2003 [http://www.oracle.com/tellmemore/?2635188] Today, Oracle Corporation announced that second quarter revenues were up 8% to $2.5 billion while net income grew 15% to $617 million as compared to the second quarter last year.

Earnings per share were $0.12 compared with $0.10 last year. New software license sales were up 13% to $849 million, while software license updates and product support revenues were up 17% to $1,114 million. Second quarter operating margin was 37%, a 300 basis point improvement over last year. Operating cash flow in the first half of the fiscal year was $1.6 billion.

"We are extremely pleased with the strong performance we saw this quarter. Solid execution in the field, a strengthening competitive position, and an improving economy contributed to results that were above expectations. The growth was also balanced. All major software product categories and geographic regions posted growth." said Oracle CFO Jeff Henley.

"Our applications growth of 27% exceeded the growth rates of many of our competitors, including SAP, PeopleSoft, Lawson, and Siebel, in their most recently reported quarters. For example, new license sales at the combined PeopleSoft and JD Edwards

company declined 18% as compared to their results when they were operating as separate companies," said Oracle CEO Larry Ellison. "But the very fastest growing part of our applications business is outsourcing, which increased 82% in the quarter."

"Our database technology business depends on our ability to innovate. In the next few weeks we will complete delivery of Oracle 10g, the first database and application server designed to run on a Grid of low cost computers. Grid technology improves performance and reliability while dramatically lowering the cost of computing infrastructure. That's the kind of innovation that customers find compelling."

Oracle is the world's largest enterprise software company. For more information about Oracle, including supplemental financial information, please call Investor Relations at (650) 506-4073 or visit Oracle on the web at **www.oracle.com/investor.**

"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) Economic, political and market conditions could adversely affect purchasing decisions for computer software and services throughout the world. Although there are signs of an improving economic environment in the US, it is too early to determine whether an economic recovery will be broad, substantial and sustained, and whether any such recovery would translate into higher levels of IT spending. The war on terrorism and the potential for other hostilities in various parts of the world continues to contribute to a climate of uncertainty that could adversely affect revenues. Delays in closing of sales, reductions in size of individual sales without an offsetting increase in volume, or delays in product delivery can cause quarterly revenues and income to fall significantly short of anticipated levels. (2) Management's ability to forecast revenues and control expenses, especially on a quarterly basis, continues to be a challenge. An unexpected decline in revenues without a corresponding and timely slowdown in expense growth could have a material adverse effect on results of operations. (3) Oracle continues to introduce new or enhanced versions of its products and services, such as Oracle Database 10g, Oracle Application Server 10g, Oracle E-Business Suite, Oracle Collaboration Suite and Outsourcing. The market acceptance and contribution to Oracle's revenues of these new versions or products and services cannot be assured. (4) Oracle periodically has made changes to its pricing model and sales organization, which could lead to a decline or delay in sales as its sales force and customers adjust to the new pricing policies and organizational changes. Intense competition in the various markets in which Oracle competes may also put pressure on Oracle to reduce prices on certain products. (5) The market for Oracle's products is intensely competitive and is characterized by rapid technological advances and frequent new product introductions. 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. 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/investor.

ORACLE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Three Months Ended November 30,		Six Months Ended November 30,	
	2003	2002	2003	2002
REVENUES				
New software licenses and other	$ 855	$ 765	$ 1,380	$ 1,328
Software license updates and product support	1,114	954	2,148	1,859
Services	529	590	1,042	1,149
Total Revenues	2,498	2,309	4,570	4,336
OPERATING EXPENSES				
Sales and marketing	525	512	989	984
Software license updates and product support	143	117	264	234
Cost of services	455	482	897	953
Research and development	323	295	621	581
General and administrative (1)	137	109	268	211
Total Operating Expenses	1,583	1,515	3,039	2,963
OPERATING INCOME	915	794	1,531	1,373
Net investment gains (losses) related to equity securities (2)	(4)	(22)	32	(102)
Other income, net (3)	5	28	17	51
INCOME BEFORE TAXES	916	800	1,580	1,322
Provision for income taxes	299	265	523	444
NET INCOME	$ 617	$ 535	$ 1,057	$ 878
EARNINGS PER SHARE				
Basic	$ 0.12	$ 0.10	$ 0.20	$ 0.16
Diluted	$ 0.12	$ 0.10	$ 0.20	$ 0.16
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	5,226	5,309	5,228	5,354
Diluted	5,337	5,420	5,342	5,468

(1) General and administrative expenses for the three and six months ended November 30, 2003 include $13.8 million and $28.4 million of professional fees associated with our tender offer for PeopleSoft, Inc.

(2) Net investment gains (losses) related to equity securities for the three and six months ended November 30, 2002 include $15.0 million and $87.1 million of impairment charges related to Oracle's investment in Liberate Technologies. In June 2003, we sold all of our common shares in Liberate Technologies to a third-party for approximately $83.5 million and recognized a $35.4 million gain on the sale.

(3) Other income, net for the six months ended November 30, 2003 includes $5.0 million relating to a commitment fee for a revolving credit facility associated with our tender offer for PeopleSoft, Inc.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS DATA

	Percentage of Revenues Three Months Ended November 30,		Percentage of Revenues Six Months Ended November 30,		Percentage Change Three Months FY04 vs. Three Months FY03	Percentage Change Six Months FY04 vs. Six Months FY03
	2003	2002	2003	2002		
REVENUES						
New software licenses and other	34%	33%	30%	31%	12%	4%
Software license updates and product support	45%	41%	47%	43%	17%	16%
Services	21%	26%	23%	26%	(10%)	(9%)
Total Revenues	100%	100%	100%	100%	8%	5%
OPERATING EXPENSES						
Sales and marketing	21%	22%	22%	24%	3%	1%
Software license updates and product support	6%	5%	6%	5%	22%	13%
Cost of services	18%	21%	19%	22%	(6%)	(6%)
Research and development	13%	13%	14%	13%	9%	7%
General and administrative	5%	5%	6%	5%	26%	27%
Total Operating Expenses	63%	66%	67%	69%	4%	3%
OPERATING INCOME	37%	34%	33%	31%	15%	12%
Net investment gains (losses) related to equity securities	0%	(1%)	1%	(2%)	*	*
Other income, net	0%	1%	0%	1%	*	*
INCOME BEFORE TAXES	37%	34%	34%	30%	15%	20%
Provision for income taxes	12%	11%	11%	10%	13%	18%
NET INCOME	25%	23%	23%	20%	15%	20%

* not meaningful

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CONDENSED CONSOLIDATED BALANCE SHEETS
($ in millions)

	November 30, 2003	May 31, 2003
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,173	$ 4,737
Short-term investments	3,901	1,782
Trade receivables, net	1,547	1,920
Deferred tax assets	361	381
Other current assets	325	407
Total Current Assets	10,307	9,227
Investments in debt securities	-	233
Property, net	1,073	1,062
Deferred tax assets	162	197
Intangible and other assets	235	345
TOTAL ASSETS	$ 11,777	$ 11,064
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	$ 152	$ 153
Accounts payable	212	228
Income taxes payable	958	891
Other current liabilities	1,327	1,477
Deferred revenues	1,349	1,409
Total Current Liabilities	3,998	4,158
Long-term debt	169	175
Deferred tax liabilities	151	186
Other long-term liabilities	260	225
Stockholders' equity	7,199	6,320
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 11,777	$ 11,064

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in millions)

	Six Months Ended November 30,	
	2003	**2002**
Cash Flows From Operating Activities:		
Net income	$ 1,057	$ 878
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	100	122
Amortization of intangible assets	21	44
Net investment (gains) losses related to equity securities	(32)	102
Deferred income taxes	20	(35)
Changes in assets and liabilities:		
Decrease in trade receivables	389	528
Decrease in other assets	93	86
Decrease in accounts payable and other current liabilities	(139)	(95)
Increase (decrease) in income taxes payable	135	(140)
Decrease in deferred revenues	(54)	(13)
Increase (decrease) in other long-term liabilities	10	(8)
Net cash provided by operating activities	1,600	1,469
Cash Flows From Investing Activities:		
Purchases of investments	(5,252)	(2,299)
Proceeds from maturities and sale of investments	3,397	2,574
Capital expenditures	(103)	(75)
Increase in other assets	(21)	(68)
Net cash provided by (used for) investing activities	(1,979)	132
Cash Flows From Financing Activities:		
Payments for repurchase of common stock	(399)	(1,707)
Proceeds from issuance of common stock	176	147
Settlement of forward contract	-	(166)
Net cash used for financing activities	(223)	(1,726)
Effect of exchange rate changes on cash and cash equivalents	38	43
Net decrease in cash and cash equivalents	(564)	(82)
Cash and cash equivalents at beginning of period	4,737	3,095
Cash and cash equivalents at end of period	$ 4,173	$ 3,013