



For Immediate Release

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ORACLE REPORTS GAAP EPS UP 5% to 56 CENTS, NON-GAAP EPS UP 7% to 69 CENTS

TTM Operating Cash Flow Increases to Record \$15.2 billion, TTM Free Cash Flow up 14%

REDWOOD SHORES, Calif., December 18, 2013 -- Oracle Corporation (NYSE: ORCL) today announced that both fiscal 2014 Q2 GAAP and non-GAAP total revenues were up 2% to \$9.3 billion. GAAP new software licenses and cloud software subscriptions revenues were unchanged at \$2.4 billion, while non-GAAP new software licenses and cloud software subscriptions revenues were down 1% to \$2.4 billion. Both GAAP and non-GAAP software license updates and product support revenues were up 6% to \$4.5 billion. Hardware Systems revenues, including hardware systems products and hardware systems support, were unchanged at \$1.3 billion. Hardware systems products revenues were down 3% to \$714 million. GAAP operating income was down 2% to \$3.4 billion, and the GAAP operating margin was 37%. Non-GAAP operating income was down 1% at \$4.2 billion, and the non-GAAP operating margin was 46%. GAAP net income was down 1% to \$2.6 billion, while non-GAAP net income was up 1% to \$3.2 billion. GAAP earnings per share were up 5% to \$0.56, while non-GAAP earnings per share were up 7% to \$0.69. GAAP operating cash flow on a trailing twelve-month basis was \$15.2 billion.

Without the impact of the US dollar strengthening compared to foreign currencies, Oracle's reported Q2 GAAP earnings per share would have been up 7% and non-GAAP earnings per share would have been up 9%. GAAP and non-GAAP total revenues also would have been up 3%; GAAP and non-GAAP new software licenses and cloud software subscriptions revenues would have been up 1%. Hardware Systems revenues, including hardware systems products and hardware systems support, would have been up 2%.

"We're very pleased with our results as new software license and cloud software subscription revenue grew 1% in constant currency over the 18% growth reported last year," said

Oracle President and CFO, Safra Catz. “Software revenue grew 5% helping drive our tremendous cash flow and for the first time ever, we generated more than \$15 billion in operating cash flow over four quarters.”

“Our hardware business, including support, grew 2% in constant currency this quarter driven by double-digit revenue growth in Exadata, Exalogic and Exalytics,” said Oracle President Mark Hurd. “The SPARC SuperCluster and Big Data Appliance were even better, with triple-digit growth and we expect hardware products will show growth next quarter.”

“Our billion dollar SaaS business delivered overall bookings growth of 35% in the quarter,” said Oracle CEO, Larry Ellison. “Our fastest growing cloud services were Fusion Human Capital Management and Fusion Salesforce Automation, each growing bookings at a triple-digit rate.”

The Board of Directors declared a quarterly cash dividend of \$0.12 per share of outstanding common stock. This dividend will be paid to stockholders of record as of the close of business on January 7, 2014, with a payment date of January 28, 2014.

Q2 Fiscal 2014 Earnings Conference Call and Webcast

Oracle will hold a conference call and webcast today to discuss these results at 2:00 p.m. Pacific. You may listen to the call by dialing (913) 312-9303, Passcode: 493332. To access the live webcast of this event, please visit the Oracle Investor Relations website at <http://www.oracle.com/investor>. In addition, Oracle’s Q2 results and Fiscal 2014 financial tables are available on the Oracle Investor Relations website.

A replay of the conference call will also be available by dialing (719) 457-0820 or (888) 203-1112, Passcode: 1722810.

About Oracle

Oracle engineers hardware and software to work together in the cloud and in your data center. For more information about Oracle (NYSE: ORCL), visit www.oracle.com or contact Investor Relations at investor_us@oracle.com or (650) 506-4073.

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“Safe Harbor” Statement: Statements in this press release relating to Oracle's future plans, expectations, beliefs, intentions and prospects, including statements regarding expected future growth in Oracle's hardware business, are "forward-looking statements" and are subject to material risks and uncertainties. Many factors could affect our current expectations and our actual results, and could cause actual results to differ materially. We presently consider the following to be among the important factors that could cause actual results to differ materially from expectations: (1) Economic, political and market conditions, including the current European economic crisis and slowing economic conditions in other parts of the world, can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price. (2) We may fail to achieve our financial forecasts due to such factors as delays or size reductions in transactions, fewer large transactions in a particular quarter, unanticipated fluctuations in currency exchange rates, delays in delivery of new products or releases or a decline in our renewal rates for support contracts. (3) Our hardware systems revenues and profitability could decline further, and we may fail to achieve our financial forecasts with respect to this business. (4) We have an active acquisition program and our acquisitions may not be successful, may involve unanticipated costs or other integration issues or may disrupt our existing operations. (5) Our international sales and operations subject us to additional risks that can adversely affect our operating results, including risks relating to foreign currency gains and losses. (6) Our periodic workforce restructurings, including reorganizations of our sales force, can be disruptive. (7) If we are unable to develop new or sufficiently differentiated products and services, or to enhance and improve our products and support services in a timely manner or to position and/or price our products and services to meet market demand, customers may not buy new software licenses, cloud software subscriptions or hardware systems products or purchase or renew support contracts. A detailed discussion of these factors and other risks that affect our business is contained in our SEC filings, including our most recent reports on Form 10-K and Form 10-Q, particularly under the heading "Risk Factors." Copies of these filings are available online from the SEC or by contacting Oracle Corporation's Investor Relations Department at (650) 506-4073 or by clicking on SEC Filings on Oracle's Investor Relations website at <http://www.oracle.com/investor>. All information set forth in this press release is current as of December 18, 2013. Oracle undertakes no duty to update any statement in light of new information or future events.

ORACLE CORPORATION
Q2 FISCAL 2014 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)
	2013	% of Revenues	2012	% of Revenues		
REVENUES						
New software licenses and cloud software subscriptions	\$ 2,380	25%	\$ 2,389	26%	0%	1%
Software license updates and product support	4,516	49%	4,260	47%	6%	7%
Software Revenues	6,896	74%	6,649	73%	4%	5%
Hardware systems products	714	8%	734	8%	(3%)	(2%)
Hardware systems support	609	6%	587	7%	4%	5%
Hardware Systems Revenues	1,323	14%	1,321	15%	0%	2%
Services Revenues	1,056	12%	1,124	12%	(6%)	(5%)
Total Revenues	9,275	100%	9,094	100%	2%	3%
OPERATING EXPENSES						
Sales and marketing	1,965	21%	1,773	20%	11%	12%
Software license updates and product support	285	3%	270	3%	6%	8%
Hardware systems products	369	4%	367	4%	1%	2%
Hardware systems support	214	2%	227	3%	(6%)	(4%)
Services	851	9%	930	10%	(8%)	(7%)
Research and development	1,273	14%	1,199	13%	6%	7%
General and administrative	262	3%	263	3%	(1%)	1%
Amortization of intangible assets	577	6%	584	6%	(1%)	(1%)
Acquisition related and other (2)	17	0%	(121)	(1%)	113%	114%
Restructuring	52	1%	131	1%	(60%)	(61%)
Total Operating Expenses	5,865	63%	5,623	62%	4%	6%
OPERATING INCOME	3,410	37%	3,471	38%	(2%)	0%
Interest expense	(230)	(2%)	(195)	(2%)	18%	18%
Non-operating income, net	23	0%	4	0%	508%	964%
INCOME BEFORE PROVISION FOR INCOME TAXES	3,203	35%	3,280	36%	(2%)	0%
Provision for income taxes	650	7%	699	8%	(7%)	(5%)
NET INCOME	\$ 2,553	28%	\$ 2,581	28%	(1%)	1%
EARNINGS PER SHARE:						
Basic	\$ 0.56		\$ 0.54			
Diluted	\$ 0.56		\$ 0.53			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	4,535		4,792			
Diluted	4,600		4,868			

(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, 2013, 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, 2013 compared with the corresponding prior year period decreased our revenues by 1 percentage point, operating expenses by 2 percentage points and operating income by 2 percentage points.

(2) Acquisition related and other expenses for the three months ended November 30, 2012 included a net benefit of \$145 million due to an acquisition related item.

ORACLE CORPORATION
Q2 FISCAL 2014 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)	
	2013			2012						
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES (3) (4)	\$ 9,275	\$ 8	\$ 9,283	\$ 9,094	\$ 19	\$ 9,113	2%	2%	3%	3%
TOTAL SOFTWARE REVENUES (3)	\$ 6,896	\$ 4	\$ 6,900	\$ 6,649	\$ 16	\$ 6,665	4%	4%	5%	5%
New software licenses and cloud software subscriptions (3)	2,380	3	2,383	2,389	12	2,401	0%	(1%)	1%	1%
Software license updates and product support	4,516	1	4,517	4,260	4	4,264	6%	6%	7%	7%
TOTAL HARDWARE SYSTEMS REVENUES (4)	\$ 1,323	\$ 4	\$ 1,327	\$ 1,321	\$ 3	\$ 1,324	0%	0%	2%	2%
Hardware systems products	714	-	714	734	-	734	(3%)	(3%)	(2%)	(2%)
Hardware systems support (4)	609	4	613	587	3	590	4%	4%	5%	5%
TOTAL OPERATING EXPENSES	\$ 5,865	\$ (828)	\$ 5,037	\$ 5,623	\$ (782)	\$ 4,841	4%	4%	6%	5%
Stock-based compensation (5)	182	(182)	-	188	(188)	-	(3%)	*	(3%)	*
Amortization of intangible assets (6)	577	(577)	-	584	(584)	-	(1%)	*	(1%)	*
Acquisition related and other	17	(17)	-	(121)	121	-	113%	*	114%	*
Restructuring	52	(52)	-	131	(131)	-	(60%)	*	(61%)	*
OPERATING INCOME	\$ 3,410	\$ 836	\$ 4,246	\$ 3,471	\$ 801	\$ 4,272	(2%)	(1%)	0%	1%
OPERATING MARGIN %	37%		46%	38%		47%	(141) bp.	(115) bp.	(128) bp.	(114) bp.
INCOME TAX EFFECTS (7)	\$ 650	\$ 234	\$ 884	\$ 699	\$ 260	\$ 959	(7%)	(8%)	(5%)	(6%)
NET INCOME	\$ 2,553	\$ 602	\$ 3,155	\$ 2,581	\$ 541	\$ 3,122	(1%)	1%	1%	3%
DILUTED EARNINGS PER SHARE	\$ 0.56		\$ 0.69	\$ 0.53		\$ 0.64	5%	7%	7%	9%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	4,600	-	4,600	4,868	-	4,868	(6%)	(6%)	(6%)	(6%)

(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, 2013, 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, 2013, approximately \$8 million and \$3 million in estimated revenues related to assumed cloud software subscriptions contracts will not be recognized for the remainder of fiscal 2014 and fiscal 2015, respectively, due to business combination accounting rules.

(4) As of November 30, 2013, approximately \$2 million in estimated revenues related to hardware systems support contracts will not be recognized for each of the remainder of fiscal 2014 and fiscal 2015 due to business combination accounting rules.

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

	Three Months Ended November 30, 2013			Three Months Ended November 30, 2012		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Sales and marketing	\$ 39	\$ (39)	\$ -	\$ 43	\$ (43)	\$ -
Software license updates and product support	5	(5)	-	5	(5)	-
Hardware systems products	1	(1)	-	1	(1)	-
Hardware systems support	1	(1)	-	1	(1)	-
Services	7	(7)	-	8	(8)	-
Research and development	87	(87)	-	89	(89)	-
General and administrative	42	(42)	-	41	(41)	-
Subtotal	182	(182)	-	188	(188)	-
Acquisition related and other	1	(1)	-	4	(4)	-
Total stock-based compensation	\$ 183	\$ (183)	\$ -	\$ 192	\$ (192)	\$ -

(6) Estimated future annual amortization expense related to intangible assets as of November 30, 2013 was as follows:

Remainder of Fiscal 2014	\$ 1,086
Fiscal 2015	1,807
Fiscal 2016	1,235
Fiscal 2017	660
Fiscal 2018	528
Fiscal 2019	429
Thereafter	727
Total intangible assets subject to amortization	6,472
In-process research and development	49
Total intangible assets, net	\$ 6,521

(7) Income tax effects were calculated reflecting an effective GAAP tax rate of 20.3% and 21.3% in the second quarter of fiscal 2014 and 2013, respectively, and an effective non-GAAP tax rate of 21.9% and 23.5% in the second quarter of fiscal 2014 and 2013, respectively. The differences between our GAAP and non-GAAP tax rates in the second quarters of fiscal 2014 and 2013 were primarily due to the net tax effects of acquisition related items, including the tax effects of amortization of intangible assets.

* Not meaningful

ORACLE CORPORATION
Q2 FISCAL 2014 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)
	2013	% of Revenues	2012	% of Revenues		
REVENUES						
New software licenses and cloud software subscriptions	\$ 4,032	23%	\$ 3,963	23%	2%	4%
Software license updates and product support	8,948	50%	8,400	49%	7%	8%
Software Revenues	12,980	73%	12,363	72%	5%	6%
Hardware systems products	1,383	8%	1,513	9%	(9%)	(8%)
Hardware systems support	1,201	7%	1,161	6%	3%	5%
Hardware Systems Revenues	2,584	15%	2,674	15%	(3%)	(2%)
Services Revenues	2,083	12%	2,238	13%	(7%)	(5%)
Total Revenues	17,647	100%	17,275	100%	2%	4%
OPERATING EXPENSES						
Sales and marketing	3,673	21%	3,319	19%	11%	12%
Software license updates and product support	573	3%	553	3%	4%	6%
Hardware systems products	699	4%	751	4%	(7%)	(6%)
Hardware systems support	423	2%	451	3%	(6%)	(5%)
Services	1,657	9%	1,814	10%	(9%)	(7%)
Research and development	2,510	14%	2,400	14%	5%	6%
General and administrative	522	3%	538	3%	(3%)	(2%)
Amortization of intangible assets	1,172	7%	1,203	7%	(3%)	(3%)
Acquisition related and other (2)	27	0%	(380)	(2%)	107%	107%
Restructuring	108	1%	276	2%	(61%)	(62%)
Total Operating Expenses	11,364	64%	10,925	63%	4%	5%
OPERATING INCOME	6,283	36%	6,350	37%	(1%)	1%
Interest expense	(446)	(3%)	(382)	(2%)	17%	17%
Non-operating income, net	29	0%	14	0%	101%	225%
INCOME BEFORE PROVISION FOR INCOME TAXES	5,866	33%	5,982	35%	(2%)	0%
Provision for income taxes	1,122	6%	1,367	8%	(18%)	(16%)
NET INCOME	\$ 4,744	27%	\$ 4,615	27%	3%	5%
EARNINGS PER SHARE:						
Basic	\$ 1.04		\$ 0.96			
Diluted	\$ 1.02		\$ 0.94			
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:						
Basic	4,571		4,829			
Diluted	4,637		4,904			

- (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, 2013, 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, 2013 compared with the corresponding prior year period decreased our revenues by 2 percentage points, operating expenses by 1 percentage point and operating income by 2 percentage points.
- (2) Acquisition related and other expenses for the six months ended November 30, 2012 included a benefit of \$306 million related to certain litigation and a net benefit of \$129 million due to an acquisition related item.

ORACLE CORPORATION
Q2 FISCAL 2014 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)	
	2013 GAAP	Adj.	2013 Non-GAAP	2012 GAAP	Adj.	2012 Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
TOTAL REVENUES (3) (4)	\$ 17,647	\$ 18	\$ 17,665	\$ 17,275	\$ 47	\$ 17,322	2%	2%	4%	3%
TOTAL SOFTWARE REVENUES (3)	\$ 12,980	\$ 8	\$ 12,988	\$ 12,363	\$ 39	\$ 12,402	5%	5%	6%	6%
New software licenses and cloud software subscriptions (3)	4,032	7	4,039	3,963	31	3,994	2%	1%	4%	3%
Software license updates and product support	8,948	1	8,949	8,400	8	8,408	7%	6%	8%	8%
TOTAL HARDWARE SYSTEMS REVENUES (4)	\$ 2,584	\$ 10	\$ 2,594	\$ 2,674	\$ 8	\$ 2,682	(3%)	(3%)	(2%)	(2%)
Hardware systems products	1,383	-	1,383	1,513	-	1,513	(9%)	(9%)	(8%)	(8%)
Hardware systems support (4)	1,201	10	1,211	1,161	8	1,169	3%	4%	5%	5%
TOTAL OPERATING EXPENSES	\$ 11,364	\$ (1,685)	\$ 9,679	\$ 10,925	\$ (1,464)	\$ 9,461	4%	2%	5%	4%
Stock-based compensation (5)	378	(378)	-	365	(365)	-	4%	*	4%	*
Amortization of intangible assets (6)	1,172	(1,172)	-	1,203	(1,203)	-	(3%)	*	(3%)	*
Acquisition related and other	27	(27)	-	(380)	380	-	107%	*	107%	*
Restructuring	108	(108)	-	276	(276)	-	(61%)	*	(62%)	*
OPERATING INCOME	\$ 6,283	\$ 1,703	\$ 7,986	\$ 6,350	\$ 1,511	\$ 7,861	(1%)	2%	1%	3%
OPERATING MARGIN %	36%		45%	37%		45%	(116) bp.	(17) bp.	(98) bp.	(12) bp.
INCOME TAX EFFECTS (7)	\$ 1,122	\$ 531	\$ 1,653	\$ 1,367	\$ 390	\$ 1,757	(18%)	(6%)	(16%)	(4%)
NET INCOME	\$ 4,744	\$ 1,172	\$ 5,916	\$ 4,615	\$ 1,121	\$ 5,736	3%	3%	5%	5%
DILUTED EARNINGS PER SHARE	\$ 1.02		\$ 1.28	\$ 0.94		\$ 1.17	9%	9%	11%	11%
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	4,637	-	4,637	4,904	-	4,904	(5%)	(5%)	(5%)	(5%)

(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, 2013, 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, 2013, approximately \$8 million and \$3 million in estimated revenues related to assumed cloud software subscriptions contracts will not be recognized for the remainder of fiscal 2014 and fiscal 2015, respectively, due to business combination accounting rules.

(4) As of November 30, 2013, approximately \$2 million in estimated revenues related to hardware systems support contracts will not be recognized for each of the remainder of fiscal 2014 and fiscal 2015 due to business combination accounting rules.

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

	Six Months Ended November 30, 2013			Six Months Ended November 30, 2012		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Sales and marketing	\$ 81	\$ (81)	\$ -	\$ 81	\$ (81)	\$ -
Software license updates and product support	11	(11)	-	10	(10)	-
Hardware systems products	3	(3)	-	1	(1)	-
Hardware systems support	3	(3)	-	2	(2)	-
Services	13	(13)	-	17	(17)	-
Research and development	184	(184)	-	172	(172)	-
General and administrative	83	(83)	-	82	(82)	-
Subtotal	378	(378)	-	365	(365)	-
Acquisition related and other	4	(4)	-	21	(21)	-
Total stock-based compensation	\$ 382	\$ (382)	\$ -	\$ 386	\$ (386)	\$ -

(6) Estimated future annual amortization expense related to intangible assets as of November 30, 2013 was as follows:

Remainder of Fiscal 2014	\$ 1,086
Fiscal 2015	1,807
Fiscal 2016	1,235
Fiscal 2017	660
Fiscal 2018	528
Fiscal 2019	429
Thereafter	727
Total intangible assets subject to amortization	6,472
In-process research and development	49
Total intangible assets, net	\$ 6,521

(7) Income tax effects were calculated reflecting an effective GAAP tax rate of 19.1% and 22.9% in the first half of fiscal 2014 and 2013, respectively, and an effective non-GAAP tax rate of 21.9% and 23.5% in the first half of fiscal 2014 and 2013, respectively. The difference between our GAAP and non-GAAP tax rates in the first half of fiscal 2014 was primarily due to the net tax effects of acquisition related items, including the tax effect of amortization of intangible assets. The difference between our GAAP and non-GAAP tax rates in the first half of fiscal 2013 was primarily due to the net tax effects of acquisition related items, including the tax effect of amortization of intangible assets, partially offset by the disproportionate tax rate impact of certain discrete items for the period.

* Not meaningful

ORACLE CORPORATION
Q2 FISCAL 2014 FINANCIAL RESULTS
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in millions)

	November 30, 2013	May 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 14,894	\$ 14,613
Marketable securities	22,080	17,603
Trade receivables, net	4,192	6,049
Inventories	234	240
Deferred tax assets	963	974
Prepaid expenses and other current assets	1,889	2,213
Total Current Assets	44,252	41,692
Non-Current Assets:		
Property, plant and equipment, net	3,039	3,053
Intangible assets, net	6,521	6,640
Goodwill	28,269	27,343
Deferred tax assets	760	766
Other assets	2,397	2,318
Total Non-Current Assets	40,986	40,120
TOTAL ASSETS	\$ 85,238	\$ 81,812
LIABILITIES AND EQUITY		
Current Liabilities:		
Notes payable, current and other current borrowings	\$ 1,525	\$ -
Accounts payable	408	419
Accrued compensation and related benefits	1,566	1,851
Income taxes payable	543	911
Deferred revenues	6,667	7,118
Other current liabilities	2,401	2,573
Total Current Liabilities	13,110	12,872
Non-Current Liabilities:		
Notes payable and other non-current borrowings	22,641	18,494
Income taxes payable	3,950	3,899
Other non-current liabilities	1,471	1,402
Total Non-Current Liabilities	28,062	23,795
Equity	44,066	45,145
TOTAL LIABILITIES AND EQUITY	\$ 85,238	\$ 81,812

ORACLE CORPORATION

Q2 FISCAL 2014 FINANCIAL RESULTS CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (\$ in millions)

	Six Months Ended November 30,	
	2013	2012
Cash Flows From Operating Activities:		
Net income	\$ 4,744	\$ 4,615
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	302	261
Amortization of intangible assets	1,172	1,203
Deferred income taxes	(207)	(40)
Stock-based compensation	382	386
Tax benefits on the exercise of stock options and vesting of restricted stock-based awards	129	179
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	(71)	(95)
Other, net	51	80
Changes in operating assets and liabilities, net of effects from acquisitions:		
Decrease in trade receivables, net	1,989	2,038
Decrease in inventories	13	-
Decrease (increase) in prepaid expenses and other assets	247	(213)
Decrease in accounts payable and other liabilities	(533)	(790)
Decrease in income taxes payable	(343)	(559)
Decrease in deferred revenues	(437)	(599)
Net cash provided by operating activities	7,438	6,466
Cash Flows From Investing Activities:		
Purchases of marketable securities and other investments	(18,558)	(17,314)
Proceeds from maturities and sales of marketable securities and other investments	13,955	15,263
Acquisitions, net of cash acquired	(1,748)	(660)
Capital expenditures	(279)	(351)
Net cash used for investing activities	(6,630)	(3,062)
Cash Flows From Financing Activities:		
Payments for repurchases of common stock	(5,801)	(6,072)
Proceeds from issuances of common stock	765	752
Payments of dividends to stockholders	(1,099)	(583)
Proceeds from borrowings, net of issuance costs	5,566	4,974
Repayments of borrowings	-	(1,700)
Excess tax benefits on the exercise of stock options and vesting of restricted stock-based awards	71	95
Distributions to noncontrolling interests	(28)	(31)
Net cash used for financing activities	(526)	(2,565)
Effect of exchange rate changes on cash and cash equivalents	(1)	118
Net increase in cash and cash equivalents	281	957
Cash and cash equivalents at beginning of period	14,613	14,955
Cash and cash equivalents at end of period	\$ 14,894	\$ 15,912

ORACLE CORPORATION
Q2 FISCAL 2014 FINANCIAL RESULTS
FREE CASH FLOW - TRAILING 4-QUARTERS (1)
(\$ in millions)

	Fiscal 2013				Fiscal 2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GAAP Operating Cash Flow	\$ 13,993	\$ 13,533	\$ 13,717	\$ 14,224	\$ 14,845	\$ 15,196		
Capital Expenditures (2)	(627)	(710)	(684)	(650)	(664)	(578)		
Free Cash Flow	\$ 13,366	\$ 12,823	\$ 13,033	\$ 13,574	\$ 14,181	\$ 14,618		
% Growth over prior year	8%	2%	1%	4%	6%	14%		
GAAP Net Income	\$ 10,175	\$ 10,564	\$ 10,571	\$ 10,925	\$ 11,082	\$ 11,054		
Free Cash Flow as a % of Net Income	131%	121%	123%	124%	128%	132%		

(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) Derived from capital expenditures as reported in cash flows from investing activities as per our consolidated statements of cash flows presented in accordance with GAAP.

ORACLE CORPORATION
Q2 FISCAL 2014 FINANCIAL RESULTS
SUPPLEMENTAL ANALYSIS OF GAAP REVENUES AND HEADCOUNT (1)
(\$ in millions)

	Fiscal 2013					Fiscal 2014				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
REVENUES										
New software licenses and cloud software subscriptions	\$ 1,574	\$ 2,389	\$ 2,332	\$ 4,026	\$ 10,321	\$ 1,653	\$ 2,380			\$ 4,032
Software license updates and product support	4,140	4,260	4,340	4,402	17,142	4,431	4,516			8,948
Software Revenues	5,714	6,649	6,672	8,428	27,463	6,084	6,896			12,980
Hardware systems products	779	734	671	849	3,033	669	714			1,383
Hardware systems support	574	587	570	582	2,313	592	609			1,201
Hardware Systems Revenues	1,353	1,321	1,241	1,431	5,346	1,261	1,323			2,584
Services Revenues	1,114	1,124	1,045	1,088	4,371	1,027	1,056			2,083
Total Revenues	\$ 8,181	\$ 9,094	\$ 8,958	\$ 10,947	\$ 37,180	\$ 8,372	\$ 9,275			\$ 17,647
AS REPORTED REVENUE GROWTH RATES										
New software licenses and cloud software subscriptions	5%	17%	(2%)	1%	4%	5%	0%			2%
Software license updates and product support	3%	7%	7%	6%	6%	7%	6%			7%
Software Revenues	4%	10%	4%	4%	5%	6%	4%			5%
Hardware systems products	(24%)	(23%)	(23%)	(13%)	(21%)	(14%)	(3%)			(9%)
Hardware systems support	(11%)	(6%)	(6%)	(3%)	(7%)	3%	4%			3%
Hardware Systems Revenues	(19%)	(16%)	(16%)	(9%)	(15%)	(7%)	0%			(3%)
Services Revenues	(6%)	(5%)	(8%)	(9%)	(7%)	(8%)	(6%)			(7%)
Total Revenues	(2%)	3%	(1%)	0%	0%	2%	2%			2%
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses and cloud software subscriptions	10%	18%	0%	2%	6%	7%	1%			4%
Software license updates and product support	8%	8%	8%	8%	8%	8%	7%			8%
Software Revenues	9%	11%	5%	5%	7%	8%	5%			6%
Hardware systems products	(21%)	(23%)	(22%)	(12%)	(19%)	(13%)	(2%)			(8%)
Hardware systems support	(6%)	(5%)	(5%)	(1%)	(4%)	5%	5%			5%
Hardware Systems Revenues	(15%)	(16%)	(15%)	(8%)	(13%)	(6%)	2%			(2%)
Services Revenues	0%	(3%)	(7%)	(8%)	(5%)	(6%)	(5%)			(5%)
Total Revenues	3%	5%	0%	2%	2%	4%	3%			4%
GEOGRAPHIC REVENUES										
REVENUES										
Americas	\$ 4,324	\$ 4,787	\$ 4,698	\$ 5,911	\$ 19,719	\$ 4,517	\$ 4,995			\$ 9,512
Europe, Middle East & Africa	2,383	2,701	2,745	3,328	11,158	2,439	2,817			5,256
Asia Pacific	1,474	1,606	1,515	1,708	6,303	1,416	1,463			2,879
Total Revenues	\$ 8,181	\$ 9,094	\$ 8,958	\$ 10,947	\$ 37,180	\$ 8,372	\$ 9,275			\$ 17,647
HEADCOUNT										
GEOGRAPHIC AREA										
Americas	49,145	49,584	50,402	51,519		53,465	53,073			
Europe, Middle East & Africa	22,584	22,594	22,592	22,860		23,349	23,178			
Asia Pacific	44,170	45,051	45,663	45,855		45,513	45,617			
Total Company	115,899	117,229	118,657	120,234		122,327	121,868			

(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, 2013 and 2012 for the fiscal 2014 and fiscal 2013 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

ORACLE CORPORATION
Q2 FISCAL 2014 FINANCIAL RESULTS
SUPPLEMENTAL GEOGRAPHIC REVENUES ANALYSIS (1)
(\$ in millions)

	Fiscal 2013					Fiscal 2014				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
AMERICAS										
New software licenses and cloud software subscriptions	\$ 814	\$ 1,253	\$ 1,205	\$ 2,194	\$ 5,465	\$ 926	\$ 1,295			\$ 2,220
Hardware systems products	\$ 380	\$ 370	\$ 307	\$ 439	\$ 1,495	\$ 335	\$ 381			\$ 716
AS REPORTED GROWTH RATES										
New software licenses and cloud software subscriptions	12%	22%	(2%)	3%	7%	14%	3%			7%
Hardware systems products	(20%)	(25%)	(25%)	(12%)	(20%)	(12%)	3%			(4%)
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses and cloud software subscriptions	14%	22%	(1%)	4%	8%	15%	5%			9%
Hardware systems products	(19%)	(25%)	(25%)	(12%)	(20%)	(11%)	4%			(4%)
EUROPE / MIDDLE EAST / AFRICA										
New software licenses and cloud software subscriptions	\$ 403	\$ 641	\$ 690	\$ 1,224	\$ 2,959	\$ 388	\$ 675			\$ 1,063
Hardware systems products	\$ 214	\$ 198	\$ 201	\$ 228	\$ 842	\$ 177	\$ 184			\$ 361
AS REPORTED GROWTH RATES										
New software licenses and cloud software subscriptions	(8%)	10%	0%	5%	3%	(4%)	5%			2%
Hardware systems products	(38%)	(27%)	(24%)	(12%)	(26%)	(18%)	(7%)			(13%)
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses and cloud software subscriptions	1%	12%	1%	5%	5%	(5%)	3%			0%
Hardware systems products	(30%)	(25%)	(24%)	(11%)	(23%)	(20%)	(8%)			(14%)
ASIA PACIFIC										
New software licenses and cloud software subscriptions	\$ 357	\$ 495	\$ 437	\$ 608	\$ 1,897	\$ 339	\$ 410			\$ 749
Hardware systems products	\$ 185	\$ 166	\$ 163	\$ 182	\$ 696	\$ 157	\$ 149			\$ 306
AS REPORTED GROWTH RATES										
New software licenses and cloud software subscriptions	8%	13%	(3%)	(12%)	(1%)	(5%)	(17%)			(12%)
Hardware systems products	(12%)	(10%)	(16%)	(17%)	(14%)	(15%)	(10%)			(13%)
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses and cloud software subscriptions	12%	13%	1%	(7%)	3%	5%	(10%)			(4%)
Hardware systems products	(10%)	(12%)	(14%)	(14%)	(12%)	(10%)	(6%)			(8%)
TOTAL COMPANY										
New software licenses and cloud software subscriptions	\$ 1,574	\$ 2,389	\$ 2,332	\$ 4,026	\$ 10,321	\$ 1,653	\$ 2,380			\$ 4,032
Hardware systems products	\$ 779	\$ 734	\$ 671	\$ 849	\$ 3,033	\$ 669	\$ 714			\$ 1,383
AS REPORTED GROWTH RATES										
New software licenses and cloud software subscriptions	5%	17%	(2%)	1%	4%	5%	0%			2%
Hardware systems products	(24%)	(23%)	(23%)	(13%)	(21%)	(14%)	(3%)			(9%)
CONSTANT CURRENCY GROWTH RATES (2)										
New software licenses and cloud software subscriptions	10%	18%	0%	2%	6%	7%	1%			4%
Hardware systems products	(21%)	(23%)	(22%)	(12%)	(19%)	(13%)	(2%)			(8%)

(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, 2013 and 2012 for the fiscal 2014 and fiscal 2013 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

ORACLE CORPORATION
Q2 FISCAL 2014 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:

- New software licenses and cloud software subscriptions, 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 cloud software subscriptions contracts, software license updates and product support contracts and hardware systems support contracts assumed in connection with our acquisitions. Because these contracts are generally one year in duration, our GAAP revenues generally for the one year period subsequent to our acquisition of a business do not reflect the full amount of revenues on these assumed cloud software subscriptions contracts and support contracts that would have otherwise been recorded by the acquired entity. The non-GAAP adjustment to our new software licenses and cloud software subscriptions revenues, 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 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 cloud software subscriptions and hardware systems support contracts; however, we cannot be certain that our customers will renew our cloud software subscriptions contracts, 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 certain other operating items, 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.