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## Financial News Details

### Oracle Reports Fiscal Third Quarter Results: Earnings per Share \$0.09; 35%

March 14, 2002

#### Operating Margin Improves Two Percentage Points

**Redwood Shores, Calif. 14-MAR-2002 01:00 PM** Today, Oracle Corporation announced third quarter revenues of \$2.2 billion and net income of \$508 million. Earnings per share of \$0.09 compares with \$0.10 in Q3 last year. Third quarter operating margin improved two percentage points to 35% versus 33% the prior year. New software license sales were down 30%, while software license renewals grew 5%. Overall services revenues were down 7%, with support revenues flat with the prior year.

"While the overall economy may have begun its recovery, technology spending is lagging," said Oracle CFO Jeff Henley. "In addition, certain industries such as telecommunications, financial services and high-tech manufacturing, where Oracle has been particularly strong, continue to be under stress. As a result, our sales to companies in these industries have slowed markedly compared to a year ago. As the recovery becomes more broad based, we expect technology spending to increase and our software sales to improve."

"It's clear that tight IT budgets are making customers more price sensitive," said Oracle CEO Larry Ellison. "Our aggressively priced products are actually selling quite well in this economic climate. For example, our application server sales grew 35% this quarter while sales of competitive products declined year over year. Sales of the lower priced standard edition of our database were up 14% this quarter. As the economy improves, many of these Standard Edition customers should upgrade to Enterprise Edition."

"Many of the world's best managed and most profitable business are now running their businesses using Oracle's E-business Suite," Ellison continued. "This past quarter Emerson, one of America's most admired companies, decided to standardize on our integrated suite of CRM and ERP applications. We also had many other competitive wins including France Telecom, AT&T, The Babcock & Wilcox Company, UK National Health Service and Guangzhou Metro. Today, more than 1400 companies are live on the E-business Suite."

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 <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) 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. The economic, political and other uncertainties caused (or exacerbated) by terrorist attacks upon the United States add to this 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 is introducing new products, such as Oracle 9i database and 9i application server, internet procurement and supply chain management software, customer relationship management applications and application hosting services; the market acceptance and contribution to Oracle's revenues of these products cannot be assured. (4) Oracle has recently made changes to its pricing model 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. (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>.

#### ORACLE CORPORATION

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

(unaudited)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2002	2001	2002	2001
REVENUES				
Licenses and other	\$789,578	\$1,125,083	\$2,340,334	\$3,050,559
Services	1,439,765	1,549,284	4,488,389	4,545,229
Total revenues	2,229,343	2,674,367	6,828,723	7,595,788
OPERATING EXPENSES				
Sales and marketing	514,816	665,605	1,621,449	1,879,434
Cost of services	547,467	708,614	1,767,178	2,077,490
Research and development	283,231	301,455	794,014	818,762
General and administrative	105,090	120,570	301,621	337,937

Total operating expenses	1,450,604	1,796,244	4,484,262	5,113,623
OPERATING INCOME	778,739	878,123	2,344,461	2,482,165
Net investment gains (losses) related to equity securities	(7,510)	(22,437)	(14,199)	(20,472)
Other income, net	10,271	47,745	82,175	183,862
INCOME BEFORE TAXES	781,500	903,431	2,412,437	2,645,555
Provision for income taxes	273,525	320,718	844,353	939,353
NET INCOME	\$507,975	\$582,713	\$1,568,084	\$1,706,202
EARNINGS PER SHARE				
Basic	\$0.09	\$0.10	\$0.28	\$0.30
Diluted	\$0.09	\$0.10	\$0.27	\$0.29
WEIGHTED SHARES OUTSTANDING				
Basic	5,492,297	5,595,808	5,533,493	5,594,765
Diluted	5,669,334	5,851,333	5,715,071	5,886,397

## ORACLE CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS  
(\$ in thousands)

	February 28, 2002	May 31, 2001
	(unaudited)	
ASSETS		
Current Assets		
Cash and short term investments	\$5,610,974	\$5,887,661
Trade receivables, net	1,621,413	2,432,131
Prepaid and refundable income taxes	457,719	272,742
Other current assets	331,890	370,616
Total Current Assets	8,021,996	8,963,150
Long-term cash investments	329,775	--
Property and equipment, net	984,766	974,751
Prepaid taxes	396,373	376,030
Other assets	642,012	716,229
TOTAL ASSETS	\$10,374,922	\$11,030,160
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable, including current maturities	\$2,059	\$2,849
Accounts payable	238,297	270,112
Income taxes	972,162	767,087
Customer advances and unearned revenues	1,013,778	1,213,529
Other current liabilities	1,338,324	1,663,042
Total Current Liabilities	3,564,620	3,916,619
Long-term debt	300,890	300,847
Deferred income taxes	310,173	327,788
Other long-term liabilities	209,538	207,135
Stockholders' equity	5,989,701	6,277,771

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$10,374,922	\$11,030,160
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