News Release

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ORACLE REPORTS Q4 EPS OF $0.19 VS. $0.16 LAST YEAR

Database New Software License Revenue Up 15% for Second Quarter in a Row

Redwood Shores, Calif., June 15, 2004--[http://www.oracle.com/tellmemore/?3167712] Today, Oracle Corporation announced financial results for its fiscal fourth quarter and for its full fiscal year 2004.

Fourth quarter net income increased 15% to $990 million, or $0.19 per share, compared to $858 million and $0.16 per share last year. Total revenue increased 9% to $3.1 billion in the quarter with software revenue up 12% to $2.5 billion, and services revenue down 4% to $558 million. The Q4 operating margin was 46%, an all time high.

For the full fiscal year 2004 net income was up 16% to $2.7 billion while earnings per share increased from $0.43 to $0.50. Total revenue increased 7% to $10.2 billion for the year with software revenue up 12% to $8.1 billion while services revenue was down 8% to $2.1 billion. Operating margin for the year was 38%, also an all time record.

“Operating income was $1.4 billion in the fourth quarter and $3.9 billion for the full year,” said Oracle Chairman and CFO, Jeff Henley. “That’s the best operating profit we’ve ever delivered; even better than our best year during the Internet bubble. We had a very strong finish to a very good year.”

“Since we introduced Grid technology six months ago, our database new license sales have been growing at a rate of 15%,” said Oracle CEO, Larry Ellison. “We’re still early on in the adoption cycle but the Oracle 10g database is off to a fast start. The market is just beginning the move to databases and application servers running on Grids of low cost computers and Oracle is leading the way.”

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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. 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, delays in product delivery, or a decline in our renewal rates for software license updates and product support can cause quarterly revenues and income to fall 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, Oracle Customer Data Hub and On Demand. 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 May 31,		Year Ended May 31,	
	2004	2003	2004	2003
REVENUES				
New software licenses	$ 1,313	$ 1,187	$ 3,541	$ 3,270
Software license updates and product support	1,205	1,065	4,529	3,929
Software Revenues	2,518	2,252	8,070	7,199
Services	558	580	2,086	2,276
Total Revenues	3,076	2,832	10,156	9,475
OPERATING EXPENSES				
Sales and marketing	620	567	2,136	2,072
Software license updates and product support	140	119	547	474
Cost of services	434	461	1,770	1,868
Research and development	328	298	1,278	1,180
General and administrative (1)	148	116	561	441
Total Operating Expenses	1,670	1,561	6,292	6,035
OPERATING INCOME	1,406	1,271	3,864	3,440
Net investment gains (losses) related to equity securities (2)	-	(3)	29	(111)
Other income, net (3)	13	6	52	96
INCOME BEFORE TAXES	1,419	1,274	3,945	3,425
Provision for income taxes (4)	429	416	1,264	1,118
NET INCOME	$ 990	$ 858	$ 2,681	$ 2,307
EARNINGS PER SHARE				
Basic	$ 0.19	$ 0.16	$ 0.51	$ 0.44
Diluted	$ 0.19	$ 0.16	$ 0.50	$ 0.43
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	5,185	5,240	5,215	5,302
Diluted	5,283	5,356	5,326	5,418

(1) General and administrative expenses for the three months and year ended May 31, 2004 include $10.8 million and $54.2 million of professional fees associated with our tender offer for PeopleSoft, Inc.

(2) Net investment gains (losses) related to equity securities for the year ended May 31, 2003 includes $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 three months and year ended May 31, 2004 includes $0.5 million and $5.5 million of commitment fees for a revolving credit facility associated with our tender offer for PeopleSoft, Inc.

(4) Our effective income tax rate for the year ended May 31, 2004 was 32%. Through February 29, 2004, we had estimated our rate to be 33%.

ORACLE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS DATA

	Percentage of Revenues		Percentage of Revenues		Percentage Change	Percentage Change
	Three Months Ended May 31,		Year Ended May 31,		Three Months FY04 vs. Three Months FY03	FY04 vs. FY03
	2004	2003	2004	2003		
REVENUES						
New software licenses	43%	42%	35%	35%	11%	8%
Software license updates and product support	39%	38%	44%	41%	13%	15%
Software Revenues	82%	80%	79%	76%	12%	12%
Services	18%	20%	21%	24%	(4%)	(8%)
Total Revenues	100%	100%	100%	100%	9%	7%
OPERATING EXPENSES						
Sales and marketing	20%	20%	21%	22%	9%	3%
Software license updates and product support	4%	4%	5%	5%	18%	15%
Cost of services	14%	16%	17%	20%	(6%)	(5%)
Research and development	11%	11%	13%	12%	10%	8%
General and administrative	5%	4%	6%	5%	28%	27%
Total Operating Expenses	54%	55%	62%	64%	7%	4%
OPERATING INCOME	46%	45%	38%	36%	11%	12%
Net investment gains (losses) related to equity securities	0%	0%	0%	(1%)	*	*
Other income, net	0%	0%	1%	1%	*	*
INCOME BEFORE TAXES	46%	45%	39%	36%	11%	15%
Provision for income taxes	14%	15%	13%	12%	3%	13%
NET INCOME	32%	30%	26%	24%	15%	16%

* not meaningful

ORACLE CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
($ in millions)

	May 31, 2004		May 31, 2003	
ASSETS				
Current Assets				
Cash and cash equivalents	$ 4,138		$ 4,737	
Short-term investments	4,449		1,782	
Trade receivables, net	2,012		1,920	
Deferred tax assets	301		381	
Other current assets	436		407	
Total Current Assets	11,336		9,227	
Investments in debt securities	-		233	
Property, net	1,068		1,062	
Deferred tax assets	92	*	100	*
Other assets	267		345	
TOTAL ASSETS	$ 12,763	*	$ 10,967	*
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Current portion of long-term debt	$ 9		$ 153	
Accounts payable	191		228	
Income taxes payable	950		891	
Other current liabilities	1,625		1,477	
Deferred revenues	1,497		1,409	
Total Current Liabilities	4,272		4,158	
Long-term debt	163		175	
Deferred tax liabilities	59	*	89	*
Other long-term liabilities	274		225	
Stockholders' equity	7,995		6,320	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 12,763	*	$ 10,967	*

* These items were revised after our press release dated June 15, 2004 to reclassify certain deferred tax assets and deferred tax liabilities.

ORACLE CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in millions)

	Year Ended May 31,	
	2004	2003
Cash Flows From Operating Activities:		
Net income	$ 2,681	$ 2,307
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	198	243
Amortization of intangible assets	36	84
Provision for trade receivable allowances	173	128
Net investment (gains) losses related to equity securities	(29)	111
Deferred income taxes	58	90
Changes in assets and liabilities:		
(Increase) decrease in trade receivables	(245)	119
(Increase) decrease in other assets	(17)	41
Increase (decrease) in accounts payable and other current liabilities	25	(88)
Increase (decrease) in income taxes payable	200	(81)
Increase in deferred revenues	83	65
Increase in other long-term liabilities	14	4
Net cash provided by operating activities	3,177	3,023
Cash Flows From Investing Activities:		
Purchases of investments	(10,310)	(4,713)
Proceeds from maturities and sale of investments	8,009	5,942
Capital expenditures	(189)	(291)
Increase in other assets	(71)	(43)
Net cash provided by (used for) investing activities	(2,561)	895
Cash Flows From Financing Activities:		
Payments for repurchase of common stock	(1,499)	(2,653)
Proceeds from issuance of common stock	354	356
Borrowings (payments) of long-term debt	(144)	9
Settlement of forward contract	-	(166)
Net cash used for financing activities	(1,289)	(2,454)
Effect of exchange rate changes on cash and cash equivalents	74	178
Net increase (decrease) in cash and cash equivalents	(599)	1,642
Cash and cash equivalents at beginning of period	4,737	3,095
Cash and cash equivalents at end of period	$ 4,138	$ 4,737