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Financial News Details

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Earnings Per Share 9 Cents; Operating Margin Up 13%
World's largest steel company running entire business on E-Business Suite
Eighteen-month project is expected to save Billions of Dollars

REDWOOD SHORES, Calif. 17-SEP-2001 01:00 AM Last Thursday, Oracle Corporation announced record first quarter income of $511 million on revenue of $2.2 billion. Earnings per share increased to $0.09 compared with $0.08 in Q1 last year. First quarter operating margins increased from 29% last year to 33% this year. New software license sales were down 8%, while software license renewals plus product support services were up 9%. Consulting was down 4%, and education was down 1%.

"Given the weak economy, we're pretty happy with our results this quarter," said Oracle CFO, Jeff Henley. "Last year, sales to Internet companies were booming. That boom is over and those sales have largely disappeared; yet our revenue was down only 1%, and we managed to deliver record profits by improving our margins. Our continuing margin improvement has come from using our E-Business Suite to automate more-and-more of our business processes, enabling us to run our business with fewer-and-fewer people. The cost savings have been huge."

"Just as important," Henley continued, "we now have instant access to the information we need to monitor changes in demand for our products. We can see up-to-the-minute information on every lead, every opportunity, and every forecast from every salesperson in every country around the world."

"Our management team has demonstrated that it's possible to use technology to preserve profitability during difficult and uncertain times," said Larry Ellison, Oracle Founder and CEO. In good times we used the E-Business Suite to increase our profits by a billion dollars. In tough times our applications have enabled us to protect those profits. We are not alone. More and more of the world's best managed and most profitable businesses are choosing Oracle applications."

"For example, the world's largest and most profitable steel company, POSCO, is now running its entire global business using our E-Business Suite. In an eighteen-month project, POSCO implemented our CRM and ERP applications without modification. For a large company this is a very rapid implementation, and it's delivering rapid and sizable returns. Projected savings is measured in the billions of dollars. Today, POSCO is one of more than 750 companies that are running their businesses on the E-Business Suite."

"The world's second largest and most profitable PC company, Dell Computer, selected the E-Business Suite, both CRM and ERP, to further improve their already efficient and well- managed business. In addition to Dell, we had other major applications wins in the quarter. More than 3,500 companies are now in the process of implementing the E-business Suite."

Oracle Corporation is the world's second largest software company. With annual sales of $10.8 billion, Oracle provides the software that powers the Internet. 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.

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