ORACLE

News Release

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ORACLE REPORTS FISCAL Q3 EARNINGS PER SHARE OF $0.12

Database New License Sales Up 16%; Operating Income Up 16%

Redwood Shores, Calif., March 11, 2004 [http://www.oracle.com/tellmemore/2948799?] Today, Oracle Corporation announced that third quarter revenues were up 9% to $2.5 billion while net income grew 11% to $635 million as compared to the third quarter last year.

Earnings per share were $0.12 compared with $0.11 last year. New software license sales were up 12% to $847 million, while software license updates and product support revenues were up 17% to $1,176 million. Third quarter operating margin was 37% compared to 35% last year. Operating cash flow in the first nine months of the fiscal year was $2.2 billion.

“Oracle's fiscal third quarter was another solid quarter, with new software license revenue growth of 12%, which is identical to last quarter,” said Oracle Chairman and CFO Jeff Henley. “It shows a continued increase in operating margin which demonstrates the leverage in the Oracle business model.”

“This was a very strong quarter for our database business,”said Oracle CEO Larry Ellison. “Overall, our database growth was 16%. Sales of the RAC option for our database increased 86%. This is very important because RAC is what customers buy when they’re building database grids. Rapid RAC growth indicates rapid acceptance of Oracle10g’s high-performance, high-reliability grid capabilities. Oracle10g has now broken almost all database performance world records.”

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, 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		Nine Months Ended	
	February 29, 2004	February 28, 2003	February 29, 2004	February 28, 2003
REVENUES				
New software licenses (1)	$ 847	$ 755	$ 2,227	$ 2,083
Software license updates and product support	1,176	1,005	3,325	2,863
Services	486	547	1,528	1,697
Total Revenues	2,509	2,307	7,080	6,643
OPERATING EXPENSES				
Sales and marketing	527	521	1,515	1,505
Software license updates and product support	143	120	407	354
Cost of services	439	454	1,337	1,408
Research and development	328	301	951	882
General and administrative (2)	145	115	413	325
Total Operating Expenses	1,582	1,511	4,623	4,474
OPERATING INCOME	927	796	2,457	2,169
Net investment gains (losses) related to equity securities (3)	(2)	(6)	30	(108)
Other income, net (4)	22	39	39	90
INCOME BEFORE TAXES	947	829	2,526	2,151
Provision for income taxes	312	258	835	702
NET INCOME	$ 635	$ 571	$ 1,691	$ 1,449
EARNINGS PER SHARE				
Basic	$ 0.12	$ 0.11	$ 0.32	$ 0.27
Diluted	$ 0.12	$ 0.11	$ 0.32	$ 0.27
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic	5,218	5,259	5,225	5,322
Diluted	5,337	5,383	5,340	5,439

(1) New software licenses include documentation and miscellaneous revenues.

(2) General and administrative expenses for the three and nine months ended February 29, 2004 include $15.0 million and $43.4 million of professional fees associated with our tender offer for PeopleSoft, Inc.

(3) Net investment gains (losses) related to equity securities for the nine months ended February 28, 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.

(4) Other income, net for the nine months ended February 29, 2004 includes a $5.0 million expense 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		Percentage of Revenues Nine Months Ended		Percentage Change Three Months FY04 vs. Three Months FY03	Percentage Change Nine Months FY04 vs. Nine Months FY03
	February 29, 2004	February 28, 2003	February 29, 2004	February 28, 2003		
REVENUES						
New software licenses	34%	33%	31%	31%	12%	7%
Software license updates and product support	47%	43%	47%	43%	17%	16%
Services	19%	24%	22%	26%	(11%)	(10%)
Total Revenues	100%	100%	100%	100%	9%	7%
OPERATING EXPENSES						
Sales and marketing	21%	22%	21%	23%	1%	1%
Software license updates and product support	6%	5%	6%	5%	19%	15%
Cost of services	17%	20%	19%	21%	(3%)	(5%)
Research and development	13%	13%	13%	13%	9%	8%
General and administrative	6%	5%	6%	5%	26%	27%
Total Operating Expenses	63%	65%	65%	67%	5%	3%
OPERATING INCOME	37%	35%	35%	33%	16%	13%
Net investment gains (losses) related to equity securities	0%	0%	0%	(2%)	*	*
Other income, net	1%	1%	1%	1%	*	*
INCOME BEFORE TAXES	38%	36%	36%	32%	14%	17%
Provision for income taxes	13%	11%	12%	10%	21%	19%
NET INCOME	25%	25%	24%	22%	11%	17%

* not meaningful

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CONDENSED CONSOLIDATED BALANCE SHEETS
($ in millions)

	February 29, 2004	May 31, 2003
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,192	$ 4,737
Short-term investments	3,826	1,782
Trade receivables, net	1,545	1,920
Deferred tax assets	333	381
Other current assets	338	407
Total Current Assets	10,234	9,227
Investments in debt securities	-	233
Property, net	1,080	1,062
Deferred tax assets	165	197
Intangible and other assets	236	345
TOTAL ASSETS	$ 11,715	$ 11,064
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	$ -	$ 153
Accounts payable	188	228
Income taxes payable	715	891
Other current liabilities	1,482	1,477
Deferred revenues	1,355	1,409
Total Current Liabilities	3,740	4,158
Long-term debt	170	175
Deferred tax liabilities	151	186
Other long-term liabilities	248	225
Stockholders' equity	7,406	6,320
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 11,715	$ 11,064

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in millions)

	Nine Months Ended	
	February 29, 2004	February 28, 2003
Cash Flows From Operating Activities:		
Net income	$ 1,691	$ 1,449
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	150	193
Amortization of intangible assets	29	65
Net investment (gains) losses related to equity securities	(30)	108
Deferred income taxes	45	(19)
Changes in assets and liabilities:		
Decrease in trade receivables	432	665
Decrease in other assets	95	104
Decrease in accounts payable and other current liabilities	(95)	(182)
Decrease in income taxes payable	(76)	(105)
Decrease in deferred revenues	(68)	(68)
Decrease in other long-term liabilities	(14)	(13)
Net cash provided by operating activities	2,159	2,197
Cash Flows From Investing Activities:		
Purchases of investments	(7,578)	(3,066)
Proceeds from maturities and sale of investments	5,829	4,064
Capital expenditures	(144)	(88)
Increase in other assets	(33)	(64)
Net cash provided by (used for) investing activities	(1,926)	846
Cash Flows From Financing Activities:		
Payments for repurchase of common stock	(1,027)	(2,196)
Proceeds from issuance of common stock	241	200
Payments of long-term debt	(150)	-
Settlement of forward contract	-	(166)
Net cash used for financing activities	(936)	(2,162)
Effect of exchange rate changes on cash and cash equivalents	158	112
Net increase (decrease) in cash and cash equivalents	(545)	993
Cash and cash equivalents at beginning of period	4,737	3,095
Cash and cash equivalents at end of period	$ 4,192	$ 4,088