

**ORACLE CORPORATION**  
**Q4 FISCAL 2019 FINANCIAL RESULTS**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(\$ in millions, except per share data)

	Three Months Ended May 31,				% Increase (Decrease) in US \$	% Increase (Decrease) in Constant Currency (1)
	2019	% of Revenues	2018	% of Revenues		
<b>REVENUES</b>						
Cloud services and license support	\$ 6,799	61%	\$ 6,768	62%	0%	3%
Cloud license and on-premise license	2,520	23%	2,247	20%	12%	15%
Hardware	994	9%	1,116	10%	(11%)	(8%)
Services	823	7%	883	8%	(7%)	(4%)
<b>Total revenues</b>	<b>11,136</b>	<b>100%</b>	<b>11,014</b>	<b>100%</b>	<b>1%</b>	<b>4%</b>
<b>OPERATING EXPENSES</b>						
Cloud services and license support	975	9%	961	9%	1%	3%
Hardware	362	3%	461	4%	(21%)	(19%)
Services	726	7%	752	7%	(3%)	0%
Sales and marketing	2,318	21%	2,315	21%	0%	3%
Research and development	1,562	14%	1,542	14%	1%	3%
General and administrative	329	3%	306	3%	8%	11%
Amortization of intangible assets	424	4%	415	4%	2%	2%
Acquisition related and other	15	0%	20	0%	(23%)	(21%)
Restructuring	168	1%	81	0%	108%	118%
<b>Total operating expenses</b>	<b>6,879</b>	<b>62%</b>	<b>6,853</b>	<b>62%</b>	<b>0%</b>	<b>3%</b>
<b>OPERATING INCOME</b>	<b>4,257</b>	<b>38%</b>	<b>4,161</b>	<b>38%</b>	<b>2%</b>	<b>6%</b>
Interest expense	(525)	(4%)	(548)	(5%)	(4%)	(4%)
Non-operating income, net	134	1%	294	3%	(54%)	(54%)
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>3,866</b>	<b>35%</b>	<b>3,907</b>	<b>36%</b>	<b>(1%)</b>	<b>3%</b>
Provision for income taxes	126	1%	631	6%	(80%)	(79%)
<b>NET INCOME</b>	<b>\$ 3,740</b>	<b>34%</b>	<b>\$ 3,276</b>	<b>30%</b>	<b>14%</b>	<b>19%</b>
<b>EARNINGS PER SHARE:</b>						
Basic	\$ 1.10		\$ 0.81			
Diluted	\$ 1.07		\$ 0.79			
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>						
Basic	3,389		4,046			
Diluted	3,495		4,149			

(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, 2018, 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 May 31, 2019 compared with the corresponding prior year period decreased our revenues by 3 percentage points, operating expenses by 3 percentage points and operating income by 4 percentage points.

**ORACLE CORPORATION**  
**Q4 FISCAL 2019 FINANCIAL RESULTS**  
**RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES (1)**  
(\$ in millions, except per share data)

	Three Months Ended May 31,						% Increase (Decrease) in US \$		% Increase (Decrease) in Constant Currency (2)	
	2019		2019		2018		GAAP	Non-GAAP	GAAP	Non-GAAP
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP				
<b>TOTAL REVENUES</b>	\$ 11,136	\$ 3	\$ 11,139	\$ 11,014	\$ 9	\$ 11,023	1%	1%	4%	4%
Cloud services and license support	6,799	3	6,802	6,768	9	6,777	0%	0%	3%	3%
<b>TOTAL OPERATING EXPENSES</b>	\$ 6,879	\$ (1,001)	\$ 5,878	\$ 6,853	\$ (909)	\$ 5,944	0%	(1%)	3%	1%
Sales and marketing (3)	2,318	(82)	2,236	2,315	(84)	2,231	0%	0%	3%	3%
Stock-based compensation (4)	312	(312)	-	309	(309)	-	1%	*	1%	*
Amortization of intangible assets (5)	424	(424)	-	415	(415)	-	2%	*	2%	*
Acquisition related and other	15	(15)	-	20	(20)	-	(23%)	*	(21%)	*
Restructuring	168	(168)	-	81	(81)	-	108%	*	118%	*
<b>OPERATING INCOME</b>	\$ 4,257	\$ 1,004	\$ 5,261	\$ 4,161	\$ 918	\$ 5,079	2%	4%	6%	7%
<b>OPERATING MARGIN %</b>	38%		47%	38%		46%	45 bp.	115 bp.	79 bp.	132 bp.
<b>INCOME TAX EFFECTS (6)</b>	\$ 126	\$ 673	\$ 799	\$ 631	\$ 249	\$ 880	(80%)	(9%)	(79%)	(6%)
<b>NET INCOME</b>	\$ 3,740	\$ 331	\$ 4,071	\$ 3,276	\$ 669	\$ 3,945	14%	3%	19%	7%
<b>DILUTED EARNINGS PER SHARE</b>	\$ 1.07		\$ 1.16	\$ 0.79		\$ 0.95	36%	23%	41%	27%
<b>DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>	3,495	-	3,495	4,149	-	4,149	(16%)	(16%)	(16%)	(16%)

(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, 2018, which was the last day of our prior fiscal year, rather than the actual exchange rates in effect during the respective periods.

(3) Non-GAAP adjustments to sales and marketing expenses were as follows:

	Three Months Ended	
	May 31,	
	2019	2018
Stock-based compensation (4)	\$ (82)	\$ (88)
Acquired deferred sales commissions amortization	-	4
Total non-GAAP sales and marketing adjustments	\$ (82)	\$ (84)

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

	Three Months Ended			Three Months Ended		
	May 31, 2019			May 31, 2018		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Cloud services and license support	\$ 25	\$ (25)	\$ -	\$ 21	\$ (21)	\$ -
Hardware	3	(3)	-	3	(3)	-
Services	12	(12)	-	11	(11)	-
Research and development	231	(231)	-	228	(228)	-
General and administrative	41	(41)	-	46	(46)	-
Subtotal	312	(312)	-	309	(309)	-
Sales and marketing	82	(82)	-	88	(88)	-
Total stock-based compensation	\$ 394	\$ (394)	\$ -	\$ 397	\$ (397)	\$ -

(5) Estimated future annual amortization expense related to intangible assets as of May 31, 2019 was as follows:

Fiscal 2020	\$ 1,583
Fiscal 2021	1,339
Fiscal 2022	1,090
Fiscal 2023	668
Fiscal 2024	440
Thereafter	159
Total intangible assets, net	\$ 5,279

(6) Income tax effects were calculated reflecting an effective GAAP tax rate of 3.3% and 16.1% in the fourth quarter of fiscal 2019 and 2018, respectively, and an effective non-GAAP tax rate of 16.4% and 18.2% in the fourth quarter of fiscal 2019 and 2018, respectively. The difference in our GAAP and non-GAAP tax rates in the fourth quarter of fiscal 2019 was primarily due to a tax benefit arising from the increase of a deferred tax asset associated with a partial realignment of our legal structure; the net tax effects on stock-based compensation expense; and acquisition related items, including the tax effects of amortization of intangible assets. The difference in our GAAP and non-GAAP tax rates in the fourth quarter of fiscal 2018 was primarily due to adjustments in our estimates for the one-time effects of the U.S. Tax Cuts and Jobs Act (refer to Appendix A for additional information), the net tax effects on stock-based compensation expense, and acquisition related items, including the tax effects of amortization of intangible assets.

\* Not meaningful

# ORACLE CORPORATION

## FISCAL 2019 YEAR TO DATE FINANCIAL RESULTS CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (\$ in millions, except per share data)

	Year Ended May 31,				% Increase (Decrease) in US \$	% Increase (Decrease) in Constant Currency (1)
	2019	% of Revenues	2018	% of Revenues		
<b>REVENUES</b>						
Cloud services and license support	\$ 26,707	68%	\$ 26,222	66%	2%	4%
Cloud license and on-premise license	5,855	15%	5,772	15%	1%	4%
Hardware	3,704	9%	3,994	10%	(7%)	(5%)
Services	3,240	8%	3,395	9%	(5%)	(2%)
<b>Total revenues</b>	<b>39,506</b>	<b>100%</b>	<b>39,383</b>	<b>100%</b>	<b>0%</b>	<b>3%</b>
<b>OPERATING EXPENSES</b>						
Cloud services and license support	3,782	10%	3,606	9%	5%	7%
Hardware	1,360	4%	1,576	4%	(14%)	(11%)
Services	2,853	7%	2,878	7%	(1%)	2%
Sales and marketing	8,509	22%	8,433	22%	1%	3%
Research and development	6,026	15%	6,084	15%	(1%)	0%
General and administrative	1,265	3%	1,282	3%	(1%)	1%
Amortization of intangible assets	1,689	4%	1,620	4%	4%	4%
Acquisition related and other	44	0%	52	0%	(15%)	(13%)
Restructuring	443	1%	588	2%	(25%)	(22%)
<b>Total operating expenses</b>	<b>25,971</b>	<b>66%</b>	<b>26,119</b>	<b>66%</b>	<b>(1%)</b>	<b>2%</b>
<b>OPERATING INCOME</b>	<b>13,535</b>	<b>34%</b>	<b>13,264</b>	<b>34%</b>	<b>2%</b>	<b>5%</b>
Interest expense	(2,082)	(5%)	(2,025)	(5%)	3%	3%
Non-operating income, net	815	2%	1,185	3%	(31%)	(31%)
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>12,268</b>	<b>31%</b>	<b>12,424</b>	<b>32%</b>	<b>(1%)</b>	<b>2%</b>
Provision for income taxes (2)	1,185	3%	8,837	23%	(87%)	(86%)
<b>NET INCOME</b>	<b>\$ 11,083</b>	<b>28%</b>	<b>\$ 3,587</b>	<b>9%</b>	<b>209%</b>	<b>230%</b>
<b>EARNINGS PER SHARE:</b>						
Basic	\$ 3.05		\$ 0.87			
Diluted	\$ 2.97		\$ 0.85			
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>						
Basic	3,634		4,121			
Diluted	3,732		4,238			

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(2) Provision for income taxes for the periods presented included the impacts of the U.S. 2017 Tax Cuts and Jobs Act, which was signed into law during our third quarter of fiscal 2018, and for which additional discussion is included in Appendix A.

**ORACLE CORPORATION**  
**FISCAL 2019 YEAR TO DATE FINANCIAL RESULTS**  
**RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES (1)**  
(\$ in millions, except per share data)

	Year Ended May 31,						% Increase (Decrease) in US \$		% Increase (Decrease) in Constant Currency (2)	
	2019 GAAP	Adj.	2019 Non-GAAP	2018 GAAP	Adj.	2018 Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
<b>TOTAL REVENUES</b>	\$ 39,506	\$ 20	\$ 39,526	\$ 39,383	\$ 47	\$ 39,430	0%	0%	3%	3%
Cloud services and license support	26,707		26,727	26,222	47	26,269	2%	2%	4%	4%
<b>TOTAL OPERATING EXPENSES</b>	\$ 25,971	\$ (3,829)	\$ 22,142	\$ 26,119	\$ (3,844)	\$ 22,275	(1%)	(1%)	2%	2%
Sales and marketing (3)	8,509	(360)	8,149	8,433	(339)	8,094	1%	1%	3%	3%
Stock-based compensation (4)	1,293	(1,293)	-	1,245	(1,245)	-	4%	*	4%	*
Amortization of intangible assets (5)	1,689	(1,689)	-	1,620	(1,620)	-	4%	*	4%	*
Acquisition related and other	44	(44)	-	52	(52)	-	(15%)	*	(13%)	*
Restructuring	443	(443)	-	588	(588)	-	(25%)	*	(22%)	*
<b>OPERATING INCOME</b>	\$ 13,535	\$ 3,849	\$ 17,384	\$ 13,264	\$ 3,891	\$ 17,155	2%	1%	5%	4%
<b>OPERATING MARGIN %</b>	34%		44%	34%		44%	58 bp.	47 bp.	82 bp.	53 bp.
<b>INCOME TAX EFFECTS (6)</b>	\$ 1,185	\$ 1,795	\$ 2,980	\$ 8,837	\$ (5,439)	\$ 3,398	(87%)	(12%)	(86%)	(10%)
<b>NET INCOME</b>	\$ 11,083	\$ 2,054	\$ 13,137	\$ 3,587	\$ 9,330	\$ 12,917	209%	2%	230%	5%
<b>DILUTED EARNINGS PER SHARE</b>	\$ 2.97		\$ 3.52	\$ 0.85		\$ 3.05	251%	16%	274%	19%
<b>DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>	3,732	-	3,732	4,238	-	4,238	(12%)	(12%)	(12%)	(12%)

(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, 2018, which was the last day of our prior fiscal year, rather than the actual exchange rates in effect during the respective periods.

(3) Non-GAAP adjustments to sales and marketing expenses were as follows:

	Year Ended May 31,	
	2019	2018
Stock-based compensation (4)	\$ (360)	\$ (361)
Acquired deferred sales commissions amortization	-	22
Total non-GAAP sales and marketing adjustments	\$ (360)	\$ (339)

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

	Year Ended May 31, 2019			Year Ended May 31, 2018		
	GAAP	Adj.	Non-GAAP	GAAP	Adj.	Non-GAAP
Cloud services and license support	\$ 99	\$ (99)	\$ -	\$ 82	\$ (82)	\$ -
Hardware	10	(10)	-	10	(10)	-
Services	49	(49)	-	52	(52)	-
Research and development	963	(963)	-	921	(921)	-
General and administrative	172	(172)	-	180	(180)	-
Subtotal	1,293	(1,293)	-	1,245	(1,245)	-
Sales and marketing	360	(360)	-	361	(361)	-
Acquisition related and other	-	-	-	1	(1)	-
Total stock-based compensation	\$ 1,653	\$ (1,653)	\$ -	\$ 1,607	\$ (1,607)	\$ -

(5) Estimated future annual amortization expense related to intangible assets as of May 31, 2019 was as follows:

Fiscal 2020	\$ 1,583
Fiscal 2021	1,339
Fiscal 2022	1,090
Fiscal 2023	668
Fiscal 2024	440
Thereafter	159
Total intangible assets, net	\$ 5,279

(6) Income tax effects were calculated reflecting an effective GAAP tax rate of 9.7% and 71.1% in fiscal 2019 and 2018, respectively, and an effective non-GAAP tax rate of 18.5% and 20.8% in fiscal 2019 and 2018, respectively. The difference in our GAAP and non-GAAP tax rates in fiscal 2019 was primarily due to the impacts of the U.S. Tax Cuts and Jobs Act of 2017 (refer to Appendix A for additional information); a tax benefit arising from the increase of a deferred tax asset associated with a partial realignment of our legal structure; the net tax effects on stock-based compensation expense; and acquisition related items, including the tax effects of amortization of intangible assets. The difference in our GAAP and non-GAAP tax rates in fiscal 2018 was primarily due to adjustments in our estimates for the one-time effects of the U.S. Tax Cuts and Jobs Act.

\* Not meaningful

**ORACLE CORPORATION**  
**FISCAL 2019 FINANCIAL RESULTS**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(\$ in millions)

	May 31, 2019	May 31, 2018
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 20,514	\$ 21,620
Marketable securities	17,313	45,641
Trade receivables, net	5,134	5,136
Prepaid expenses and other current assets	3,425	3,762
<b>Total Current Assets</b>	46,386	76,159
<b>Non-Current Assets:</b>		
Property, plant and equipment, net	6,252	5,897
Intangible assets, net	5,279	6,670
Goodwill, net	43,779	43,755
Deferred tax assets	2,696	1,395
Other non-current assets	4,317	3,975
<b>Total Non-Current Assets</b>	62,323	61,692
<b>TOTAL ASSETS</b>	<b>\$ 108,709</b>	<b>\$ 137,851</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Notes payable and other borrowings, current	\$ 4,494	\$ 4,491
Accounts payable	580	529
Accrued compensation and related benefits	1,628	1,806
Deferred revenues	8,374	8,341
Other current liabilities	3,554	3,957
<b>Total Current Liabilities</b>	18,630	19,124
<b>Non-Current Liabilities:</b>		
Notes payable and other borrowings, non-current	51,673	56,128
Income taxes payable	13,295	13,429
Other non-current liabilities	2,748	2,297
<b>Total Non-Current Liabilities</b>	67,716	71,854
<b>Equity</b>	22,363	46,873
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 108,709</b>	<b>\$ 137,851</b>

**ORACLE CORPORATION**  
**FISCAL 2019 FINANCIAL RESULTS**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(\$ in millions)

	Year Ended May 31,	
	2019	2018
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 11,083	\$ 3,587
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,230	1,165
Amortization of intangible assets	1,689	1,620
Deferred income taxes	(1,191)	(847)
Stock-based compensation	1,653	1,607
Other, net	157	(27)
Changes in operating assets and liabilities, net of effects from acquisitions:		
(Increase) decrease in trade receivables, net	(82)	413
Decrease (increase) in prepaid expenses and other assets	261	(258)
Decrease in accounts payable and other liabilities	(102)	(260)
(Decrease) increase in income taxes payable	(453)	8,150
Increase in deferred revenues	306	236
<b>Net cash provided by operating activities</b>	<b>14,551</b>	<b>15,386</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of marketable securities and other investments	(1,400)	(25,282)
Proceeds from maturities of marketable securities and other investments	12,681	20,372
Proceeds from sales of marketable securities	17,299	2,745
Acquisitions, net of cash acquired	(363)	(1,724)
Capital expenditures	(1,660)	(1,736)
<b>Net cash provided by (used for) investing activities</b>	<b>26,557</b>	<b>(5,625)</b>
<b>Cash Flows From Financing Activities:</b>		
Payments for repurchases of common stock	(36,140)	(11,347)
Proceeds from issuances of common stock	2,155	2,402
Shares repurchased for tax withholdings upon vesting of restricted stock-based awards	(503)	(506)
Payments of dividends to stockholders	(2,932)	(3,140)
Proceeds from borrowings, net of issuance costs	-	12,443
Repayments of borrowings	(4,500)	(9,800)
Other, net	(136)	(34)
<b>Net cash used for financing activities</b>	<b>(42,056)</b>	<b>(9,982)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(158)</b>	<b>57</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,106)</b>	<b>(164)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>21,620</b>	<b>21,784</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 20,514</b>	<b>\$ 21,620</b>

**ORACLE CORPORATION**  
**FISCAL 2019 FINANCIAL RESULTS**  
**FREE CASH FLOW - TRAILING 4-QUARTERS (1)**  
(\$ in millions)

	Fiscal 2018				Fiscal 2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GAAP Operating Cash Flow</b>	\$ 14,817	\$ 14,581	\$ 15,192	\$ 15,386	\$ 15,542	\$ 15,238	\$ 14,789	\$ 14,551
<b>Capital Expenditures</b>	(2,195)	(2,037)	(1,883)	(1,736)	(1,646)	(1,468)	(1,625)	(1,660)
<b>Free Cash Flow</b>	\$ 12,622	\$ 12,544	\$ 13,309	\$ 13,650	\$ 13,896	\$ 13,770	\$ 13,164	\$ 12,891
<b>% Growth over prior year</b>	0%	(1%)	13%	13%	10%	10%	(1%)	(6%)
<b>GAAP Net Income</b>	\$ 9,745	\$ 9,932	\$ 3,643	\$ 3,587	\$ 3,708	\$ 3,827	\$ 10,619	\$ 11,083
<b>Free Cash Flow as a % of Net Income</b>	130%	126%	365%	381%	375%	360%	124%	116%

(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.

**ORACLE CORPORATION**  
**FISCAL 2019 FINANCIAL RESULTS**  
**SUPPLEMENTAL ANALYSIS OF GAAP REVENUES (1)**  
(\$ in millions)

	Fiscal 2018					Fiscal 2019				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
<b>REVENUES BY OFFERINGS</b>										
Cloud services and license support	\$ 6,407	\$ 6,461	\$ 6,587	\$ 6,768	\$ 26,222	\$ 6,609	\$ 6,637	\$ 6,662	\$ 6,799	\$ 26,707
Cloud license and on-premise license	894	1,331	1,299	2,247	5,772	867	1,217	1,251	2,520	5,855
Hardware	943	941	994	1,116	3,994	904	891	915	994	3,704
Services	860	856	796	883	3,395	813	817	786	823	3,240
Total revenues	\$ 9,104	\$ 9,589	\$ 9,676	\$ 11,014	\$ 39,383	\$ 9,193	\$ 9,562	\$ 9,614	\$ 11,136	\$ 39,506
<b>AS REPORTED REVENUE GROWTH RATES</b>										
Cloud services and license support	11%	11%	11%	8%	10%	3%	3%	1%	0%	2%
Cloud license and on-premise license	(13%)	(1%)	(9%)	(18%)	(12%)	(3%)	(9%)	(4%)	12%	1%
Hardware	(5%)	(7%)	(3%)	0%	(4%)	(4%)	(5%)	(8%)	(11%)	(7%)
Services	6%	1%	(2%)	(1%)	1%	(5%)	(5%)	(1%)	(7%)	(5%)
Total revenues	6%	6%	5%	0%	4%	1%	0%	(1%)	1%	0%
<b>CONSTANT CURRENCY GROWTH RATES (2)</b>										
Cloud services and license support	10%	9%	7%	6%	8%	4%	5%	4%	3%	4%
Cloud license and on-premise license	(14%)	(3%)	(13%)	(18%)	(13%)	0%	(6%)	0%	15%	4%
Hardware	(6%)	(9%)	(7%)	(2%)	(6%)	(3%)	(3%)	(4%)	(8%)	(5%)
Services	6%	0%	(6%)	(3%)	(1%)	(4%)	(2%)	3%	(4%)	(2%)
Total revenues	5%	5%	1%	(1%)	2%	2%	2%	3%	4%	3%
<b>CLOUD AND LICENSE REVENUES BY ECOSYSTEM (3)</b>										
Applications revenues	\$ 2,616	\$ 2,668	\$ 2,717	\$ 3,022	\$ 11,023	\$ 2,761	\$ 2,808	\$ 2,841	\$ 3,081	\$ 11,491
Infrastructure revenues	4,685	5,124	5,169	5,993	20,971	4,715	5,046	5,072	6,238	21,071
Total cloud and license revenues	\$ 7,301	\$ 7,792	\$ 7,886	\$ 9,015	\$ 31,994	\$ 7,476	\$ 7,854	\$ 7,913	\$ 9,319	\$ 32,562
<b>AS REPORTED REVENUE GROWTH RATES</b>										
Applications revenues	17%	15%	9%	5%	11%	6%	5%	5%	2%	4%
Infrastructure revenues	3%	6%	6%	(2%)	3%	1%	(2%)	(2%)	4%	0%
Total cloud and license revenues	7%	9%	7%	1%	6%	2%	1%	0%	3%	2%
<b>CONSTANT CURRENCY GROWTH RATES (2)</b>										
Applications revenues	17%	13%	7%	4%	10%	7%	7%	7%	4%	6%
Infrastructure revenues	1%	4%	1%	(3%)	1%	2%	1%	2%	7%	3%
Total cloud and license revenues	7%	7%	3%	(1%)	4%	4%	3%	3%	6%	4%
<b>GEOGRAPHIC REVENUES</b>										
Americas	\$ 5,098	\$ 5,281	\$ 5,253	\$ 6,016	\$ 21,648	\$ 5,161	\$ 5,243	\$ 5,266	\$ 6,184	\$ 21,856
Europe/Middle East/Africa	2,535	2,796	2,881	3,197	11,409	2,576	2,782	2,781	3,132	11,270
Asia Pacific	1,471	1,512	1,542	1,801	6,326	1,456	1,537	1,567	1,820	6,380
Total revenues	\$ 9,104	\$ 9,589	\$ 9,676	\$ 11,014	\$ 39,383	\$ 9,193	\$ 9,562	\$ 9,614	\$ 11,136	\$ 39,506

(1) The sum of the quarterly information presented may vary from the year-to-date information presented 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, 2018 and 2017 for the fiscal 2019 and fiscal 2018 constant currency growth rate calculations presented, respectively, rather than the actual exchange rates in effect during the respective periods.

(3) Applications ecosystem revenues represent the sum of applications related cloud services and license support revenues; and applications related license revenues. Infrastructure ecosystem revenues represent the sum of infrastructure related cloud services and license support revenues; and infrastructure related license revenues.



**ORACLE CORPORATION**  
**Q4 FISCAL 2019 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 related to each of the below items except for the impact of the U.S. Tax Cuts and Jobs Act of 2017:

- Cloud services and license support revenues: Business combination accounting rules require us to account for the fair values of cloud services and license support contracts assumed in connection with our acquisitions. The non-GAAP adjustments to our cloud services and license support revenues are intended to include, and thus reflect, the full amount of such revenues. We believe the adjustments to these revenues are useful to investors as a measure of the ongoing performance of our business as we generally expect to experience high renewal rates for these contracts at their stated values during the post combination periods.
- Deferred sales commissions amortization: Certain acquired companies capitalized sales commissions associated with subscription agreements and amortized these amounts over the related contractual terms. Business combination accounting rules generally require us to eliminate these capitalized sales commissions balances as of the acquisition date and our post-combination GAAP sales and marketing expenses generally do not reflect the amortization of these deferred sales commissions balances. The non-GAAP adjustment to increase our sales and marketing expenses is intended to include, and thus reflect, the full amount of amortization related to such balances as though the acquired companies operated independently in the periods presented. We believe this adjustment to sales and marketing expenses is useful to investors as a measure of the ongoing performance of our business.
- 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 primarily consist of personnel related costs and stock-based compensation expenses for transitional and certain other employees, integration related professional services, certain business combination adjustments including adjustments after the measurement period has ended and certain other operating items, net. 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 and other expenses and restructuring expenses generally diminish over time with respect to past acquisitions and/or strategic initiatives, we generally will incur these expenses in connection with any future acquisitions and/or strategic initiatives.
- Impact of the U.S. Tax Cuts and Jobs Act of 2017: The U.S. Tax Cuts and Jobs Act of 2017 (the Tax Act) was signed into law on December 22, 2017. For fiscal 2019, we recorded a net benefit of \$389 million related to adjustments in our estimates of the one-time effects of the Tax Act, including the one-time transition tax on certain foreign subsidiary earnings and the remeasurement of net deferred income tax balances affected by the Tax Act. We recorded a provisional net charge of \$6.9 billion during fiscal 2018 related to our preliminary assessment of the one-time effects of the Tax Act, including the one-time transition tax on certain foreign subsidiary earnings and the remeasurement of net deferred income tax balances affected by the Tax Act. We have excluded the impacts of these items from our non-GAAP income taxes and net income measures for fiscal 2019 and 2018. We believe making these adjustments provides insight to our operating performance and comparability to past operating results.