Annual Stockholder Meeting

Jeff Henley
Oracle Vice Chairman

November 5, 2014
Safe Harbor Statement

"Safe Harbor" Statement: Statements in this presentation relating to Oracle's future plans, expectations, beliefs, intentions and prospects are "forward-looking statements" and are subject to material risks and uncertainties. Many factors could affect our current expectations and our actual results, and could cause actual results to differ materially. We presently consider the following to be among the important factors that could cause actual results to differ materially from expectations: (1) Economic, geopolitical and market conditions, including the continued slow economic recovery in the U.S. and other parts of the world, can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price. (2) We may fail to achieve our financial forecasts due to such factors as delays or size reductions in transactions, fewer large transactions in a particular quarter, unanticipated fluctuations in currency exchange rates, delays in delivery of new products or releases or a decline in our renewal rates for support contracts. (3) Our cloud computing strategy, including our Oracle Cloud Software-as-a-Service, Platform-as-a-Service, Infrastructure-as-a-Service and Database-as-a-Service offerings, may not be successful. (4) If we are unable to develop new or sufficiently differentiated products and services, or to enhance and improve our products and support services in a timely manner or to position and/or price our products and services to meet market demand, customers may not buy new software licenses, cloud software subscriptions or hardware systems products or purchase or renew support contracts. (5) Our international sales and operations subject us to additional risks that can adversely affect our operating results, including risks relating to foreign currency gains and losses. (6) If the security measures for our software, hardware, services or Oracle Cloud offerings are compromised or if such offerings contain significant coding, manufacturing or configuration errors, we may experience reputational harm, legal claims and financial exposure. (7) We have an active acquisition program and our acquisitions may not be successful, may involve unanticipated costs or other integration issues or may disrupt our existing operations. A detailed discussion of these factors and other risks that affect our business is contained in our SEC filings, including our most recent reports on Form 10-K and Form 10-Q, particularly under the heading "Risk Factors." Copies of these filings are available online from the SEC or by contacting Oracle Corporation’s Investor Relations Department at (650) 506-4073 or by clicking on SEC Filings on Oracle’s Investor Relations website at http://www.oracle.com/investor. All information set forth in this presentation is current as of November 5, 2014. Oracle undertakes no duty to update any statement in light of new information or future events.
Oracle Strategy

- Industry Applications
- Cloud Applications
- Vertical Integration
- Best of Breed
Leader in Key Segments

Technology
• Application Server
• Database
• Database on Linux
• Database on Unix
• Data Warehouse
• Embedded Database
• Engineered Systems
• Identity and Access Management
• Middleware
• UNIX Server Shipments

Applications
• Business Analytics
• Enterprise Performance Management
• Lead Management
• Marketing Automation
• Supply Chain Execution
• Supply Chain Planning
• Talent Management
• Talent Recruiting
Company Profile

Scale
- $38B revenue in FY14
- #1 in 50 product or industry categories
- 400,000 customers in 145+ countries
- More than 25,000 partners
- 123,000 employees
- 15 million developers in Oracle on-line communities

Innovation and Investment
- 36,000 developers and engineers
- 18,000 customer support specialists, speaking 29 languages
- 17,000 implementation consultants
- 2.2 million students supported annually

Headcount current as of Q1 FY2015.
### Fiscal Year 2014 Financial Performance

**Year over Year Growth**

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Revenue</td>
<td>+5%</td>
</tr>
<tr>
<td>Hardware Revenue</td>
<td>+2%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>+4%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>+4%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>47%</td>
</tr>
<tr>
<td>Net Income</td>
<td>+3%</td>
</tr>
<tr>
<td>Earnings per Share</td>
<td>+8%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$14B</td>
</tr>
</tbody>
</table>

Unless stated otherwise, year-over-year growth rates are non-GAAP and presented in constant currency. GAAP to Non-GAAP reconciliations are available at www.oracle.com/investor.
Revenue

FY2014 Geographic Distribution

- **Asia Pacific**: 16% of Revenue
- **EMEA**: 31% of Revenue
- **Americas**: 53% of Revenue
Revenue

FY2014 Line of Business Distribution

- **Services**: 10% of Revenue
- **Hardware**: 14% of Revenue
- **Software**: 76% of Revenue
Revenue

*FY2014 Line of Business Distribution*

- **On-Premise Software**: 72% of Revenue
- **Services**: 10% of Revenue
- **Hardware**: 14% of Revenue
- **Cloud**: 4% of Revenue

On-Premise Software includes:
- Services: 10%
- Hardware: 14%
- Cloud: 4%
- On-Premise Software: 72%
Total Revenue is Growing

9% Four-Year Compounded Growth

Source: Non-GAAP results. GAAP to Non-GAAP reconciliations are available at www.oracle.com/investor.
Software Revenue is Growing

9% Four-Year Compounded Growth

Source: Internal Analysis
Software Revenue is Growing

9% Four-Year Compounded Growth

Source: Internal Analysis
Cloud Revenue is Growing Rapidly

43% Four-Year Compounded Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>IaaS</th>
<th>SaaS/PaaS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY11</td>
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<tr>
<td>FY12</td>
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<tr>
<td>FY13</td>
<td></td>
<td></td>
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<tr>
<td>FY14</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Internal Analysis

4 Year CAGR

+88%

+12%
Our Business Model Drives Recurring Revenue

Source: Non-GAAP results. GAAP to Non-GAAP reconciliations are available at www.oracle.com/investor. "First Year Support" is an internal estimate and assumes 100% software support attach, 22% pricing and all sales at the end of the quarter. "Continuing Support" is non-GAAP software support, as reported, less "First Year Support"
Free Cash Flow

14% Four-Year Compounded Growth

Source: GAAP Results
Capital Allocation

~ 90% of FY13/FY14 Free Cash Flow Returned to Shareholders

Source: GAAP results. Internal Analysis.
A Very Healthy Balance Sheet

- Return on Equity (TTM) 24%
- Return on Assets (TTM) 12%
- Cash & Investment (MRQ) $52B
- Debt to Equity (MRQ) 1.08x
- Net Cash (MRQ) $19B

Above figures are based on GAAP results for the four most recent quarters including Q1 FY2015. TTM – Trailing Twelve Months; MRQ – Q1 FY2015
Comparative Performance
We selected 11 Tech Peers and normalized each to Oracle’s fiscal year and aggregated GAAP results to compare Oracle’s financial performance against the group of our “Tech Peers.”
How Does Oracle Compare to The Dow?

We included all Dow Jones 30 companies except financial services companies of American Express, Goldman Sachs, JP Morgan, Traveler’s Insurance and Visa. GAAP financial results for each company were normalized to Oracle’s fiscal year and aggregated to compare Oracle’s financial performance against the group.
Revenue

Source: FactSet. FCF results were indexed to 100 for FY04 (or closest 4 quarter period); subsequent periods were indexed to FY04 to show trend on a common basis.
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Source: FactSet. FCF results were indexed to 100 for FY04 (or closest 4 quarter period); subsequent periods were indexed to FY04 to show trend on a common basis. Excludes one-time special MSFT dividend of $36M in Nov 2004
Oracle Stock Has Performed Well

Compared to Broader Indices – 10 Year

Source: FactSet Research. Prices for the last 10 years were indexed (October 2004 – September 2014)