

Oracle tops forecasts despite sales, profit dip

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Oracle CEO Larry Ellison's yacht is shown in a lake in front of Oracle headquarters in Redwood City, Calif., Tuesday, June 23, 2009. Oracle is expected to release quarterly earnings after the market closes Tuesday. (AP Photo/Paul Sakuma)

(AP) -- Software maker Oracle Corp.'s results topped Wall Street's forecast for the latest quarter Tuesday, despite a 5 percent drop in sales and a 7 percent decline in profit.

The company blamed the declines on the effects of a stronger dollar - which makes deals done in other currencies worth less. Companies also have been shelling out less for new software because of the recession.

Still, Oracle's chief financial officer, Jeff Epstein, said in a statement that Oracle executed "substantially better" than the company expected.

Oracle, which is based in Redwood Shores, Calif., said after the market closed Tuesday that its net income from March through May was \$1.89 billion, or 38 cents per share. Last year, it was \$2.04 billion, or 39 cents per share.

Excluding stock-based compensation and one-time items, Oracle said it earned 46 cents per share, which was 2 cents per share better than the average estimate of analysts polled by Thomson Reuters.

Sales fell to \$6.86 billion, nearly \$400 million better than the analyst estimate.

Sales of new software licenses fell 13 percent to \$2.74 billion, indicating that Oracle's customers are still being tightfisted about upgrading their computer systems with new programs. They still have to maintain their older software, though, and in most cases they'll pay Oracle to do it.

Oracle's revenue from software license updates and product support bumped up 8 percent to \$3.05 billion in the latest quarter. That segment made up 44 percent of Oracle's overall revenue.

Oracle is the world's leading maker of [database software](#), and has been expanding aggressively into other areas, like business applications. It's even going to make hardware now, provided its \$7.4 billion acquisition of server manufacturer [Sun Microsystems](#) Inc. goes through this summer as expected.

With the acquisition, Oracle will become more of a one-stop technology shop, like IBM Corp. and Hewlett-Packard Co.

Oracle's stock was up 49 cents, or 2.5 percent, to \$20.36 in after-hours trading. During the regular session, before the results were announced, [Oracle](#) shares closed down 10 cents at \$19.87.

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