

# Sun absorbs \$147M loss as Oracle deal looms

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(AP) -- Sun Microsystems Inc. recorded a \$147 million loss while sales eroded 31 percent in the April-June period, likely the server and software maker's last full quarter as an independent company.

Sun's latest numbers, reported Friday in a regulatory filing without the usual news release and conference call with analysts, highlight the uneven financial performance that forced the Santa Clara-based company to put itself up for sale.

In April Oracle Corp. outbid IBM Corp. and agreed to buy Sun in a \$7.4 billion deal. It is scheduled to be completed this summer, and still needs approval from European antitrust regulators, which could come any day now.

The deal will give Oracle more control over development of the Java programming language, which Sun invented and is a key ingredient of the Internet. It also moves Redwood Shores-based Oracle, a business [software maker](#), into the hardware market. Sun is one of the world's biggest sellers of computer servers, which power Web sites and corporate back offices.

Sun said after the market closed that it lost \$147 million, or 20 cents per share, in the three months ended June 30, which is Sun's fiscal fourth quarter. That compares with a profit of \$88 million, or 11 cents per share, in the year-ago period.

Excluding employee stock-based compensation and other expenses, Sun

said its loss would have been 3 cents per share.

Sales in the latest period fell to \$2.63 billion from \$3.78 billion last year.

Revenue from server sales fell 36 percent over last year to \$1.1 billion.

Revenue from support services fell 15 percent to \$886 million.

Analysts polled by Thomson Reuters expected a loss of 19 cents per share and sales of \$2.37 billion.

For the full fiscal year, Sun lost \$2.23 billion, versus a \$403 million profit last year.

Sun's shares fell 2 cents to \$9.32 in after-hours trading. The stock is still selling below the \$9.50 per share that Oracle has agreed to pay for Sun, a sign that indicates some investors fear the deal might still be scuttled.

The latest results mean that Sun has lost \$5.6 billion since 2002. It had only two profitable years - 2007 and 2008 - in that period.

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