

# Oracle's Larry Ellison says Sun losing \$100 million a month

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Declaring that Sun Microsystems is losing \$100 million a month, Oracle CEO Larry Ellison has expressed frustration over an extended European antitrust review that has delayed his plans to acquire the struggling computer maker.

But he also told a [Silicon Valley](#) audience that he expects the deal will eventually win approval.

"The longer this takes, the more money Sun is going to lose, and that's not good for anybody," Ellison said while speaking to an after-dinner audience at the Fairmont San Jose hotel, in an event organized by the nonprofit Churchill Club.

"We want to get this done," he said of the acquisition, adding that he wants "to save as many jobs as we can."

Analysts have predicted Oracle will have to make major cuts in Sun's work force and spending, to achieve its goal of increasing [operating profit](#) from Sun's business. Some analysts have said an extended delay could lead Oracle to cut more deeply, since uncertainty over Sun's future may be driving more customers to rivals such as Hewlett-Packard and IBM.

Ellison, who was interviewed on stage by former Sun President Ed Zander, also vowed that he will not sell off Sun's open-source database program, known as MySQL. European regulators have raised concerns

that Oracle's acquisition of MySQL would discourage competition in the database market. They have said their review may take until January to complete.

Oracle's own flagship database program doesn't compete with MySQL, Ellison asserted, adding that the two are generally used for different purposes. Oracle sells its [database software](#) to big corporations and government agencies that need to crunch massive amounts of data. MySQL is widely used but, as an [open-source](#) program, is often downloaded for free by programmers who use it for Web-based functions and less "mission-critical" operations.

Noting that U.S. antitrust regulators have already approved Oracle's plans to buy Sun for \$7.4 billion, Ellison said "the Europeans have to do their job," but he expects that European officials will eventually approve the deal as well.

His remarks came during a rare extended public appearance that was billed as an unscripted, although generally friendly interview before an audience of several hundred tech industry workers and executives. One of the planet's richest men, Ellison has run Oracle since its founding in 1977, building it into one of the world's biggest software companies.

Known for his strong ego and outspoken views, Ellison drew laughter when he ridiculed the industry trend known as "cloud computing," saying as he has before that it's nothing more than a faddish term for the established concept of computers linked by networks. "A cloud is water vapor," he observed.

On a more sober note, he predicted the economy will take a long time to recover from the current recession. Despite government stimulus efforts, he said, "The American consumer is so deeply in debt; this is not going to come back, certainly for five years."

Ellison expounded on several other points that he has made before, including his plans to increase Oracle's current competition with IBM by selling high-performance computer systems that combine technology from Oracle and Sun. He described the pending acquisition with enthusiasm, saying, "Sun has fantastic technology."

Oracle, of Redwood City, Calif., is primarily known as a commercial software company, while Santa Clara-based Sun makes software, computer servers and data storage systems. Sun, which was struggling even before the current recession, saw its sales drop further over the past year as high-end customers in the banking and telecommunications sectors were hit hard by the downturn.

Several other big tech companies, including HP, IBM and Cisco Systems, are also vying to offer a range of products for big corporate computing centers. Ellison said he plans to compete with all of them. HP, IBM and to a lesser extent Dell also have pursued a strategy of selling consulting services -- advising customers on how to assemble their hardware and software. But Ellison said he believes he will be more successful by selling hardware and software that is "integrated at the engineering level," or designed to work together from the start.

"We have no interest in the hardware business. We have a deep interest in the systems business," he said, suggesting that [Oracle](#) will focus on high-performance computing systems rather than on lower-cost standardized components that have been a growth sector for the computer industry in recent years.

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