

## Total Revenues and Operating Expenses

(Dollars in millions)	Year Ended May 31,			
	2019	Percent Change		2018
		Actual	Constant	
<b>Total Revenues by Geography:</b>				
Americas	\$ 21,856	1%	2%	\$ 21,648
EMEA (1)	11,270	-1%	3%	11,409
Asia Pacific	6,380	1%	5%	6,326
Total revenues	39,506	0%	3%	39,383
<b>Total Operating Expenses</b>	25,971	-1%	2%	26,119
<b>Total Operating Margin</b>	\$ 13,535	2%	5%	\$ 13,264
<b>Total Operating Margin %</b>	34%			34%
<b>% Revenues by Geography:</b>				
Americas	55%			55%
EMEA	29%			29%
Asia Pacific	16%			16%
<b>Total Revenues by Business:</b>				
Cloud and license	\$ 32,562	2%	4%	\$ 31,994
Hardware	3,704	-7%	-5%	3,994
Services	3,240	-5%	-2%	3,395
Total revenues	\$ 39,506	0%	3%	\$ 39,383
<b>% Revenues by Business:</b>				
Cloud and license	83%			81%
Hardware	9%			10%
Services	8%			9%

(1) Comprised of Europe, the Middle East and Africa

Excluding the effects of currency rate fluctuations, our total revenues increased in fiscal 2019 relative to fiscal 2018 due to growth in our cloud and license revenues, partially offset by decreases in our hardware revenues and services revenues. The constant currency increase in our cloud and license revenues during fiscal 2019 relative to fiscal 2018 was attributable to growth in our cloud services and license support revenues as customers purchased our applications and infrastructure technologies via cloud deployment models and license deployment models and renewed their related cloud and license support contracts to continue to gain access to our latest technology and support services, and was also attributable to growth in our cloud license and on-premise license revenues. The constant currency decreases in our hardware revenues during fiscal 2019 relative to fiscal 2018 were due to a reduction in our hardware products revenues and hardware support revenues primarily due to the emphasis we placed on the marketing and sale of our cloud-based infrastructure technologies, which resulted in reduced sales volumes of certain of our hardware product lines and also impacted the volume of customers that purchased hardware support contracts. The constant currency decrease in our services revenues during fiscal 2019 relative to fiscal 2018 was attributable to declines in our consulting and education services revenues. In constant currency, the Americas, EMEA and Asia Pacific regions contributed 40%, 33% and 27%, respectively, to the growth in our fiscal 2019 total revenues.

Excluding the effects of currency rate fluctuations, our total operating expenses increased during fiscal 2019 relative to fiscal 2018 primarily due to higher expenses related to our cloud and license business, which resulted primarily from increased headcount and infrastructure expenses to support the increase in our cloud and license business' revenues. This constant currency expense increase was partially offset by certain expense decreases in fiscal 2019 relative to fiscal 2018, primarily lower expenses related to our hardware business and lower restructuring expenses.

In constant currency, our total operating margin increased during fiscal 2019 relative to fiscal 2018 primarily due to the increase in revenues and total operating margin as a percentage of total revenues remained flat.