

FOR IMMEDIATE RELEASE

Oracle Financial Services Software Reports Q2 Fiscal Year 2014 Net Income of Rs. 359 Crore up 128% over the same quarter Year-over-Year

Revenue for the Quarter at Rs. 965 Crore up 22% over the same quarter Year-over-Year

Mumbai, India, November 12, 2013: Oracle Financial Services Software Limited (Reuters: ORCL.BO and ORCL.NS), a majority owned subsidiary of Oracle, today announced Indian GAAP results for the quarter ended September 30, 2013. Consolidated Net income for the quarter was Rs. 359 Crore, down 2% compared to the quarter ended June 30, 2013 and up 128% compared the quarter ended September 30, 2012. Consolidated revenue for the quarter was Rs. 965 Crore, up 7% compared to quarter ended June 30, 2013 and up 22% compared to the quarter ended September 30, 2012. The consolidated operating income for the quarter was Rs. 348 Crore, up 9% compared to quarter ended June 2013 and up 74% over the quarter ended September 30, 2012. For the half-year ended September 30, 2013, the consolidated revenue was up 7% compared to the half-year ended September 30, 2012 while the net income was up 38% compared to the half-year ended September 30, 2012.

Chet Kamat, managing director and chief executive officer for Oracle Financial Services Software, said, “Our product revenues grew 29% over the corresponding quarter year-over-year. We are continuing our investments in the core offerings in banking and analytics solutions to make these solutions compelling for the marketplace. The implementation of Oracle Fusion ERP was a massive transformational effort that provides the Company an agile and sophisticated platform for the operations. Overall I am pleased with the strong top-line and bottom-line growth that demonstrate the strength of our offerings and our rigorous execution discipline.”

Makarand Padalkar, chief financial officer for Oracle Financial Services Software, said, “We posted another solid operating performance with the operating margins for the quarter at 36% which was a 11 percentage point improvement over the corresponding quarter year-over-year. For the half-year ended September 30, 2013, the operating margins improved to 36% from 33% for the same period year-over-year. ”

Business Highlights

- The Company signed new licenses of US\$ 6.3 million in the quarter and 8 customers for the products portfolio.

- Customer wins for the products span Kenya, Mexico, Nigeria, Nepal, Tajikistan, and United States of America.
- Leading Financial Services firm headquartered in North America with operations in 50+ countries serving over 70+ million customers, including 1+ million commercial customers selected to deploy Oracle FLEXCUBE Enterprise Limits and Collateral Management as a solution to manage, monitor and report the utilisation of the credit facilities by its commercial customers.
- NRB Bank Limited is a new bank in Bangladesh, the first one of its kind in the private sector and has been set up by non-resident Bangladeshi (NRB) from eight countries. The bank selected Oracle FLEXCUBE to deliver the services for over 8 million non-resident Bangladeshi's around the world. NRB Bank offers Corporate Banking, SME Banking, Retail banking, NRB Banking services and Premium banking services to meet the needs of a broad customer base NRB bank started operations in August 2013 and targets to have 9 branches in the country by the end of the year.

Mr. Muklesur Rahman, MD & CEO said "We are planning to make an international standard Bangladeshi bank. In order to build an inclusive and sustainable business we will invest in Brand, People and Technology."

- Spitamen Capital has signed to deploy Oracle FLEXCUBE for its operations in Tajikistan to support small and medium enterprises. EGAR Technology Company an Oracle partner, joined efforts with FLEXCUBE certified consultants and domain experts to manage the deployment.
- One of Kenya's top 10 banks, selected Oracle FLEXCUBE Direct Banking to delivery products and services on the web and mobile devices to its customers both consumers and SMEs.
- A leading Nigerian financial institution with business presence in West Africa and the United Kingdom that employs over 4,800 people has signed to deploy Oracle Financial Services Analytical Applications Suite to manage enterprise risk at the bank.
- Oracle FLEXCUBE crossed the 500 customer mark with deployments in 131 countries. Leading Financial Institutions including Central Banks around the world have deployed Oracle FLEXCUBE for their operations.
- The Company successfully went live on the Oracle Fusion ERP as its core enterprise system effective July 1, 2013. This was a complex migration project involving simultaneous cut-over across all the global entities of the company. The new solution enables the company to standardize its global operations seamlessly and gain additional synergies with Oracle.

ORACLE FINANCIAL SERVICES SOFTWARE GROUP

**Q2 FY 2013-14 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Sept 30, 2013	% of Revenues	June 30, 2013	% of Revenues	
REVENUES					
Products	7,547	78%	6,869	76%	10%
Services	1,848	19%	1,908	21%	(3%)
BPO - Services	255	3%	217	2%	17%
Total Revenues	9,650	100%	8,994	100%	7%
SEGMENT RESULTS					
Products	3,376	45%	2,908	42%	16%
Services	404	22%	477	25%	(15%)
BPO - Services	84	33%	67	31%	25%
Total	3,864	40%	3,452	38%	12%
Unallocable expenses	(378)	(4%)	(256)	(3%)	48%
OPERATING INCOME	3,486	36%	3,196	36%	9%
Interest and other income, net	1,887	20%	2,008	22%	(6%)
INCOME BEFORE PROVISION OF TAXES	5,373	56%	5,204	58%	3%
Provision for taxes	1,778	18%	1,542	17%	15%
NET INCOME	3,595	37%	3,662	41%	(2%)
Earnings per share of Rs 5/- each (in Rs)					
Basic	42.76		43.56		(2%)
Diluted	42.61		43.43		(2%)

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Q2 FY 2013-14 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Millions, except per share data)

Particulars	Half Year Ended				% Increase (Decrease)
	Sept 30, 2013	% of Revenues	Sept 30, 2012	% of Revenues	
REVENUES					
Products	14,416	77%	12,952	74%	11%
Services	3,756	20%	3,949	23%	(5%)
BPO - Services	472	3%	497	3%	(5%)
Total Revenues	18,644	100%	17,398	100%	7%
SEGMENT RESULTS					
Products	6,283	44%	5,239	40%	20%
Services	880	23%	794	20%	11%
BPO - Services	152	32%	223	45%	32%
Total	7,315	39%	6,256	36%	17%
Unallocable expenses	(634)	(3%)	(535)	(3%)	19%
OPERATING INCOME	6,681	36%	5,721	33%	17%
Interest and other income, net	3,895	21%	2,264	13%	72%
INCOME BEFORE PROVISION OF TAXES	10,576	57%	7,985	46%	32%
Provision for taxes	3,319	18%	2,730	16%	22%
NET INCOME	7,257	39%	5,255	30%	38%
Earnings per share of Rs 5/- each (in Rs)					
Basic	86.32		62.57		38%
Diluted	86.04		62.35		38%

Oracle Financial Services Software Limited
Q2 FY 2013-14 Financial Results
SUPPLEMENTAL OPERATING MATRICES

	Financial Year 2012-13					Financial Year 2013-14				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<u>Segmental Revenue (INR Mn)</u>										
Product Business	7,107	5,845	6,245	6,814	26,011	6,869	7,547			
Services Business	2,137	1,812	2,024	1,764	7,737	1,908	1,848			
BPO Business	219	278	258	237	992	217	255			
Total	9,463	7,935	8,528	8,815	34,740	8,994	9,650			
<u>Geographic Revenues</u>										
Products Business										
NAMER	28%	22%	26%	21%	24%	28%	34%			
JAPAC	35%	42%	37%	42%	39%	35%	35%			
EMEA	37%	36%	37%	37%	37%	37%	31%			
Services Business										
NAMER	59%	56%	63%	59%	59%	58%	55%			
JAPAC	23%	23%	19%	22%	22%	21%	15%			
EMEA	18%	21%	18%	19%	19%	21%	30%			
Total Company										
NAMER	36%	31%	36%	29%	33%	35%	39%			
JAPAC	32%	36%	32%	38%	35%	32%	31%			
EMEA	32%	32%	32%	33%	32%	33%	31%			
<u>Revenue Analysis by Type</u>										
Product Revenues										
License Fees	20%	6%	10%	19%	14%	12%	7%			
Professional Services	57%	67%	56%	56%	59%	62%	66%			
Maintenance	23%	28%	34%	25%	27%	25%	27%			
Services Revenues										
Fixed Price	26%	24%	35%	34%	30%	28%	19%			
Time & Material Basis	74%	76%	65%	66%	70%	72%	81%			
On-site	48%	49%	41%	41%	46%	41%	46%			
Off-shore	52%	51%	59%	59%	54%	59%	54%			
<u>Customer Concentration</u>										
Product Customers										
Top Customer	16%	20%	14%	23%	18%	18%	17%			
Top 5 Customers	35%	30%	31%	36%	31%	35%	35%			
Top 10 Customers	44%	37%	41%	47%	40%	43%	44%			
Services Customers										
Top Customer	12%	8%	13%	15%	10%	11%	10%			
Top 5 Customers	38%	39%	43%	45%	41%	42%	39%			
Top 10 Customers	59%	59%	60%	63%	60%	65%	59%			
Total Company										
Top Customer	13%	16%	11%	18%	14%	14%	14%			
Top 5 Customers	31%	26%	27%	33%	29%	31%	30%			
Top 10 Customers	40%	36%	39%	44%	38%	41%	39%			
<u>Trade Receivables</u>										
0-180 days	93%	92%	92%	91%	91%	96%	95%			
More than 180 days	7%	92%	8%	9%	9%	4%	5%			
DSO (Days)	73	76	70	68	68	93	69			
<u>Attrition Rate (TTM)</u>	18%	15%	14%	15%	15%	17%	18%			
<u>Staff Data *</u>										
Products Business	5,853	6,090	6,203	6,087	6,087	6,117	6,280			
Services Business	2,803	2,836	2,800	2,758	2,758	2,426	2,329			
BPO Business	739	823	817	755	755	678	701			
Corporate	391	382	380	369	369	371	327			
Total	9,786	10,131	10,200	9,969	9,969	9,592	9,637			

About Oracle Financial Services Software Limited

Oracle Financial Services Software Limited (referred to as "Oracle Financial Services Software") (Reuters: ORCL.BO & ORCL.NS) is a world leader in providing products and services to the financial services industry and is a majority owned subsidiary of Oracle Corporation. For more information, visit www.oracle.com/financialservices.

About Oracle

Oracle engineers hardware and software to work together in the cloud and in your data center. For more information about Oracle (NASDAQ:ORCL), visit www.oracle.com.

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