

FOR IMMEDIATE RELEASE

Oracle Financial Services Software Reports Q1 Fiscal Year 2014 Net Income of Rs. 366 Crore up 30% over previous Quarter ended March 2013

Revenue for the Quarter at Rs. 899 Crore up 2% over previous quarter ended March 2013

Mumbai, India, August 13, 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 June 30, 2013. Net income was Rs. 366 Crore, up 30% compared to the quarter ended March 31, 2013 and down 1% compared the quarter ended June 30, 2012. Consolidated revenue for the quarter was Rs. 899 Crore, up 2% compared to quarter ended March 31, 2013 and down 5% over the quarter ended June 30, 2012. The operating income for the quarter was Rs. 320 Crore, up 2% compared to quarter ended March 2013 and down 14% over the quarter ended June 30, 2012.

The products business posted revenue of Rs. 687 Crore and operating margins of 42%, while the services business posted revenue of Rs. 191 Crore and operating margins of 25%.

Chet Kamat, managing director and chief executive officer for Oracle Financial Services Software, said, “We continued to maintain the winning momentum in various regions across the world signing \$18M in new license fees in the quarter. All our lines of business posted strong operating performance. This performance is a testimonial to the breadth of our product capability sustained through focussed investments to grow our addressable market.”

Makarand Padalkar, chief financial officer for Oracle Financial Services Software, said, “In a challenging environment, we delivered robust performance with net margins at 41% registering a nine percentage point increase since the last quarter.”

Business Highlights

- The Company signed new licenses of US\$ 18 million in the quarter and 10 new customers for the product portfolio.
- Customer wins for the products span Canada, Egypt, Mexico, Hong Kong, Philippines, UAE, United States of America and Zambia.
- A leading global financial institution headquartered in Canada selected [Oracle Financial Services Data Foundation](#) to address the changes introduced by Statistics Canada to the Canadian System of National Accounts and reporting.

- A leading US financial institution with operations in 50+ countries selected [Oracle Financial Services Analytical Applications](#) (OFSAA) solution components: Oracle Financial Services Data Foundation to unify the risk, finance and treasury application architecture; Oracle Financial Services Liquidity Risk Management to comply with Basel III guidelines for liquidity risk management issued by BIS; and Oracle Financial Services Enterprise Stress Testing & Capital Planning Analytics for U.S. Comprehensive Capital Analysis and Review (CCAR) Compliance.
- Leading Global Bank headquartered in North America with over US\$ 1Tr in assets licensed [Oracle Financial Services Customer Insight](#) for its banking operations.
- A leading global financial services firm with assets of US\$2+ trillion and operations 60+ countries selected [Oracle Financial Services Anti-Money Laundering](#) to consolidate their monitoring and reporting globally and replace the current application.
- One of the 20 largest commercial bank holding companies in the U.S with 600+ branches added [Oracle Financial Services Know Your Customer from the OFSAA Suite](#) to their current deployment of Oracle Financial Services Anti-Money Laundering.
- Emerging financial sector company in Mexico focused on consumer loans for individuals and groups in segments of the population with low incomes with over 90+ branches selected Oracle FLEXCUBE.
- A leading UAE based finance company with growing SME lending portfolio is deploying Oracle FLEXCUBE for its business operations.
- Bank Muamalat with over 3 million customers and more than 450 offices across 33 provinces in Indonesia is the first commercial bank in the country to implement Islamic Banking principles went live on [Oracle FLEXCUBE](#) for its operations and expanded overseas with a new branch in Malaysia.
- A specialty financial services firm focused on the U.S. residential mortgage market has contracted [OFSS BPO](#) to provide key process outsourcing services for their correspondent and wholesale mortgage channels.
- [Oracle Financial Services Lending and Leasing](#) Version 14.0 general availability was announced, that automates and unifies the auto financing lifecycle – from origination to servicing through collections – and gives financial institutions the agility to quickly capitalize on new opportunities. Using Oracle Financial Services Lending and Leasing, Gateway One has automated and standardized funding processes by implementing an interface with DealerTrack Digital Services for data entry and verification services. As a result, it can boost operational efficiency, drive down loan origination and servicing costs, improve collections effectiveness, and reduce revenue leakage.

ORACLE FINANCIAL SERVICES SOFTWARE GROUP

**Q1 FY 2013-14 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	June 30, 2013	% of Revenues	June 30, 2012	% of Revenues	
REVENUES					
Products	6,869	76%	7,107	75%	(3%)
Services	1,908	21%	2,137	23%	(11%)
BPO - Services	217	2%	219	2%	(1%)
Total Revenues	8,994	100%	9,463	100%	(5%)
SEGMENT RESULTS					
Products	2,908	42%	3,255	46%	(11%)
Services	477	25%	600	28%	(21%)
BPO - Services	67	31%	88	40%	24%
Total	3,452	38%	3,943	42%	(12%)
Unallocable expenses	(256)	(3%)	(230)	(2%)	12%
OPERATING INCOME	3,196	36%	3,713	39%	(14%)
Interest and other income, net	2,008	22%	1,724	18%	16%
INCOME BEFORE PROVISION OF TAXES	5,204	58%	5,437	57%	(4%)
Provision for taxes	1,542	17%	1,757	19%	(12%)
NET INCOME	3,662	41%	3,680	39%	(1%)
Earnings per share of Rs 5/- each (in Rs)					
Basic	43.56		43.83		(1%)
Diluted	43.43		43.72		(1%)

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Particulars	Three Months Ended				% Increase (Decrease)
	June 30, 2013	% of Revenues	March 31, 2013	% of Revenues	
REVENUES					
Products	6,869	76%	6,814	77%	1%
Services	1,908	21%	1,764	20%	8%
BPO - Services	217	2%	237	3%	(8%)
Total Revenues	8,994	100%	8,815	100%	2%
SEGMENT RESULTS					
Products	2,908	42%	3,081	45%	(6%)
Services	477	25%	265	15%	80%
BPO - Services	67	31%	54	23%	24%
Total	3,452	38%	3,400	39%	2%
Unallocable expenses	(256)	-3%	(257)	-3%	(0%)
OPERATING INCOME	3,196	36%	3,143	36%	2%
Interest and other income, net	2,008	22%	988	11%	103%
INCOME BEFORE PROVISION OF TAXES	5,204	58%	4,131	47%	26%
Provision for taxes	1,542	17%	1,318	15%	17%
NET INCOME	3,662	41%	2,813	32%	30%
Earnings per share of Rs 5/- each (in Rs)					
Basic	43.56		33.47		30%
Diluted	43.43		33.33		30%

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

* The business headcount includes associated sales and marketing headcount. FY13 numbers have been reclassified to be for comparative basis.

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. Oracle Corporation [NASDAQ: ORCL] is the world's most complete, open and integrated business software and hardware systems company. 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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“Safe Harbor” Statement: Statements in this press release relating to Oracle Financial Services Software Limited future plans and prospects are "forward-looking statements" and are subject to material risks and uncertainties. Many factors could affect our current expectations and our actual results, and could cause actual results to differ materially. All information set forth in this release is current as of August 13, 2013. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

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