

FOR IMMEDIATE RELEASE

Oracle Financial Services Software Reports Q3 Fiscal Year 2014 Net Income of Rs. 323 Crore up 20% Year-over-Year

Revenue for the Quarter at Rs. 982 Crore up 15% Year-over-Year

Mumbai, India, February 12, 2014: 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 December 31, 2013. Consolidated Net income for the quarter was Rs. 323 Crore, up 20% compared the quarter ended December 31, 2012. Consolidated revenue for the quarter was Rs. 982 Crore, up 15% compared to the quarter ended December 31, 2012. The consolidated operating income for the quarter was Rs. 342 Crore up 28% over the quarter ended December 31, 2012. For the nine months ended December 31, 2013, the consolidated revenue was up 10% compared to the nine months ended December 31, 2012 while the net income was up 32% compared to the nine months ended December 31, 2012.

Chet Kamat, managing director and chief executive officer for Oracle Financial Services Software, said, “Product revenues in the nine months grew a healthy 15% over the corresponding period last year driven by new strategic customer wins and increased penetration of our existing accounts. We signed \$16 million in new license fees in the quarter posting an increase of 21% over the corresponding quarter year-over-year. Our traction in top-tier banks continues to be strong and our new and repeat wins testify to the strength of the overall Oracle offering for Financial Services”.

Makarand Padalkar, chief financial officer for Oracle Financial Services Software, said, “We delivered another strong operating performance this quarter and nine months ended December 2013. While the operating margin for the quarter increased 4 percentage points over the quarter ended December 2012, the operating margin for the nine months ended December 2013 increased by 3 percentage points over the corresponding period last financial year.”

Business Highlights

- The Company signed new licenses of US\$ 16 million in the quarter and 8 customers for the products portfolio.
- Customer wins for the products span Canada, Poland, Romania, Russia, Sweden, UAE and Vietnam.
- Oracle FLEXCUBE deployments at customers went live in Albania, China, Egypt, Italy, Mexico, Myanmar during the quarter.
- Leading Financial Services firm headquartered in Canada with operations around the globe 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.
- Leading Romanian Bank selected Oracle to transform the core systems. Oracle FLEXCUBE will be deployed to replace the existing application Misys Midas, using IBM AS400 and DB2 as hardware and software infrastructure and enable the bank to consolidate the operations on a unified technology and application platform.
- Oracle was selected as the preferred solution partner at a leading Polish Financial Institution to address three initiatives to rebuild the application infrastructure for a unified reporting across the enterprise, a new Data Warehouse both the logical & physical model and analytics for integrating enterprise risk & finance management. Oracle Financial Services Analytical Applications Suite shall be deployed to address the key requirements across all the three initiatives at this customer.
- Leading credit institution in Russia and CIS, selected to implement Oracle to meet the AML requirements of the Federal Law 115-FZ as per Russian Federation. This deployment includes Oracle Financial Services Anti Money Laundering Enterprise Edition and Oracle Financial Services Enterprise Case Management from the Oracle Financial Services Analytical Applications Suite.
- Global analyst firm, Ovum, has positioned Oracle FLEXCUBE Direct Banking, as a market leader in the Ovum Decision Matrix: Selecting a Next-Generation Banking Digital Channel Platform.

Supporting Resources

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**Q3 FY 2013-14 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Dec 31, 2013	% of Revenues	Dec 31, 2012	% of Revenues	
REVENUES					
Products	7,591	77%	6,245	73%	22%
Services	1,926	20%	2,025	24%	(5%)
BPO - Services	300	3%	258	3%	16%
Total Revenues	9,817	100%	8,528	100%	15%
SEGMENT RESULTS					
Products	3,251	43%	2,301	37%	41%
Services	281	15%	527	26%	(47%)
BPO - Services	147	49%	117	45%	(26%)
Total	3,679	38%	2,945	35%	25%
Unallocable expenses	(262)	(3%)	(273)	(3%)	(4%)
OPERATING INCOME	3,417	35%	2,672	31%	28%
Interest and other income, net	1,345	14%	1,343	16%	0%
INCOME BEFORE PROVISION OF TAXES	4,762	49%	4,015	47%	19%
Provision for taxes	1,534	16%	1,332	16%	15%
NET INCOME	3,228	33%	2,683	31%	20%
Earnings per share of Rs 5/- each (in Rs)					
Basic	38.39		31.94		20%
Diluted	38.23		31.79		20%

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Particulars	Nine Months Ended				% Increase (Decrease)
	Dec 31, 2013	% of Revenues	Dec 31, 2012	% of Revenues	
REVENUES					
Products	22,008	77%	19,197	74%	15%
Services	5,682	20%	5,974	23%	(5%)
BPO - Services	771	3%	754	3%	2%
Total Revenues	28,461	100%	25,925	100%	10%
SEGMENT RESULTS					
Products	9,534	43%	7,540	39%	26%
Services	1,162	20%	1,321	22%	(12%)
BPO - Services	299	39%	339	45%	12%
Total	10,995	39%	9,200	35%	20%
Unallocable expenses	(897)	(3%)	(808)	(3%)	11%
OPERATING INCOME	10,098	35%	8,392	32%	20%
Interest and other income, net	5,241	18%	3,607	14%	45%
INCOME BEFORE PROVISION OF TAXES	15,339	54%	12,000	46%	28%
Provision for taxes	4,853	17%	4,062	16%	19%
NET INCOME	10,486	37%	7,938	31%	32%
Earnings per share of Rs 5/- each (in Rs)					
Basic	124.70		94.51		32%
Diluted	124.27		94.10		32%

Oracle Financial Services Software Limited
Q3 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	7,547	7,591		
Services Business	2,137	1,812	2,024	1,764	7,737	1,908	1,848	1,926		
BPO Business	219	278	258	237	992	217	255	300		
Total	9,463	7,935	8,528	8,815	34,740	8,994	9,650	9,817		
Geographic Revenues										
Products Business										
NAMER	28%	22%	26%	21%	24%	28%	34%	31%		
JAPAC	35%	42%	37%	42%	39%	35%	35%	32%		
EMEA	37%	36%	37%	37%	37%	37%	31%	37%		
Services Business										
NAMER	59%	56%	63%	59%	59%	58%	55%	61%		
JAPAC	23%	23%	19%	22%	22%	21%	15%	15%		
EMEA	18%	21%	18%	19%	19%	21%	30%	24%		
Total Company										
NAMER	36%	31%	36%	29%	33%	35%	39%	37%		
JAPAC	32%	36%	32%	38%	35%	32%	31%	28%		
EMEA	32%	32%	32%	33%	32%	33%	31%	34%		
Revenue Analysis by Type										
Product Revenues										
License Fees	20%	6%	10%	19%	14%	12%	7%	13%		
Professional Services	57%	67%	56%	56%	59%	62%	66%	60%		
Maintenance	23%	28%	34%	25%	27%	25%	27%	27%		
Services Revenues										
Fixed Price	26%	24%	35%	34%	30%	28%	19%	26%		
Time & Material Basis	74%	76%	65%	66%	70%	72%	81%	74%		
On-site	48%	49%	41%	41%	46%	41%	46%	35%		
Off-shore	52%	51%	59%	59%	54%	59%	54%	65%		
Customer Concentration										
Product Customers										
Top Customer	16%	20%	14%	23%	18%	18%	17%	14%		
Top 5 Customers	35%	30%	31%	36%	31%	35%	35%	34%		
Top 10 Customers	44%	37%	41%	47%	40%	43%	44%	43%		
Services Customers										
Top Customer	12%	8%	13%	15%	10%	11%	10%	13%		
Top 5 Customers	38%	39%	43%	45%	41%	42%	39%	49%		
Top 10 Customers	59%	59%	60%	63%	60%	65%	59%	70%		
Total Company										
Top Customer	13%	16%	11%	18%	14%	14%	14%	11%		
Top 5 Customers	31%	26%	27%	33%	29%	31%	30%	31%		
Top 10 Customers	40%	36%	39%	44%	38%	41%	39%	41%		
Trade Receivables										
0-180 days	93%	92%	92%	91%	91%	96%	95%	91%		
More than 180 days	7%	92%	8%	9%	9%	4%	5%	9%		
DSO (Days)	73	76	70	68	68	93	69	77		
Attrition Rate (TTM)										
	18%	15%	14%	15%	15%	17%	18%	19%		
Staff Data *										
Products Business	5,853	6,090	6,203	6,087	6,087	6,117	6,280	6,185		
Services Business	2,803	2,836	2,800	2,758	2,758	2,426	2,329	2,271		
BPO Business	739	823	817	755	755	678	701	707		
Corporate	391	382	380	369	369	371	327	313		
Total	9,786	10,131	10,200	9,969	9,969	9,592	9,637	9,476		

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

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