



For Immediate Release

**ORACLE Financial Services Software Reports Q1 Net Income of
Rs. 186 Crores, Up 76% Year over Year
*Net Revenue for the Quarter at Rs 710 Crores, Up 12% Year over Year***

Mumbai, India, July 30, 2009: Oracle Financial Services Software Limited (Reuters: ORCL.BO & ORCL.NS), a majority owned subsidiary of Oracle, today announced Indian GAAP results for the first quarter of fiscal year 2010 with consolidated net income of Rs 186 Crores, up by 76% compared to the same quarter last year, and operating income of Rs 223 Crores, an increase of 304% compared to the same quarter last year. Consolidated Indian GAAP revenues were Rs 710 Crores, up 12%, year over year.

“We are pleased to open fiscal year 2010 on a positive note, with product business revenues of Rs 442 Crores, an increase of 22% compared to the same quarter last year. Our domain expertise and comprehensive solutions portfolio continue to deliver significant value to banking customers. In particular, we are seeing increased traction for our Enterprise Risk and Compliance offerings.” said N.R.K. Raman, Managing Director and CEO.

“We are pleased to report strong operating performance with enhanced profitability across all lines of business. Operating margins for our products business increased to 41%, from 19% during the same quarter last year, and our services business operating margins increased to 25%, from 11% last year. We also maintained focus on collections, reducing the DSO by 14 % over previous quarter.” said Makarand Padalkar, Chief Financial Officer.

Business Highlights

During the quarter, the company added 9 new name customers, 16 customer projects went live with successful deployment of our products, and the company saw strong cross-sell results, with 11 new customer engagements for the services business.

- Forrester Research recognized Oracle as a **Global Power Seller for 2008** banking platform deals in its May 2009 report, “Global Banking Platform Deals 2008: Setting The Stage In A Maturing Market”.
- OpRisk & Compliance readers ranked Oracle Financial Services Software as the overall leader for compliance software in it’s 2009 Annual Compliance Software Survey. Oracle ranked first for anti-money laundering (AML) and governance, risk and compliance (GRC) software products, and was ranked as a top-three vendor across six of the survey’s eight compliance software categories.

Product Highlights

- The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) signed for Oracle Mantas AML. Financial Intelligence Units (FIUs) in 13 countries across The Economic Community of West African States (ECOWAS) are using Oracle Mantas support to member States to establish and implement AML/CFT regimes.
- Oracle FLEXCUBE was selected by a leading bank and its subsidiaries in Latin America to enable standardization of core banking operations.
- Oracle FLEXCUBE Lending and Leasing to be rolled out in Africa for Housing Finance Subsidiary of a leading International Bank.
- Oracle FLEXCUBE Enterprise Limits and Collateral Management was announced in the quarter, enabling banks to achieve a holistic view of their exposure by helping them to centralize collateral management, limits definition, and tracking and measurement of exposure across the institution.

Consulting Highlights for the Quarter

- The company entered into an agreement to deliver an Operational Risk consulting and framework development for a top tier company in the Private Life Insurance Industry in Asia.
- The company won a Managed Services deal for establishing a Center of Excellence for a leading tier 1 bank in Asia.
- The company was engaged to re-engineer, renew the architecture, and design of a global transaction solution for a tier 1 bank in North America.
- During the quarter, a leading South African financial services institution selected our PrimeSourcing Application Services to deliver the Bulk Payments Hub.
- The company was selected as a preferred partner for Application Services at a leading bank in Ireland.

ORACLE FINANCIAL SERVICES SOFTWARE GROUP

**Q1 10 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Thousands, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	June 30, 2009	% of Revenues	June 30, 2008	% of Revenues	
REVENUES					
Products	4,422,792	62%	3,633,638	58%	22%
Services	2,451,149	35%	2,515,515	40%	(3%)
BPO - Services	226,287	3%	169,177	3%	34%
Total Revenues	7,100,228	100%	6,318,330	100%	12%
OPERATING EXPENSES					
Cost of revenue	3,369,460	47%	3,685,605	58%	(9%)
Gross Income	3,730,768	53%	2,632,725	42%	42%
Selling and marketing expenses	534,034	8%	1,042,912	17%	(49%)
General and administrative expenses	840,576	12%	900,546	14%	(7%)
Depreciation and amortization	127,269	2%	137,847	2%	(8%)
Total Operating Expenses	4,871,339	69%	5,766,910	91%	(16%)
OPERATING INCOME	2,228,889	31%	551,420	9%	304%
Interest income / (expense)	193,874	3%	146,706	2%	32%
Other income (expenses), net	(398,344)	-6%	491,876	8%	(181%)
INCOME BEFORE PROVISION OF TAXES	2,024,419	29%	1,190,002	19%	70%
Provision for taxes	164,657	2%	128,010	2%	29%
Net Income for the period before share of loss of associate company and minority interest	1,859,762	26%	1,061,992	17%	75%
Share of loss of associate company	-	0%	6,272	0%	(100%)
Share of minority interest	1,867	0%	95	0%	1,865%
NET INCOME	1,857,895	26%	1,055,625	17%	76%
Earnings per share of Rs 5/- each (in Rs)					
Basic	22.18		12.60		76%
Diluted	22.16		12.59		76%

Oracle Financial Services Software Limited
Q1 FY 2009-10 FINANCIAL RESULTS
SUPPLEMENTAL OPERATING METRICS

	Financial Year 2008-09					Financial Year 2009-10				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Segmental Revenue (INR Mn)										
Product Business	3,634	4,434	4,880	5,184	18,131	4,423				
Services Business	2,516	2,414	2,945	2,552	10,426	2,451				
KPO Business	169	149	188	213	719	226				
Total	6,318	6,997	8,012	7,949	29,276	7,100				
Geographic Revenues										
Products Business										
North America	13%	16%	11%	14%	14%	16%				
Middle East and Africa	20%	19%	22%	21%	20%	16%				
Asia Pacific	16%	15%	23%	18%	18%	17%				
Europe	48%	49%	40%	42%	45%	48%				
Latin America and Caribbean	2%	2%	4%	5%	3%	3%				
Services Business										
North America	56%	55%	52%	54%	54%	55%				
Middle East and Africa	4%	5%	7%	7%	6%	3%				
Asia Pacific	19%	28%	23%	22%	23%	24%				
Europe	21%	12%	19%	17%	17%	17%				
Latin America and Caribbean	0%	0%	0%	1%	0%	1%				
Total Company										
North America	31%	30%	27%	28%	29%	31%				
Middle East and Africa	13%	14%	16%	16%	15%	11%				
Asia Pacific	17%	20%	23%	19%	20%	20%				
Europe	37%	35%	32%	33%	33%	36%				
Latin America and Caribbean	1%	1%	2%	3%	2%	2%				
Revenue Analysis by Type										
Product Revenues										
License Fees	20%	22%	18%	27%	22%	9%				
Professional Services	61%	56%	62%	55%	58%	68%				
Maintenance	19%	22%	20%	19%	20%	23%				
Services Revenues										
Fixed Price	16%	10%	27%	38%	23%	32%				
Time & Material Basis	84%	90%	73%	62%	77%	68%				
On-site	65%	66%	61%	61%	63%	50%				
Off-shore	35%	34%	39%	39%	37%	50%				
Customer Concentration										
Product Customers										
Top Customer	5%	6%	5%	6%	6%	8%				
Top 5 Customers	21%	20%	19%	21%	18%	25%				
Top 10 Customers	33%	33%	31%	34%	28%	36%				
Citigroup and its entities	10%	9%	10%	8%	9%	11%				
Services Customers										
Top Customer	10%	11%	8%	7%	8%	7%				
Top 5 Customers	17%	28%	28%	26%	26%	27%				
Top 10 Customers	26%	42%	40%	40%	41%	45%				
Citigroup and its entities	30%	42%	36%	34%	36%	36%				
Total Company										
Top Customer	7%	5%	5%	5%	5%	7%				
Top 5 Customers	19%	17%	17%	17%	18%	20%				
Top 10 Customers	30%	27%	27%	27%	26%	30%				
Citigroup and its entities	19%	22%	20%	17%	20%	20%				
Trade Receivables										
0-180 days	87%	84%	89%	88%	88%	89%				
More than 180 days	13%	16%	11%	12%	12%	11%				
DSO (Days)	114	102	96	96	96	83				
Staff Data										
Products	3,921	4,906	4,994	4,881	4,881	4,788				
Services	5,080	4,795	4,643	4,405	4,405	4,098				
On Demand	-	-	-	-	-	25				
KPO Business	852	824	766	972	972	973				
Support (incl Sales and Marketing)	1,164	1,111	1,121	1,128	1,128	1,191				
Total	11,017	11,636	11,524	11,386	11,386	11,075				

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 largest enterprise software company. For more information, visit www.oracle.com/financialservices

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“Safe Harbor” Statement: Statements in this press release relating to Oracle Financial Software Services 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 July 30, 2009. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

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