



For Immediate Release

**Oracle Financial Services Software Reports Q2 Net Income of
Rs. 205 Crores, Up 119% Year over Year**

Mumbai, India, October 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 second quarter of fiscal year 2010 with consolidated net income of Rs 205 Crores, up by 119% compared to the same quarter last year, and operating income of Rs 186 Crores, an increase of 76% compared to the same quarter last year. Consolidated Indian GAAP revenues for the second quarter were Rs 679 Crores, down 3% year over year. The EPS for the quarter was Rs. 24.42, up 119% compared to the same quarter last year.

Consolidated revenues for the half year were Rs 1389 Crores, up 4% compared to the corresponding period last fiscal year. The consolidated net income for the half year was Rs 390 Crores, up 96% over corresponding period last year.

“During the current quarter, we have seen significant market traction across Asia Pacific and Middle East & Africa regions. We have also registered notable wins for our newer offerings such as Industry Reference Model for Banking, FLEXCUBE Messaging Hub apart from Core Banking and Risk Management solutions” said N.R.K. Raman, Managing Director and CEO, Oracle Financial Services Software Limited. “We continue to deliver superior operating performance with EPS for the first half of fiscal year 2010 up 96% over the comparable period last fiscal year” he added.

“While delivering growth and enhanced profitability, we are continuing to invest in our infrastructure and local presence in newer territories. Our overall operating margins for the quarter is at 27%, compared to 15% for the same period last fiscal year. Additionally, the DSO was down to 65 days from 83 days, driven by strong collections.” Makarand Padalkar, CFO, Oracle Financial Services Software Limited added.

Business Highlights

- During the quarter, the company added 12 customers while 20 customer projects went “live” with successful deployment of our products.
- Leading Analyst Firm Gartner positions Oracle Financial Services Software in the Leaders Quadrant in its 2009 Operational Risk Management Software Report. Oracle Reveleus Operational Risk was recognized based on completeness of vision and ability to execute.
- Waters’ readers voted Oracle Mantas as the #1 AML solution for the third consecutive year.

Product Highlights

- A leading global bank licensed Oracle FLEXCUBE Messaging Hub to create a Trade Services Utility to enhance services to their customers as part of the Financial Supply Chain Management in Asia.
- A leading Tier 1 bank in Asia and a start-up bank in Southern Europe both licensed Oracle Industry Reference Model for Banking on Oracle Fusion SOA Suite to adopt, enable and standardize the business processes across the enterprise. The process-led transformation/implementation is expected to yield higher productivity and streamline operations for better customer services and improved operating efficiency.
- The company announced a new release of Oracle® FLEXCUBE Universal Banking (Version 10.5) featuring enhancements including an extensibility framework, simulation tools, enterprise origination capabilities and enterprise integration accelerators, that make it easier for banks to centralize origination functions in order to eliminate redundancy, cut lead times and increase overall efficiency.
- The company also announced a new release of Oracle Mantas Fraud to manage financial crime and fraud. The new release provides new features to help accelerate fraud detection and enable institutions to detect increasingly sophisticated fraud schemes and financial crime rings. The new release also enables real-time payments and online fraud detection capabilities through integration with [Oracle Adaptive Access Manager](#) and [Oracle Complex Events Processing](#)
- Oracle was awarded multiple SWIFTReady application labels for the year including:
 - SWIFTReady Payments 2009 label for [Oracle FLEXCUBE Universal Banking](#)
 - SWIFTReady SEPA 2009 label for [Oracle FLEXCUBE Messaging Hub](#)

- SWIFTReady Funds 2009 label for [Oracle FLEXCUBE Messaging Hub](#)

Certified applications are awarded a SWIFTReady application label when they demonstrate compliance with SWIFT standards, messaging services and connectivity.

Consulting Highlights

- A mid-size U.S. bank recruited Oracle Financial Services Consulting to assess key risks and design a Stress Testing Framework at the bank.
- A leading European bank selected PrimeSourcing Application Services for migration and technology streamlining of their private wealth management platform.
- A leading multi-national bank signed for Consulting Services in Japan.
- PrimeSourcing Technology Services wins the deal to provide infrastructure support to production environments based in Singapore.

ORACLE FINANCIAL SERVICES SOFTWARE GROUP

Q2 FY 2009-10 : FINANCIAL RESULTS CONSOLIDATED STATEMENTS OF OPERATIONS (In INR Thousands, except per share data)

Particulars	Three month ended				% Increase (Decrease)
	Sept 30, 2009	% of Revenues	Sept 30, 2008	% of Revenues	
REVENUES					
Products	4,278,182	63%	4,433,554	63%	(4%)
Services	2,268,103	33%	2,413,641	35%	(6%)
BPO - Services	243,833	4%	149,355	2%	63%
Total Revenues	6,790,118	100%	6,996,550	100%	(3%)
OPERATING EXPENSES					
Cost of revenue	3,402,272	50%	3,897,963	56%	(13%)
Gross Profit	3,387,846	50%	3,098,587	44%	9%
Selling and marketing expenses	674,433	10%	898,720	13%	(25%)
General and administrative expenses	719,474	11%	1,003,910	14%	(28%)
Depreciation and amortization	130,557	2%	137,875	2%	(5%)
Total Operating Expenses	4,926,736	73%	5,938,468	85%	(17%)
OPERATING PROFIT	1,863,382	27%	1,058,082	15%	76%
Interest and other income, net	349,066	5%	440,223	6%	(21%)
Exceptional item	-	0%	(468,900)	-7%	
PROFIT BEFORE PROVISION OF TAXES	2,212,448	33%	1,029,405	15%	115%
Provision for taxes	166,844	2%	91,064	1%	83%
Net Profit for the period before share of loss of associate company and minority interest	2,045,604	30%	938,341	13%	118%
Share of loss of associate company	-	0%	1,761	0%	(100%)
Share of minority interest	-	0%	2,339	0%	(100%)
NET PROFIT	2,045,604	30%	934,241	13%	119%
Earnings per share of Rs 5/- each (in Rs)					
Basic	24.42		11.15		119%
Diluted	24.39		11.14		119%

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Q2 FY 2009-10 YEAR TO DATE: FINANCIAL RESULTS CONSOLIDATED STATEMENTS OF OPERATIONS (In INR Thousands, except per share data)

Particulars	Six month ended				% Increase (Decrease)
	Sept 30, 2009	% of Revenues	Sept 30, 2008	% of Revenues	
REVENUES					
Products	8,700,974	63%	8,067,193	61%	8%
Services	4,719,252	34%	4,929,156	37%	(4%)
BPO - Services	470,121	3%	318,532	2%	48%
Total Revenues	13,890,347	100%	13,314,881	100%	4%
OPERATING EXPENSES					
Cost of revenue	6,771,731	49%	7,583,626	57%	(11%)
Gross Profit	7,118,616	51%	5,731,255	43%	24%
Selling and marketing expenses	1,208,468	9%	1,941,632	15%	(38%)
General and administrative expenses	1,560,051	11%	1,904,391	14%	(18%)
Depreciation and amortization	257,826	2%	275,730	2%	(6%)
Total Operating Expenses	9,798,076	71%	11,705,379	88%	(16%)
OPERATING PROFIT	4,092,271	29%	1,609,502	12%	154%
Interest and other income, net	144,596	1%	1,078,805	8%	(87%)
Exceptional item	-	0%	(468,900)	-4%	
PROFIT BEFORE PROVISION OF TAXES	4,236,867	31%	2,219,407	17%	91%
Provision for taxes	331,501	2%	219,074	2%	51%
Net Profit for the period before share of loss of associate company and minority interest	3,905,366	28%	2,000,333	15%	95%
Share of loss of associate company	-	0%	8,033	0%	(100%)
Share of minority interest	1,867	0%	2,434	0%	(23%)
NET PROFIT	3,903,499	28%	1,989,866	15%	96%
Earnings per share of Rs 5/- each (in Rs)					
Basic	46.60		23.76		96%
Diluted	46.57		23.74		96%

Oracle Financial Services Software Limited
Q2 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	4,278			
Services Business	2,516	2,414	2,945	2,552	10,426	2,451	2,268			
KPO Business	169	149	188	213	719	226	244			
Total	6,318	6,997	8,012	7,949	29,276	7,100	6,790			
Geographic Revenues										
Products Business										
North America	13%	16%	11%	14%	14%	16%	19%			
Middle East and Africa	20%	19%	22%	21%	20%	16%	20%			
Asia Pacific	16%	15%	23%	18%	18%	17%	18%			
Europe	48%	49%	40%	42%	45%	48%	39%			
Latin America and Caribbean	2%	2%	4%	5%	3%	3%	3%			
Services Business										
North America	56%	55%	52%	54%	54%	55%	60%			
Middle East and Africa	4%	5%	7%	7%	6%	3%	3%			
Asia Pacific	19%	28%	23%	22%	23%	24%	22%			
Europe	21%	12%	19%	17%	17%	17%	14%			
Latin America and Caribbean	0%	0%	0%	1%	0%	1%	0%			
Total Company										
North America	31%	30%	27%	28%	29%	31%	34%			
Middle East and Africa	13%	14%	16%	16%	15%	11%	14%			
Asia Pacific	17%	20%	23%	19%	20%	20%	20%			
Europe	37%	35%	32%	33%	34%	36%	30%			
Latin America and Caribbean	1%	1%	2%	3%	2%	2%	2%			
Revenue Analysis by Type										
Product Revenues										
License Fees	20%	22%	18%	27%	22%	9%	8%			
Professional Services	61%	56%	62%	55%	58%	68%	68%			
Maintenance	19%	22%	20%	19%	20%	23%	24%			
Services Revenues										
Fixed Price	16%	10%	27%	38%	23%	32%	27%			
Time & Material Basis	84%	90%	73%	62%	77%	68%	73%			
On-site	65%	66%	61%	61%	63%	50%	49%			
Off-shore	35%	34%	39%	39%	37%	50%	51%			
Customer Concentration										
Product Customers										
Top Customer	5%	6%	5%	6%	6%	8%	7%			
Top 5 Customers	21%	20%	19%	21%	18%	25%	22%			
Top 10 Customers	33%	33%	31%	34%	28%	36%	32%			
Citigroup and its entities	10%	9%	10%	8%	9%	11%	9%			
Services Customers										
Top Customer	10%	11%	8%	7%	8%	7%	7%			
Top 5 Customers	17%	28%	28%	26%	26%	27%	29%			
Top 10 Customers	26%	42%	40%	40%	41%	45%	45%			
Citigroup and its entities	30%	42%	36%	34%	36%	36%	37%			
Total Company										
Top Customer	7%	5%	5%	5%	5%	7%	6%			
Top 5 Customers	19%	17%	17%	17%	18%	20%	18%			
Top 10 Customers	30%	27%	27%	27%	26%	30%	28%			
Citigroup and its entities	19%	22%	20%	17%	20%	20%	20%			
Trade Receivables										
0-180 days	87%	84%	89%	88%	88%	89%	84%			
More than 180 days	13%	16%	11%	12%	12%	11%	16%			
DSO (Days)	114	102	96	96	96	83	65			
Staff Data										
Products	3,921	4,906	4,994	4,881	4,881	4,788	4,781			
Services	5,080	4,795	4,643	4,405	4,405	4,098	3,650			
On Demand	-	-	-	-	-	25	25			
KPO Business	852	824	766	972	972	973	977			
Support (incl Sales and Marketing)	1,164	1,111	1,121	1,128	1,128	1,191	1,149			
Total	11,017	11,636	11,524	11,386	11,386	11,075	10,582			

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.

Trademark

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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 October 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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