



FOR IMMEDIATE RELEASE

Oracle Financial Services Software Reports Q1 Fiscal Year 2014 Net Income of Rs. 394 Crore up 8% Year-over-Year Revenue for the Quarter at Rs. 1,073 Crore up 19% Year-over-Year

Mumbai, India, August 7, 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 June 30, 2014. Net income was Rs. 394 Crore, up 27% compared to the quarter ended March 31, 2014 and up 8% compared the quarter ended June 30, 2013. Consolidated revenue for the quarter was Rs. 1,073 Crore, up 20% compared to quarter ended March 31, 2014 and up 19% over the quarter ended June 30, 2013. The operating income for the quarter was Rs. 467 Crore, up 47% compared to quarter ended March 2014 and up 46% over the quarter ended June 30, 2013.

The products business posted revenue of Rs. 895 Crore and operating margins of 50%, while the services business posted revenue of Rs. 154 Crore and operating margins of 24%.

Chet Kamat, managing director and chief executive officer for Oracle Financial Services Software, said, “We are very excited to report a solid quarter based on strong momentum. Our entire range of applications for financial services demonstrated strong license signings around the globe. For the quarter ended June 2014, we signed new licenses of US\$ 32 million registering 82% year-over-year growth. All our lines of business posted strong operating performance. This performance is a testament 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, “We continue to surpass our performance benchmarks, the operating income for the quarter grew 46% year-over-year with the operating margins at 44% posting an 8 percentage point growth over the operating margins in the same quarter year-over-year. We posted our lowest ever days of sales outstanding at 39 days – representing a reduction of 22 days over the days of sales outstanding at the end of March, 2014.”

Business Highlights

- The Company signed new licenses of US\$ 32 million in the quarter
- New customers signed are deploying the applications for their business operations in Afghanistan, Ethiopia, India, Lebanon, Myanmar, Mexico, Tanzania and the United Kingdom.

- Recent winner of a new banking license in the United Kingdom has selected Oracle FLEXCUBE. This deployment will leverage the Oracle Managed Cloud Services at Linlithgow, Scotland.
- Leading Lebanese bank with over US\$12B in assets signed a multi-million US\$ contract to deploy Oracle Applications on Oracle Exadata including Oracle FLEXCUBE Universal Banking System, Oracle FLEXCUBE Direct Banking, Oracle FLEXCUBE Private Banking , Oracle GL and Oracle Siebel CRM.
- AMANAH SAHAM NASIONAL BERHAD (ASNB), a wholly-owned subsidiary company of Permodalan Nasional Berhad (PNB), Malaysia expanded the deployment of Oracle FLEXCUBE Investor Services as the enterprise solution to serve and manage fund managers and unit holders. ASNB was established in 1979 to manage the unit trust funds launched by PNB. ASNB as a leading unit trust manager has served the investors over 35 years and controls more than 40% of the total units in circulation, serves over 11 million unit holders in the country.
- Azizi Bank, Afghanistan selected Oracle FLEXCUBE to consolidate the acquired operations and expand presence in the country.
- Dombivli Nagari Sahakari Bank (DNS BANK), one of the leading urban co-operative banks the western region of India, has chosen Oracle FLEXCUBE to transform its retail banking and self-service channels.
- Canara Bank, India existing Oracle FLEXCUBE customer for over a decade signed up to deploy Oracle FLEXCUBE for its international operations in South Africa, Bahrain, UK and the USA.
- Janalakshmi Financial Services, a leading for-profit NBFC in India, serving the urban underserved expanded the deployment to address growth its business across the country.
- DongA Joint Stock Commercial Bank (DongA Bank), Vietnam existing customer of Oracle FLEXCUBE expanded the deployment and upgraded to version 12 to address growth in customer accounts and provide service across all regions.
- United Commercial Bank Limited, among the top 2 privately owned banks in Bangladesh went live on Oracle FLEXCUBE for operations on schedule in 7 months in June 2014.
- Leading global FI, headquartered in London, selected Oracle Financial Crime and Compliance Management to address AML rollout across the enterprise.
- Oracle was selected as a winner and Fraud & Financial Crime Software Provider in Operational Risk & Regulation Awards for 2014.

ORACLE FINANCIAL SERVICES SOFTWARE GROUP

**Q1 FY 2014-15 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Jun 30, 2014	% of Revenues	Jun 30, 2013	% of Revenues	
REVENUES					
Products	8,953	83%	6,869	76%	30%
Services	1,543	14%	1,908	21%	(19%)
BPO - Services	234	2%	217	2%	8%
Total Revenues	10,730	100%	8,994	100%	19%
SEGMENT RESULTS					
Products	4,471	50%	2,908	42%	54%
Services	369	24%	477	25%	(23%)
BPO - Services	51	22%	67	31%	(24%)
Total	4,891	46%	3,452	38%	42%
Unallocable expenses	(223)	(2%)	(256)	(3%)	(13%)
OPERATING INCOME	4,668	44%	3,196	36%	46%
Interest and other income, net	1,504	14%	2,008	22%	(25%)
INCOME BEFORE PROVISION OF TAXES	6,172	58%	5,204	58%	19%
Provision for taxes	2,228	21%	1,542	17%	45%
NET INCOME	3,944	37%	3,662	41%	8%
Earnings per share of Rs 5/- each (in Rs)					
Basic	46.87		43.56		8%
Diluted	46.71		43.43		8%

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Particulars	Three Months Ended				% Increase (Decrease)
	Jun 30, 2014	% of Revenues	Mar 31, 2014	% of Revenues	
REVENUES					
Products	8,953	83%	6,994	78%	28%
Services	1,543	14%	1,716	19%	(10%)
BPO - Services	234	2%	242	3%	(3%)
Total Revenues	10,730	100%	8,952	100%	20%
SEGMENT RESULTS					
Products	4,471	50%	3,025	43%	48%
Services	369	24%	359	21%	3%
BPO - Services	51	22%	67	28%	(24%)
Total	4,891	46%	3,451	39%	42%
Unallocable expenses	(223)	(2%)	(272)	(3%)	(18%)
OPERATING INCOME	4,668	44%	3,179	36%	47%
Interest and other income, net	1,504	14%	1,496	17%	1%
INCOME BEFORE PROVISION OF TAXES	6,172	58%	4,675	52%	32%
Provision for taxes	2,228	21%	1,567	18%	42%
NET INCOME	3,944	37%	3,108	35%	27%
Earnings per share of Rs 5/- each (in Rs)					
Basic	46.87		36.94		27%
Diluted	46.71		36.80		27%

Oracle Financial Services Software Limited
Q1 FY 2014-15 Financial Results
SUPPLEMENTAL OPERATING MATRICES

	Financial Year 2013-14					Financial Year 2014-15				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Segmental Revenue (INR Mn)										
Product Business	6,869	7,547	7,591	6,994	29,001	8,953				
Services Business	1,908	1,848	1,926	1,716	7,398	1,543				
BPO Business	217	255	300	242	1,014	234				
Total	8,994	9,650	9,817	8,952	37,413	10,730				
Geographic Revenues										
Products Business										
NAMER	28%	34%	31%	24%	30%	26%				
JAPAC	35%	35%	32%	36%	34%	37%				
EMEA	37%	31%	37%	40%	36%	37%				
Services Business										
NAMER	58%	55%	61%	63%	59%	60%				
JAPAC	21%	15%	15%	9%	15%	13%				
EMEA	21%	30%	24%	28%	26%	27%				
Total Company										
NAMER	35%	39%	37%	32%	36%	32%				
JAPAC	32%	31%	28%	30%	30%	33%				
EMEA	33%	31%	34%	38%	34%	36%				
Revenue Analysis by Type										
Product Revenues										
License Fees	12%	7%	13%	10%	10%	20%				
Professional Services	62%	66%	60%	62%	63%	54%				
Maintenance	25%	27%	27%	28%	27%	26%				
Services Revenues										
Fixed Price	28%	19%	26%	26%	24%	25%				
Time & Material Basis	72%	81%	74%	74%	76%	75%				
On-site	41%	46%	35%	41%	41%	36%				
Off-shore	59%	54%	65%	59%	59%	64%				
Customer Concentration										
Product Customers										
Top Customer	18%	17%	14%	15%	16%	13%				
Top 5 Customers	35%	35%	34%	32%	34%	33%				
Top 10 Customers	43%	44%	43%	41%	41%	43%				
Services Customers										
Top Customer	11%	10%	13%	11%	10%	11%				
Top 5 Customers	42%	39%	49%	48%	44%	43%				
Top 10 Customers	65%	59%	70%	72%	66%	67%				
Total Company										
Top Customer	14%	14%	11%	12%	13%	11%				
Top 5 Customers	31%	30%	31%	29%	30%	30%				
Top 10 Customers	41%	39%	41%	38%	40%	39%				
Trade Receivables										
0-180 days	96%	95%	92%	93%	93%	94%				
More than 180 days	4%	5%	8%	7%	7%	6%				
DSO (Days)	93	69	77	61	61	39				
Attrition Rate (TTM)										
	17%	17%	19%	21%	21%	23%				
Staff Data *										
Products Business	6,117	6,280	6,185	6,023	6,023	5,794				
Services Business	2,426	2,329	2,271	2,198	2,198	2,121				
BPO Business	678	701	707	697	697	670				
Corporate	371	327	313	302	302	269				
Total	9,592	9,637	9,476	9,220	9,220	8,854				

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 7, 2014. Oracle Financial Services Software Limited undertakes no duty to update any statement in light of new information or future events.

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