



FOR IMMEDIATE RELEASE

**Oracle Financial Services Software Reports Q2 Fiscal Year 2015 Net Income of Rs. 318 Crore, down 12% Year-over-Year
Revenue for the Quarter at Rs. 945 Crore down 2% Year-over-Year**

Mumbai, India, November 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 September 30, 2014. Net income was Rs. 318 Crore, down 12% compared the quarter ended September 30, 2013. Consolidated revenue for the quarter was Rs. 945 Crore, down 2% and the operating income for the quarter was Rs. 336 Crore, down 4% over the prior-year quarter.

The consolidated revenues for half year ended September 30, 2014 was Rs. 2018 Crore, up 8% compared to the half-year ended September 30, 2013. The operating income for the half year was Rs. 802 Crore, up 20%, and the net income for the half-year was 712 Crore, down 2% compared to the corresponding period in the last fiscal year.

For the half-year ended September 30, 2014, the products business posted revenue of Rs. 1651 Crore, up 15% compared to the revenue in the corresponding period in the last fiscal year. The operating income in the products business for the same period was Rs. 769 Crore, up 22% compared to the operating income in the corresponding period last fiscal year.

Chet Kamat, managing director and chief executive officer of Oracle Financial Services Software, said, “We signed US\$7 million of new license fees in the quarter, up 12% year-over-year; while on a year-to-date basis, we signed US\$ 39.2 million of new license fees, 64% higher than the corresponding period in the last fiscal year. We see growth opportunities across multiple regions in both core banking and the analytical solutions market. Our solutions on the Oracle Cloud are a very compelling offering and have enhanced the choices of deployment for Financial Institutions.”

Makarand Padalkar, chief financial officer for Oracle Financial Services Software, said, “For the quarter ended September 30, 2014, we delivered operating margins of 36% and for the half year ended September 30, 2014, the operating margins were 40%, four percentage points higher than the corresponding period in the last fiscal year, demonstrating the strength of our operating discipline and quality of our business portfolio.”

Business Highlights

- The Company signed new licenses of US\$ 7 million in the quarter
- Six new customers signed for deploying the applications for their business operations in Kuwait, Belarus, Mauritius, USA and Philippines. Four customers went live for operations in the quarter.
- Leading U.S. based bank holding company specializing in credit cards, home loans, auto loans, banking and savings products signed up for deploying Oracle Financial Services Analytical Applications Suite for [liquidity risk management](#) and [the data foundation](#) to further reduce the time for implementing analytical applications.
- Keybank, a leading national bank in the United States of America, announced at Oracle Open World 2014, its intention to use Oracle Banking Platform to provide online and mobile innovation to meet customers' changing expectations.
- National Bank of Kuwait with an established franchise in the Middle East and operations across 16 countries around the world selected Oracle Financial Crime and Compliance Management application to manage regulatory compliance across the enterprise including AML, KYC, FATCA and Enterprise Case Management.
- A leading bank headquartered India with over US\$50B in assets, 5000+ branches in India and subsidiaries around the world and an existing customer of Oracle, selected Oracle Financial Services Analytical Applications on Oracle Engineered Systems to implement a business application led analytical data warehouse across its lines of business, customer insight and modelling.
- Rang-ay Bank, a leading rural bank established in 1956 in the Philippines, has selected Oracle FLEXCUBE Universal Banking to consolidate operations and transform their services to customers. Krisfinsoft, Oracle' business partner in Philippines, will deploy and offer business process services (BPS) to the bank.

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**Q2 FY 2014-15 : FINANCIAL RESULTS
CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Millions, except per share data)**

Particulars	Three Months Ended				% Increase (Decrease)
	Sept 30, 2014	% of Revenues	Sept 30, 2013	% of Revenues	
REVENUES					
Products	7,561	80%	7,547	78%	0%
Services	1,683	18%	1,848	19%	(9%)
BPO - Services	201	2%	255	3%	(21%)
Total Revenues	9,445	100%	9,650	100%	(2%)
SEGMENT RESULTS					
Products	3,214	43%	3,376	45%	(5%)
Services	321	19%	404	22%	(20%)
BPO - Services	12	6%	84	33%	(86%)
Total	3,547	38%	3,864	40%	(8%)
Unallocable expenses	(192)	(2%)	(378)	(4%)	(49%)
OPERATING INCOME	3,355	36%	3,486	36%	(4%)
Interest and other income, net	1,494	16%	1,887	20%	(21%)
INCOME BEFORE PROVISION OF TAXES	4,849	51%	5,373	56%	(10%)
Provision for taxes	1,671	18%	1,778	18%	(6%)
NET INCOME	3,178	34%	3,595	37%	(12%)
Earnings per share of Rs 5/- each (in Rs)					
Basic	37.75		42.76		(12%)
Diluted	37.54		42.61		(12%)

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

Particulars	Half Year Ended				% Increase (Decrease)
	Sept 30, 2014	% of Revenues	Sept 30, 2013	% of Revenues	
REVENUES					
Products	16,514	82%	14,416	77%	15%
Services	3,226	16%	3,756	20%	(14%)
BPO - Services	435	2%	472	3%	(8%)
Total Revenues	20,175	100%	18,644	100%	8%
SEGMENT RESULTS					
Products	7,685	47%	6,283	44%	22%
Services	690	21%	880	23%	(22%)
BPO - Services	63	15%	152	32%	(58%)
Total	8,438	42%	7,315	39%	15%
Unallocable expenses	(415)	(2%)	(634)	(3%)	(35%)
OPERATING INCOME	8,023	40%	6,681	36%	20%
Interest and other income, net	2,998	15%	3,895	21%	(23%)
INCOME BEFORE PROVISION OF TAXES	11,021	55%	10,576	57%	4%
Provision for taxes	3,898	19%	3,319	18%	17%
NET INCOME	7,123	35%	7,257	39%	(2%)
Earnings per share of Rs 5/- each (in Rs)					
Basic	84.62		86.32		(2%)
Diluted	84.25		86.04		(2%)

Oracle Financial Services Software Limited
Q2 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	7,561			
Services Business	1,908	1,848	1,926	1,716	7,398	1,543	1,683			
BPO Business	217	255	300	242	1,014	234	201			
Total	8,994	9,650	9,817	8,952	37,413	10,730	9,445			
Geographic Revenues										
Products Business										
NAMER	28%	34%	31%	24%	30%	26%	30%			
JAPAC	35%	35%	32%	36%	34%	37%	35%			
EMEA	37%	31%	37%	40%	36%	37%	36%			
Services Business										
NAMER	58%	55%	61%	63%	59%	60%	54%			
JAPAC	21%	15%	15%	9%	15%	13%	17%			
EMEA	21%	30%	24%	28%	26%	27%	29%			
Total Company										
NAMER	35%	39%	37%	32%	36%	32%	34%			
JAPAC	32%	31%	28%	30%	30%	33%	31%			
EMEA	33%	31%	34%	38%	34%	36%	34%			
Revenue Analysis by Type										
Product Revenues										
License Fees	12%	7%	13%	10%	10%	20%	7%			
Professional Services	62%	66%	60%	62%	63%	54%	62%			
Maintenance	25%	27%	27%	28%	27%	26%	31%			
Services Revenues										
Fixed Price	28%	19%	26%	26%	24%	25%	22%			
Time & Material Basis	72%	81%	74%	74%	76%	75%	78%			
On-site	41%	46%	35%	41%	41%	36%	48%			
Off-shore	59%	54%	65%	59%	59%	64%	52%			
Customer Concentration										
Product Customers										
Top Customer	18%	17%	14%	15%	16%	13%	16%			
Top 5 Customers	35%	35%	34%	32%	34%	33%	34%			
Top 10 Customers	43%	44%	43%	41%	41%	43%	41%			
Services Customers										
Top Customer	11%	10%	13%	11%	10%	11%	13%			
Top 5 Customers	42%	39%	49%	48%	44%	43%	42%			
Top 10 Customers	65%	59%	70%	72%	66%	67%	68%			
Total Company										
Top Customer	14%	14%	11%	12%	13%	11%	12%			
Top 5 Customers	31%	30%	31%	29%	30%	30%	31%			
Top 10 Customers	41%	39%	41%	38%	40%	39%	39%			
Trade Receivables										
0-180 days	96%	95%	92%	93%	93%	94%	98%			
More than 180 days	4%	5%	8%	7%	7%	6%	2%			
DSO (Days)	93	69	77	61	61	39	68			
Attrition Rate (TTM)	17%	17%	19%	21%	21%	23%	24%			
Staff Data *										
Products Business	6,117	6,280	6,185	6,023	6,023	5,794	5,947			
Services Business	2,426	2,329	2,271	2,198	2,198	2,121	2,036			
BPO Business	678	701	707	697	697	670	701			
Corporate	371	327	313	302	302	269	264			
Total	9,592	9,637	9,476	9,220	9,220	8,854	8,948			

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 November 12, 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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