

Oracle Financial Services Software Limited

Registered Office : Oracle Park, Off Western Express Highway, Goregaon (East), Mumbai 400 063.

Unaudited standalone financial results for the three and nine month period ended December 31, 2013

(₹ in lacs, except share and per share data)

PART I Particulars	Three month period ended			Nine month period ended		Year ended	
	December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2012	March 31, 2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME FROM OPERATIONS							
Revenue from operations	82,736	82,504	72,616	239,592	219,824	219,824	293,770
Total income from operations (net)	82,736	82,504	72,616	239,592	219,824	219,824	293,770
2 EXPENSES							
(a) Employee costs	44,313	38,744	36,274	119,409	106,949	106,949	144,195
(b) Travel related expenses (net of recoveries)	2,856	2,751	3,605	8,199	9,822	9,822	11,997
(c) Professional fees	4,243	5,117	4,262	12,685	10,615	10,615	13,460
(d) Other expenses	2,916	3,162	1,607	9,516	8,885	8,885	11,813
(e) Depreciation and amortisation	1,616	1,600	1,478	4,827	4,361	4,361	5,861
Total expenses	55,944	51,374	47,226	154,636	140,632	140,632	187,326
3 Profit from operations before other income and tax	26,792	31,130	25,390	84,956	79,192	79,192	106,444
4 Other income, net	15,091	15,949	11,947	46,923	33,631	33,631	44,032
5 Profit before tax	41,883	47,079	37,337	131,879	112,823	112,823	150,476
6 Tax expenses	14,865	16,207	10,935	46,096	36,740	36,740	47,822
(a) Current tax	(129)	(258)	881	(1,113)	(217)	(217)	(272)
(b) Deferred tax	14,736	15,949	11,816	44,989	36,523	36,523	47,550
Total tax expenses	14,736	15,949	11,816	44,989	36,523	36,523	47,550
7 Net profit for the period	27,147	31,130	25,521	86,896	76,300	76,300	102,926
8 Paid-up equity share capital (face value ₹ 5 each, fully paid)	4,206	4,205	4,201	4,206	4,201	4,201	4,203
9 Reserves as per balance sheet of previous accounting year							725,031
10 Earnings per share (face value ₹ 5 each, fully paid)							
(a) Basic (in ₹)	32.28	37.02	30.38	103.34	90.84	90.84	122.52
(b) Diluted (in ₹)	32.15	36.89	30.24	102.98	90.45	90.45	121.96

See accompanying note to the financial results

PART II

PART I		Three month period ended		Nine month period ended		Year ended	
		December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A PARTICULARS OF SHAREHOLDING							
1 Public Shareholding							
Number of shares	21,065,829	21,041,874	16,544,476	21,065,829	16,544,476	16,544,476	16,563,780
Percentage of shareholding	25.04	25.02	19.69	25.04	19.69	19.69	19.73
2 Promoters and Promoter Group Shareholding							
(a) Pledged / Encumbered							
Number of Shares	-	-	-	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-	-
(b) Non-encumbered							
Number of Shares	63,051,197	63,051,197	67,481,698	63,051,197	67,481,698	67,481,698	67,481,698
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100	100
Percentage of shares (as a % of the total share capital of the Company)	74.96	74.98	80.31	74.96	80.31	80.31	80.27



B INVESTOR COMPLAINTS

Particulars	No. of Complaints
Complaints outstanding on October 1, 2013	0
Complaints received during the three month period ended December 31, 2013	1
Complaints disposed off during the three month period ended December 31, 2013	1
Complaints outstanding on December 31, 2013	0

Notes to financial results :

- The above unaudited standalone financial results for the three and nine month period ended December 31, 2013 have been approved by the Board of Directors of the Company at its meeting held on February 12, 2014. The Statutory Auditors of the Company have carried out a Limited Review of the standalone financial results for the three and nine month period ended December 31, 2013. There are no qualifications in the Limited Review Report issued by the Auditors.
- During the three month period ended December 31, 2013, the Company allotted 23,955 equity shares of face value of ₹ 5 each on exercise of stock options by eligible employees under the prevailing ESOP Schemes.
- Employee costs for the nine month period ended December 31, 2013 and December 31, 2012 are net of ₹ 1,360 lacs and ₹ 733 lacs respectively, pertaining to write back of bonus provision of earlier year no longer required. Employee costs for three month period ended December 31, 2013 include ₹ 2,849 lacs being additional bonus payable for earlier quarters based on determination of final payout during the current quarter. Employee costs for three month period ended December 31, 2012 are net of ₹ 1,438 lacs pertaining to write back of bonus provision for the six month period ended September 30, 2012, no longer required. Employee costs for the year ended March 31, 2013 are net of ₹ 634 lacs pertaining to write back of bonus provision of earlier year no longer required.

4. Particulars of other income, net

Particulars	Three month period ended			December 31, 2012		Nine month period ended		December 31, 2013		Year ended	
	September 30, 2013			December 31, 2012		December 31, 2012		December 31, 2012		March 31, 2013	
	December 31, 2013	September 30, 2013	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
Interest income	14,264	11,461		9,886		36,846		29,090		39,989	
Exchange gain / (loss), net	736	4,373		2,011		9,627		4,366		3,761	
Miscellaneous income (expense), net	91	115		50		450		175		282	
Total	15,091	15,949		11,947		46,923		33,631		44,032	

5. Reporting segment wise revenue, results and capital employed, under clause 41 of the listing agreement

Particulars	Three month period ended			December 31, 2012		Nine month period ended		December 31, 2013		Year ended	
	September 30, 2013			December 31, 2012		December 31, 2012		December 31, 2012		March 31, 2013	
	December 31, 2013	September 30, 2013	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
(a) Segment revenue											
Product licenses and related activities	63,859	64,020		54,104		184,634		166,080		223,973	
IT solutions and consulting services	18,877	18,484		18,512		54,958		53,744		69,797	
	82,736	82,504		72,616		239,592		219,824		293,770	
(b) Segment results											
Product licenses and related activities	26,100	28,453		22,132		79,002		73,155		100,703	
IT solutions and consulting services	2,562	4,654		5,286		11,484		11,444		13,043	
	28,662	33,107		27,418		90,486		84,599		113,746	
Interest income	14,264	11,461		9,886		36,846		29,090		39,989	
Other unallocable (expenses) income, net	(1,043)	2,511		33		4,547		(866)		(3,259)	
Profit before tax	41,883	47,079		37,337		131,879		112,823		150,476	
(c) Capital employed											
Product licenses and related activities	71,604	58,780		66,662		71,604		66,662		60,991	
IT solutions and consulting services	43,747	38,551		31,502		43,747		31,502		28,239	
Unallocable	701,703	692,119		603,662		701,703		603,662		640,004	
	817,054	789,450		701,846		817,054		701,846		729,234	

Notes on segment information:

Segment revenue and expense:

Revenue is generated through licensing of software products as well as by providing software solutions to the customers including consulting services. The income and expenses which are not directly attributable to a business segment are shown as unallocable income and expenses.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of trade receivables net of allowances, unbilled revenues, deposits for premises and fixed assets. Segment liabilities primarily include deferred revenues, advance from customers, accrued employee costs and other current liabilities. While most of such assets and liabilities can be directly attributed to individual segments, the carrying amount of certain assets and liabilities used jointly by two segments is allocated to the segment on a reasonable basis. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocable assets and liabilities.

6. Unaudited consolidated results for the three and nine month period ended December 31, 2013

Particulars	(₹ in lacs, except per share data)											
	December 31, 2013		September 30, 2013		December 31, 2012		December 31, 2013		December 31, 2012		Year ended March 31, 2013	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
Revenue from operations	98,169	96,504	85,275	284,613	259,255	347,400						
Net profit after tax for the period	32,283	35,955	26,829	104,856	79,379	107,514						
Earnings per share (face value ₹ 5 each, fully paid)												
Basic (in ₹)	38.39	42.76	31.94	124.70	94.51	127.98						
Diluted (in ₹)	38.23	42.61	31.79	124.27	94.10	127.40						

7. Previous periods / year's figures have been reclassified, where necessary, to conform with current periods / year's presentation.

8. The above financial results are also available on the Company's website: www.oracle.com/financialservices

Mumbai, India
February 12, 2014

For and on behalf of the Board of Directors
Oracle Financial Services Software Limited



Chaitanya Kamat
Managing Director & Chief Executive Officer



Limited Review Report

Review Report to

The Board of Directors of Oracle Financial Services Software Limited

1. We have reviewed the accompanying statement of unaudited financial results of Oracle Financial Services Software Limited (the 'Company') for the quarter ended December 31, 2013 (the 'Statement'), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting, notified under the provisions of the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W



per Amit Majmudar

Partner

Membership No.: 36656

Mumbai, India

February 12, 2014

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.

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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%



ORACLE FINANCIAL SERVICES SOFTWARE GROUP

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

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	25,011	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	8,526	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%	28%		
Time & Material Basis	74%	76%	65%	66%	70%	72%	81%	74%		
On-site	48%	49%	41%	41%	46%	41%	48%	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	5,653	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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"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 February 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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