



For Immediate Release

**Oracle Financial Services Software Ltd Q3 Net Income up by 147% YoY at Rs. 263 Cr
*Revenue for the Quarter at Rs 801 crore, up 29% YoY***

Mumbai, India, January 27, 2009: Oracle Financial Services Software Limited (Reuters: ORCL.BO & ORCL.NS), a majority owned subsidiary of Oracle Corporation, announced today that its Q3 FY09 consolidated Indian GAAP revenues were up 29% compared to the same quarter a year ago. Quarterly consolidated Indian GAAP net income was up 147%, while operating income was up 127% year-over- year (YOY).

GAAP revenues from the products business was up 35% YoY to Rs. 488 crore. GAAP revenues from the services business was up 20% YoY to Rs. 294 crore. The company signed US\$ 20.5 million new licenses in the quarter.

“We are pleased to deliver a solid performance with overall GAAP revenues for the nine-months ended December, 2008 up by 25%, with corresponding license and annual maintenance revenue growth on a nine month basis up 38%. These numbers demonstrate our compelling value proposition to financial institutions in the current challenging global economic scenario. We are able to deliver operational efficiencies through technologically advanced, comprehensive transaction processing systems while at the same time being able to provide advanced risk and other analytics solutions that are important in managing bank’s risks & exposures,” said N.R.K. Raman, Managing Director and CEO.

“Driven by strong operating performance, the cash generated from our operating activities on a GAAP basis for the nine months ended December 31, 2008 is 52% higher than the corresponding period in the last fiscal year. Our prudent measures to contain costs and focus on productivity improvements have resulted in GAAP operating margins increasing in this quarter from 18% to 32% and net margins increasing from 17% to 33% over the corresponding quarter in the last financial year,” said Makarand Padalkar, Chief Financial Officer.

Business Highlights

- Signed 11 new customers in the quarter

Product Highlights

- One of the Caribbean's largest banks selected Oracle FLEXCUBE and Reveleus suite of products.
- Oracle FLEXCUBE continues to gain momentum in the US including an existing customer – a leading global bank - now rolling out Oracle FLEXCUBE to replace its existing back-office for its private banking business in North America.
- Oracle Reveleus consolidates presence in Indian banks with one of the largest private banks signing up for both Oracle Reveleus Basel II and Oracle Reveleus Operational Risk applications. Deployment will cover global operations covering countries in ASPAC, Europe and North America
- Leading global bank in Asia selects Oracle Mantas for Trading Compliance for its Wholesale bank for deployment globally covering several asset classes across multiple regulatory jurisdictions
- Ten banks go live on Oracle FLEXCUBE in the quarter
- Global bank in Asia goes live on Oracle FLEXCUBE Messaging Hub for its Funds business to leverage SWIFTNET for Funds.

Services Highlights

- Significant cross-sell of Oracle Financial Services PrimeSourcing & Technology Deployment services into product customer base resulting in prestigious projects in North America, Europe and Australia such as development of a portal for a virtual bank, remote infrastructure management, etc.
- Oracle Financial Services PrimeSourcing enables delivery of a re-engineered high value funds transfer system for a leading global bank for its operations across 16 countries in Asia Pacific.
- Other significant engagements signed in the quarter include
 - Development of a Web 2.0 based Internet Banking platform with state-of-the-art functionality like spend analysis and clickstream analytics for a large Australian bank and a Web 2.0 collaboration platform for a leading global retail & investment bank.
 - Managed Services with a large multinational bank covering suite of applications such as Business Intelligence Apps, Pre-paid Cards, ERP, Financials and HRMS.
 - Consulting services for Risk and Compliance for Operational Risk, BASEL II and AML rollouts for a leading bank in North America.

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. 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 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 January 27, 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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ORACLE FINANCIAL SERVICES SOFTWARE LTD

Q3 FY 2008-09 : FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Thousands, except per share data)

Particulars	Three Month Ended				% Increase (Decrease)
	December 31, 2008	% of Revenues	December 31, 2007	% of Revenues	
REVENUES					
Products	4,880,071	61%	3,622,792	58%	35%
Services	2,944,893	37%	2,455,545	40%	20%
KPO - Services	187,532	2%	98,392	2%	91%
Joint Venture	-	0%	19,240	0%	(100%)
Total Revenues	8,012,496	100%	6,195,969	100%	29%
OPERATING EXPENSES					
Cost of revenue	3,489,048	44%	3,263,957	53%	7%
Gross profit	4,523,448	56%	2,932,012	47%	54%
Selling and marketing expenses	923,567	12%	687,892	11%	34%
General and administrative expenses	870,701	11%	914,364	15%	(5%)
Depreciation and amortization	145,489	2%	191,093	3%	(24%)
Total Operating Expenses	5,428,805	68%	5,057,306	82%	7%
OPERATING INCOME	2,583,691	32%	1,138,663	18%	127%
Interest income / (expense)	216,833	3%	103,036	2%	110%
Other income (expenses), net	52,720	1%	(44,111)	-1%	220%
INCOME BEFORE PROVISION OF TAXES	2,853,244	36%	1,197,588	19%	138%
Provision for taxes	203,340	3%	128,503	2%	58%
Net income for the period before share of profit of associate company and minority interest	2,649,904	33%	1,069,085	17%	148%
Share of loss of associate company	4,143	0%	2,455	0%	69%
Share of Minority interest	10,258	0%	-	0%	-
NET INCOME	2,635,503	33%	1,066,630	17%	147%
Earnings per share of Rs 5/- each (in Rs)					
Basic	31.46		12.74		
Diluted	31.45		12.71		

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**Q3 FY 2008-09 YEAR TO DATE: FINANCIAL RESULTS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In INR Thousands, except per share data)**

Particulars	Nine Month Ended				% Increase (Decrease)
	December 31, 2008	% of Revenues	December 31, 2007	% of Revenues	
REVENUES					
Products	12,947,263	61%	9,709,207	57%	33%
Services	7,874,049	37%	6,966,235	41%	13%
KPO - Services	506,064	2%	360,647	2%	40%
Joint Venture	-	0%	51,249	0%	(100%)
Total Revenues	21,327,376	100%	17,087,338	100%	25%
OPERATING EXPENSES					
Cost of revenue	11,072,673	52%	9,633,028	56%	15%
Gross profit	10,254,703	48%	7,454,310	44%	38%
Selling and marketing expenses	2,865,200	13%	1,963,274	11%	46%
General and administrative expenses	2,775,092	13%	2,514,800	15%	10%
Depreciation and amortization	421,219	2%	550,486	3%	(23%)
Total Operating Expenses	17,134,183	80%	14,661,588	86%	17%
OPERATING INCOME	4,193,192	20%	2,425,750	14%	73%
Interest income / (expense)	537,087	3%	340,319	2%	58%
Other income (expenses), net	811,271	4%	(155,976)	-1%	620%
Exceptional item	(468,900)	-2%	-	0%	-
Income before provision for taxes	5,072,650	24%	2,610,093	15%	94%
Provision for taxes	422,414	2%	300,931	2%	40%
Net income for the period before share of profit of associate company and minority interest	4,650,236	22%	2,309,162	14%	101%
Share of loss of associate company	12,176	0%	1,710	0%	612%
Share of Minority interest	12,692	0%	-	0%	-
NET INCOME	4,625,368	22%	2,307,452	14%	100%
Earnings per share of Rs 5/- each (in Rs)					
Basic	55.22		27.58		
Diluted	55.17		27.50		

Oracle Financial Services Software Limited
Q3 FY 2008-09 FINANCIAL RESULTS
SUPPLEMENTAL OPERATING METRICS

	Financial Year 2007-08					Financial Year 2008-09				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Segmental Revenue										
Product Business	2,792	3,294	3,622	4,171	13,879	3,634	4,434	4,880		12,947
Services Business	2,197	2,313	2,456	2,413	9,379	2,544	2,414	2,945		7,903
KPO Business	131	131	98	92	453	169	149	188		506
Eliminations	(144)	(151)	(118)	(132)	(545)	29	-	-		29
Total	5,133	5,758	6,196	6,715	23,802	6,318	6,997	8,012		21,327
Geographic Revenues										
Products Business										
North America	22%	16%	15%	15%	17%	13%	16%	11%		
Middle East and Africa	20%	18%	19%	21%	19%	20%	19%	22%		
Asia Pacific	16%	25%	22%	15%	19%	16%	15%	23%		
Europe	41%	40%	43%	49%	44%	48%	49%	40%		
Latin America and Caribbean	1%	2%	1%	1%	1%	2%	2%	4%		
Services Business										
North America	59%	58%	53%	55%	56%	56%	55%	52%		
Middle East and Africa	5%	3%	4%	6%	5%	4%	5%	7%		
Asia Pacific	17%	20%	20%	19%	19%	19%	28%	23%		
Europe	19%	18%	23%	20%	20%	21%	12%	19%		
Latin America and Caribbean	0%	0%	0%	0%	0%	0%	0%	0%		
Total Company										
North America	39%	34%	32%	30%	33%	31%	30%	27%		
Middle East and Africa	13%	12%	12%	15%	13%	13%	14%	16%		
Asia Pacific	17%	23%	21%	16%	19%	17%	20%	23%		
Europe	31%	31%	34%	38%	34%	37%	35%	32%		
Latin America and Caribbean	1%	1%	1%	1%	1%	1%	1%	2%		
Revenue Analysis by Type										
Product Revenues										
License Fees	21%	19%	24%	27%	23%	20%	22%	18%		
Professional Services	59%	64%	60%	55%	59%	61%	56%	62%		
Maintenance	20%	17%	16%	18%	18%	19%	22%	20%		
Services Revenues										
Fixed Price	13%	10%	15%	16%	14%	16%	10%	27%		
Time & Material Basis	86%	89%	85%	84%	86%	84%	90%	73%		
On-site	63%	64%	62%	64%	64%	65%	66%	61%		
Off-shore	37%	36%	38%	36%	36%	35%	34%	39%		
Customer Concentration										
Product Customers										
Top Customer	6%	10%	7%	8%	8%	5%	6%	5%		
Top 5 Customers	23%	25%	25%	23%	23%	21%	20%	19%		
Top 10 Customers	36%	37%	40%	34%	34%	33%	33%	31%		
Citigroup and its entities	15%	11%	12%	9%	11%	10%	9%	10%		
Services Customers										
Top Customer	7%	5%	11%	13%	13%	10%	11%	8%		
Top 5 Customers	24%	24%	29%	34%	34%	17%	28%	28%		
Top 10 Customers	40%	39%	45%	48%	48%	26%	42%	40%		
Citigroup and its entities	36%	35%	33%	39%	36%	30%	42%	36%		
Total Company										
Top Customer	5%	6%	9%	7%	7%	7%	5%	5%		
Top 5 Customers	16%	16%	24%	24%	24%	19%	17%	17%		
Top 10 Customers	26%	26%	34%	33%	33%	30%	27%	27%		
Citigroup and its entities	25%	21%	21%	19%	21%	19%	22%	20%		
Trade Receivables										
0-180 days	78%	71%	83%	87%	87%	87%	84%	89%		
More than 180 days	22%	29%	17%	13%	13%	13%	16%	11%		
DSO	102	110	102	119	119	114	102	96		
Staff Data										
Products	3,218	3,738	3,914	3,940	3,940	3,921	4,906	4,994		
Services	4,266	4,922	5,045	5,024	5,024	4,956	4,651	4,484		
ASP Services						124	144	159		
KPO Business	1,042	991	938	875	875	852	824	766		
Support (incl Sales and Marketing)	1,007	1,127	1,117	1,167	1,167	1,164	1,111	1,121		
Total	9,533	10,778	11,014	11,006	11,006	11,017	11,636	11,524		
Gross Attrition Rate	21%	20%	20%	19%	19%	20%	17%	16%		