



PRESS RELEASE

FinnOne™ Goes Live At Bank Of the Philippine Islands

New Delhi, January 16, 2008: Nucleus Software (NSE: NUCLEUS, BSE: NSEL) today announced that its FinnOne™ Loan Origination System has gone live at Bank of the Philippine Islands. The solution, which went live in a remarkably short turnaround time, will significantly improve the banks efficiency by automating the front-end consumer lending process and enhance its customer relationships across the country.

Bank of the Philippine Islands (BPI) is the third largest commercial bank in the Philippines in terms of assets. Selected after a thorough evaluation of the various system proposals, Nucleus's FinnOne™ will offer a specialized loan origination system with flexible features that will allow changes in accordance with policy updates and user requirements. The FinnOne™ Loan Origination System, named as BPI's Automated Loans Front-End System (ALFES), will allow the bank to integrate the different touch-points in their supply chain for acquisition prospecting, pre-disbursal processing and loan booking. The system will take the acquisition from the first contact, to application form acceptance, its workflow through various stages, queue management, deviation management, user management and access controls, right up to the reject/approval decision for the disbursement and loan booking.

ALFES will help BPI in the effective tracking of consumer loans applications, timely disbursements and swift decision-making, thus contributing to better-cost management and aiding in the bank's overall success.

"We are delighted to see FinnOne™ successfully powering the aggressive retail banking focus at the Bank of the Philippine Islands. The region continues to be a key focus area for Nucleus and we are certain that our proficiency in technology and the wide acceptance of our solutions across markets will help BPI reaffirm its position in the region and build formidable reputation among its customers." said Vishnu R. Dusad, CEO & Managing Director, Nucleus Software.

BPI is also using FinnOne™ Collections and Credit Card application processing system from Nucleus Software. With over 25 product installations in more than 10 banks, Nucleus Software has strengthened its leadership position in Philippines banking

industry. FinnOne™ is a global player in the banking solutions space and has successful implementations in Asia-Pacific, Middle East, Africa, Europe & US.

About Nucleus Software Exports

Nucleus Software is a leading software powerhouse providing innovative and pioneering software solutions for Banks and Financial organizations globally. Nucleus Software offers a host of competitive IT solutions designed to support whole spectrum of business offerings across retail banking, corporate banking, cards and cash management.

Nucleus Software is listed on the National Stock Exchange and Bombay Stock Exchange in India. Nucleus Software is a Level 5 SEI – CMM Company.

www.nucleussoftware.com

About Bank of the Philippine Islands (BPI):

It is the market leader in consumer lending and remittance business and enjoys significant presence in corporate banking asset management, corporate finance and securities distribution and insurance business. It also leads in electronic banking having introduced most of the firsts in the industry, the ATMs, point of sale debit system, phone banking, and internet and mobile banking. It has 829 branches and over 1400 ATMs serving 3 million customers.

<http://www.bpi.com.ph/>

Safe Harbor:

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the success of our investments, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, our ability to successfully implement our strategy, our research and development efforts, changes in the value of the Rupee and other currency changes, intense competition in IT and consulting services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

Nucleus may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Board of India, Stock Exchange and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

FOR FURTHER INFORMATION, PLEASE CONTACT

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