



## Nucleus Software announces Q1 FY 09 Results

**New Delhi, India, July 20, 2008:** Nucleus Software Exports Limited (NSE: NUCLEUS), today announced its Q1 results for financial year 2008-2009.

Nucleus Software's consolidated revenue for the quarter ending 30<sup>th</sup> June, 2008 increased by 24% to Rs.82.90 crore in comparison to Rs.66.66 crore for the corresponding quarter of the previous year. However, the consolidated EBITDA declined by 12% to Rs.14.19 crore in comparison to Rs.16.06 crore for the corresponding quarter of the previous year, with total expense rising 36%. After accounting for foreign currency loss of Rs.7.48 crore primarily on account of “ Mark to Market “ losses on Dollar Rupee options, the consolidated Profit after Tax ( PAT) at Rs. 8.03 crore is 43% lower than recorded in the corresponding quarter of the previous year .

### Highlights:

#### **Quarter Ended June 30, 2008**

- **Consolidated revenue** at Rs. 82.90 crore from software products and software development services increased by 24% in comparison to Rs. 66.66 crore for the corresponding quarter of the previous year.
- **Product business revenue** for the quarter at Rs.57.26 crore increased by 30% in comparison to Rs. 44.17 crore for the corresponding quarter of the previous year.
- **Projects & Services business** revenue for the quarter at Rs.25.64 crore increased by 14% in comparison to Rs. 22.48 crore for the corresponding quarter of the previous year.
- **EBIDTA** at Rs. 14.19 crore declined by 12% in comparison to Rs.16.06 crore for the corresponding quarter of the previous year.
- **Net Profit After Tax (PAT)** at Rs.8.03 crore decreased by 43 % as compared to Rs. 14.01 crore for the corresponding quarter of the previous year.
- **Earning Per Share** for the quarter decreased to Rs. 2.48 from Rs.4.34 as compared to corresponding quarter of the previous year.

**Vishnu R Dusad , CEO and Managing Director , Nucleus Software said :** “ We are a Product Company and Product companies’ revenues by definition have to be looked at with a long term perspective as they do depend on the timing of booking of new orders and the start date for implementation. While our markets are not affected significantly by the prevailing economic conditions, we have observed delays in conclusion of order negotiations.

In this quarter, the number of new project starts has fallen and has affected the reported numbers. The performance appraisal cycle for the Company is April and a Rs. 4.crore addition to cost has also happened at the same time. We believe that quarterly figures do not truly represent the long-term potential of the Company and that with our constant efforts to deliver quality and price performance, we will continue to grow both revenue and profits in the medium term “

### **Other Key Information**

#### **For the Quarter Ended June 30, 2008**

- Won orders for **27** product modules
- Added **6** new customers
- **9** product modules successfully implemented across the globe
- **Finnone™** 3.5 launched
- Nucleus Software was recognized as the Top Exporter in the IT & ITES sector and was conferred the "D&B - ECGC Indian Exporters' Excellence Award" by D&B India and ECGC India. 2007
- Added **40** new employees taking the global strength of employees to **1976**

### **Accolades/Awards**

- Nucleus Software was recognized as the **Top Exporter in the IT & ITES sector** and was conferred the "D&B - ECGC Indian Exporters' Excellence Award" by D&B India and ECGC India. 2007
- Nucleus Software has been listed among the '**Best 200 under a billion companies in Asia**' (2007) by Forbes Asia magazine.
- FinnOne™ Suite **ranked No 2**, best selling retail lending software globally by IBS publishing, the UK based financial publication
- Nucleus Software amongst the **top 15 'most exciting emerging IT/BPO companies to work for'** says NASSCOM.
- Nucleus Software has been selected as one of the top 25 companies adopting "**Good Corporate Governance Practices**" by the **Institute of Company Secretaries of India** for second consecutive year in 2007.
- Nucleus Software was adjudged as one of the **fastest growing companies in Asia Pacific under Deloitte Technology Fast 500 - 2007**

- Nucleus Software was conferred with **Oracle Partner of the Year Award** in Fusion Middleware category at an APAC level. Nucleus Software was awarded for being the **Fastest Growing ISV in 2007 by Oracle Corporation**

**Expansion of services and significant projects:**

The Company continues to focus and invest on development of software products for Banking and Financial Institutions.

- **New Client Wins:**

Nucleus bagged orders from **6** new customers for implementing **27** product modules in the first quarter of year 2008-2009. Product orders were bagged from leading financial institutions in **Africa, India, China & Middle East**

- **Successful Global Implementations:**

This quarter **9** product modules went live in various markets across the globe. Some of the implementations were completed in record time. This further gave increased visibility to Nucleus in the global markets, and reaffirmed its standing in the global lending and cash management space.

**About Nucleus Software Exports**

Nucleus Software is a leading software powerhouse providing innovative and pioneering software products and 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.  
[www.nucleussoftware.com](http://www.nucleussoftware.com)

**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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