



Nucleus Software announces 14 % Increase in FY 09 Revenue

New Delhi, India, April 27, 2009: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209) today announced its results for the fourth quarter and year ended March 31, 2009.

Nucleus Software's consolidated revenue for the year ended March 31, 2009 increased to **Rs. 328.40 crore** in comparison to Rs. 288.72 crore in the previous year. With total expenses at Rs. 278.79 crore in comparison to Rs. 215.31 crore in the previous year, the consolidated EBITDA declined to Rs. 49.61 crore in comparison to Rs. 73.41 crore in the previous year. Net Profit after Tax (PAT) is at **Rs. 32.26 crore** in comparison to Rs. 61.74 crore in the previous year.

Consolidated revenue for the quarter ending March 31, 2009, increased to **Rs. 85.81 crore** in comparison to Rs. 78.06 crore in the corresponding quarter of the previous year. With total expenses at Rs. 74.01 crore in comparison to Rs. 57.17 crore in the previous year, the consolidated EBITDA declined to Rs. 11.81 crore in comparison to Rs. 20.89 crore in the corresponding quarter of the previous year. Net Profit after Tax (PAT) is at **Rs. 9.60 crore** in comparison to Rs. 16.02 crore in the corresponding quarter of the previous year.

Nucleus Software won a record 29 new orders globally, a tremendous achievement especially considering the global meltdown. One of the biggest IP creators of the country, Nucleus, added 20 new clients even in this extremely uncertain global economic scenario - a testimony to the trust shown by the banking industry globally in the prowess of Nucleus' world-class products.

Highlights:

Financial Year Ended March 31, 2009

- **Consolidated revenue** at **Rs. 328.40** crore from software products and software development services in comparison to Rs. 288.72 crore in the previous year.
- **Product business revenue** for the year at Rs. 219.96 crore in comparison to Rs. 197.41 crore in the previous year.
- **EBIDTA** at **Rs. 49.61** crore in comparison to Rs. 73.41 crore in the previous year.
- **Net Profit after Tax (PAT)** at **Rs. 32.26** crore in comparison to Rs. 61.74 crore in the previous year.
- **Earning Per Share** for the year at **Rs. 9.97** in comparison to Rs. 19.08 in the previous year.
- **Dividend recommended at 25 % (Rs. 2.50 per share)**, against **30% (Rs. 3.00 per share)** previous year.

Quarter Ended March 31, 2009

- **Consolidated revenue** at **Rs. 85.81** crore from software products and software development services in comparison to Rs. 78.06 crore in the corresponding quarter of the previous year.
- **Product business revenue** for the quarter at **Rs. 54.90** crore in comparison to Rs. 52.34 crore in the corresponding quarter of the previous year.
- **EBIDTA** at **Rs. 11.81** crore in comparison to Rs. 20.89 crore in the corresponding quarter of the previous year
- **Net Profit after Tax (PAT)** at **Rs. 9.60** crore in comparison to Rs. 16.02 crore in the corresponding quarter of the previous year.
- **Earning Per Share** for the quarter at **Rs. 2.97** in comparison to **Rs. 4.95** in the corresponding quarter of the previous year.

Other Key Information

For the Financial Year Ended March 31, 2009

- **29** new product order wins from across the globe
- **20** new customers added
- Won orders for **96** new product modules for FinnOne™ and Cash@Will™ Suite
- Won **2** large projects from existing relationships for services business.
- **64** product modules successfully implemented across the globe
- Global strength of employees as on March 31, 2009 is **2078**

- Nucleus has further strengthened its global partners network, adding **8** new alliances across LATAM, Africa and SEA
- Nucleus' flagship product FinnOne™ has been ranked as '**World's No.1 Selling Lending Software Product**' by IBS publishing, UK, 2009
- ICAI awarded Nucleus Software the **Gold Shield for Excellence in Financial Reporting**, 2008
- Nucleus Software Exports Limited has been awarded the **Best ISV Partner**, North India by IBM India, 2008
- For the third consecutive year 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 (ICSI), 2008
- Nucleus Software for the second year running has been listed among "**Top 15 Exciting Emerging Companies to Work For**" by NASSCOM, 2008
- Nucleus Software has also been recognized under "**Best Practices**" for **Performance Management System** by NASSCOM, 2008
- Nucleus Software for the second year running has been listed among the '**200 Best under a Billion**' list (2008) by Forbes for the Asia-Pacific region.
- 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
- **FinnOne™ 3.5 launched**

For Quarter Ended March 31, 2009

- **5** new product order wins from across the globe
- **1** new customers added
- Won orders for **16** new product modules for FinnOne™ and Cash@Will™ Suite
- **22** product modules successfully implemented across the globe
- Added **36** new employees taking the global strength of employees to **2078**
- Nucleus' flagship product **FinnOne™ has been ranked as 'World's No.1 Selling Lending Software Product'** by IBS publishing, UK, 2009
- ICAI awarded Nucleus Software the Gold Shield for **Excellence in Financial Reporting**, 2008
- Nucleus Software Exports Limited has been awarded the **Best ISV Partner**, North India by IBM India, 2008

Key Highlights

- Consolidated revenue growth of **14 %** in FY 09 over FY 08
- Exponential growth in product business.
- 'Cash and Bank Balances' and 'Current Investments' at Rs. **122.18** crore on March 31, 2009.

- **29** new product orders won for implementing **96** product modules orders for FinnOne™ and Cash@Will™ suite.
- Won **2** large projects from existing relationships for services business.
- Nucleus has further strengthened its global partners network, adding **8** new alliances across LATAM, Africa and SEA.

Commenting on the financial results, Mr. Vishnu R. Dusad, CEO & Managing Director stated: We are pleased to announce growth in revenue for the year, given the difficult economic scenario. Operating margins have been under pressure during the year due to under-utilization of infrastructure and manpower and additional expense on certain large projects. We have taken steps to rationalize our cost structures going forward.

He further added that “As an IPR led Company our focus is on aligning our intellectual capital to the dynamic banking business requirement. The year gone by has been eventful and has given Nucleus Software and many like us an opportunity to really introspect, on how we can deliver true value to our customers and their businesses. Apart from the six new modules added to our flagship product FinnOne™ we are also developing new technologies that place risk management at the centre of any business strategy deployed by financial institutions in these uncertain times. In the BFSI sector, business process improvement and productivity can be increased by using systems, processes and technologies, companies like us develop. The revival of global economy will necessarily start with revival of lending business. Our FinnOne™ solution would be the best option for the leaders as they look forward to managing their lending business effectively.”

Accolades/Awards

- Nucleus Software’s **FinnOne™** has been ranked ‘**World's No 1 Selling Lending Software product**’ (for year 2008) by IBS Publishing
- Nucleus Software has been conferred the **Best Independent Software Vendor (ISV) Partner** (North India for 2008) award by IBM
- Annual Report and Accounts of Nucleus Software for year ended March 31, 2008 have been adjudged as the BEST under the category 'Information Technology, Communication and Entertainment enterprises' of the 'ICAI Awards for **Excellence in Financial Reporting**' by the **Institute of Chartered Accountants of India (ICAI)**. A **GOLD SHIELD** was awarded to the Company.
- Nucleus Software has been **Ranked Amongst India's Top 15 Exciting Emerging Companies** to Work For by Nasscom.
- Nucleus Software has also received recognition for its **Performance Management Systems**

- Forbes has ranked Nucleus Software among **Asia's 200 Best Under A Billion Companies** for the second consecutive year.
- Nucleus Software has been ranked among the Top 25 companies adopting “**Good Corporate Governance Practices**” by ICSI for three consecutive years
- Nucleus Software has been awarded the “**D&B – ECGC Indian Exporters’ Excellence Award**” by Dun & Bradstreet India (D&B India) and Export Credit Guarantee Corporation of India Ltd (ECGC)

Expansion of services and significant projects:

The Company is optimistic on its products business and foresees increasing demand for such niche products around the globe. The Company continues to focus and invest on development of software products for Banking and Financial Institutions.

- **New Client Wins:**

Nucleus bagged **29** new orders for implementing **96** product modules of the FinnOne™ Suite and Cash@Will™ in the year 2008-2009. Product orders were bagged from leading financial institutions across the globe. For the quarter, Nucleus has won **5** new product orders for implementing **16** modules of FinnOne™ and Cash Management Suite.

We picked up substantial new business from our existing relationships and won **2** large projects for our services business from our existing clients who are amongst the world’s leading names in the banking and financial services industry.

- **Successful Global Implementations:**

This year **64** 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.

- **Outlook**

Nucleus Software foresees a strong demand for our niche product from across the globe. There are proposals submitted across South East Asia, India, Middle East, Africa, Europe, Australia, Japan, Latin America, and CIS for FinnOne™. For Cash@Will™ we have proposals submitted across South East Asia, Middle East and Africa.

Nucleus has further strengthened its global partners network adding **8** new alliances in the FY 2008-09.

As the global lending market is evolving, Nucleus finds itself strategically placed with wide array of products to cater to the demand. Nucleus believes that in future, Indian product companies will gain greater market share in Global software markets and is all set to capitalize on the upswing in the industry. In the face of global financial crisis like the sub prime crisis, many financial institutions are realizing the strengths and value of the products and solutions offered by Indian IT companies operating in the BFSI domain. Banks and financial institutions across the globe are now looking at increased operational efficiency in their lending business through automated solutions with robust credit appraisal mechanism thereby reducing the cost of lending. At this juncture, transformation from existing legacy systems to technologically advanced and cost effective lending solutions from Indian IT vendors is the key.

- **Liquidity**

Cash and cash equivalents, including investments in liquid mutual funds and Fixed Deposits with Banks, as on March 31, 2009 was Rs. **122.18** crore.

- **Human Resources**

Nucleus Software added **142** employees this year and has decided to invest in creating a strong human resource base in the future by tying up with educational institutes.

Primary objective in coming fiscal:

We will continue to invest in enhancement and development of path beating niche products thus delivering enhanced customer value.

About Nucleus Software Exports Limited:

Nucleus Software is a leading software powerhouse providing innovative and pioneering software solutions for Banks and Financial organizations globally. Nucleus Software has an array of products, which includes FinnOne™, Cash@Will™ and other service offerings. FinnOne™ is the flagship product of Nucleus Software and consists of modules like Customer Acquisition System, Loan Management System, Collections, General Ledger, Forecaster and Finance Against Securities. Cash@Will™ caters to the cash management business and has key modules like Collections, Payments and Liquidity Management.

Nucleus Software is listed on the National Stock Exchange and Bombay Stock Exchange in India.
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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