



Press Release

October 30, 2006

## **Nucleus Software Revenues for Q2 up by 54.22%**

### **Consolidates Product position with Product orders of US\$ 6.25 million**

**INDIA, New Delhi, October 30, 2006** -- Nucleus Software Exports Limited (NSE: NUCLEUS), a leading global provider of next generation software products for banking and financial sector, today announced its Q2 results. Nucleus Software's consolidated revenue for the quarter ending 30<sup>th</sup> September 2006 increased by 54.22% to Rs.55.09 crore as compared to Rs.35.72 crore for the corresponding quarter of the previous year. Net Profit after Tax (PAT) increased by 57.86% to Rs 13.86 crore as compared to Rs. 8.78 crore for the corresponding quarter of the previous year.

For the half year ending September 30, 2006, consolidated revenue has increased by 52.93% to Rs. 104.85 crore as compared to Rs. 68.56 crore for the corresponding half-year period in the previous year. Net Profit after tax (PAT) increased by 57.03% to Rs. 27.26 crore as compared to Rs. 17.36 crore for the corresponding half-year period in the previous year

#### **Major Highlights:**

##### **Quarter ended 30th September 2006**

- Consolidated revenue from software products and software services increased by 54.22% as compared to corresponding quarter of the previous year.
- Net Profit after Tax (PAT) increased by 57.86% as compared to corresponding quarter of the previous year.
- Earning Per Share for the quarter increased to Rs 8.60 from Rs. 5.45 for the corresponding quarter of the previous year.

##### **Half Year ended 30th September 2006**

- Consolidated revenue from software products and software services increased by 52.93 % as compared to corresponding half-year of the previous year.
- Net Profit after Tax (PAT) increased by 57.03% as compared to corresponding half year of the previous year.
- Earning Per Share for the half year increased to Rs 16.92 from Rs 10.79 for the corresponding half year of the previous year

### **Other Key Information**

- **Dataquest** recently recognized Nucleus Software among the **Top 20 Employers** in the IT industry – **DQ-IDC Survey 2006**
- Nucleus Software added 10 more customers this quarter taking the total number to 134.
- 6 new product orders of US\$ 6.25 million booked
- Total headcount at the end of the quarter is 1397.
- Consolidated leadership in Africa and the Middle East regions with multiple product orders

**Commenting on the Company's results, Vishnu R Dusad, Managing Director, Nucleus Software Exports Limited** said "We are immensely proud of our performance this quarter. Our healthy results showcase our long standing commitment of being a trusted & leading player in the area of banking and financial services. Our robust organic growth with large wins in alternate markets such as Africa and the Middle East has further strengthened our position in a competitive environment."

### **Business Expansion:**

- FinnOne™ lending today covering almost 70% of the incremental Retail Business in India is being adopted by leading global financial institutions for their retail banking solutions too.
- Nucleus Software will be providing technology solutions for 10 new customers added during the quarter.
- Nucleus Software reiterated its position for providing world-class products with 6 orders for its Products.
- Nucleus Software, during the quarter, also consolidated its leadership position with significant wins in Africa and the Middle East regions
- Nucleus Software concluded this quarter with a multi-country order win with one of the most prominent international Bank, to implement Nucleus [cash@will](#) product.

**New Client Orders:**

During the quarter, the group added 10 new clients to its current portfolio, taking the total number to 134.

Nucleus reinforced its leadership position in the retail banking space with a significant order win one of the largest retail banks in UAE. Other product wins include orders from a leading bank in Africa and two client acquisitions in the Middle East region in the lending and loan management solution space. Nucleus has also made fresh inroad in the SAARC region with two client wins, for Nucleus Software's flagship product, FinnOne™.

“We are witnessing an increased demand for our loan management and collections solutions by various financial institutions across the world. Being a specialist provider in these solutions, we are in a position to leverage our rich experience and deliver consistent customer experience and in turn scale up operations”, added Mr. Dusad.

**Growth Strategy:**

Our overall strategy will be to aggressively target unconventional markets like Middle East, SAARC, South East Asia and Africa to not only consolidate our relationship, but also penetrate deeper into these markets. Banks in these markets are revamping their technology infrastructure rapidly, and Nucleus is strongly positioned to help them revamp their operations to be at par with global conglomerates. Our broad objective this financial year is to position ourselves to meet future challenges and at the same time address our customer needs.

**Primary objective in coming fiscal:**

Nucleus Software will focus and strive to gain increase in market share in retail banking markets and lending business globally along with continued focus on alternate markets by introducing newer technologies with a view to providing the best experience to their customers.

### **About Nucleus Software Export Limited:**

Nucleus Software, established in 1986, has been providing innovative & pioneering Products & Customized Software Solutions with focus on the Banking & Financial Services Sector. With global presence & development centers, Nucleus has developed solutions in Retail banking, Corporate banking, Credit Cards, CRM, ATM, FX, Credit Appraisal, Cash Management, Workflow, EAI, Relationship Banking, E-Commerce, M-Commerce, MIS, BASEL II, Management dashboards etc.

- The FinnOne™ Suite
  - Loan Origination System (Application Processing system)
  - CAS (Customer Acquisition system)
  - ccAPS (Credit Card Application Processing System)
  - Lending (Loan Management System)
  - LiquiDeposits (Deposits Management System)
  - FAS (Finance Against Securities system)
  - Collections (Delinquency Management system)
  - General Ledger (Financial Accounting System)

Other products

- Cash@Will (Cash Management System)
  - FMS (Fraud Management System)
- PowerCARD® (Credit Card System)

### **About FinnOne™ Suite:**

**FinnOne™** is an integrated suite of applications designed to support the whole spectrum of business offerings of Banks and Financial Solutions companies. **FinnOne™ CAS** automates and manages the complete application processing flow for Retail/ Corporate Financing as well as Cards, allowing banks to integrate the different touch-points in their supply chain for acquisition prospecting and pre-disbursal processing. **FinnOne™ Lending**, a software module of the **FinnOne™ suite**, built with the objective of providing operational and decision-making support to all the asset side business lines assists in introducing new product offerings and tailor made schemes, reducing time-to-market and automating processes within the retail loan space. The **FinnOne™ Collections** system managing the entire collections focuses on tracking and managing delinquent customers; helping organizations in minimizing delinquencies through a series of proactive actions and tighter supervision. A unique platform that comes loaded with add-on modules, supporting any phase of distressed receivables lifecycle and enabling powerful recovery management.

**Some of the recent accolades won by Nucleus Software:**

- **IBS Publishing**, London, ranks Nucleus Software as the 8th highest seller in Global Banking Back Office Systems for the Year **2005**.
- Nucleus Software received the award for "**Excellence in Financial Reporting**" by **the Institute of Chartered Accountants of India (ICAI)** for the year **2005**.
- Nucleus Software received Asia Pacific Level Technology Award from Oracle for developing **Outstanding Oracle Fusion Middleware Solution” (2005)**.

**Other accolades:**

Nucleus Software is a Level 5 SEI – CMM Company & enjoys strong business relationships with leading multinational players.

**FOR FURTHER INFORMATION, PLEASE CONTACT**

Niraj Vedwa  
Head – Global Sales & Marketing, Nucleus Software Exports Limited  
Phone: + 91-120-2403979 / + 919810071075  
Email: [niraj@nucleussoftware.com](mailto:niraj@nucleussoftware.com)

Kruti Arora  
20:20 MEDIA  
Phone: +91 11 26933291 - 97  
E-mail: [kruti@2020india.com](mailto:kruti@2020india.com)

**\*About International Banking Systems (IBS)**

The IBS Sales League Table is compiled by IBS Publishing, UK based on a worldwide survey of sales of banking solutions to new named banking wins in the calendar year including Commercial, Retail and Private banking solutions. IBS is an independent research and publishing house dedicated to the wholesale, retail and private banking systems market. This survey is increasingly recognized globally as the only one of its kind that independently tracks the financial products marketplace. IBS is known for their objective coverage of the financial services systems market, cutting through supplier hype, with investigative news, features and surveys.

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