



Nucleus Software announces 27.74% increase in Q2 revenue

INDIA, New Delhi, October 28, 2007 -- Nucleus Software Exports Limited (NSE: NUCLEUS), today announced its Q2 results for financial year 2007-2008. Nucleus Software's consolidated revenue for the quarter ending 30th September 2007 increased by 27.74 % to Rs.70.37 crore in comparison to Rs 55.08 crore for the corresponding quarter of the previous year. Net Profit after Tax (PAT) increased by 16.75% to Rs.16.18 crore in comparison to Rs.13.86 crore for the corresponding quarter in the previous year.

For the half year ending September 30, 2007, consolidated revenue has increased by 30.69% to Rs.137.02 crore in comparison to Rs.104.84 crore for the corresponding half-year period in the previous year. Net Profit after tax (PAT) increased by 10.75% to Rs.30.19 crore in comparison to Rs.27.26 crore for the corresponding half-year period in the previous year.

Major Highlights:

Quarter Ended September 30, 2007

- Consolidated revenue at Rs.70.37 crore from software products and software development services increased by 27.74 % in comparison to Rs.55.08 crore in the corresponding quarter of the previous year.
- Product business revenue for the quarter at Rs.49.16 crore increased by 74.57 % in comparison to Rs.28.16 crore in the corresponding quarter of the previous year.
- Projects & Services business revenue for the quarter at Rs.21.20 crore decreased by 21.28% in comparison to Rs.26.93 crore in the corresponding quarter of the previous year.
- EBIDTA at Rs.17.95 crore increased by 12.25% in comparison to Rs.15.99 crore in the corresponding quarter of the previous year.
- Net Profit After Tax (PAT) at Rs.16.18 crore increased by 16.75 % as compared to Rs.13.86 crore for the corresponding quarter of the previous year.

- Earning Per Share for the quarter increased to Rs.5.00 from Rs.4.30 as compared to corresponding quarter of the previous year.

Half- Year Ended September 30, 2007

- Consolidated revenue at Rs.137.02 crore from software products and software development services increased by 30.69 % in comparison to Rs.104.84 crore in the corresponding half- year of the previous year.
- Product business revenue for the half -year at Rs.93.33 crore increased by 78.31 % in comparison to Rs 52.34 crore in the corresponding half-year of the previous year.
- Projects & Services business revenue for the half-year at Rs.43.69 crore decreased by 16.80% in comparison to Rs. 52.51 crore in the corresponding half-year of the previous year.
- EBIDTA at Rs.34.06 crore increased by 11.89% in comparison to Rs.30.44 crore in the corresponding half-year of the previous year
- Net Profit After Tax (PAT) at Rs.30.19 crore increased by 10.75% in comparison to Rs.27.26 crore in the corresponding half-year of the previous year.
- Earning Per Share for the half-year increased to Rs.9.33 from Rs.8.46 as compared to corresponding half-year of the previous year.

Other Key Information

For the Quarter Ended September 30, 2007

- Won orders for 13 product modules
- 5 new customers added to the list
- 35 product modules successfully implemented across the globe
- Nucleus Software has been listed among the 'Best 200 under a billion companies in Asia' by Forbes Asia magazine
- Added 64 new employees taking the global strength of employees to 1635

Half- Year Ended September 30, 2007

- 11 customers added
- Received Order for 36 product modules

Vishnu R. Dusad, CEO & Managing Director, Nucleus Software said “Our second quarter result showcase our commitment of being a trusted & leading player in the area of banking and financial services. Our functionally rich products and consistent quality delivery is gaining substantial global market share.”

Expansion of services and significant projects:

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

New Client Wins:

Nucleus has bagged orders from 11 customers for implementing 36 product modules in the first half of FY 2007-2008. In this quarter we have added 5 new customers and order for implementing 13 products of the FinnOne™ Suite. Orders for product business were bagged from leading financial institutions in the Middle East and Africa. This region has immense potential in terms of growth in the banking sector and Nucleus is getting substantial mindshare. Institutions, both large and small, are increasingly realizing the importance of technology in enhancing businesses. This provides a great platform for banking software solution providers like us to constantly explore and capture the market.

Successful Global Implementations:

This quarter 35 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 FinnOne™’s standing in the global lending and cash management space. Nucleus intends to leverage this increased visibility.

Outlook

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.

Accolades/Awards

- Nucleus Software has been listed among the 'Best 200 under a billion companies in Asia' (2007) by Forbes Asia magazine.
- Nucleus Software received Asia Pacific Level Technology Award from Oracle for developing Outstanding Oracle Fusion Middleware Solution”(2007).
- Nucleus Software was conferred as Partner of the year, 2007- Fastest Growth in ISV by Oracle Corporation
- Nucleus Software' flagship FinnOne™ was ranked as the No. 1 best selling lending software for year 2006 by IBS publishing, the UK based financial consultant reporting on banks, their advisors and other financial institutions.
- Nucleus selected amongst the top 25 companies adopting “Good Corporate Governance Practices” by the Institute of Company Secretaries of India for 2006.
- Annual Report for the financial year 2005 received 'Merit Award' for “Best Presented Accounts Award”, in January 2007 by the South Asian Federation of Accountants for the year 2005 in the Category of 'Communication and Information Technology Sector”.

About Nucleus Software Export Limited:

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 and consultancy services designed to support the whole spectrum of business offerings across retail banking, corporate banking, cards and cash management. With over 150 customers across the globe, the company is consistently innovating with cutting edge and industry driven products in the domain.

Nucleus Software is listed on the National Stock Exchange and Bombay Stock Exchange in India. Nucleus Software is a Level 5 SEI – CMM Company & enjoys strong business relationships with leading multinational players. Nucleus Software has recently been listed amongst 'Best under a Billion 200 companies' by Forbes Asia. For more information, visit www.nucleussoftware.com

Nucleus Products:

FinnOneTM

*FinnOne*TM - CAS (Customer Acquisition System)

*FinnOne*TM - LMS (Loan Management System)

*FinnOne*TM - LiquiDeposits

*FinnOne*TM - FAS (Finance Against Securities)

*FinnOne*TM - Collections

*FinnOne*TM - General Ledger

Cash@WillTM (Cash Management Suite)

Cash@WillTM Collections

Cash@WillTM Payments

Cash@WillTM Liquidity Management

Other products:

FMS (Fraud Management System)

PowerCARD (Credit Card System)

*BankOnet*TM (Internet Banking Solution)

ccAPS (Credit Card Application Processing System)

FOR FURTHER INFORMATION, PLEASE CONTACT

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