

Nucleus Software announces 30.53 %Increase in FY 08 Revenue *Continues focus on Product Development*

New Delhi, India, April 27, 2008: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209) today announced its results for the fourth quarter and year ended March 31, 2008. Consolidated revenue for the year ended March 31, 2008 increased by 30.53% to **Rs. 288.72 crore** in comparison to Rs. 221.19 crore in the previous year. Net Profit after Tax (PAT) increased by 11.95 % to Rs. 61.74 crore in comparison to Rs. 55.15 crore in the previous year.

Consolidated revenue for the quarter ending 31st March 2008, increased by 29.75 % to **Rs 78.06 crore** in comparison to Rs. 60.16 crore in the corresponding quarter of the previous year. Net Profit after Tax (PAT) increased by 14.84 % to **Rs. 16.02 crore** in comparison to **Rs. 13.95 crore** in the corresponding quarter of the previous year.

Highlights:

Financial Year Ended March 31, 2008

- **Consolidated revenue** at Rs. 288.72 crore from software products and software development services increased by 30.53% in comparison to Rs. 221.19 crore in the previous year.
- **Product business revenue** for the year at Rs. 197.41 crore increased by 64.84 % in comparison to Rs. 119.76 crore in the previous year.
- **EBIDTA** at Rs. 73.41 crore increased by 16.01% in comparison to Rs. 63.28 crore in the previous year.
- **Net Profit After Tax (PAT)** at Rs. 61.74 crore increased by 11.95 % in comparison to Rs. 55.15 crore in the previous year.
- **Earning Per Share*** for the year increased to Rs. 19.08 from Rs. 17.09 (on post bonus capital) in comparison to the previous year.
- **Dividend recommended at 30 % (Rs. 3.00 per share)**, on post bonus capital against 35% (Rs. 3.50 per share) previous year.
- **Investment** in 17 acres of land in notified SEZ in Jaipur for future expansion

Quarter Ended March 31, 2008

- **Consolidated revenue** at Rs. 78.06 crore from software products and software development services increased by 29.75 % in comparison to Rs. 60.16 crore in the corresponding quarter of the previous year.

- **Product business revenue** for the quarter at Rs. 52.34 crore increased by 46.78% in comparison to Rs. 35.66 crore in the corresponding quarter of the previous year.
- **EBIDTA** at Rs. 20.89 crore increased by 21.74% in comparison to Rs. 17.16 crore in the corresponding quarter of the previous year
- **Net Profit After Tax (PAT)** at Rs. 16.02 crore increased by 14.84 % in comparison to Rs. 13.95 crore in the corresponding quarter of the previous year.
- **Earning Per Share*** for the quarter increased to Rs. 4.95 from Rs. 4.32 in comparison to the corresponding quarter of the previous year.

**Adjusted for issue of Bonus Shares in the ratio of 1:1 allotted on 8th August 2007 as per Accounting Standard 20 (AS 20) on Earnings per share.*

Other Key Information

For the Financial Year Ended March 31, 2008

- Won orders for 64 product modules orders for FinnOne™ and [Cash@Will™ Suite](#)
- 24 new product wins from across the globe
- 70 product modules successfully implemented across the globe
- Global strength of employees as on March 31, 2008 is 1936
- FinnOne™ Suite ranked No 2, best selling retail lending software globally by IBS publishing, the UK based publication.

For Quarter Ended March 31, 2008

- Won orders for implementing 18 product modules
- 8 new product orders
- 2 orders for new product FinnOne™Islamic version from the leading banks and financial institutions in the Middle East.
- Added 259 new employees taking the global strength of employees to1936.

Key Highlights

- Consolidated revenue growth of 30.53 % in FY 08 over FY 07
- Consolidated PAT growth of 11.95 % in FY 08 over FY 07
- Exponential growth in product business.
- 'Cash and Bank Balances' and 'Current Investments' at Rs. 94.13 crore on March 31, 2008
- 24 new product orders won for implementing 64 product modules orders for FinnOne™ and Cash@Will™Suite
- FinnOne™ Suite ranked No 2, best selling retail lending software globally by IBS publishing, the UK based publication.
- Order spread includes from USA, Europe, Africa, Middle East, South East Asia, Japan

- Leading banks in Japan, Middle East, Africa, Sri Lanka and India chose FinnOne™
- Invested in 17 acres of land in a notified SEZ in Jaipur for further expansion

Commenting on the financial results, Mr. Vishnu R. Dusad, CEO & Managing Director stated : “Our vision, mission and focus is to invest in IPR led growth and continue to create an excellent value proposition for our customers. Our product led strategy is giving consistent results with 24 significant product wins in FY 2008.”

Accolades/Awards

- 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 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 24 new orders for implementing 64 product modules of the FinnOne™ Suite in the year 2007-2008. Product orders were bagged from leading financial institutions across the globe. For the quarter, Nucleus has won 8 new product orders for implementing 18 modules of FinnOne™ and Cash Management Suite.

- **Successful Global Implementations:**

This year 70 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.

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 FMP's, as on March 31, 2008 was Rs. 94.13 crore.

- **Human Resources**

Nucleus Software added 404 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@WillTM 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@WillTM 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.

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