



Press Release
January 17th, 2006

Nucleus Software's Revenue for Q 3 up by 38.11%

Revenue for the nine-month period increases by 46.92 %

INDIA, New Delhi, January 17th, 2006 -- Nucleus Software Exports Limited (NSE: NUCLEUS), a leading global provider of next generation software products for banking and financial sector, today announced its Q3 results. Consolidated revenue for the quarter ending 31st December 2005 increased by 38.11 % to Rs 37.40 crore as compared to Rs. 27.08 crore for the corresponding quarter of the previous year. Net Profit after Tax (PAT) increased to Rs 8.82 crore as compared to Rs. 5.89 crore for the corresponding quarter in the previous year. For the nine month period ended December 31,2005, consolidated revenue has increased by 46.92% to Rs. 105.96 crore from Rs. 72.12 crore in the corresponding nine month period in the previous year. Net profit after tax (PAT) increased to Rs. 26.18 crore as compared to Rs. 12.21 crore in the corresponding nine month period in the previous year

Major Highlights:

Quarter ended 31st December 2005

- Consolidated revenue increased by 38.11% as compared to corresponding quarter of the previous year.
- Net Profit after Tax increased by 49.72% as compared to corresponding quarter of the previous year.
- EPS for the quarter increased to Rs 5.47 from Rs 3.66.

Nine Months ended December 31, 2005

- Consolidated revenue increased by 46.92% as compared to corresponding period of the previous year.
- Net Profit after Tax increased by 114.35 % as compared to corresponding period of the previous year.
- EPS for the nine-month period increased to Rs 16.27 from Rs 7.60.

- Other Key Information

- 8 customers added this quarter, taking the total number to 116
- Won 4 new product orders

Commenting on the company's results, Vishnu Dusad, Managing Director, Nucleus Software Exports Limited said, "Our undivided focus on products strategy has lead to a robust growth in this quarter ended December 31, 2005. We now aim to see Nucleus Software at the pinnacle of success as a leading global player in the products area. Vishnu further added, "I am indeed very excited about our future prospects in the banking and financial industry. We have 200 products implementations in over 18 countries and with the orders in hand we would see this figure cross 50 countries over the next 3 years. We are committed to creating shareholder value on a sustained basis with the highest level of customer satisfaction index."

Expansion of services and significant projects:

With total implementation of over 200 products, Nucleus Software today has established its position as a leading global end to end provider of banking solutions in the banking and financial industry. Today, the company enjoys a strong reputation as a specialist in Retail Finance and Cash Management areas. The Company is optimistic on its products business and foresees increasing demand for such niche products. Nucleus Software intends to move forward in the financial year with its continued products focus on the Banking and Financial industry to enhance its position as a thought leader within the industry. In the last quarter we had announced 6 new customers and 5 new product orders. One of them was RAK Bank in Middle East. We would be implementing LOS / Lending and Collections. This and the other major implementation (NCC Mortgage, Japan) are progressing well.

New Client orders

During the quarter Nucleus added 8 clients in and further strengthened its' relationship with 116 clients worldwide.

A leading Rural bank in Philippines has selected Nucleus's FinnOne Retail Banking application. The implementation will cover Loans, Deposits, Savings and General Ledger.

Nucleus bagged a significant product order from one of the **top leading Banks in UAE for FinnOne™ Margin Lending system.**

One of the leading NBFC's in India will be implementing Nucleus' FinnOne™ LOS / Lending and Collections products to launch Retail operations. This would be a JV with a leading Asian bank. Relationship with one of the top leading private banks in India has expanded to cover FinnOne Retail in multiple countries.

Achievements & Recognitions:

FinnOne™ has the distinction of being one of the leading universal banking solution and has 116 customers spanning 5 continents, many of which are leading financial institutions, including GE Capital, Citibank N.A, American Express Bank, Bank of America, BNP Paribas, DBS, RAK Bank , Arab Bank, ICICI Bank, Standard Chartered Bank, Shinsei Bank, HDFC Bank, General Motors Acceptance Corporation (GMAC), Tokyo Star Bank, Nikko Salomon Smith Barney, UBS,NCC Mortgage amongst others.

Nucleus' flagship product FinnOne™ got a significant ranking amongst World's Top 10 Back office Banking Solutions as per the report released by International Banking Systems (IBS)*, UK for the year 2004. The ranking is based on the number of sales of the product during the calendar year. Other accolades received by Nucleus are:

- Nucleus Software received Asia Pacific Level Technology Award from Oracle for developing **Outstanding Oracle Fusion Middleware Solution".**

- Nucleus Software has been ranked amongst the **fastest growing companies** in top 250 fastest growing technology companies in **Asia Pacific** by **Deloitte** for the third consecutive year.
- Nucleus Software received the award for "**Outstanding Contribution in Tech Adoption**" by **Sun Microsystems**.
- Nucleus Software received the award for "**Most Innovative ISV to build scalable solutions on Oracle platform**".
- Nucleus Software received the award for "**Building World Class Loan Management Solution**" by **Oracle Corporation**.
- Nucleus ranked amongst the "**Top 5 product companies**" by **NASSCOM (National Association of Software and Service companies, India)**.

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 Card, CRM, ATM, FX Trading, Credit Appraisal, Cash Management, Trade Finance, Workflow, EAI, Relationship Banking, E-Commerce, M-Commerce.

Nucleus Products:

The FinnOne™ Suite

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

Other Products

- ReQueST (Query Logging & Tracking System)
- Integrator (Middleware Solution)
- @ware (Alert Management and Mobile Banking System)
- Cash@Will (Cash Management System)
- FMS (Fraud Management System)

FOR FURTHER INFORMATION, PLEASE CONTACT

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*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.

