



Press Release  
April 26, 2005

## **Nucleus Software Reports increase of 28.78% in Revenues for FY 2005**

### **Announces Ramp up Plans & New Customer Acquisition**

#### **Highlights: Results for year ending March 31, 2005**

- Dividend recommended at 25% (Rs. 2.50 per share), on enhanced capital consequent to 1:1 bonus issue made during the year. Consolidated revenue from software product and software development services up by 28.78% in comparison to previous year. Consolidated revenue at Rs. 103.14 crore for the year against Rs. 80.09 crore for the previous year. Profits up by 113.34% in comparison to previous year. Profit After Tax (PAT) for the year at Rs. 20.75 crore against Rs 9.73 crore for the previous year.
- Earnings per Share at Rs. 12.90 for the year against Rs. 6.12 (adjusted for the 1:1 bonus issue of shares allotted in August 2004) for the previous year. An increase of 110.78 % over the previous year.
- Won 16 new product orders for 31 module implementation, which will be implemented over 45 countries worldwide.
- Announced signing deals with three major Indian Banks.
- Added 18 new clients worldwide, taking the overall client counts to 97.
- Added 173 new employees, taking the overall strength to 878.
- 10th highest seller in Global Banking Back office.
- Featured amongst the World's Top 10 Core Banking Solutions for the first time.

#### **Highlights: Results for quarter ending March 31, 2005**

- Consolidated revenue from software products and software development services up by 36.35% in comparison to the corresponding quarter previous year. Consolidated revenue stood at Rs. 31.02 crore for the quarter against Rs. 22.75 crore for the corresponding quarter previous year.
- Profit up by 96.25% in comparison to the corresponding quarter previous year. Profit After Tax (PAT) for the quarter at 8.54 crore against Rs 4.35 crore for the corresponding quarter previous year. Earnings per Share at Rs. 5.31 for Q4 of FY 2004-05 against Rs. 2.74 (adjusted for the 1:1 bonus shares allotted in August 2004) for Q4 of FY 2003-04.

- 18 new clients were added during the year
- Net addition of 173 employees for the year

“This year’s solid results, highlighted by record net income and continued order growth across our software banking solutions indicates our continued product leadership and solid market momentum,” said Vishnu R. Dusad, Managing Director, Nucleus Software Exports Limited.

### **Expansion of services and significant projects:**

Nucleus is India’s established leading end to end global provider of banking solutions encompassing functionality rich products in Retail Finance / Cash Management / Trade Finance and credit cards. With 150 plus products successfully implemented, Nucleus has attained significant market share globally. The Company is optimistic on its products business and foresees an immense demand for such niche products. Nucleus is expecting to make substantial gains in the global markets this year and the company continues to focus and invest on development of niche banking products.

Nucleus has expanded its’ clientele by adding the renowned names in banking and financial domain. Nucleus added 18 clients in FY 04-05 and further strengthened its’ relationship with 97 clients worldwide.

Significant gains and wins were achieved in the product business. These wins will see products being implemented in 21 countries in Europe, 9 in Latin America, 6 in APAC and 8 in Middle East and Africa.

### **New Client Orders:**

**The world largest automotive finance company** has chosen Nucleus FinnOne for a worldwide rollout excluding USA and Canada.

Nucleus has further consolidated its hold on the **Middle East banking marketplace** with a business relationships with a premium banking corporate. One of the leading bank in Middle East has placed an order to implement Nucleus’ Loan Originating System (LOS), Collections and Lending Solution for Retail and Corporate Customers. The products will be implemented across the world for the bank

**India’s No.1 bank** placed an order to implement Nucleus' FinnOne Cash Management Suite (Collections, Payments, and Liquidity Management). A premiere housing finance company, has chosen Nucleus’ FinnOne Loan Originating System, Lending, Collections, Deposits, General Ledger, and @ware.

**Another significant win, one of the nation's largest bank** in Indonesia is partnering with Nucleus to enhance the company product profile. **India's second-largest bank chose** Nucleus to assist in the planning of its product development and global deployment. Also, the company gained four product orders from Philippines in the last one year.

“The future for banking solutions is bright. The largest banks will have to continually evaluate and even replace their existing technologies to be globally competitive. Financial services sum up to be the largest users of IT solutions today”, added Mr. Dusad.

### **Partnerships and alliances:**

In the last one year, Nucleus continued to strengthen its strategic relationships with partners across industry verticals and geographies.

Nucleus successfully upgraded and maintained the highest level of global worldwide partnerships with technology giants like **HP, IBM, Intel, and Oracle & Sun Microsystems**. Enrichment in terms of reach & expertise were also fuelled by appointment of a number of channel partners in new geographies and further developing our solutions expertise with associate partners.

Year 2004 -2005 saw Nucleus being felicitated by partners for outstanding contribution in innovative technology adoptions and awarded the highest level in their partnership programs. Nucleus entered into a strategic alliance with **Intel Technologies** and went on strengthening its distribution network across the globe by closely engaging with existing and new channel partners. Several technology enhancements in terms of testing and benchmarking exercises for its products and go-to market activities were undertaken under the alliances umbrella. With more emphasis on growing through partners, and new focus in this direction, Nucleus has carved a clear strategy for the road to success and will continue to progress on this.

### **New product launches:**

Nucleus announced the launch of three new products namely BankONet (Internet banking solution), Fraud Management System (FMS) and Customer Acquisition system (CAS), aimed at strengthening its position as a leading Global IT Company providing world class banking products software.

### **Significant Achievements:**

#### **Investment in the new corporate facility:**

This year, Nucleus formally announced the opening of its new headquarter facility in Noida. The facility is self-financed by the company and has a capacity to seat 700 people.

The company today announced that it will raise its headcount by 200 people by 2005 end.

#### **Achievements & Recognitions:**

This year Nucleus' flagship product FinnOne™ got a significant ranking amongst World's Top 10 Core Banking Solutions as per the new 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.

FinnOne™ has the distinction of being one of the leading universal banking solution and has 97 customers spanning 4 continents, many of which are leading financial institutions, including GE Capital, Citibank N.A, American Express Bank, Bank of America, BNP Paribas, Standard Chartered Bank, Shinsei Bank, HDFC Bank, General Motors Acceptance Corporations (GMAC), Tokyo Star Bank amongst others.

*“This recognition bears testimony to our commitment of empowering financial institutions globally, the immense faith of our customers, partners and employees. Such acknowledgements strengthen our belief in our own capability to continuously redefine performance standards”,* said Vishnu R. Dusad, Managing Director, Nucleus Software Exports Limited.

**Primary objective in coming fiscal:**

Nucleus will continue to focus on development of its niche banking solutions. The company will also continue to focus on globalization and broad-basing its business in various geographies, by creating adequate infrastructure/capacity and talent.

**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
- Loan Origination System (Application Processing System)
- CAS (Customer Acquisition System)
- Lending (Loan Management System)
- LiquiDeposits (Deposits Management System)
  - FAS (Finance Against Securities)
  - Collections (Delinquency Management)
  - General Ledger (Financial Accounting System)
  - PowerCARD (Credit Card System)
  - ReQueST (Query Logging & Tracking System)
  - Integrator (Middleware Solution)
  - @ware (Alert Management and Mobile Banking System)
  - Cash@Will (Cash Management System)
  - Trade Facto (Trade Finance System)
  - ccAPS (Credit Card Application Processing 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.

