



Press Release

April 30th 2007

Nucleus Software reports results for Q4 and year ending March 2007

Revenues in FY 07 increase 49.4% over FY06

Announces 1:1 Bonus

India, New Delhi, April 30th, 2007 -- Nucleus Software Exports Limited (NSE: NUCLEUS), today announced its results for the fourth quarter and year ended March 31, 2007. Consolidated revenue for the year ended March 31, 2007 increased by 49.40% to **Rs. 221.19 crore** from Rs.148.05 crore in the previous year. Net profit after tax (PAT) increased by 48.73% to Rs.55.15 crore from Rs.37.08 crore in the previous year.

Consolidated Revenue for the quarter ending 31st March 2007, has increased by 42.93 % to **Rs 60.16 crore** from Rs.42.09 crore for the corresponding quarter in the previous year. Net Profit after Tax (PAT) increased by 27.98% to **Rs. 13.95 crore** from **Rs. 10.90 crore** for the corresponding quarter in the previous year.

Highlights: Results for year ending March 31, 2007

- Consolidated revenue from software products and software development services increased by 49.40% in comparison to the previous year.
- Product business revenue for the year at Rs.119.76 crore increased by 110.73 % in comparison to the previous year.
- Projects & Services business revenue for the year at Rs. 101.43 crore increased by 11.19% in comparison to the previous year.
- EBITDA increased by 40.22% in comparison to the previous year.
- Net Profit After Tax (PAT) increased by 48.73% in comparison to the previous year.
- Earning per share for the year increased to Rs 34.22 from Rs 23.04 for the previous year.
- Interim Dividend declared and paid @ 35 % (Rs 3.50 per share) in March 2007. This constitutes the entire Dividend for the year.

Issue of Bonus Shares

- The Board of Directors have recommended issue of Bonus Shares in the ratio of 1:1 i.e one equity share for every one equity share held by the members on a record date to be fixed by the Board, by capitalising a part of the reserves.

Other Key Information

- Bagged 22 new product orders
- 21 new customers added during the year .
- Won orders for 74 modules across 22 Product orders.
- Added 464 employees during the year ,taking the total global staff strength to 1532
- FinnOne™ Suite ranked No 1, best selling retail lending software globally by IBS publishing,the UK based financial consultant.

Highlights: Results for quarter ending March 31, 2007

- Consolidated revenue from software products and software development services increased by 42.93% in comparison to the corresponding quarter of the previous year.
- Product business revenue for the quarter at Rs.35.66 crore increased by 92.24 % in comparison to the corresponding quarter of the previous year.
- Projects & Services business revenue for the quarter at Rs.24.50 crore increased by 4.08% in comparison to the corresponding quarter of the previous year.
- Net Profit After Tax (PAT) increased by 27.94% in comparison to the corresponding quarter of the previous year
- Earning per share for the quarter increased to Rs.8.65 from Rs. 6.77 in comparison to the corresponding quarter of the previous year

Key Highlights

- Consolidated revenue growth of 49.40% in FY 07 over FY 06
- Consolidated PAT growth of 48.73% in FY 07 over FY 06
- Exponential growth in product business. Consistent growth in services & consultancy division.
- 'Cash and Bank Balances' and 'Current Investments' were at Rs.81.90 crore as on March 31, 2007.
- 21 new clients added to the existing customer base
- 22 new product orders won for implementing 74 modules of FinnOne™ suite and other products .
- FinnOne™ suite ranked as the No 1 best selling retail lending software by IBS Publishing, London
- Orders spread includes from India, Srilanka,UAE, Nigeria, Japan & Singapore,
- Multi country roll outs for FinnOne™ and Cash@will suite.
- Won a multi million dollar deal from Acom Corporation, Japan
- Leading banks in Japan / Middle East/ Africa /Sri Lanka and India chose Nucleus Software FinnOne™.
- Bagged multicountry deals from leading banks in SAARC & SEA region for Cash@Will suite
- Conferred as Partner of the year – 2007- Fastest Growth in ISV by Oracle Corporation
- 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"
- Ranked 13th best employer by IDC – Dataquest.
- Commissioned the second facility block at the existing campus in Noida which will seat 800+ additional personnel.
- Increased headcount by 464 employees in the year.

"This year's outstanding results and continued order growth across our software banking solutions stand testimony to our vision and mission of being a leading global player in the banking and financial services. Our robust organic growth along with continued product leadership across geographies has further strengthened our position in a competitive environment. " said **Vishnu R. Dusad, CEO & Managing Director, Nucleus Software Exports Limited.**

Significant Investment Plans

- Investment of Rs 20 crore in infrastructure is proposed with the commencement of construction of Phase 3 in the existing NOIDA campus. The facility will be a 800+ seat state of the art complex.

Expansion of services & significant Projects :

- FinnOne™ lending now covers almost 75% of the Retail Business in India . One of the implementations has created a benchmark by volumes
- Significant growth in Middle East , Africa & South East Asian markets
- Cash@will - Cash management System made gains in Malaysia , Singapore and India
- Japan business continues to grow and expand through new customers acquisitions .

Strategic Alliances:

Nucleus successfully maintained the highest level of global worldwide partnerships with technology giants like HP, IBM, Intel & Oracle. Nucleus Software made it to the elite club of HP . Nucleus was among the first few ISVs to adopt SOA and test its products.

Strategic Alliance fuelled the vision of "Establishing Nucleus Software as an end-to-end service provider for banking & financial services industry. Substantial investments in joint development , technological enhancements and go to market initiatives **created a huge mindshare & demand for Nucleus products worldwide. Nucleus Software was recognised as Partner of the year – Fastest growth in ISV by Oracle.** Nucleus Software FinnOne™ suite of product was certified & tested on latest Sun, HP, IBM & Oracle platforms like Oracle's Fusion Middleware, Sun's Niagara processors, IBM P5 processors, HP's Integrity & Itanium processors. New channel partners in Africa & Middle East regions were appointed to tap these markets.

Achievements & Recognitions:

- Nucleus Software' flagship FinnOne™ was awarded the No. 1 best selling retail lending software by IBS publishing, the UK based financial consultant reporting on banks, their advisors and other financial institutions. The ranking is based on an independent survey that independently tracks the financial product marketplace.
- Nucleus selected amongst the top 25 companies adopting "Good Corporate Governance Practices" by the Institute of Company Secretaries of India for 2006.
- Nucleus Software conferred as Partner of the year , 2007- Fastest Growth in ISV by Oracle Corporation
- Nucleus Software is ranked 13th best employer by IDC – Dataquest survey (2006)

FinnOne™ has the distinction of being one of the leading universal banking solution spanning 4 continents.

“This recognition is an endorsement of the keen understanding of banking industry that has led Nucleus Software in winning the most coveted awards across the globe. The awards bears testimony to the faith our customers and partners have placed in us, propelling us to continuously redefine performance standards.”**Said Vishnu R. Dusad, CEO & Managing Director, Nucleus Software Exports Limited.**

Outlook

Nucleus Software achieved leadership position last year in Retail Lending Segment in some of the leading markets globally. In the coming years as well, Nucleus will continue to maintain its leadership in Retail lending segment . The company envisage huge demand for such niche products in the global banking industry.

Primary objective in coming fiscal:

Nucleus Software will continue to focus on globalization and broad-basing its business in various geographies, by creating adequate infrastructure/capacity and talent.

About Nucleus Software Exports Limited

Nucleus Software established in 1986 has been providing innovative & pioneering Products & customized Software Solutions for the Banking and Financial Services Industry. With global presence & development centers, Nucleus has developed solutions in Retail & Corporate Banking, Credit Cards, Cash Management, Relationship Banking, CRM, ATM, Credit Appraisal, Trade Finance, EAI, E-Commerce, & M-Commerce.

More than 250 product implementations globally and a customer base of 141 spread in a number of countries across Europe, Asia Pacific, South-East Asia, Middle-East, Africa, America, Australia, Nucleus has orders in hand for another 150 implementations in another 80 countries by 2008

The FinnOne™ Suite

- Finnone Customer Acquisition System (CAS)
- Finnone Loan management System (LMS)
- Finnone Collections
- Finnone General Ledger
- Finnone Deposits
- Finnone Finance Against Securities (FAS)

Other products

- Cash@Will (Cash Management System)
- BankONet (Internet & Mobile Banking)

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

FOR FURTHER INFORMATION, PLEASE CONTACT

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