



Press Release
July 18, 2005

Nucleus Software Revenues for Q1 Up by 56.96%

Announces plan to commence construction of 700+ seat facility at existing campus

INDIA, New Delhi, July 18th, 2005 -- Nucleus Software Exports Limited (NSE: NUCLEUS), a leading global provider of next generation software products for banking and financial sector, today announced its Q1 results. Nucleus Software's consolidated revenue for the quarter ending 30th June 2005 increased by 56.96% to Rs. 32.84 crore as compared to Rs. 20.93 crore for the corresponding quarter of the previous year. Net Profit after Tax (PAT) increased to Rs. 8.59 crore as compared to Rs. 2.94 crore for the corresponding quarter in the previous year.

Major Highlights:

Quarter ended 30th June 2005

- Consolidated revenue increased by 56.96 % as compared to corresponding quarter of the previous year.
- Net Profit after Tax increased by 192.14 % as compared to corresponding quarter of the previous year.
- EPS for the quarter increased to Rs. 5.34 from Rs. 1.83 (adjusted for the 1:1 bonus issue of shares allotted in August 2004) for the corresponding quarter of the previous year

Other Key Information

- 3 customers added this quarter, taking the total number to 99.
- Won 5 new product orders for flagship product FinnOne™ and [Cash@Will™](#)
- Added 57 employees taking the total to 935.

Commenting on the company's results, Vishnu Dusad, Managing Director, Nucleus Software Exports Limited said "This quarter's results, highlighted by record turnover and net income, and continued order growth for our software banking solutions is testimony to continued product leadership and focus on creating world class Intellectual Capital."

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 and credit cards. With 200 plus products successfully implemented, Nucleus has attained significant market acceptance globally. 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 niche banking products.

Nucleus has expanded its' clientele by adding the renowned names in banking and financial domain. Nucleus added 3 clients in quarter ended 30th June 05 and further strengthened its' relationship with 99 clients worldwide.

New Client Orders:

During the quarter the group added 3 new clients taking the total number to 99.

Nucleus bagged significant orders from the African continent and the Middle East. One of the top banks in Nigeria has placed order for FinnOne™ LOS / Lending and Collections.

Another significant win, one of the leading domestic banks in the United Arab Emirates has selected Nucleus for implementation of FinnOne™ Collections.

One of the leading banks in Indonesia has placed an order to implement FinnOne™ Loan Origination system to enhance its product profile.

"The future for banking solutions is bright. The largest banks will have to continuously 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.

Investment in the new corporate facility:

Nucleus today formally announced plans to commence construction of a second facility at the NOIDA campus. The new facility will seat 700+ and shall be financed through internal accruals.

Achievements & Recognitions:

FinnOne™ has the distinction of being one of the leading universal banking solution and has 100 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.

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. Other recent accolades received by Nucleus are:

- ✓ Nucleus has been awarded amongst the fastest growing companies in top 250 fastest growing technology companies in Asia Pacific by Deloitte and Touche Tohmatsu for the third consecutive year (2004-2005)
- ✓ Nucleus received the award for "Outstanding Contribution in Tech Adoption" by Sun Microsystems (2004-2005)
- ✓ Nucleus received the award for "Most Innovative ISV to build scalable solutions on Oracle platform". (2004-2005)

Primary objective in this 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)
- 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.

