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NetSol Technologies Subsidiary Announces Proposed Acquisition of Parent Company's European and North American Subsidiaries

CALABASAS, Calif., July 21, 2010 (GLOBE NEWSWIRE) -- NetSol Technologies, Inc. ("NetSol" or "Company") (Nasdaq:NTWK) (Nasdaq Dubai:NTWK), a U.S. corporation providing global business services and enterprise application solutions to private and public sector organizations worldwide, today announced that it has received a proposal to transfer ownership of its two wholly owned subsidiaries, NetSol Technologies Europe ("NTE") and NetSol Technologies North America, Inc. ("NTNA"), to NetSol Technologies Ltd. ("NTPK"), the Company's majority-owned subsidiary in Pakistan.

NTPK is proposing to purchase the two subsidiaries from its parent company at a premium to book value in an all-stock transaction. If approved, the internal sale of both NTE and NTNA would increase NetSol's ownership stake in NTPK from 58% to 76%. NetSol currently owns 58% of NTPK and 100% of both NTE and NTNA. The total estimated value of both NTE and NTNA by an independent appraisal firm is approximately \$20 million.

Upon completion of the transaction, the subsidiaries will continue to operate in their present locations, but the reporting of NetSol's three subsidiaries would be consolidated under one entity, NTPK. Presently, each subsidiary operates under NetSol, but while the revenue of NTPK is reported and disclosed as part of NetSol's gross revenues, the bottom line profitability of NetSol is reduced by the minority interest ownership in NTPK. As proposed, the transaction will increase NetSol's ownership in NTPK, thereby reducing its minority interest. Because the increase in ownership would allow NetSol to recognize a greater portion of NTPK's revenues and earnings as its own, the Company would expect a net accretive effect on its earnings per share.

Najeeb Ghauri, Chairman and CEO of NetSol, stated: "If approved by the NetSol board, the agreement is a win-win situation for our employees, shareholders and customers worldwide. We expect this transaction to strengthen the symbiotic relationship between our subsidiaries, resulting in increased operating efficiency. Furthermore, we expect NetSol Pakistan's higher margins to result in improved profitability for the Company. We anticipate that this internal transaction will improve our bottom line and ultimately enhance value for our shareholders."

If approved by the board of NetSol Technologies, Inc., the transaction is expected to take up to six months to complete, pending approval from the Securities and Exchange Commission

of Pakistan, NTPK shareholders, and other relevant regional authorities.

About NetSol Technologies, Inc.

NetSol Technologies, Inc. (Nasdaq:NTWK) (Nasdaq Dubai:NTWK) is a worldwide provider of global IT and enterprise application solutions. Since its inception in 1995, NetSol has used its BestShoring(TM) practices and highly experienced resources in analysis, development, quality assurance, and implementation to deliver high-quality, cost-effective solutions. Specialized by industry, these product and services offerings include credit and finance portfolio management systems, SAP consulting and services, custom development, systems integration, and technical services for the global Financial, Leasing, Insurance, Energy, and Technology markets. NetSol's commitment to quality is demonstrated by its achievement of the ISO 9001, ISO 27001, and SEI (Software Engineering Institute) CMMI (Capability Maturity Model) Maturity Level 5 assessments, a distinction shared by fewer than 100 companies worldwide. NetSol Technologies' clients include Fortune 500 manufacturers, global automakers, financial institutions, utilities, technology providers, and government agencies. Headquartered in Calabasas, California, NetSol Technologies has operations and offices in Alameda, Adelaide, Bangkok, Beijing, Karachi, Lahore, London, and Riyadh.

To learn more about NetSol, visit <http://www.netsoltech.com>.

The NetSol Technologies, Inc. logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=7396>

NetSol Technologies, Inc. Forward-looking Statements

This press release may contain forward-looking statements relating to the development of the Company's products and services and future operation results, including statements regarding the Company that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. The words "believe," "expect," "anticipate," "intend," variations of such words, and similar expressions, identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, but their absence does not mean that the statement is not forward-looking. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Factors that could affect the Company's actual results include the progress and costs of the development of products and services and the timing of the market acceptance. The subject Companies expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances upon which any statement is based.

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