

February 10, 2009



NetSol Technologies Europe Signs Letter of Intent to Acquire Majority Stake in ID Interactive

Acquisition Would Extend NetSol's Software Development Capabilities Into Leading Edge Mobile Technology and Multimedia Content Delivery

EMERYVILLE, CA -- (MARKET WIRE) -- 02/10/09 -- NetSol Technologies, Inc. "NetSol" (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 NetSol Technologies Europe, the company's wholly owned European subsidiary, has signed a non-binding letter of intent (LOI) to acquire a majority stake in ID Interactive Holdings Ltd. "ID Interactive."

ID Interactive is an award winning software and multimedia developer established in 1995 with offices in New York and the United Kingdom. With a focus on developing its business-to-business (B2B) and business-to-consumer (B2C) mobile content delivery platforms for service providers as well as content providers, ID Interactive provides customers the software engine to leverage new revenue-generating data services in the wireless space. ID Interactive's wireless mobile platform can deliver interactive games, services, and custom content to millions of mobile phone users globally.

UrTone, ID Interactive's mobile content solution, has been certified as handset-compliant with over 25 major mobile operators worldwide including AT&T, Orange, Sprint, T-Mobile, Verizon and Vodafone, representing more than 300 million mobile subscribers. In its pre-launch phase, the UrTone application has been used by over 1.5 million music fans. In addition, ID Interactive's UrTone, mobile content player has been adopted by Universal Music Group, the world's leading music company, along with other major labels to support the direct sales of their artists' portfolios to handset consumers at large. ID Interactive also maintains software development capabilities, as well as patent pending technologies in areas such as hospitality services, auctions, and recruitment.

Najeeb Ghauri, Chairman and Chief Executive Officer of NetSol Technologies, commented, "As we look to the future and extend our global software development capabilities, we see tremendous opportunities for growth in the communications vertical, particularly in the areas of software, to support interactive content and custom multimedia delivery. ID Interactive's strengths in the business-to-business and consumer mobile content space are synergistic with our core strategy of providing custom outsourced software application development.

Following a comprehensive due diligence, we believe this moderate upfront investment looks to provide further diversification of NetSol's software development business and would position our two companies to favorably leverage the worldwide growth of customized interactive mobile content and data services."

Azmat Mohammed, ID Interactive Chief Executive Officer, stated, "ID Interactive has created technology that is truly innovative and, as we look to take our services worldwide, we embrace the prospect of working with NetSol Technologies, a company with a like-minded vision and a global footprint. As the mobile industry sees its future in revenue growth coming from data and content services, we see our multi award winning wireless platform as a key enabler for them to increase revenue from their subscribers (ARPU). With its intuitive graphical user interface we are just scratching the surface of its potential and believe, with the help of NetSol Technologies, our wireless platform and our other innovations will become market leaders."

Under the terms of the agreement, compensation for the majority stake in ID Interactive to its founders will be calculated through a performance based, multi-year earn out formula related to annual revenue and earnings growth. In addition, a modest upfront cash component will be due upon signing of the agreement. The timing and closing of the transaction is subject to completion of legal, financial, and business due diligence, as well as a final agreement review from NetSol Technologies' Board of Directors.

About ID Interactive

Established for over 14 years, ID Interactive is a privately funded company with offices in New York, London and Manchester, specializing in custom mobile content delivery, digital marketing and strategies, and web design. For over a decade, ID Interactive has supplied the music industry with advanced design of DVDs, Ecards, websites, dual-discs, and ECDs and has produced digital promotional materials featuring some of the music industry's biggest names, including The Rolling Stones, Metallica, Nelly, Prince, Bon Jovi, Mariah Carey, Stevie Wonder, 50 Cent, and Britney Spears. In 2009, ID Interactive became a Red Herring Global 100 Award winner, recognizing the company as one of the top 100 most promising private companies in the world driving the future of technology. For more information on ID Interactive please visit www.idinteractive.net.

About NetSol Technologies, Inc.

NetSol Technologies, Inc. (NASDAQ: NTWK) (NASDAQ DUBAI: NTWK) is a worldwide provider of global business services 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, hospital/healthcare information management systems (HIMS), SAP consulting and services, custom development, systems integration, and technical services for the global Financial, Healthcare, 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 Emeryville, California, NetSol Technologies has operations and offices in Adelaide, Dubai, Beijing, Bangkok, Lahore, London, and Los Angeles.

To learn more about NetSol Technologies, Inc., visit www.netsoltech.com

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, 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.

Contacts:

Investor Relations

Christopher Chu

Grayling

Tel: +1-646-284-9426

Email: cchu@hfgcg.com