



Major Highlights:

Quarter ended September 30, 2004

- Consolidated revenue increased by 18.78 per cent as compared to corresponding quarter of the previous year.
- Net Profit after Tax increased by 61.13 per cent in comparison to corresponding quarter of the previous year.
- EPS for the quarter (adjusted for the bonus issue of 1:1 in August 2004) increased to Rs. 2.11 from Rs. 1.32 for the corresponding quarter of the previous year.

Half Year ended September 30, 2004

- Consolidated revenue increased by 16.88 per cent as compared to corresponding half year of the previous year.
- Net Profit after Tax increased by 73.51 per cent in comparison to corresponding half year of the previous year.
- EPS for the half year (adjusted for the bonus issue of 1:1 in August 2004) increased to Rs. 3.94 from Rs. 2.30 for the corresponding half of the previous year.

FINANCIAL RESULTS OF NUCLEUS SOFTWARE GROUP (CONSOLIDATED) FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2004

Particulars	Quarter Ended		Half Year Ended		Rs in lacs
	September 30, 2004	September 30, 2003	September 30, 2004	September 30, 2003	Year Ended March 31, 2004
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from Software Services and Products	2,415.55	2,033.71	4,501.50	3,851.33	8,009.07
Software Development Expenses	1,525.20	1,322.02	2,893.12	2,559.16	5,088.41
Gross Profit	890.35	711.69	1,608.38	1,292.17	2,920.66
Selling and Marketing Expenses	215.93	206.58	371.92	389.98	782.08
General and Administration Expenses	199.03	142.54	331.29	277.71	613.67
Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	475.39	362.57	905.17	624.48	1,524.91
Interest	-	-	-	0.14	0.14
Depreciation	75.56	79.95	140.00	170.73	324.26
Withholding Taxes	108.68	75.13	190.91	129.08	328.42
Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8-9)	291.15	207.49	574.26	324.53	872.09

Other Income	67.94	26.31	100.12	52.93	144.31
Profit before Tax	359.09	233.80	674.38	377.46	1,016.40
Provision for Taxation					
-Current	23.94	13.80	39.59	31.10	54.30
-Deferred	(3.49)	9.84	2.19	(18.23)	(10.49)
Profit after Tax	338.64	210.16	632.60	364.59	972.59
Paid-up Equity Share Capital	1,609.23	794.14	1,609.23	794.14	803.29
Reserves excluding Revaluation Reserves	-	-	-	-	5,982.89
Earnings Per Share (Rs.)*					
Basic	2.11	1.32	3.94	2.30	6.12
Diluted	2.10	1.32	3.93	2.29	6.11

* Adjusted for the issue of Bonus Shares in the ratio of 1:1 allotted on August 10, 2004, as per Accounting Standard 20 (AS 20) on Earnings Per Share

AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LTD. FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2004

Particulars	Quarter Ended		Half Year Ended		Year Ended
	September 30, 2004	September 30, 2003	September 30, 2004	September 30, 2003	March 31, 2004
	Audited	Audited	Audited	Audited	Audited
Income from Software Services and Products	1,484.94	1,380.07	2,787.59	2,561.27	5,406.46
Software Development Expenses	912.36	785.62	1,736.62	1,510.61	3,004.22
Gross Profit	572.58	594.45	1,050.97	1,050.66	2,402.24
Selling and Marketing Expenses	136.37	123.28	223.21	211.38	442.48
General and Administration Expenses	166.06	106.44	265.14	211.18	455.13
Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	270.15	364.73	562.62	628.10	1,504.63
Interest	-	-	-	0.14	0.14
Depreciation	63.71	64.67	116.66	140.78	268.51
Withholding Taxes	108.68	75.13	190.91	129.08	328.42
Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8-9)	97.76	224.93	255.05	358.10	907.56
Other Income					
Profit before Tax	57.76	22.06	79.84	55.11	157.02
Provision for Taxation	155.52	246.99	334.89	413.21	1,064.58
-Current	11.50	5.00	14.00	20.00	44.35
-Deferred	(3.49)	9.84	2.19	(18.22)	(14.65)
Profit after Tax	147.51	232.15	318.70	411.43	1,034.88
Paid-up Equity Share Capital	1,609.23	794.14	1,609.23	794.14	803.29
Reserves excluding Revaluation Reserves	-	-	-	-	5,849.31
Earnings Per Share (Rs.) *					
Basic	0.92	1.46	1.98	2.60	6.51
Diluted	0.91	1.45	1.97	2.58	6.50
Aggregate of Non-Promoter shareholding (Unaudited)					
-Number of Shares *	5,261,044	4,706,048	5,261,044	4,706,048	5,256,044
-Percentage of Shareholding	32.70%	29.64%	32.70%	29.64%	32.72%

* Adjusted for the issue of Bonus Shares in the ratio of 1:1 allotted on August 10, 2004, as per Accounting Standard 20 (AS 20) on Earnings Per Share

Segment Reporting	Quarter Ended September 30, 2004	Quarter Ended September 30, 2003	Half Year Ended		Year Ended March 31, 2004
Revenue by Geographical Segment			September 30, 2004	September 30, 2003	
India	228.74	350.86	441.55	721.54	1,266.62
Far East	544.30	562.55	951.30	1,037.00	1,660.36
Singapore	457.23	112.72	955.66	366.80	1,537.98
Others	254.67	353.94	439.08	435.93	941.50
Total	1,484.94	1,380.07	2,787.59	2,561.27	5,406.46
Less:- Inter Segment Revenue	-	-	-	-	-
Net Revenue From Operations	1,484.94	1,380.07	2,787.59	2,561.27	5,406.46
Segment Profit / (Loss) before Tax and Interest					
India	(97.64)	7.72	(156.11)	64.68	(16.14)
Far East	84.58	287.14	153.34	417.38	522.58
Singapore	162.35	42.43	347.25	112.18	651.38
Others	87.76	44.60	158.87	61.70	339.84
Total	237.05	381.89	503.35	655.94	1,497.66
Add:- Other Income	57.76	22.06	79.84	55.12	157.02
Less:- Interest	-	-	-	0.14	0.14
Less:- Other Unallocable Expenditure	139.29	156.96	248.30	297.71	589.96
Operating Profit before Tax	155.52	246.99	334.89	413.21	1,064.58
Capital Employed (Refer Note 9 below)	-	-	-	-	6,654.10

Notes: 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 16, 2004.

2) Other Information (Nucleus Software Exports Limited)

	Quarter Ended September 30, 2004	Quarter Ended September 30, 2003	Half-Year Ended September 30, 2004	Half Year Ended September 30, 2003	Year Ended March 31, 2004
Staff Cost	618.43	491.58	1141.51	931.62	1963.29
Item exceeding 10% of aggregate expenditure					
Travel Expenditure	281.93	186.48	507.16	409.56	802.17

3) Shareholders approved a Bonus Issue of one share for each equity share held at the Annual General

Meeting held on July 8, 2004. The Bonus Shares were allotted on August 10, 2004 and have been admitted for trading. Consequently total number of issued equity shares have increased to 16,090,812.

4) The Company has been informed by the statutory auditors that the name of their firm has been changed from M/s Bharat S. Raut & Co. to M/s BSR & Co.

5) There was 1 investor complaint pending at the beginning of the quarter, which was resolved during the quarter .

2 investor complaints were received during the current quarter out of which 1 has been resolved and 1 is in the process of being resolved.

During the half-year ended September 30, 2004 the Company allotted 14,000 fully paid up equity shares of Rs.10/- each to employees in pursuance of stock options exercised in July 2004.

7) These accounts have been prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

8) Previous period/year figures have been regrouped /reclassified, wherever necessary.

9) Fixed assets used in the Company's business cannot be specifically identified with any of the reportable segments, as these are used interchangeably between various segments. The Management believes that it is not practicable to provide segment-wise disclosures relating to total assets and liabilities since a meaningful segregation of the available data is not possible.

Date: October 16, 2004

Place: NOIDA

By order of the Board

**Vishnu R Dusad
Managing Director**