



Nucleus Software announces FY 10 Results

New Delhi, India, April 26, 2010: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209) today announced its results for the fourth quarter and year ended March 31, 2010.

Nucleus Software's consolidated revenue for the year ended March 31, 2010 is at **Rs. 291.78 crore** in comparison to **Rs. 328.40 crore** in the previous year. With total expenses at **Rs. 237.70 crore** in comparison to **Rs. 278.80 crore** in the previous year, the consolidated EBITDA increased to **Rs. 54.08 crore** in comparison to **Rs. 49.60 crore** in the previous year. Net Profit after Tax (PAT) is at **Rs. 38.40 crore** in comparison to **Rs. 32.26 crore** in the previous year.

Consolidated revenue for the quarter ending March 31, 2010, is at **Rs. 72.25 crore** in comparison to **Rs. 85.81 crore** in the corresponding quarter of the previous year. With total expenses at **Rs. 58.42 crore** in comparison to **Rs. 74.45 crore** in the previous year, the consolidated EBITDA increased to **Rs. 13.83 crore** in comparison to **Rs. 11.36 crore** in the corresponding quarter of the previous year. Net Profit after Tax (PAT) is at **Rs. 9.19 crore** in comparison to **Rs. 9.60 crore** in the corresponding quarter of the previous year.

Nucleus Software won record **31** orders globally during the year, a tremendous achievement especially considering the global meltdown. One of the biggest IP creators of the country, Nucleus, added **14** new clients in the financial year, even in this extremely uncertain global economic scenario - a testimony to the trust shown by the banking industry globally in the prowess of Nucleus' world-class products.

Highlights:

Financial Year Ended March 31, 2010

- **Consolidated revenue** at **Rs. 291.78** crore from software products and software development services in comparison to **Rs. 328.40** crore in the previous year.
- **Product business revenue** for the year at **Rs. 173.95** crore in comparison to **Rs. 219.96** crore in the previous year.
- **EBIDTA** at **Rs. 54.08** crore in comparison to **Rs. 49.60** crore in the previous year.
- **Net Profit after Tax (PAT)** at **Rs. 38.40** crore in comparison to **Rs. 32.26** crore in the previous year.
- **Earning Per Share** for the year at **Rs. 11.86** in comparison to **Rs. 9.97** in the previous year.
- **Dividend recommended at 25 % (Rs. 2.50 per share)**, against **25% (Rs. 2.50 per share)** previous year.

Quarter Ended March 31, 2010

- **Consolidated revenue** at **Rs. 72.25** crore from software products and software development services in comparison to **Rs. 85.81** crore in the corresponding quarter of the previous year.
- **Product business revenue** for the quarter at **Rs. 48.11** crore in comparison to **Rs. 54.90** crore in the corresponding quarter of the previous year.
- **EBIDTA** at **Rs. 13.83** crore in comparison to **Rs. 11.36** crore in the corresponding quarter of the previous year
- **Net Profit after Tax (PAT)** at **Rs. 9.19** crore in comparison to **Rs. 9.60** crore in the corresponding quarter of the previous year.
- **Earning Per Share** for the quarter at **Rs. 2.84** in comparison to **Rs. 2.97** in the corresponding quarter of the previous year.

Other Key Information

For the Financial Year Ended March 31, 2010

- **31** product order wins from across the globe
- **14** new customers added
- Won orders for **87** product modules for FinnOne™ and Cash@Will™ Suite
- **84** product modules successfully implemented across the globe
- **Global** strength of employees as on March 31, 2010 is **1558**
- Nucleus has further strengthened its global partners' network, adding **8** new alliances across LATAM, Africa and SEA.
- Nucleus' flagship product FinnOne™ has been ranked as **World's No.1 Selling Lending Software Product'** by IBS publishing, UK, for calendar year 2009.
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For Quarter Ended March 31, 2010

- **10** product order wins from across the globe
- **1** new customer added
- Won order for **15** product modules for FinnOne™ and Cash@Will™ Suite
- **21** product modules successfully implemented across the globe

Key Highlights

- 'Cash and Bank Balances' and 'Current Investments' at Rs. **162.40** crore as on March 31, 2010.

Commenting on the financial results, Mr. Vishnu R. Dusad, CEO and Managing Director, Nucleus Software, said: "Nucleus Software is heading towards becoming one of the icons of what intellectual property in India can produce. Our products are a benchmark across the globe, with our flagship product being ranked as the No.1 selling lending software product for the 2nd consecutive year by IBS Publishing, UK.

Our services, solutions and business model are well suited to help our customers reap maximum benefits from their investments. We are focusing on enhancing our business and investing smartly for the future. We have increased our focus on enhancing our product technology and creating revolutionized products that would enable banks and financial institutions to mitigate risk and provide quicker and enriched services to their customers.

Sentiments are improving, banks and financial institutions are open to taking product order decisions that were suspended for some time. We see this trend in all markets, including Latin America. The Company continues to focus and invest on development of software products for Banking and Financial Institutions".

On human resources programs in a tough staffing environment, Mr. Dusad said, "We continue to invest in our employees through training and building their skills across various technologies and domains."

Accolades/Awards

- Nucleus Software's FinnOne™ has been ranked '**World's No 1 Selling Lending Software product**' (for year 2009) by IBS Publishing.
- Annual Report of Nucleus Software for year ended March 31, 2009 has been adjudged as the **BEST under the category 'Information Technology, Communication and Entertainment enterprises' of the 'ICAI Awards for Excellence in Financial Reporting'** by the Institute of

Chartered Accountants of India (ICAI). **A GOLD SHIELD was awarded to the Company. Nucleus has received the Gold Shield for the 2nd consecutive year.**

- Nucleus Software has been ranked among the **Top 25 companies adopting “Good Corporate Governance Practices” by ICSI for fourth consecutive year in 2009**
 - South Asian Federation of Accountants (SAFA) has adjudged Nucleus’ Annual Report as the recipient of the merit position for the **Best Presented Accounts and Corporate Governance Disclosures Award 2008** under the category of Corporate Governance Disclosure.
 - Forrester Research, a leading independent analyst firm, has recognized Nucleus Software as an industry vertical specialist in their recent report “Working With Tier Two Offshore Providers”.
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- **New Client Wins:**

Nucleus bagged **31** orders for implementing **87** product modules of the FinnOne™ Suite and Cash@Will™ in the year 2009-2010. Product orders were bagged from leading financial institutions across the globe. For the quarter, Nucleus has won **10** product orders for implementing **15** modules of FinnOne™ and Cash Management Suite.

- **Successful Global Implementations:**

This year **84** product modules went live in various markets across the globe. Some of the implementations were completed in record time. This further gave increased visibility to Nucleus in the global markets, and reaffirmed its standing in the global lending and cash management space.

- **Liquidity**

Cash and cash equivalents, including investments in liquid mutual funds and Fixed Deposits with Banks, as on March 31, 2010 was Rs. **162.40** crore against Rs. 122.17 crore as on March 31, 2009.

About Nucleus Software Exports Limited:

Nucleus Software is a leading software powerhouse providing innovative and pioneering software solutions for Banks and Financial organizations globally. Nucleus Software has an array of products, which includes FinnOne™, Cash@Will™ and other service offerings. FinnOne™ is the flagship product of Nucleus Software and consists of modules like Customer Acquisition System, Loan Management System, Collections, General Ledger, Forecaster and Finance against Securities. Cash@Will™ caters to the cash management business and has key modules like Collections, Payments and Liquidity Management.

Nucleus Software is listed on the National Stock Exchange and Bombay Stock Exchange in India.
www.nucleussoftware.com

Safe Harbor:

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ

materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the success of our investments, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, our ability to successfully implement our strategy, our research and development efforts, changes in the value of the Rupee and other currency changes, intense competition in IT and consulting services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Nucleus may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Board of India, Stock Exchange and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

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Nucleus Software Exports Ltd.

Consolidated Balance Sheet as at 31 March 2010

	(Audited) As at 31 March 2010 (Rupees in Lakhs)	(Audited) As at 31 March 2009 (Rupees in Lakhs)
Sources of Funds		
Shareholders' Funds		
Share capital	3,237.15	3,237.15
Share application money pending allotment	34.52	59.99
Reserves and surplus	23,869.80	20,793.46
	27,141.47	24,090.60
Deferred Tax Liability	11.11	25.41
	27,152.58	24,116.01
Application of Funds		
Fixed Assets		
Gross block	11,264.15	11,202.19
Less: Accumulated depreciation	(5,840.97)	(4,811.71)
Net block	5,423.18	6,390.47
Add: Capital work in progress (including capital advances)	51.99	31.01
	5,475.17	6,421.48
Investments	9,589.80	1,629.03
Deferred Tax Asset	312.42	176.23
Current Assets, Loans and Advances		
Sundry debtors	5,768.30	8,010.06
Cash and bank balances	6,674.54	10,613.61
Loans and advances	2,934.67	2,276.79
Other current assets	3,095.12	2,943.29
	18,472.63	23,843.75
Less: Current Liabilities and Provisions		
Current liabilities	(4,659.89)	(6,006.26)
Provisions	(2,037.55)	(1,948.22)
	(6,697.44)	(7,954.48)
Net Current Assets	11,775.19	15,889.27
	27,152.58	24,116.01



Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the year ended 31 March 2010

	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	For the quarter ended 31 March 2010 (Rupees in Lakhs)	For the quarter ended 31 March 2009 (Rupees in Lakhs)	For the year ended 31 March 2010 (Rupees in Lakhs)	For the year ended 31 March 2009 (Rupees in Lakhs)
Sales and services	7,225.11	8,581.18	29,178.27	32,840.28
Software development expenses	4,802.81	5,962.10	19,616.60	22,254.52
Gross Profit	2,422.30	2,619.08	9,561.67	10,585.76
Selling and marketing expenses	494.52	671.50	2,266.60	2,779.85
General and administration expenses	544.46	811.94	1,887.22	2,845.40
Operating profit before finance charges, depreciation and withholding tax	1,383.32	1,135.64	5,407.85	4,960.51
Depreciation	236.16	314.08	1,133.46	1,327.70
Withholding taxes charged off	33.85	108.83	42.56	726.25
Operating Profit After Finance Charges, Depreciation and Withholding Tax	1,113.31	712.73	4,231.83	2,906.56
Foreign Exchange Gain/ (Loss)	(242.75)	109.48	(802.60)	(791.96)
Other income	205.79	247.52	962.03	1,370.84
Profit Before Taxation	1,076.35	1,069.73	4,391.26	3,485.44
Provision for Taxation	157.53	109.42	551.18	259.61
Profit After Taxation	918.82	960.31	3,840.08	3,225.83
Profit Available for Appropriation				
Profit for the period/year	918.82	960.31	3,840.08	3,225.83
Add: Balance brought forward	16,514.46	13,977.57	13,593.21	11,712.07
Total amount available	17,433.28	14,937.90	17,433.29	14,937.90
Final dividend	809.25	809.25	809.25	809.25
Interim dividend	-	-	-	-
Dividend tax	134.41	137.53	134.41	137.53
Transferred to general reserve	461.04	397.90	461.04	397.90
Balance carried forward to Balance Sheet	16,028.58	13,593.22	16,028.59	13,593.22
Earnings Per Share (equity shares, par value Rs. 10 each)				
Basic	2.84	2.97	11.86	9.97
Diluted	2.84	2.97	11.86	9.96



Nucleus Software Exports Ltd.

Consolidated Segment Information

(Rs. in Lakhs)

REVENUE BY	Quarter Ended				Year ended			
	31 March 2010	% of Revenue	31 March 2009	% of Revenue	31 March 2010	% of Revenue	31 March 2009	% of Revenue
GEOGRAPHICAL SEGMENTS								
INDIA	779.02	10.78	1,071.74	12.49	3680.07	12.61	3,673.53	11.19
FAR EAST	3,677.93	50.90	3,622.45	42.22	12439.40	42.63	16,055.38	48.89
SOUTH EAST ASIA	1,366.22	18.91	1,495.09	17.42	6111.85	20.95	5,330.18	16.23
EUROPE /U.K.	383.47	5.30	498.77	5.81	1690.67	5.80	2,161.15	6.58
USA & CANADA	19.87	0.28	13.36	0.16	106.03	0.36	79.73	0.24
MIDDLE EAST	644.17	8.92	1,214.60	14.15	3791.04	12.99	3,202.28	9.75
AFRICA	187.06	2.59	385.04	4.49	681.90	2.34	1,316.46	4.01
REST OF THE WORLD	167.37	2.32	280.13	3.26	677.31	2.32	1,021.57	3.11
TOTAL	7225.11	100.00	8,581.18	100.00	29178.27	100.00	32,840.28	100.00
BUSINESS SEGMENTS								
PRODUCTS	4,810.59	66.58	5,490.13	63.98	17,395.33	59.62	21,996.17	66.98
Own	3,610.59	49.97	5,097.38	59.40	15,112.32	51.80	20,072.17	61.12
Traded	1,200.00	16.61	392.75	4.58	2,283.01	7.82	1,924.00	5.86
PROJECTS & PROFESSIONAL SERVICES	2,414.52	33.42	3,091.05	36.02	11,782.94	40.38	10,844.11	33.02
TOTAL	7,225.11	100.00	8,581.18	100.00	29,178.27	100.00	32,840.28	100.00