



PRESS RELEASE

## Nucleus Software announces Q1 FY 10 Results

**New Delhi, India, July 27, 2009:** Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209), has announced its Q1 results for the financial year 2009 - 2010. Nucleus Software's consolidated revenue for the quarter ending June 30, 2009, is at **Rs. 80.54 crore** in comparison to Rs. 82.90 crore in the corresponding quarter of the previous year. With total expenses at Rs. 64.53 crore in comparison to Rs. 68.71 crore in the corresponding quarter of the previous year, the consolidated EBITDA has increased to Rs. 16.01 crore in comparison to Rs. 14.19 crore in the previous year. Net profit after tax (PAT) increased by 26.19% to **Rs.10.13 crore** in comparison to Rs.8.03 crore in the corresponding quarter of the previous year.

### Highlights

#### **Quarter Ended June 30, 2009**

- **Consolidated revenue** at **Rs. 80.54 crore** from software products and software development services in comparison to Rs. 82.90 crore in the corresponding quarter of the previous year.
- **Product business revenue** for the quarter at **Rs. 47.31 crore** in comparison to Rs. 57.26 crore in the corresponding quarter of the previous year.
- **EBITDA** at **Rs. 16.01 crore** in comparison to Rs. 14.19 crore in the corresponding quarter of the previous year.
- **Net Profit After Tax (PAT)** at **Rs. 10.13 crore** increased by 26.15 % in comparison to Rs. 8.03 crore in the corresponding quarter of the previous year.
- **Earning Per Share** for the quarter at **Rs. 3.13** in comparison to Rs. 2.48 in the corresponding quarter of the previous year.

### Other Key Information

#### **For the Quarter Ended June 30, 2009**

- Won 11 new product orders worldwide
- 7 new customers added in the quarter
- Won orders for 38 product modules of FinnOne™ and CASH@Will™ Suite
- 18 product modules successfully implemented across the globe

- Forrester in its new report on 'Global Banking Platform Deals 2008 : Vendors', recognized Nucleus Software amongst the 17 vendors of globally deployed banking platforms evaluated on their 2008 deals.
- Global strength of employees as on June 30, 2009 is 2,000.
- One of the major customers of an overseas subsidiary of the Company, has on July 25, 2009 given notice to this subsidiary of partial cancellation of contracts, on a date one month from receipt of notice. The customer has further asked for early meetings, to have mutual agreement for the purpose of reaching a settlement. As per legal opinion received and an assessment by management, there is no liability on the parent Company, and there is no impact on the financial results of the Company for this quarter. In relation to the consolidated accounts of the Company, in absence of any specific claim, and taking into consideration a legal opinion and assessment by management, no provision for any liability that may arise as a result of the notice of the cancellation has been made in the consolidated financial results of the Company.

**Vishnu R Dusad, CEO and Managing Director, Nucleus Software said,** “We are a part of the global economy and India cannot remain insulated from recessionary trends in the US & Europe. The environment in which we are all operating is going through a lot of challenges and issues which will impact the decision making process of the industry as such. The US market contributes less than 1% of our business. Our diversified client base ensures that the current economic downturn does not cause any major impact to our business but we remain cautious considering the environment.”

#### **Accolades /Awards**

- Forrester in its new report on 'Global Banking Platform Deals 2008: Vendors', recognized Nucleus Software amongst the 17 vendors of globally deployed banking platforms evaluated on their 2008 deals.

#### **Expansion of services and significant projects**

- **New Client Wins**

Nucleus bagged 11 new product orders and acquired 7 new customers for implementing 38 product modules of the FinnOne™ and CASH@Will™ Suite in the first quarter of year 2009-2010. Product orders were bagged from leading financial institutions in Middle East, Africa, South East Asia, India and Japan.

- **Successful Global Implementations**

This quarter 18 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.

### **About Nucleus Software Exports Limited**

Nucleus Software (NSE: NUCLEUS, BSE: 531209) is a leading software powerhouse providing innovative and pioneering software solutions for Banks and Financial organizations globally. Nucleus Software offers a host of competitive IT solutions and consultancy services designed to support the whole spectrum of business offerings spanning Retail and Corporate Banking, Cash Management, Credit Cards, Relationship Banking, Financial CRM, Credit Risk & Appraisal, EAI, Internet Banking, FX, Basel II, Data warehousing and Analytics. With customers across the globe, the company is consistently innovating with cutting edge and industry driven products in the domain. Nucleus Software is listed on the National Stock Exchange and Bombay Stock Exchange in India. For more information, visit [www.nucleussoftware.com](http://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 30 June 2009

	As at 30 June 2009 (Rupees in Lakhs) (Unaudited)	As at 30 June 2008 (Rupees in Lakhs) (Unaudited)	As at 31 March 2009 (Rupees in Lakhs) (Audited)
<b>Sources of Funds</b>			
<b>Shareholders' Funds</b>			
Share capital	3,237.15	3,236.85	3,237.15
Share application money pending allotment	56.50	67.54	59.99
Reserves and surplus	22,017.82	19,126.04	20,793.46
	25,311.48	22,430.43	24,090.60
<b>Deferred Tax Liability</b>	<b>17.31</b>	<b>27.97</b>	<b>25.41</b>
	<b>25,328.79</b>	<b>22,458.40</b>	<b>24,116.01</b>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Gross block	11,177.38	9,710.32	11,202.19
Less: Accumulated depreciation	(5,071.72)	(4,163.49)	(4,811.71)
Net block	6,105.66	5,546.83	6,390.47
Add: Capital work in progress (including capital advances)	27.92	1,347.34	31.01
	<b>6,133.57</b>	<b>6,894.17</b>	<b>6,421.48</b>
<b>Investments</b>	<b>2,649.83</b>	<b>6,664.89</b>	<b>1,629.03</b>
<b>Deferred Tax Asset</b>	<b>222.43</b>	<b>113.01</b>	<b>176.23</b>
<b>Current Assets, Loans and Advances</b>			
Sundry debtors	7,355.17	7,147.90	8,010.06
Cash and bank balances	11,057.43	2,952.91	10,613.61
Loans and advances	2,412.08	3,483.17	2,276.79
Other current assets	3,149.92	4,337.92	2,943.29
	<b>23,974.60</b>	<b>17,921.90</b>	<b>23,843.75</b>
<b>Less: Current Liabilities and Provisions</b>			
Current liabilities	(5,609.44)	(7,037.79)	(6,006.26)
Provisions	(2,042.20)	(2,097.78)	(1,948.22)
	<b>(7,651.64)</b>	<b>(9,135.57)</b>	<b>(7,954.48)</b>
<b>Net Current Assets</b>	<b>16,322.95</b>	<b>8,786.33</b>	<b>15,889.27</b>
	<b>25,328.79</b>	<b>22,458.40</b>	<b>24,116.01</b>



# Nucleus Software Exports Ltd.

## Consolidated Profit and Loss Account for the Quarter Ended 30 June 2009

	For the Quarter ended		For the year ended
	30 June 2009	30 June 2008	31 March 2009
	(Rupees in Lakhs)	(Rupees in Lakhs)	(Rupees in Lakhs)
	(Unaudited)	(Unaudited)	(Audited)
Sales and services	8,053.71	8,289.71	32,840.28
Software development expenses	5,384.30	5,606.09	22,254.52
<b>Gross Profit</b>	<b>2,669.41</b>	<b>2,683.62</b>	<b>10,585.76</b>
Selling and marketing expenses	607.74	699.05	2,779.85
General and administration expenses	460.61	565.76	2,845.40
<b>Operating profit before finance charges, depreciation and withholding tax</b>	<b>1,601.06</b>	<b>1,418.81</b>	<b>4,960.51</b>
Depreciation	319.83	337.37	1,327.70
Withholding taxes charged off	8.70	218.01	726.25
<b>Operating Profit After Finance Charges, Depreciation and Withholding Tax</b>	<b>1,272.53</b>	<b>863.43</b>	<b>2,906.56</b>
Other income	316.34	632.57	1,370.84
Foreign Exchange Gain/ (Loss)	(428.11)	(748.18)	(791.96)
<b>Profit Before Taxation</b>	<b>1,160.76</b>	<b>747.82</b>	<b>3,485.44</b>
Provision for Taxation	147.64	(55.05)	259.61
<b>Profit After Taxation</b>	<b>1,013.12</b>	<b>802.87</b>	<b>3,225.83</b>
<b>Earnings Per Share (equity shares, par value Rs. 10 each)</b>			
Basic	3.13	2.48	9.97
Diluted	3.13	2.46	9.96



# Nucleus Software Exports Ltd.

## Consolidated Segment Information

(Rs. in Lakhs)

REVENUE BY	Quarter Ended				Year ended	
	30 June 2009	% of Revenue	30 June 2008	% of Revenue	31 March 2009	% of Revenue
<b>GEOGRAPHICAL SEGMENTS</b>						
INDIA	1,041.03	12.92	775.79	9.35	3673.53	11.19
FAR EAST	2,969.03	36.86	4,401.84	53.10	16055.38	48.89
SOUTH EAST ASIA	1,836.69	22.81	1,235.75	14.91	5330.18	16.23
EUROPE /U.K.	375.51	4.66	669.55	8.08	2161.15	6.58
USA & CANADA	0.48	0.01	23.93	0.29	79.73	0.24
MIDDLE EAST	1,390.79	17.27	721.24	8.70	3202.28	9.75
AFRICA	263.37	3.27	314.74	3.80	1316.46	4.01
REST OF THE WORLD	176.81	2.20	146.87	1.77	1021.57	3.11
<b>TOTAL</b>	<b>8053.71</b>	<b>100.00</b>	<b>8,289.71</b>	<b>100.00</b>	<b>32840.28</b>	<b>100.00</b>
<b>BUSINESS SEGMENTS</b>						
<b>PRODUCTS</b>	<b>4,731.29</b>	<b>58.75</b>	<b>5,726.18</b>	<b>69.08</b>	<b>21,996.17</b>	<b>66.98</b>
Own	4,158.49	51.64	4,752.16	57.33	20,072.17	61.12
Traded	572.80	7.11	974.02	11.75	1,924.00	5.86
<b>PROJECTS &amp; PROFESSIONAL SERVICES</b>	<b>3,322.42</b>	<b>41.25</b>	<b>2,563.53</b>	<b>30.92</b>	<b>10,844.11</b>	<b>33.02</b>
<b>TOTAL</b>	<b>8053.71</b>	<b>100.00</b>	<b>8289.71</b>	<b>100.00</b>	<b>32840.28</b>	<b>100.00</b>