



PRESS RELEASE

Nucleus Software Announces Q2 FY 12 Results

New Delhi, October 24, 2011: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209), announced its Q2 results for financial year 2011-2012.

Nucleus Software's consolidated revenue for the quarter ending September 30, 2011, is at **Rs. 73.91 crore** in comparison to **Rs. 70.19 crore** in the corresponding quarter of the previous year. With total expenses at **Rs. 63.16 crore** in comparison to **Rs. 58.48 crore** in the corresponding quarter of the previous year, the consolidated EBITDA is at **Rs. 10.75 crore** in comparison to **Rs. 11.71 crore** in the corresponding quarter of the previous year. Net profit after tax (PAT) is at **Rs. 11.45 crore** in comparison to **Rs. 8.90 crore** in the corresponding quarter of the previous year.

For the half year ending September 30, 2011, consolidated revenue is at **Rs. 138.19 crore** in comparison to **Rs. 136.33 crore** in the corresponding half-year of the previous year. With total expenses at **Rs. 121.96 crore** in comparison to **Rs. 119.91 crore** in the corresponding half-year of the previous year, the consolidated EBITDA is at **Rs. 16.23 crore** in comparison to **Rs. 16.43 crore** in the corresponding half-year of the previous year. Net Profit after tax (PAT) is at **Rs. 16.48 crore** in comparison to **Rs. 14.20 crore** in the corresponding half-year of the previous year.

Highlights

Quarter Ended September 30, 2011

- **Consolidated revenue** at **Rs. 73.91 crore** from software products and software development services in comparison to **Rs. 70.19 crore** in the corresponding quarter of the previous year.
- **Product business revenue** for the quarter at **Rs. 55.18 crore** in comparison to **Rs. 50.58 crore** in the corresponding quarter of the previous year.
- **EBITDA** at **Rs. 10.75 crore** in comparison to **Rs. 11.71 crore** in the corresponding quarter of the previous year.
- **Net Profit after Tax (PAT)** at **Rs. 11.45 crore** in comparison to **Rs. 8.90 crore** in the corresponding quarter of the previous year.
- **Earning Per Share** for the quarter at **Rs. 3.54** in comparison to **Rs. 2.75** in the corresponding quarter of the previous year.

Half- Year Ended September 30, 2011

- **Consolidated revenue** at **Rs. 138.19 crore** from software products and software development services in comparison to **Rs. 136.33 crore** in the corresponding half- year of the previous year.
- **Product business revenue** at **Rs. 102.26 crore** in comparison to **Rs. 93.53 crore** in the corresponding half-year of the previous year.
- **EBITDA** at **Rs. 16.23 crore** in comparison to **Rs. 16.43 crore** in the corresponding half-year of the previous year
- **Net Profit After Tax (PAT)** at **Rs. 16.48 crore** in comparison to **Rs. 14.20 crore** in the corresponding half-year of the previous year.
- **Earning Per Share** for the half-year at **Rs 5.09** in comparison to **Rs. 4.39** in the corresponding half-year of the previous year.

Other Key Information

For the Quarter Ended September 30, 2011

- Won **4** new product orders worldwide
- **3** new customers added in the quarter
- Won orders for **10** product modules of FinnOne™ and Cash@Will™ Suite
- **37** product modules successfully implemented across the globe
- Global strength of employees as on September 30, 2011 is **1599**

For the Half-Year Ended September 30, 2011

- **10** new orders in the first six months of the fiscal year
- **5** new customers added
- Won orders for **21** new product modules of FinnOne™ and Cash@Will™ Suite
- **60** product modules successfully implemented across the globe
- Global strength of employees as on September 30, 2011 is **1599**

Vishnu R. Dusad, CEO and Managing Director, Nucleus Software said,

“The ongoing macroeconomic trends are a worrying factor for banking and financial institutions across the globe. Amidst all this activity, financial institutions are continuing to streamline their business processes further, including reducing turnaround time for customer servicing and controlling delinquencies to complete integration of IT infrastructure. As a niche player in this segment, we are pleased to have built strong client relationships and are optimistic about the upcoming market opportunities for Nucleus Software across Latin America, Europe, Middle East, South East Asia and Africa. We will continue to help our clients achieve a competitive edge through our innovative and customized software solutions.”

Expansion of services and significant projects

- **New Client Wins**

Nucleus bagged **4** new product orders and acquired **3** new customers for implementing **10** product modules of the FinnOne™ and Cash@Will™ Suite in the second quarter of year 2011-2012.

- **Successful Global Implementations**

This quarter **37** 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 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 across retail banking, corporate banking, cards and cash management. With over 150 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

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.

For further information, please contact

Shruti Bhargava

Nucleus Software Exports Limited

Phone: +91 – 120 – 4031400

Mobile: +91 - 9990340977

Email: shruti.bhargava@nucleussoftware.com

Rishu

The PRactice

Mobile: +91 - 9310204151

E-mail: rishu@the-practice.net

Nucleus Software Exports Ltd.

Consolidated Balance Sheet as at 30 September 2011

₹ In Lakhs

Particulars	As at	
	30 September 2011 Unaudited	31 March 2011 Audited
Sources of Funds		
Shareholders' Funds		
Share capital	3,238.50	3,238.40
Share application money pending allotment	6.54	21.83
Reserves and surplus	26,800.94	25,556.91
	30,045.98	28,817.14
Deferred Tax Liability	3.32	5.92
	30,049.30	28,823.06
Application of Funds		
Fixed Assets		
Gross block	11,779.27	11,032.43
Less: Accumulated depreciation	(6,761.91)	(6,324.73)
Net block	5,017.36	4,707.69
Add: Capital work in progress (including capital advances)	-	281.65
	5,017.36	4,989.34
Investments	12,983.38	12,601.60
Deferred Tax Asset	515.55	541.94
Current Assets, Loans and Advances		
Sundry debtors	4,002.35	3,235.33
Cash and bank balances	5,109.81	6,174.67
Loans and advances	4,069.42	3,717.16
Other current assets	4,912.91	3,596.02
	18,094.50	16,723.19
Less: Current Liabilities and Provisions		
Current liabilities	(5,312.19)	(3,873.51)
Provisions	(1,249.30)	(2,159.50)
	(6,561.49)	(6,033.01)
Net Current Assets	11,533.00	10,690.18
	30,049.30	28,823.06

Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the Quarter and Half Year Ended 30 September 2011

₹ In lakhs

Particulars	For the Quarter Ended		For the Half Year Ended		For the Year Ended
	30 September 2011 Unaudited	30 September 2010 Unaudited	30 September 2011 Unaudited	30 September 2010 Unaudited	31 March 2011 Audited
Sales and services	7,391.19	7,019.14	13,818.64	13,633.10	27,048.06
Software development expenses	4,944.39	4,487.60	9,404.99	9,135.65	18,340.08
Gross Profit	2,446.80	2,531.54	4,413.65	4,497.45	8,707.98
Selling and marketing expenses	750.70	689.55	1,569.58	1,456.14	3,021.40
General and administration expenses	621.29	670.68	1,221.18	1,398.79	2,638.50
Operating Profit Before Interest and Depreciation	1,074.81	1,171.31	1,622.89	1,642.52	3,048.08
Depreciation	193.56	236.72	395.02	484.03	928.07
Operating Profit After Interest and Depreciation	881.25	934.59	1,227.87	1,158.49	2,120.01
Other income	313.81	203.51	641.50	422.71	940.03
Foreign Exchange Gain/ (Loss) (Net)	406.47	(168.04)	410.43	(17.83)	(73.53)
Profit Before Tax	1,601.53	970.06	2,279.80	1,563.37	2,986.51
Withholding taxes	-	28.81	-	40.92	269.33
Provision for Taxation	456.77	51.06	631.79	102.91	83.43
Profit After Tax	1,144.76	890.19	1,648.01	1,419.54	2,633.75
Earnings Per Share (Rs.) (Par value Rs.10 each)					
Basic	3.54	2.75	5.09	4.39	8.13
Diluted	3.54	2.75	5.09	4.38	8.13

Nucleus Software Exports Ltd.

Consolidated Segment Information

₹ In lakhs

REVENUE BY	Quarter Ended				Half Year Ended				Year Ended	
	30 Sep 2011 Unaudited	% of Revenue	30 Sep 2010 Unaudited	% of Revenue	30 Sep 2011 Unaudited	% of Revenue	30 Sep 2010 Unaudited	% of Revenue	31 Mar 2011 Audited	% of Revenue
GEOGRAPHICAL SEGMENTS										
INDIA	1,391.18	18.82	934.98	13.32	2,518.71	18.23	1,823.76	13.38	4,086.95	15.11
FAR EAST	1,905.88	25.79	2,552.75	36.37	3,656.64	26.46	5,315.83	38.99	9,775.76	36.14
SOUTH EAST ASIA	1,593.99	21.57	1,501.67	21.39	2,903.01	21.01	2,814.17	20.64	5,517.30	20.40
EUROPE /U.K.	831.39	11.25	862.91	12.29	1,704.65	12.34	1,339.83	9.83	3,113.84	11.51
AMERICAS	294.42	3.98	22.25	0.32	481.75	3.49	46.79	0.34	137.73	0.51
MIDDLE EAST	1,041.77	14.09	819.57	11.68	1,896.57	13.72	1,546.20	11.34	3,034.97	11.22
AFRICA	159.11	2.15	127.91	1.82	281.99	2.04	376.66	2.76	606.64	2.24
REST OF THE WORLD	173.45	2.35	197.10	2.81	375.32	2.72	369.86	2.71	774.87	2.87
TOTAL	7,391.19	100.00	7,019.14	100.00	13,818.64	100.00	13,633.10	100.00	27,048.06	100.00
BUSINESS SEGMENTS										
PRODUCTS	5,517.50	74.65	5,058.41	72.07	10,225.77	74.00	9,353.23	68.61	19,357.36	71.57
Own	5,302.94	71.75	4,878.00	69.50	9,763.78	70.66	8,830.32	64.77	18,133.02	67.04
Traded	214.56	2.90	180.41	2.57	461.99	3.34	522.91	3.84	1,224.34	4.53
PROJECTS & PROFESSIONAL SERVICES	1,873.69	25.35	1,960.73	27.93	3,592.87	26.00	4,279.87	31.39	7,690.70	28.43
TOTAL	7,391.19	100.00	7,019.14	100.00	13,818.64	100.00	13,633.10	100.00	27,048.06	100.00