



## Nucleus Software announces FY 11 Results

**New Delhi, India, May 02, 2011:** Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209) today announced its results for the fourth quarter and year ended March 31, 2011.

Nucleus Software's consolidated revenue for the year ended March 31, 2011 is at **Rs. 270.48 crore** in comparison to **Rs. 291.78 crore** in the previous year. With total expenses at **Rs. 240.01 crore** in comparison to **Rs. 237.70 crore** in the previous year, the consolidated EBITDA is at **Rs. 30.48 crore** in comparison to **Rs. 54.08 crore** in the previous year. Net Profit after Tax (PAT) is at **Rs. 26.34 crore** in comparison to **Rs. 38.40 crore** in the previous year.

Consolidated revenue for the quarter ending March 31, 2011, is at **Rs. 65.54 crore** in comparison to **Rs. 72.25 crore** in the corresponding quarter of the previous year. With total expenses at **Rs. 61.59 crore** in comparison to **Rs. 58.42 crore** in the previous year, the consolidated EBITDA is at **Rs. 3.95 crore** in comparison to **Rs. 13.83 crore** in the corresponding quarter of the previous year. Net Profit after Tax (PAT) is at **Rs. 4.44 crore** in comparison to **Rs. 9.19 crore** in the corresponding quarter of the previous year.

Nucleus Software won substantial **48** orders during the year. The organization's operational excellence, trust and accountability, helped adding **32** new clients in the financial year.

### Highlights:

#### **Financial Year Ended March 31, 2011**

- **Consolidated revenue** at Rs. 270.48 crore from software products and software development services in comparison to **Rs. 291.78 crore** in the previous year.
- **Product business revenue** for the year at **Rs. 193.57 crore** in comparison to **Rs. 173.95 crore** in the previous year.
- **EBIDTA** at **Rs. 30.48 crore** in comparison to **Rs. 54.08 crore** in the previous year.
- **Net Profit after Tax (PAT)** at **Rs. 26.34 crore** in comparison to **Rs. 38.40 crore** in the previous year.
- **Earning Per Share** for the year at **Rs. 8.13** in comparison to **Rs. 11.86** 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, 2011

- **Consolidated revenue** at **Rs. 65.54 crore** from software products and software development services in comparison to **Rs. 72.25 crore** in the corresponding quarter of the previous year.
- **Product business revenue** for the quarter at **Rs. 48.93 crore** in comparison to **Rs. 48.11 crore** in the corresponding quarter of the previous year.
- **EBIDTA** at **Rs. 3.95 crore** in comparison to **Rs. 13.83 crore** in the corresponding quarter of the previous year
- **Net Profit after Tax (PAT)** at **Rs. 4.44 crore** in comparison to **Rs. 9.19 crore** in the corresponding quarter of the previous year.
- **Earning Per Share** for the quarter at **Rs. 1.37** in comparison to **Rs. 2.84** in the corresponding quarter of the previous year.

## Other Key Information

### For the Financial Year Ended March 31, 2011

- **48** product order wins from across the globe
- **32** new customers added
- Won orders for **155** product modules for FinnOne™ Suite and Cash@Will™
- **61** product modules successfully implemented across the globe
- **Global** strength of employees as on March 31, 2011 is **1720**
- Nucleus has further strengthened its global partners' network, adding **9** new partners across Middle-East, Asia-Pacific, Africa and Europe

### For Quarter Ended March 31, 2011

- **11** product order wins from across the globe
- **6** new customer added
- Won order for **37** product modules for FinnOne™ and Cash@Will™ Suite
- **15** product modules successfully implemented across the globe

## Key Highlights

- Sustained growth in product business
- 'Cash and Bank Balances' and 'Current Investments' at **Rs. 187.51 crore** on March 31, 2011.
- **48** product orders won for implementing **155** product modules orders for FinnOne™ Suite and Cash@Will™

**Commenting on the financial results, Mr. Vishnu R. Dusad, CEO and Managing Director, Nucleus Software, said:** "As an IPR-led company we continue to focus on aligning our intellectual capital to the dynamic banking

business requirement and being a trusted partner of choice for our clients to capitalize on opportunities arising out of new market trends. With a strong business traction in place, we will continue to generate new business from emerging opportunities in new markets.

Our globally recognized services and solutions are well suited to help our customers in the financial services sector. We are glad to mention that in most cases our offerings have exceeded customer expectations around the world to be able to enhance our business further, we will continue to invest in research and innovation to maximize the value delivered to our clients.”

The financial results for the year are below our targets and expectations and have been affected by a steep drop of 34.73 % in our Projects and services business, which forms 28.43% of our total revenue.

The product business which is the main focus is back on track and has grown by 11.28% on a yoy basis

#### **Accolades/Awards**

- **Forrester** recognized Nucleus as a “**Global Pursuer**” and stated it “**regained traction in 2010**”. Based on the number of deals and regions covered, Nucleus was ranked among top Banking Platform providers. Source: Global Banking Platform Deals 2010, Forrester Research, Inc., 31 March 2011.
- Nucleus Software’s FinnOne™ has been ranked for the third consecutive year as the ‘**World's No. 1 Selling Lending Software product**’ (for year 2010) by IBS Publishing.
- Annual Report and Accounts of Nucleus Software for year ended March 31, 2010 have been adjudged as the **BEST under the Category VII- Service Sector (Other than Banking & Insurance) (Turnover less Than Rs. 500 crore) 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 third consecutive year.**
- **South Asian Federation of Accountants (SAFA)** has adjudged Nucleus’ Annual Report as the recipient of the joint first runner’s up position for the Best Presented Accounts and Corporate Governance Disclosures Award 2009 under the Communication and Information Technology Sector Category.
- HDFC Bank, Nucleus Software customer, won the prestigious **Celent 2010 Model Bank Award** for its loan origination system, FinnOne™.

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

*The Company is optimistic on its products business and foresees increasing demand for such niche products around the globe. The Company continues to focus and invest on development of software products for Banking and Financial Institutions.*

- **New Client Wins:**

Nucleus bagged **48** orders for implementing **155** product modules of the FinnOne™ Suite and Cash@Will™ in the year 2010-2011. Product orders were bagged from leading financial institutions across the globe. For the

quarter, Nucleus has won **11** product orders for implementing **37** modules of FinnOne™ and Cash Management Suite.

*We picked up substantial new business from our existing relationships from our existing clients who are amongst the world's leading names in the banking and financial services industry.*

- **Successful Global Implementations:**

This year **61** 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, 2011 was Rs. **187.51** crore.

**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](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 31 March 2011**

₹ In lakhs

Particulars	As at	
	31 March 2011 Audited	31 March 2010 Audited
<b>Sources of Funds</b>		
<b>Shareholders' Funds</b>		
Share capital	3,238.40	3,237.15
Share application money pending allotment	21.83	34.52
Reserves and surplus	25,556.91	23,869.80
	<b>28,817.14</b>	<b>27,141.47</b>
Deferred Tax Liability	5.92	11.11
	<b>28,823.06</b>	<b>27,152.58</b>
<b>Application of Funds</b>		
<b>Fixed Assets</b>		
Gross block	11,032.43	11,264.15
Less: Accumulated depreciation	(6,324.73)	(5,840.97)
Net block	4,707.70	5,423.18
Add: Capital work in progress (including capital advances)	281.64	51.99
	<b>4,989.34</b>	<b>5,475.17</b>
<b>Investments</b>	<b>12,601.60</b>	<b>9,589.80</b>
<b>Deferred Tax Asset</b>	<b>541.94</b>	<b>312.42</b>
<b>Current Assets, Loans and Advances</b>		
Sundry debtors	3,235.33	5,768.30
Cash and bank balances	6,174.67	6,674.54
Loans and advances	3,719.53	2,934.67
Other current assets	3,596.02	3,095.12
	<b>16,725.56</b>	<b>18,472.63</b>
<b>Less: Current Liabilities and Provisions</b>		
Current liabilities	(3,873.51)	(4,659.89)
Provisions	(2,161.87)	(2,037.55)
	<b>(6,035.38)</b>	<b>(6,697.44)</b>
<b>Net Current Assets</b>	<b>10,690.18</b>	<b>11,775.19</b>
	<b>28,823.06</b>	<b>27,152.58</b>

**Nucleus Software Exports Ltd.**  
**Consolidated Profit and Loss Account for the Quarter & Year Ended 31 March 2011**

₹ In lakhs

Particulars	For the Quarter ended		For the Year Ended	
	31 March 2011 Unaudited	31 March 2010 Unaudited	31 March 2011 Audited	31 March 2010 Audited
Sales and services	6,554.39	7,225.11	27,048.06	29,178.27
Software development expenses	4,584.40	4,802.81	18,340.08	19,616.60
<b>Gross Profit</b>	<b>1,969.99</b>	<b>2,422.30</b>	<b>8,707.98</b>	<b>9,561.67</b>
Selling and marketing expenses	784.09	494.52	3,021.40	2,266.60
General and administration expenses	790.79	544.46	2,638.50	1,887.22
<b>Operating Profit Before Interest and Depreciation</b>	<b>395.11</b>	<b>1,383.32</b>	<b>3,048.08</b>	<b>5,407.85</b>
Depreciation	219.78	236.16	928.07	1,133.46
<b>Operating Profit After Interest and Depreciation</b>	<b>175.33</b>	<b>1,147.16</b>	<b>2,120.01</b>	<b>4,274.39</b>
Other income	308.00	205.80	940.03	962.03
Foreign Exchange Gain/ (Loss)	(54.15)	(242.75)	(73.53)	(802.60)
<b>Profit Before Taxation</b>	<b>429.18</b>	<b>1,110.21</b>	<b>2,986.51</b>	<b>4,433.82</b>
Withholding taxes	121.39	33.86	269.33	42.56
Provision for Taxation	(135.82)	157.53	83.43	551.18
<b>Profit After Taxation</b>	<b>443.61</b>	<b>918.82</b>	<b>2,633.75</b>	<b>3,840.08</b>
<b>Earnings Per Share (equity shares, par value Rs. 10 each)</b>				
Basic	1.37	2.84	8.13	11.86
Diluted	1.37	2.84	8.13	11.86

Nucleus Software Exports Ltd.

Consolidated Segment Information

₹ In lakhs

REVENUE BY	Quarter Ended				Year Ended			
	31 Mar 2011 Unaudited	% of Revenue	31 Mar 2010 Unaudited	% of Revenue	31 Mar 2011 Audited	% of Revenue	31 Mar 2010 Audited	% of Revenue
<b>GEOGRAPHICAL SEGMENTS</b>								
INDIA	1,134.08	17.30	779.02	10.78	4,086.95	15.11	3,680.07	12.61
FAR EAST	2,148.19	32.77	3,677.93	50.90	9,775.76	36.14	12,439.40	42.63
SOUTH EAST ASIA	1,177.90	17.97	1,366.22	18.91	5,517.30	20.40	6,111.85	20.95
EUROPE /U.K.	871.48	13.30	383.47	5.31	3,113.84	11.51	1,690.67	5.79
USA & CANADA	53.59	0.82	19.87	0.28	137.73	0.51	106.03	0.36
MIDDLE EAST	813.19	12.41	644.17	8.92	3,034.97	11.22	3,791.04	12.99
AFRICA	125.70	1.92	187.06	2.59	606.64	2.24	681.90	2.34
REST OF THE WORLD	230.26	3.51	167.37	2.32	774.87	2.86	677.31	2.32
<b>TOTAL</b>	<b>6,554.39</b>	<b>100.00</b>	<b>7,225.11</b>	<b>100.00</b>	<b>27,048.06</b>	<b>100.00</b>	<b>29,178.27</b>	<b>100.00</b>
<b>BUSINESS SEGMENTS</b>								
<b>PRODUCTS</b>	<b>4,892.73</b>	<b>74.65</b>	<b>4,810.59</b>	<b>66.58</b>	<b>19,357.36</b>	<b>71.57</b>	<b>17,395.33</b>	<b>59.62</b>
Own	4,419.84	67.44	3,610.59	49.97	18,133.02	67.04	15,112.32	51.79
Traded	472.89	7.22	1,200.00	16.61	1,224.34	4.53	2,283.01	7.83
<b>PROJECTS &amp; PROFESSIONAL SERVICES</b>	<b>1,661.66</b>	<b>25.35</b>	<b>2,414.52</b>	<b>33.42</b>	<b>7,690.70</b>	<b>28.43</b>	<b>11,782.94</b>	<b>40.38</b>
<b>TOTAL</b>	<b>6,554.39</b>	<b>100.00</b>	<b>7,225.11</b>	<b>100.00</b>	<b>27,048.06</b>	<b>100.00</b>	<b>29,178.27</b>	<b>100.00</b>