



PRESS RELEASE

Nucleus Software Announces Q3 FY 12 Results

New Delhi, January 30, 2012: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209), announced its Q3 results for financial year 2011-2012.

Nucleus Software's consolidated revenue for the quarter ending December 31, 2011, is at **Rs. 74.00 crore** in comparison to **Rs. 68.61 crore** in the corresponding quarter of the previous year. With total expenses at **Rs. 63.95 crore** in comparison to **Rs. 58.50 crore** in the corresponding quarter of the previous year, the consolidated EBITDA is at **Rs. 10.05 crore** in comparison to **Rs. 10.10 crore** in the corresponding quarter of the previous year. Net profit after tax (PAT) is at **Rs. 10.07 crore** in comparison to **Rs. 7.71 crore** in the corresponding quarter of the previous year.

For the nine month period ending December 31, 2011, consolidated revenue is at **Rs. 212.19 crore** in comparison to **Rs. 204.94 crore** in the corresponding period previous year. With total expenses at **Rs. 185.90 crore** in comparison to **Rs. 178.41 crore** in the corresponding period previous year, the consolidated EBITDA is at **Rs. 26.28 crore** in comparison to **Rs. 26.53 crore** in the corresponding period previous year. Net Profit after tax (PAT) is at **Rs. 26.55 crore** in comparison to **Rs. 21.90 crore** in the corresponding period previous year.

Highlights

Quarter Ended December 31, 2011

- **Consolidated revenue** at **Rs. 74.00 crore** from software products and software development services in comparison to **Rs. 68.61 crore** in the corresponding quarter of the previous year.
- **Product business revenue** for the quarter at **Rs. 52.33 crore** in comparison to **Rs. 51.11 crore** in the corresponding quarter of the previous year.
- **EBITDA** at **Rs. 10.05 crore** in comparison to **Rs. 10.10 crore** in the corresponding quarter of the previous year.
- **Net Profit after Tax (PAT)** at **Rs. 10.07 crore** in comparison to **Rs. 7.71 crore** in the corresponding quarter of the previous year.
- **Earning Per Share** for the quarter at **Rs. 3.11** in comparison to **Rs. 2.38** in the corresponding quarter of the previous year.

For Nine month Ended December 31, 2011

- **Consolidated revenue** at **Rs. 212.19 crore** from software products and software development services in comparison to Rs. **204.94** crore in the corresponding period previous year.
- **Product business revenue** at **Rs. 154.59 crore** in comparison to Rs. **144.65** crore in the corresponding period previous year.
- **EBITDA** at **Rs. 26.28 crore** in comparison to Rs. **26.53** crore in the corresponding period previous year.
- **Net Profit After Tax (PAT)** at **Rs. 26.55 crore** in comparison to Rs. **21.90** crore in the corresponding period previous year.
- **Earning Per Share** at Rs **8.20** in comparison to Rs. **6.77** in the corresponding period previous year.

Vishnu R Dusad, CEO and Managing Director, Nucleus Software said, “The new order wins in this quarter coupled with recognition by industry bodies, highlight our leadership position amongst the organizations that offer niche technology solutions to the banking and financial services sector in the industry. We are optimistic about receiving new opportunities from regions across the globe. We will further capitalize our reach in the emerging markets and new services in the coming quarters, with a continued investment in employee engagement.”

Awards & Accolades

- Nucleus Software wins **Gold shield** for Excellence in Financial Reporting, 2011 by Institute of Chartered Accountants of India (ICAI) for the fourth consecutive year under the Category XI – Service Sector (other than financial services sector, transport, shipping and shipping/port allied services (Turn over less than Rs. 500 crore).
- South Asian Federation of Accountants (SAFA) adjudged Nucleus' Annual Report as the recipient of ‘**Certificate of Merit**’ for the Best Presented Accounts and Corporate Governance Disclosures Award 2010 in the category ‘**Communication & Information Technology**’
- Nucleus Software Ranked Amongst Top 5 Indian Companies for Corporate Governance by **IR Global Rankings 2011**

Other Key Information

For the Quarter Ended December 31, 2011

- **7** new order wins in the third quarter of the fiscal year
- **5** new customers added
- Won orders for **22** new product modules
- **18** product modules successfully implemented across the globe
- Global strength of employees stands at **1677**

For the Nine Months Ended December 31, 2011

- **17** new orders in the nine month period of the fiscal year
- **10** new customers added
- Won orders for **43** new product modules
- **78** product modules successfully implemented across the globe
- Global strength of employees as on December 31, 2011 is **1677**

New Client Wins

We have added **5** new customers and bagged **7** new orders for implementing **22** product modules in the third quarter of FY 2011-12 from the leading financial institutions in Africa, South East Asia and India. We have witnessed a significant number of opportunities emerging from these regions in the last few quarters and expect a continued business momentum in these markets.

Consolidating for nine month ending December 31, 2011, Nucleus has won **10** new customers and **17** new product orders for implementing **43** modules of FinnOne™ and Cash Management suite.

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.

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.

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**NUCLEUS
SOFTWARE**

Nucleus Software Exports Ltd.

Balance Sheet

Consolidated Balance Sheet as at 31 December 2011

In Rs. Lakhs

Particulars	As at		
	31 December 2011 Unaudited	30 September 2011 Unaudited	31 March 2011 Audited
Sources of Funds			
Shareholders' Funds			
Share capital	3,238.50	3,238.50	3,238.40
Share application money pending allotment	1.69	6.54	21.83
Reserves and surplus	27,675.88	26,800.94	25,556.91
	30,916.06	30,045.98	28,817.14
Deferred Tax Liability	2.20	3.32	5.92
	30,918.27	30,049.30	28,823.06
Application of Funds			
Fixed Assets			
Gross block	11,862.57	11,779.27	11,032.43
Less: Accumulated depreciation	(6,927.67)	(6,761.91)	(6,324.73)
Net block	4,934.89	5,017.36	4,707.69
Add: Capital work in progress (including capital advances)	59.02	-	281.65
	4,993.91	5,017.36	4,989.34
Investments	12,937.28	12,983.38	12,601.60
Deferred Tax Asset	552.24	515.55	541.94
Current Assets, Loans and Advances			
Sundry debtors	3,832.14	4,002.35	3,235.33
Cash and bank balances	6,844.00	5,109.81	6,174.67
Loans and advances	2,938.65	4,069.42	3,717.16
Other current assets	5,329.04	4,912.91	3,596.02
	18,943.82	18,094.49	16,723.19
Less: Current Liabilities and Provisions			
Current liabilities	5,234.57	5,312.19	3,873.51
Provisions	1,274.43	1,249.30	2,159.50
	6,509.00	6,561.49	6,033.01
Net Current Assets	12,434.83	11,533.00	10,690.18
	30,918.27	30,049.30	28,823.06



**NUCLEUS
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Profit & Loss

Consolidated Profit and Loss Account for the Quarter and Nine Month Ended 31 December 2011

In Rs. Lakhs, except per share data

Particulars	For the Quarter Ended			For the Nine Month Ended		For the Year Ended
	31 December 2011 Unaudited	30 September 2011 Unaudited	31 December 2010 Unaudited	31 December 2011 Unaudited	31 December 2010 Unaudited	31 March 2011 Audited
Sales and services	7,400.08	7,391.19	6,860.57	21,218.73	20,493.67	27,048.06
Software development expenses	5,040.19	4,944.39	4,620.02	14,445.18	13,755.67	18,340.08
Gross Profit	2,359.90	2,446.80	2,240.55	6,773.56	6,738.00	8,707.98
Selling and marketing expenses	649.25	750.70	781.17	2,218.83	2,237.32	3,021.40
General and administration expenses	705.29	621.29	448.92	1,926.47	1,847.71	2,638.50
Operating Profit Before Interest and Depreciation	1,005.36	1,074.81	1,010.46	2,628.25	2,652.97	3,048.08
Depreciation	173.94	193.56	224.25	568.96	708.28	928.07
Operating Profit After Interest and Depreciation	831.41	881.25	786.21	2,059.29	1,944.69	2,120.01
Other income	397.49	313.81	209.32	1,038.98	632.03	940.03
Foreign Exchange Gain/ (Loss) (Net)	328.64	406.47	(1.56)	739.06	(19.38)	(73.53)
Profit Before Tax	1,557.54	1,601.53	993.97	3,837.34	2,557.34	2,986.51
Withholding taxes	105.30	-	107.02	105.30	147.94	269.33
Provision for Taxation	445.51	456.77	116.35	1,077.30	219.26	83.43
Profit After Tax	1,006.73	1,144.76	770.60	2,654.74	2,190.14	2,633.75
Earnings Per Share (Rs.) (Par value Rs.10 each)						
Basic	3.11	3.54	2.38	8.20	6.77	8.13
Diluted	3.11	3.54	2.38	8.20	6.76	8.13



Nucleus Software Exports Ltd.
Consolidated Segment Information

In Rs. Lakhs,except per share data												
REVENUE BY	Quarter Ended						Nine Month Ended				Year Ended	
	31 Dec 2011 Unaudited	% of Revenue	30 Sep 2011 Unaudited	% of Revenue	31 Dec 2010 Unaudited	% of Revenue	31 Dec 2011 Unaudited	% of Revenue	31 Dec 2010 Unaudited	% of Revenue	31 Mar 2011 Audited	% of Revenue
GEOGRAPHICAL SEGMENTS												
INDIA	1,284.52	17.36	1,391.18	18.82	1,129.11	16.46	3,803.23	17.92	2,952.87	14.41	4,086.95	15.11
FAR EAST	2,367.99	32.00	1,905.88	25.79	2,311.74	33.70	6,024.63	28.39	7,627.57	37.22	9,775.76	36.14
SOUTH EAST ASIA	1,549.49	20.94	1,593.99	21.57	1,525.23	22.23	4,452.50	20.98	4,339.39	21.17	5,517.30	20.40
EUROPE /U.K.	462.73	6.25	831.39	11.25	902.53	13.16	2,167.38	10.21	2,242.36	10.94	3,113.84	11.51
AMERICAS	437.90	5.92	294.42	3.98	37.35	0.54	919.65	4.33	84.14	0.41	137.73	0.51
MIDDLE EAST	958.94	12.96	1,041.77	14.09	675.58	9.85	2,855.51	13.46	2,221.78	10.84	3,034.97	11.22
AFRICA	173.29	2.34	159.11	2.15	104.28	1.52	455.28	2.15	480.94	2.35	606.64	2.24
REST OF THE WORLD	165.22	2.23	173.45	2.35	174.75	2.54	540.55	2.56	544.62	2.66	774.87	2.87
TOTAL	7,400.08	100.00	7,391.19	100.00	6,860.57	100.00	21,218.73	100.00	20,493.67	100.00	27,048.06	100.00
BUSINESS SEGMENTS												
PRODUCTS	5,232.95	70.71	5,517.50	74.65	5,111.40	74.50	15,458.72	72.86	14,464.62	70.58	19,357.36	71.57
Own	5,106.83	69.01	5,302.94	71.75	4,882.86	71.17	15,071.04	71.03	13,713.18	66.91	18,133.02	67.04
Traded	126.12	1.70	214.56	2.90	228.54	3.33	387.68	1.83	751.44	3.67	1,224.34	4.53
PROJECTS & PROFESSIONAL SERVICES	2,167.13	29.29	1,873.69	25.35	1,749.17	25.50	5,760.01	27.14	6,029.05	29.42	7,690.70	28.43
TOTAL	7,400.08	100.00	7,391.19	100.00	6,860.57	100.00	21,218.73	100.00	20,493.67	100.00	27,048.06	100.00