

Nucleus Software announces Q3 FY 2014 results

Building capabilities for the future - driving strategic transformation

New Delhi, 20 January, 2014: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209), a leading global software product and solutions provider to the banking and financial services industry, announced its financial results for the quarter ending 31st December, 2013. The revenue for the third quarter of FY 2014 grew to **Rs. 89.96 crore**, a growth of **20.54 %** from the corresponding quarter of the previous year. Revenue for the first nine months of FY 2014 grew to **Rs. 258.54 crore**, a growth of **17.34%** on a year on year basis.

Commenting on the performance of the third quarter, **Mr. Vishnu R. Dusad, CEO and Managing Director, Nucleus Software**, said, "We are continuing to register a healthy growth in the current financial year. We are happy to share that our increasing penetration in new markets has given us a positive momentum. Additionally, with the objective of building capabilities for the future, we have been investing in new talent and nurturing the existing talent pool. Our focus on our people has been to ensure quality and achieving perfection while delivering world class products to our customers."

Nucleus Software has announced that its continued focus on building the right talent as a foundation of growth will remain one of its top priorities in the coming quarters. Focusing on integrated talent management for sustained higher performance, the company has recruited a healthy mix of graduate talent and experienced professionals in technology and business management areas.

In the current financial year, Nucleus Software has hired over 200 campus graduates and over 190 experienced professionals. In Q3 FY 14, the company hired a mix of over 100 campus graduate and experienced professionals. The organization has started investing in relationships and hiring from top B-Schools in India to strengthen the strategic management and functional business management capabilities across its various teams. Nucleus Software has strengthened its commitment and investment in Talent and Leadership Development initiatives to build leadership capability for the future across all levels in the organization.

FINANCIAL HIGHLIGHTS

Consolidated results for the quarter ended 31st December, 2013

- **Revenue** for the quarter stood at **Rs. 89.96 crore** from software products and solutions in comparison to **Rs. 74.63 crore** in the corresponding Q3 of the previous year.
- **Product business revenue** for the quarter was at **Rs. 61.41 crore** in comparison to **Rs. 49.67 crore** in the corresponding Q3 of the previous year.
- **EBITDA** for the quarter stood at **Rs. 19.45 crore** in comparison to **Rs. 12.51 crore** in the corresponding Q3 of the previous year.
- **Net Profit after Tax (PAT)** stood at **Rs. 23.39 crore** in comparison to **Rs. 12.33 crore** in the corresponding Q3 of the previous year.
- **Earnings Per Share (EPS)** for the quarter is at **Rs. 7.22** in comparison to **Rs. 3.81** in the corresponding Q3 of the previous year.

Consolidated results for the nine months ended 31st December, 2013

- **Revenue** at **Rs. 258.54 crore** from software products and software development services in comparison to **Rs. 220.32 crore** in the corresponding nine months of the previous year .
- **Product business revenue** at **Rs. 178.84 crore** in comparison to **Rs. 148.07 crore** in the corresponding nine months of the previous year.
- **EBIDTA** at **Rs. 46.49 crore** in comparison to **Rs. 33.63 crore** in the corresponding nine months of the previous year.
- **Net Profit after Tax (PAT)** at **Rs. 45.50 crore** in comparison to **Rs. 34.72 crore** in the corresponding nine months of the previous year.
- **Earnings Per Share** at **Rs. 14.05** in comparison to **Rs. 10.72** in the corresponding nine months of the previous year.

LIQUIDITY

Cash and cash equivalents, including investments in debt schemes of mutual funds, fixed deposits with banks and tax free PSU bonds are at **Rs. 299.45 crore** as on **31st December, 2013**, as against **Rs. 249.44 crore** on **31st December, 2012**.

BUSINESS HIGHLIGHTS

For the quarter ended 31st December, 2013:

- The third quarter of FY2014 saw a total of 3 new customers being added to the count of over 150 customers across the globe.
- In Q3 FY2014, 31 product module implementations successfully went live across geographies.
- The company won 8 new product orders worldwide.

For the nine months ended 31st December, 2013:

- **Won 15 new** product orders worldwide.
- **9** new customers added.
- **43** product modules successfully implemented across geographies.

The global strength of employees at Nucleus Software as on 31st December, 2013 stands at 1532.

EVENT HIGHLIGHT

Nucleus Software hosted a customer meet to showcase its FinnOne™ Mobility Product Suite offering enhanced value and experience to the banking and financial services industry in Philippines market on 8th November 2013. To find out more about the company's mobility product suite, please visit the following page:
<http://www.nucleussoftware.com/mobility.html>

To find out more about the company's participation at global events, please visit the following page:
<http://www.nucleussoftware.com/events.html>

INVESTOR CONFERENCE CALL INFORMATION

On January 20, 2014, the management team at Nucleus Software including Chief Executive Officer and Managing Director, Mr. Vishnu R Dusad will participate in a conference call for Investors and Analysts at **4:00 PM IST**.

Details of the Earnings Conference Call are given below:

Date	January 20, 2014	
Time	4:00 PM IST	
Conference ID	65754196#	
All India Toll Free Number	18002000209	
Back Up All India Toll Free Number	18002001298	
Dial In Access Numbers	Delhi/ NCR:	011- 39406000/ 44121100
	Mumbai:	022- 39406000/ 44121100
	Kolkata:	033- 39406000
	Chennai:	044- 39406000/ 44121100

The audio and transcript of this conference call will made available at the Investor section of the website
www.nucleussoftware.com

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, cash management and internet banking. With over 150 customers across the globe, the company is consistently innovating 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

FinnOne™, the flagship product of Nucleus Software, is a powerhouse of seamlessly integrated applications, designed to provide operational support, risk management and decision-making support to banks and financial services companies. FinnOne™ focuses on both, retail and corporate loans, thereby emerging as a comprehensive solution to back any line of the lending business. Nucleus Software's FinnOne™ has again been ranked as the Global No. 1 Lending Software solution for the fifth consecutive year by IBS Publishing, UK in their Sales League Table 2013 for banking product sales. In addition, Nucleus Software offers comprehensive Transaction Banking solution covering Global Receivables, Global Payment & Liquidity Management and e-Financial supply chain management offers flexible, speedy & efficient execution of cash management processes. Nucleus Software also offers solutions to customers in the areas of Managed Infrastructure services and Application Development & Maintenance.

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:

For Investor queries	For media queries
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CONSOLIDATED PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED 31 December, 2013

₹ In Lakhs

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		December 31, 2013	September 30, 2013	December 31, 2012	December 31, 2013	December 31, 2012	March 31, 2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	INCOME FROM OPERATIONS						
	Income from Software Products and Services	8,996.15	8,225.16	7,463.07	25,853.62	22,032.35	29,375.85
	Total Income from operations (net)	8,996.15	8,225.16	7,463.07	25,853.62	22,032.35	29,375.85
2.	EXPENSES						
	a) Changes in inventories of stock-in-trade	-	-	-	494.86	-	-
	b) Employee benefit expense	4,579.87	4,430.38	4,080.99	13,475.62	12,449.76	16,340.57
	c) Travel expense	495.48	505.83	498.86	1,472.26	1,530.78	2,020.18
	e) Finance cost (Bank Charges)	13.96	11.49	11.37	39.00	30.82	44.20
	f) Other expenses	1,962.16	1,995.11	1,366.50	5,722.97	3,857.82	6,381.40
	Total Expenses	7,051.47	6,942.81	6,211.82	21,204.71	18,669.11	24,786.35
3.	PROFIT FROM OPERATIONS BEFORE DEPRECIATION (1-2)	1,944.68	1,282.35	1,251.24	4,648.92	3,363.24	4,589.50
4.	Depreciation and amortisation expense	193.10	178.40	161.40	528.06	457.54	609.16
5.	PROFIT FROM OPERATIONS AFTER DEPRECIATION (3-4)	1,751.58	1,103.95	1,089.84	4,120.86	2,905.70	3,980.34
6.	Other Income	764.92	408.33	503.70	1,706.88	1,610.00	2,025.10
7.	PROFIT BEFORE TAXES (5+6)	2,516.50	1,512.28	1,593.55	5,827.74	4,515.70	6,005.44
8.	Tax expense	177.87	417.85	360.62	1,278.10	1,043.75	1,488.53
9.	PROFIT AFTER TAXES (7-8)	2,338.63	1,094.43	1,232.93	4,549.64	3,471.95	4,516.91
10.	Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised)						
	Basic	7.22	3.38	3.81	14.05	10.72	13.95
	Diluted	7.22	3.38	3.81	14.05	10.72	13.95



CONSOLIDATED SEGMENT INFORMATION												₹ In Lakhs
REVENUE BY	Quarter Ended						Nine Month Ended				Year Ended	
	December 31, 2013	% of Revenue	September 30, 2013	% of Revenue	December 31, 2012	% of Revenue	December 31, 2013	% of Revenue	December 31, 2012	% of Revenue	Mar. 31, 2013	% of Revenue
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
GEOGRAPHICAL SEGMENTS												
INDIA	1,487.26	16.53	1,654.59	20.12	1,192.35	15.98	5,325.53	20.60	3,971.45	18.03	5,333.25	18.16
FAR EAST	1,696.13	18.85	1,815.97	22.08	2,075.98	27.82	5,343.18	20.67	6,277.13	28.49	8,204.39	27.93
SOUTH EAST ASIA	2,090.23	23.23	1,888.88	22.96	1,760.07	23.58	5,692.79	22.02	4,621.47	20.98	6,273.23	21.36
EUROPE /U.K.	741.34	8.24	456.36	5.55	494.04	6.62	1,585.04	6.13	1,495.36	6.79	1,900.33	6.47
AMERICAS	633.75	7.04	660.22	8.03	600.03	8.04	1,806.28	6.99	1,520.16	6.90	1,972.54	6.71
MIDDLE EAST	1,162.17	12.92	973.54	11.84	1,049.14	14.06	3,640.04	14.08	2,990.20	13.57	4,224.32	14.38
AFRICA	781.30	8.68	593.25	7.21	206.22	2.76	1,708.37	6.61	824.58	3.74	996.26	3.39
REST OF THE WORLD	403.96	4.51	182.35	2.22	85.24	1.14	752.39	2.90	332.00	1.50	471.53	1.61
TOTAL	8,996.15	100.00	8,225.16	100.00	7,463.07	100.00	25,853.62	100.00	22,032.35	100.00	29,375.85	100.00
BUSINESS SEGMENTS												
PRODUCTS	6,141.26	68.27	5,495.33	66.81	4,967.39	66.56	17,883.81	69.17	14,807.22	67.21	19,768.39	67.29
Own	5,876.91	65.33	5,236.20	63.66	4,827.84	64.69	16,461.07	63.67	14,297.56	64.90	19,188.73	65.32
Traded	264.35	2.94	259.13	3.15	139.55	1.87	1,422.74	5.50	509.66	2.31	579.66	1.97
PROJECTS & SERVICES	2,854.88	31.73	2,729.83	33.19	2,495.68	33.44	7,969.80	30.83	7,225.13	32.79	9,607.46	32.71
TOTAL	8,996.15	100.00	8,225.16	100.00	7,463.07	100.00	25,853.62	100.00	22,032.35	100.00	29,375.85	100.00