



PRESS RELEASE

Nucleus Software Announces Q2 FY 10 Results

New Delhi, October 26, 2009: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209), today announced its Q2 results for financial year 2009-2010.

Nucleus Software's consolidated revenue for the quarter ending September 30, 2009, is at Rs. **70.75 crore** in comparison to Rs. 75.46 crore in the corresponding quarter of the previous year. With total expenses at Rs. 58.80 crore in comparison to Rs. 67.06 crore in the corresponding quarter of the previous year, the consolidated EBITDA is at Rs. 11.95 crore in comparison to Rs. 8.40 crore in the previous year. Net profit after tax (PAT) is at **Rs. 9.88 crore** in comparison to Rs. 4.07 crore in the corresponding quarter of the previous year.

For the half year ending September 30, 2009, consolidated revenue is at Rs. 151.29 crore in comparison to Rs. **158.35 crore** in the corresponding half-year period in the previous year. With total expenses at Rs. 123.33 crore in comparison to Rs. 135.77 crore in the corresponding half-year period in the previous year, the consolidated EBITDA is at Rs. 27.96 crore in comparison to Rs. 22.58 crore in the corresponding half-year period in the previous year. Net Profit after tax (PAT) is at Rs. **20.01 crore** in comparison to Rs. 12.10 crore in the corresponding half-year period in the previous year.

Highlights

Quarter Ended September 30, 2009

- **Consolidated revenue** at **Rs. 70.75 crore** from software products and software development services in comparison to Rs. 75.46 crore in the corresponding quarter of the previous year.
- **Product business revenue** for the quarter at **Rs. 39.07 crore** in comparison to Rs. 52.10 crore in the corresponding quarter of the previous year.
- **EBITDA** at **Rs. 11.95 crore** in comparison to Rs. 8.40 crore in the corresponding quarter of the previous year.
- **Net Profit After Tax (PAT)** at **Rs. 9.88 crore** in comparison to Rs. 4.07 crore in the corresponding quarter of the previous year.
- **Earning Per Share** for the quarter at **Rs. 3.05** in comparison to Rs. 1.26 in the corresponding quarter of the previous year.

Half- Year Ended September 30, 2009

- **Consolidated revenue** at **Rs. 151.29 crore** from software products and software development services in comparison to **Rs. 158.35 crore** in the corresponding half- year of the previous year.
- **Product business revenue** at **Rs. 86.38 crore** in comparison to **Rs. 109.37 crore** in the corresponding half-year of the previous year.
- **EBITDA** at **Rs. 27.96 crore** in comparison to **Rs. 22.58 crore** in the corresponding half-year of the previous year
- **Net Profit After Tax (PAT)** at **Rs. 20.01 crore** in comparison to **Rs. 12.10 crore** in the corresponding half-year of the previous year.
- **Earning Per Share** for the half-year at **Rs 6.18** in comparison to **Rs. 3.74** in the corresponding half-year of the previous year.

Vishnu R Dusad, CEO and Managing Director, Nucleus Software said: “Our continued focus on our intellectual property led business and innovation in product development has augmented our capability to serve our clients in a competitive marketplace. Analyst firms like the Forrester recognized Nucleus Software among the top banking platform providers in Asia Pacific and Middle East. We have also been recognized by Forrester as an industry vertical specialist in a study on a Tier 2 offshore service providers.

Other Key Information

For the Quarter Ended September 30, 2009

- **5** new order wins in the second quarter of the fiscal year
- **3** new customers added
- Won orders for **20** new product modules
- **25** product modules successfully implemented across the globe
- Global strength of employees as on September 30, 2009 is 1,805.
- Forrester Research recognizes Nucleus Software for its banking platform deals in 2008
- Nucleus Software recognized as an industry vertical specialist Forrester Research
- Nucleus Software launches new version of its cash management software

For the Half-Year Ended September 30, 2009

- **16** new orders in the first six months of the fiscal year
- **10** new customers added
- Won orders for **56** new product modules
- **43** product modules successfully implemented across the globe
- Global strength of employees as on September 30, 2009 is 1,805.
- Forrester Research recognizes Nucleus Software for its banking platform deals in 2008
- Nucleus Software recognized as an industry vertical specialist Forrester Research
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Accolades / Awards / Recognition

- Forrester Research recognizes Nucleus Software for its banking platform deals in 2008
- Nucleus Software recognized as an industry vertical specialist Forrester Research

New Client Wins

This quarter we added 3 new customers and bagged 5 new orders for implementing 20 product modules in the second quarter of FY 2009-10, from the leading financial institutions in India, Middle East, Africa, South East Asia and Japan. This region has immense potential in terms of growth in the banking sector and institutions, both large and small, are increasingly realizing the importance of technology in enhancing businesses.

Successful Global Implementations:

This quarter 25 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.

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_

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Nucleus Software Exports Ltd.

Consolidated Balance Sheet as at 30 September 2009

	As at 30 September 2009 (Rupees in Lakhs) (Unaudited)	As at 30 September 2008 (Rupees in Lakhs) (Unaudited)	As at 31 March 2009 (Rupees in Lakhs) (Audited)
Sources of Funds			
Shareholders' Funds			
Share capital	3,237.15	3,237.15	3,237.15
Share application money pending allotment	45.30	67.39	59.99
Reserves and surplus	22,971.86	19,588.58	20,793.46
	<u>26,254.31</u>	<u>22,893.12</u>	<u>24,090.60</u>
Deferred Tax Liability	15.85	19.62	25.41
	<u>26,270.16</u>	<u>22,912.74</u>	<u>24,116.01</u>
Application of Funds			
Fixed Assets			
Gross block	11,197.26	11,263.84	11,202.19
Less: Accumulated depreciation	(5,368.96)	(4,463.82)	(4,811.71)
Net block	5,828.30	6,800.02	6,390.47
Add: Capital work in progress (including capital advances)	29.22	196.65	31.01
	<u>5,857.52</u>	<u>6,996.67</u>	<u>6,421.48</u>
Investments	3,103.98	7,210.28	1,629.03
Deferred Tax Asset	222.63	144.43	176.23
Current Assets, Loans and Advances			
Sundry debtors	7,557.52	8,154.12	8,010.06
Cash and bank balances	9,873.06	1,820.59	10,613.61
Loans and advances	2,669.87	2,250.16	2,276.79
Other current assets	3,755.21	4,145.53	2,943.29
	<u>23,855.66</u>	<u>16,370.40</u>	<u>23,843.75</u>
Less: Current Liabilities and Provisions			
Current liabilities	(5,628.57)	(6,765.17)	(6,006.26)
Provisions	(1,141.06)	(1,043.87)	(1,948.22)
	<u>(6,769.63)</u>	<u>(7,809.04)</u>	<u>(7,954.48)</u>
Net Current Assets	17,086.03	8,561.36	15,889.27
	<u><u>26,270.16</u></u>	<u><u>22,912.74</u></u>	<u><u>24,116.01</u></u>



Nucleus Software Exports Ltd.

Consolidated Profit and Loss Account for the Quarter & Half Year Ended 30 September 2009

	For the Quarter ended		For the Half Year ended		For the year ended
	30 September 2009 (Rupees in Lakhs) (Unaudited)	30 September 2008 (Rupees in Lakhs) (Unaudited)	30 September 2009 (Rupees in Lakhs) (Unaudited)	30 September 2008 (Rupees in Lakhs) (Unaudited)	31 March 2009 (Rupees in Lakhs) (Audited)
Sales and services	7,075.19	7,545.67	15,128.90	15,835.38	32,840.28
Software development expenses	4,768.24	5,293.94	10,150.99	10,900.03	22,254.52
Gross Profit	2,306.95	2,251.73	4,977.91	4,935.35	10,585.76
Selling and marketing expenses	632.60	723.66	1,240.21	1,422.70	2,779.85
General and administration expenses	479.08	688.08	939.55	1,253.84	2,845.40
Operating profit before finance charges, depreciation and withholding tax	1,195.27	839.99	2,798.15	2,258.81	4,960.51
Depreciation	301.35	357.44	621.18	694.81	1,327.70
Withholding taxes charged off	-	152.02	8.70	370.03	726.25
Operating Profit After Finance Charges, Depreciation and Withholding Tax	893.92	330.53	2,168.27	1,193.97	2,906.56
Other income	216.56	148.90	531.09	781.47	1,370.84
Foreign Exchange Gain/ (Loss)	33.77	(45.87)	(394.34)	(794.05)	(791.96)
Profit Before Taxation	1,144.25	433.56	2,305.02	1,181.39	3,485.44
Provision for Taxation	156.19	26.19	303.84	(28.86)	259.61
Profit After Taxation	988.06	407.37	2,001.18	1,210.25	3,225.83
Earnings Per Share (equity shares, par value Rs. 10 each)					
Basic	3.05	1.26	6.18	3.74	9.97
Diluted	3.05	1.26	6.18	3.73	9.96



Nucleus Software Exports Ltd.
Consolidated Segment Information

(Rs. in Lakhs)

REVENUE BY	Quarter Ended				Half Year Ended				Year ended	
	30 Sept 2009	% of Revenue	30 Sept 2008	% of Revenue	30 Sept 2009	% of Revenue	30 Sept 2008	% of Revenue	31 March 2009	% of Revenue
GEOGRAPHICAL SEGMENTS										
INDIA	897.18	12.67	930.60	12.33	1,938.21	12.81	1,706.40	10.78	3673.53	11.19
FAR EAST	2,841.56	40.15	3,834.75	50.82	5,810.59	38.41	8,236.59	52.01	16055.38	48.89
SOUTH EAST ASIA	1,557.01	22.01	1,179.72	15.63	3,393.70	22.43	2,415.47	15.25	5330.18	16.23
EUROPE /U.K.	421.07	5.95	441.53	5.85	796.58	5.27	1,111.08	7.02	2161.15	6.58
USA & CANADA	82.90	1.17	20.77	0.28	83.38	0.55	44.70	0.28	79.73	0.24
MIDDLE EAST	983.88	13.91	521.96	6.92	2,374.67	15.70	1,243.20	7.85	3202.28	9.75
AFRICA	134.10	1.90	351.78	4.66	397.47	2.63	666.51	4.21	1316.46	4.01
REST OF THE WORLD	157.49	2.23	264.56	3.51	334.30	2.21	411.43	2.60	1021.57	3.11
TOTAL	7075.19	100.00	7,545.67	100.00	15128.90	100.00	15,835.38	100.00	32840.28	100.00
BUSINESS SEGMENTS										
PRODUCTS	3,907.56	55.23	5,210.19	69.05	8,638.85	57.10	10,936.37	69.06	21,996.17	66.98
Own	3,770.44	53.30	4,958.16	65.71	7,928.93	52.41	9,710.32	61.32	20,072.17	61.12
Traded	137.12	1.94	252.03	3.34	709.92	4.69	1,226.05	7.74	1,924.00	5.86
PROJECTS & PROFESSIONAL SERVICES	3,167.63	44.77	2,335.48	30.95	6,490.05	42.90	4,899.01	30.94	10,844.11	33.02
TOTAL	7075.19	100.00	7545.67	100.00	15128.90	100.00	15835.38	100.00	32840.28	100.00

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