

Nucleus Software announces Q2 FY 2014 results

Strategic investments in Sales, Marketing & New Products continue

New Delhi, 21 October, 2013: Nucleus Software Exports Limited (NSE: NUCLEUS, BSE: 531209), a leading global software product and solutions provider to the banking and financial services industry, today announced its financial results for the quarter ending 30th September, 2013. The revenue for the second quarter of FY 2014 grew to **Rs. 82.25 crore**, a growth of **14.64 %** from the corresponding Q2 of the previous year. Revenue for the first half year of FY 2014 grew to **Rs. 168.57 crore**, a growth of **15.71%** on a year on year basis.

Commenting on the company's performance, **Mr. Vishnu R. Dusad, CEO and Managing Director, Nucleus Software**, said, "The first half of the year has seen us register a healthy growth. Access to new markets and our focus on realizing the full potential of mobility has enhanced our performance. As we move ahead, product innovations, seamless implementation across geographies and nurturing long term customer relationships will continue to be the driving force for strengthening our global leadership position."

Nucleus Software is leveraging innovative technologies with an expanding product portfolio as the global banking industry gears up for the next generation of requirements. The company recently launched the mobility suite of its award-winning global #1 lending solution, FinnOne™.

Unlocking the potential of mobile technology, the mobility suite –mCAS, mServe & mCollect caters to the growing demand for a flexible, future-ready mobile platform that seamlessly integrates with desktop applications running mission critical banking operations.

The company is looking at profitable growth by penetrating deeper into fast growing markets like Africa, Middle East and Australia. As a part of the transformational initiatives, Nucleus Software continues to invest in strengthening the sales and marketing backbone.

Financial Highlights

Consolidated results for the quarter ended 30th September, 2013

- **Revenue** for the quarter stood at **Rs. 82.25 crore** from software products and solutions in comparison to **Rs. 71.75 crore** in the corresponding Q2 of the previous year.
- **Product business revenue** for the quarter was at **Rs. 54.95 crore** in comparison to **Rs. 47.82 crore** in the corresponding Q2 of the previous year.
- **EBITDA** for the quarter stood at **Rs. 12.82 crore** in comparison to **Rs. 11.96 crore** in the corresponding Q2 of the previous year.
- **Net Profit after Tax (PAT)** stood at **Rs. 10.94 crore** in comparison to **Rs. 10.10 crore** in the corresponding Q2 of the previous year.
- **Earnings Per Share (EPS)** for the quarter is at **Rs. 3.38** in comparison to **Rs. 3.12** in the corresponding Q2 of the previous year.

Consolidated results for the half-year ended 30th September, 2013

- **Revenue** at **Rs. 168.57 crore** from software products and software development services in comparison to **Rs. 145.69 crore** in the corresponding half-year of the previous year
- **Product business revenue** at **Rs. 117.43 crore** in comparison to **Rs. 98.40 crore** in the corresponding half-year of the previous year
- **EBIDTA** at **Rs. 27.04 crore** in comparison to **Rs. 21.12 crore** in the corresponding half-year of the previous year
- **Net Profit after Tax (PAT)** at **Rs. 22.11 crore** in comparison to **Rs. 22.39 crore** in the corresponding half-year of the previous year
- **Earnings Per Share** at **Rs. 6.83** in comparison to **Rs. 6.91** in the corresponding half-year 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. 290.01 crore** as on **30th September, 2013**, as against **Rs. 234.76 crore** on **30th September, 2012**.

BUSINESS HIGHLIGHTS

For the quarter ended 30th September, 2013:

- The company recorded first win for its functionally rich, highly flexible, self-service mobile loan operations solution FinnOne™ mServe. In addition, Nucleus Software won 3 new product orders for FinnOne™ suite and 1 new product order for the Integrated Transaction Banking suite
- The second quarter of FY2014 saw a total of 5 new customers being added to the existing count of 150 customers across the globe
- In Q2 FY2014, 2 product module implementations successfully went live across geographies

For the Half Year Ended 30th September, 2013:

- **Won 7 new** product orders worldwide
- **6** new customers added
- **12** product modules successfully implemented across geographies

The global strength of employees at Nucleus Software as on 30th September, 2013 stands at 1650 against 1622 as on 30th September, 2012.

EVENTS HIGHLIGHTS

- Religare Finvest Limited (RFL) announced at a press conference that Nucleus Software's FinnOne™ mCollect module enabled RFL to enjoy 85% reduction in float money in the system, 70% reduction in cost per receipt, and Turnaround Time (TAT) reduction of 1-2 days
- Nucleus Software exhibited its robust product roadmap in the Transaction Banking space at SIBOS 2013 from the 16th-19th September 2013 in Dubai

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 October 21, 2013, 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	October 21, 2013	
Time	4:00 PM IST	
Conference ID	88095760#	
All India Toll Free Number	18002001298	
Back Up All India Toll Free Number	18002000209	
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 be 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 BALANCE SHEET		
	In Lakhs ₹	
	As at September 30, 2013	March 31, 2013
	Unaudited	Audited
EQUITY AND LIABILITIES		
1. SHAREHOLDERS' FUNDS		
a. Share capital	3,238.52	3,238.51
b. Advance pursuant to stock option plan	-	0.13
c. Reserves and surplus	34,043.98	31,760.35
	37,282.50	34,999.00
2. NON-CURRENT LIABILITIES		
Long-term provisions	1,347.03	1,244.51
	1,347.03	1,244.51
3. CURRENT LIABILITIES		
a. Trade payables	2,476.79	2,533.60
b. Other current liabilities	5,267.23	5,594.95
c. Short-term provisions	372.47	1,524.15
	8,116.49	9,652.70
	46,746.03	45,896.20
ASSETS		
4. NON-CURRENT ASSETS		
a. Fixed assets		
- Tangible assets	4,616.05	4,614.82
- Intangible assets	390.51	454.28
- Capital work-in-progress	81.60	
	5,088.16	5,069.10
b. Non-current investments	25.23	25.23
c. Deferred tax assets (net)	682.01	607.79
d. Long-term loans and advances	1,930.93	2,181.67
e. Other non current assets	45.18	20.23
	7,771.53	7,904.02
5. CURRENT ASSETS		
a. Current investments	21,749.33	15,474.07
b. Inventories - Trading goods in transit	-	494.86
c. Trade receivables	6,212.35	6,980.17
d. Cash and cash equivalents	7,210.12	11,198.64
e. Short-term loans and advances	889.35	931.02
f. Other current assets	2,913.37	2,913.42
	38,974.50	37,992.18
	46,746.03	45,896.20

CONSOLIDATED PROFIT AND LOSS FOR THE QUARTER AND HALF YEAR ENDED 30 September, 2013						
						₹ In Lakhs
	Particulars	Quarter Ended			Half Year Ended	
		September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1.	INCOME FROM OPERATIONS					
	Income from Software Products and Services	8,225.16	8,632.31	7,174.72	16,857.47	14,569.28
	Total Income from operations (net)	8,225.16	8,632.31	7,174.72	16,857.47	14,569.28
2.	EXPENSES					
	a) Changes in inventories of stock-in-trade	-	494.86	-	494.86	-
	b) Employee benefit expense	4,430.38	4,465.37	4,075.65	8,895.75	8,368.77
	c) Travel expense	505.83	470.95	512.85	976.78	1,031.92
	e) Finance cost (Bank Charges)	11.49	13.55	8.94	25.04	19.44
	f) Other expenses	1,995.11	1,765.69	1,381.71	3,760.80	3,037.15
	Total Expenses	6,942.81	7,210.42	5,979.15	14,153.23	12,457.28
3.	PROFIT FROM OPERATIONS BEFORE DEPRECIATION (1-2)	1,282.35	1,421.90	1,195.57	2,704.24	2,112.00
4.	Depreciation and amortisation expense	178.40	156.56	137.07	334.96	296.13
5.	PROFIT FROM OPERATIONS AFTER DEPRECIATION (3-4)	1,103.95	1,265.34	1,058.50	2,369.28	1,815.87
6.	Other Income	408.33	533.63	255.93	941.96	1,106.30
7.	PROFIT BEFORE TAXES (5+6)	1,512.28	1,798.97	1,314.43	3,311.24	2,922.17
8.	Tax expense	417.85	682.39	304.91	1,100.24	683.13
9.	PROFIT AFTER TAXES (7-8)	1,094.43	1,116.58	1,009.52	2,211.00	2,239.04
10.	Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised)					
	Basic	3.38	3.45	3.12	6.83	6.91
	Diluted	3.38	3.45	3.12	6.83	6.91

CONSOLIDATED SEGMENT INFORMATION												
REVENUE BY	Quarter Ended						Half Year Ended				Year Ended	
	Sep. 30, 2013	% of Revenue	June 30, 2013	% of Revenue	Sep. 30, 2012	% of Revenue	Sep. 30, 2013	% of Revenue	Sep. 30, 2012	% of Revenue	Mar. 31, 2013	% of Revenue
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
INDIA	1,654.59	20.12	2,183.67	25.30	1,274.71	17.77	3,838.26	22.77	2,779.10	19.08	5,333.25	18.16
FAR EAST	1,815.97	22.08	1,831.08	21.21	2,124.17	29.61	3,647.05	21.63	4,201.15	28.84	8,204.39	27.93
SOUTH EAST ASIA	1,888.88	22.96	1,713.67	19.85	1,408.61	19.63	3,602.55	21.37	2,861.40	19.64	6,273.23	21.36
EUROPE /U.K.	456.36	5.55	387.34	4.49	496.28	6.92	843.70	5.00	1,001.32	6.87	1,900.33	6.47
AMERICAS	660.22	8.03	512.31	5.93	442.71	6.17	1,172.53	6.96	920.13	6.32	1,972.54	6.71
MIDDLE EAST	973.54	11.84	1,504.33	17.43	968.45	13.50	2,477.87	14.70	1,941.06	13.32	4,224.32	14.38
AFRICA	593.25	7.21	333.82	3.87	325.54	4.54	927.07	5.50	618.36	4.24	996.26	3.39
REST OF THE WORLD	182.35	2.22	166.09	1.92	134.25	1.87	348.43	2.07	246.76	1.69	471.53	1.61
TOTAL	8,225.16	100.00	8,632.31	100.00	7,174.72	100.00	16,857.47	100.00	14,569.28	100.00	29,375.85	100.00
BUSINESS SEGMENTS												
PRODUCTS	5,495.33	66.81	6,247.22	72.37	4,781.84	66.65	11,742.55	69.66	9,839.83	67.54	19,768.39	67.29
Own	5,236.20	63.66	5,347.96	61.95	4,747.06	66.16	10,584.16	62.79	9,469.72	65.00	19,188.73	65.32
Traded	259.13	3.15	899.26	10.42	34.78	0.48	1,158.39	6.87	370.11	2.54	579.66	1.97
PROJECTS & SERVICES	2,729.83	33.19	2,385.09	27.63	2,392.88	33.35	5,114.92	30.34	4,729.45	32.46	9,607.46	32.71
TOTAL	8,225.16	100.00	8,632.31	100.00	7,174.72	100.00	16,857.47	100.00	14,569.28	100.00	29,375.85	100.00