

Nucleus Software announces Q2 FY 2015 results

Strategic investments in Sales, Marketing & New Products continue to garner good momentum

New Delhi, 03 November, 2014: 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, 2014. The revenue for the second quarter of FY 2015 grew to **Rs.86.83crore**, a growth of **5.57 %** from the corresponding Q2 of the previous year. Revenue for the first half year of FY 2015 is at **Rs. 166.26 crore**, against Rs. 168.57 crore in the corresponding half year of FY 2014.

Commenting on the company's performance, **Mr. Vishnu R. Dusad, CEO, Nucleus Software**, said, "The first half of the year has seen us take on strategic initiatives in new products, market development and people. With the successful deployment of the new Lending product suite, FinnOne NeoTM, as well as continued traction for the transaction banking suite, FinnAxiaTM, we are confident of the coming quarters. The focus on strengthening long term customer relationships will remain strategic."

The company shared that the new product suite, FinnOne NeoTM, has successfully gone Live to manage credit card customer acquisitions for one of the largest Indian banks. This customer-centric solution from Nucleus Software solution will be implemented across the bank's national operations by Q4 FY 2015.

The company showcased its latest Transaction Banking solution, FinnAxiaTM – a new, dynamic and comprehensive product suite designed to power the transaction banking space, at Sibos 2014 in Boston. With the theme of, "Driving the New Normal: Agile.Scalable.Relevant", Nucleus Software shared insights in seminars on the opportunities and challenges facing bankers across the world. FinnAxiaTM provides a vantage point that can provide integrated and enterprise-wide view of the financial supply chain for cash optimization.

Nucleus Software, one of the pioneers of the India product story started its journey of developing world class IT products more than two decades ago. To foster the spirit of product innovation across the globe, the company recently announced an India Internship Program with Waseda University, Japan to get hands-on experience of cutting edge technology practices. This initiative is a reiteration of Nucleus Software's commitment to spread the spirit of product entrepreneurship across the globe.

Financial Highlights

Consolidated results for the quarter ended 30th September, 2014

- **Revenue** for the quarter stood at **Rs. 86.83 crore** from software products and solutions in comparison to **Rs. 82.25 crore** in the corresponding Q2 of the previous year.
- **Product business revenue** for the quarter was at **Rs. 61.95 crore** in comparison to **Rs. 54.95 crore** in the corresponding Q2 of the previous year.
- **EBITDA** for the quarter stood at **Rs. 15.54 crore** in comparison to **Rs. 12.82 crore** in the corresponding Q2 of the previous year.
- **Net Profit after Tax (PAT)** stood at **Rs. 12.85 crore** in comparison to **Rs. 10.94 crore** in the corresponding Q2 of the previous year.
- **Earnings Per Share (EPS)** for the quarter is at **Rs. 3.97** in comparison to **Rs. 3.38** in the corresponding Q2 of the previous year.

Consolidated results for the half-year ended 30th September, 2014

- **Revenue** at **Rs. 166.26 crore** from software products and software development services in comparison to **Rs. 168.57 crore** in the corresponding half-year of the previous year
- **Product business revenue** at **Rs. 118.34 crore** in comparison to **Rs. 117.43 crore** in the corresponding half-year of the previous year
- **EBIDTA** at **Rs. 25.67 crore** in comparison to **Rs. 27.04 crore** in the corresponding half-year of the previous year
- **Net Profit after Tax (PAT)** at **Rs. 24.50 crore** in comparison to **Rs. 22.11 crore** in the corresponding half-year of the previous year
- **Earnings Per Share** at **Rs. 7.57** in comparison to **Rs. 6.83** 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. 305.71 crore** as on **30th September, 2014**, as against **Rs. 290.01 crore** on **30th September, 2013**.

BUSINESS HIGHLIGHTS

For the quarter ended 30th September, 2014:

- The second quarter of FY 2015 saw a total of 1 new customer being added to the count of over 150 customers across the globe
- Nucleus Software won 4 new product orders worldwide
- In Q2 FY 2015, 1 product module implementation successfully went live.

For the Half Year Ended 30th September, 2014:

- Won 6 new product orders worldwide
- 1 new customer added
- 8 product modules successfully implemented across geographies

The global strength of employees at Nucleus Software as on 30th September, 2014 stands at 1558 against 1650 as on 30th September, 2013.

EVENTS HIGHLIGHTS

- Nucleus Software invited its customers and partners in Tokyo, Japan on 29th July 2014 for an exclusive interactive session titled Shaping Banking Technology for Future Growth
- Ubank announced at a press conference held in Johannesburg that it completed the roll out of a new credit and loan system powered by Nucleus Software's Global No.1 Lending Solution, FinnOne™ to grow its current portfolio to 1.5 million accounts by 2017. To read more about the collaboration, please visit: http://www.nucleussoftware.com/corweb/images/pressRelease/2014/MediaRelease_Ubank_FinnOne.pdf

- Nucleus Software hosted a customer meet to showcase its Integrated Transaction Banking Product Suite, FinnAxiaTM to the banking and financial services industry in Philippines market on August 14, 2014. To find out more about transaction banking product suite, please visit the following page: <http://www.nucleussoftware.com/FinnAxia.html>
- To discuss “Pre-approvals to early warnings: Re-imagining lending business end to end with digital tech”, the company exhibited at FIBAC 2014 being organized by IBA & FICCI India on 15-16 September, 2014 in Mumbai
- Nucleus Software exhibited at Middle East Banking Innovation Summit 2014 to share insights on ‘How banks are leveraging Mobility for efficient and profitable loan operations’ in a speaker session and showcased its award winning Mobility product solutions at the event in Dubai on September 29 -30, 2014
- Driving the New Normal in Transaction Banking, Nucleus Software exhibited its Integrated Transaction Banking product Suite, FinnAxia at SIBOS 2014 from the 29th September – 02nd October, 2014 in Boston

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

INVESTOR CONFERENCE CALL INFORMATION

On November 03, 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	November 03, 2014	
Time	4:00 PM IST	
Conference ID	82733059#	
All India Toll Free Number	1800 419 2425	
Dial In Access Numbers	Delhi/ NCR:	011- 6675 4500 /3940 6000
	Mumbai:	022- 6000 5900/3940 6000
	Kolkata:	033- 6000 5900/3940 6000
	Chennai:	044- 6000 5900/3940 6000

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

FinnOneTM, 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. FinnOneTM focuses on both, retail and corporate loans, thereby emerging as a comprehensive solution to back any line of the lending business. Nucleus Software’s FinnOneTM, has again been ranked as the Global No. 1 Lending Software solution for the sixth consecutive year by IBS Publishing, UK in their Sales League Table 2014 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 ENDED 30th SEPT, 2014						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. INCOME FROM OPERATIONS						
Income from Software Products and Services	8,683.47	7,942.65	8,225.16	16,626.12	16,857.47	34,622.21
Total Income from operations (net)	8,683.47	7,942.65	8,225.16	16,626.12	16,857.47	34,622.21
2. EXPENSES						
a) Changes in inventories of stock-in-trade	-	-	-	-	494.86	494.86
b) Employee benefit expense	4,948.50	4,829.76	4,430.38	9,778.26	8,895.76	18,077.51
c) Travel expense	477.73	428.94	505.83	906.67	976.79	1,990.08
d) Finance cost (Bank Charges)	14.74	13.64	11.49	28.38	25.04	51.48
e) Other expenses	1,688.39	1,657.60	1,995.12	3,345.99	3,760.78	7,349.84
Total Expenses	7,129.36	6,929.94	6,942.82	14,059.30	14,153.23	27,963.77
3. PROFIT FROM OPERATIONS BEFORE DEPRECIATION (1-2)	1,554.11	1,012.71	1,282.34	2,566.82	2,704.24	6,658.44
4. Depreciation and amortisation expense	293.62	286.19	178.40	579.81	334.96	793.56
5. PROFIT FROM OPERATIONS AFTER DEPRECIATION (3-4)	1,260.49	726.52	1,103.94	1,987.01	2,369.28	5,864.88
6. Other Income	683.66	675.17	408.33	1,358.83	941.97	2,455.34
7. PROFIT BEFORE TAXES (5+6)	1,944.15	1,401.69	1,512.27	3,345.84	3,311.25	8,320.22
8. Tax expense	659.24	236.28	417.85	895.52	1,100.24	1,886.34
9. PROFIT AFTER TAXES (7-8)	1,284.91	1,165.41	1,094.42	2,450.32	2,211.01	6,433.88
10. Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised)						
Basic	3.97	3.60	3.38	7.57	6.83	19.87
Diluted	3.97	3.60	3.38	7.57	6.83	19.87



CONSOLIDATED SEGMENT INFORMATION

₹ In Lakhs

REVENUE BY	Quarter Ended						Half Year Ended				Year Ended	
	Sep. 30, 2014	% of Revenue	June 30, 2014	% of Revenue	Sep. 30, 2013	% of Revenue	Sep. 30, 2014	% of Revenue	Sep. 30, 2013	% of Revenue	March 31, 2014	% of Revenue
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
GEOGRAPHICAL SEGMENTS												
INDIA	1,266.77	14.59	1,369.93	17.25	1,654.59	20.12	2,636.70	15.86	3,838.26	22.77	6,985.31	20.18
FAR EAST	1,531.61	17.64	1,418.30	17.86	1,815.97	22.08	2,949.91	17.74	3,647.05	21.63	6,929.99	20.02
SOUTH EAST ASIA	1,926.46	22.19	1,682.23	21.18	1,888.88	22.96	3,608.69	21.70	3,602.55	21.37	7,799.46	22.53
EUROPE /U.K.	839.99	9.67	697.14	8.78	456.36	5.55	1,537.13	9.25	843.70	5.00	2,179.61	6.30
AMERICAS	26.19	0.30	322.31	4.06	660.22	8.03	348.50	2.10	1,172.53	6.96	2,550.80	7.37
MIDDLE EAST	1,760.80	20.28	1,571.41	19.78	973.54	11.84	3,332.21	20.04	2,477.87	14.70	4,978.71	14.38
AFRICA	779.90	8.98	425.11	5.35	593.25	7.21	1,205.01	7.25	927.07	5.50	2,028.22	5.86
REST OF THE WORLD	551.75	6.35	456.22	5.74	182.35	2.22	1,007.97	6.06	348.43	2.07	1,170.11	3.36
TOTAL	8,683.47	100.00	7,942.65	100.00	8,225.16	100.00	16,626.12	100.00	16,857.47	100.00	34,622.21	100.00
BUSINESS SEGMENTS												
PRODUCTS	6,195.40	71.35	5,638.82	70.99	5,495.33	66.81	11,834.22	71.18	11,742.55	69.66	23,795.98	68.73
Own	6,098.78	70.23	5,394.53	67.91	5,236.20	63.66	11,493.31	69.13	10,584.16	62.79	22,139.03	63.94
Traded	96.62	1.11	244.29	3.08	259.13	3.15	340.91	2.05	1,158.39	6.87	1,656.95	4.79
PROJECTS & SERVICES	2,488.07	28.65	2,303.83	29.01	2,729.83	33.19	4,791.90	28.82	5,114.92	30.34	10,826.23	31.27
TOTAL	8,683.47	100.00	7,942.65	100.00	8,225.16	100.00	16,626.12	100.00	16,857.47	100.00	34,622.21	100.00