

Nucleus Software FY14 Results – Growth Momentum Driven by Strategic Initiatives

Revenue up by 18%; Focus on new products and market expansion; Profitability up by 42%

New Delhi, 5 May, 2014: Nucleus Software Exports Limited, a leading global software product and solutions company delivering consistent value to mission critical business processes of banking and financial services sector, today reported its consolidated results for the financial year ended March 31st, 2014.

Commenting on the company's performance, **Mr. Vishnu R. Dusad, CEO, Nucleus Software**, said, "FY14 has been a remarkable year for Nucleus Software. We continued our focus on product innovation and organizational transformation. Some of the highlights this year were the recent launch of our integrated transaction banking product suite FinnAxia™, geographical expansion into new markets like Australia and talent acquisition at various levels. As a result, we have registered revenue and profitability growth throughout FY14. To sustain this growth momentum, we will continue investing in new products, market expansion and integrated talent development in FY15. In the year to come, customer centricity will continue to be a key driver in Nucleus Software's commitment to deliver value and growth".

CONSOLIDATED REVENUE FOR THE YEAR ENDED MARCH 31, 2014

- Revenue for FY 14 stood at **Rs. 346.22 crore**, a Y-o-Y growth of 18%, from software products and solutions in comparison to Rs. 293.76 crore in the previous year.
- Product business revenue for the year at **Rs. 237.96 crore** in comparison to Rs. 197.68 crore in the previous year
- EBIDTA at **Rs. 66.58 crore** in comparison to Rs. 45.90 crore in the previous year.
- Net Profit after Tax (PAT) stood at **Rs. 64.34 crore** in comparison to Rs. 45.17 crore in the previous year, a Y-o-Y growth of 42%.
- Earnings Per Share (EPS) for the year at **Rs. 19.87** in comparison to Rs. 13.95 in the previous year.
- A final dividend has been recommended at **30% (Rs. 3.00 per share)** against 30% (Rs. 3.00 per share), in the previous year. The Board also recommended a special dividend of **30% (Rs. 3.00 per share)** on account of completion of 25 years of the Company.
- Cash and cash equivalents, investments in debt schemes of mutual funds and tax free PSU bonds are **Rs. 322.50 crore** as on March 31, 2014, as against Rs. 266.91 crore as on March 31, 2013.

CONSOLIDATED RESULTS FOR THE QUARTER ENDED MARCH 31, 2014

- Consolidated revenue at **Rs. 87.69 crore** from software products and software development services in comparison to Rs. 73.44 crore in the corresponding quarter of the previous year.
- Product business revenue for the quarter at **Rs. 59.12 crore** in comparison to Rs. 49.61 crore in the corresponding quarter of the previous year.
- EBIDTA for the quarter at **Rs. 20.10 crore** in comparison to Rs. 12.26 crore in the corresponding quarter of the previous year.

For NUCLEUS SOFTWARE EXPORTS LIMITED



Company Secretary





Results FY 2014

NSE: NUCLEUS, BSE: 531209

- Net Profit after Tax (PAT) increased to **Rs. 18.84 crore** from Rs. 10.45 crore in the corresponding quarter of the previous year.
- Earnings Per Share (EPS) for the quarter at Rs. 5.82 in comparison to Rs. 3.23 in the corresponding quarter of the previous year.

BUSINESS HIGHLIGHTS

- Nucleus Software successfully launched the integrated transaction banking product suite, FinnAxia™ in Singapore. This functionally rich, market ready product suite has been tested globally and has successfully delivered business value.
- Expanding its global foot print, Nucleus Software entered into the major financial hub, Australia, through a wholly owned subsidiary.

For the Quarter Ended March 31, 2014:

- Won 2 new product orders worldwide
- 3 new customers added
- Won orders for 14 product modules in this quarter
- 13 product modules successfully implemented across regions

For the Year ended March 31, 2014:

- Won 14 new product orders worldwide
- 9 new customers added
- Won orders for 39 product modules in FY 13-14
- 51 modules implemented in FY 13-14

Global strength of employees as on March 31, 2014 is 1520.

BUILDING CAPABILITIES FOR FUTURE

With the objective to gear up for rapid growth, transformational initiatives are underway focused on enhancing customer experiences. Product innovation is at the core of this transformation, with Nucleus Software offering robust and market ready products.

“Nucleus Software is on a growth trajectory tracked over FY2014. The healthy growth rate posted by the company is a reflection of our commitment towards providing world class products to our customers. We have experienced market success with the mobility platform of our award winning FinnOne™ Lending suite and FinnAxia™. Going forward, we will sharpen our focus on product innovation capabilities, market reach and seamless implementation operations to strengthen our leadership position”, said **Mr. Vishnu R. Dusad, CEO, Nucleus Software.**

As part of the transformational initiatives, Nucleus Software continues to invest in strengthening the global sales and marketing backbone and building talent as the foundation for growth.

For NUCLEUS SOFTWARE EXPORTS LIMITED


Company Secretary

AWARDS AND RECOGNITION (FY 2013-2014)

- Nucleus Software's FinnOne™ 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.
- Annual Report including the financial statements of the Company for the year ended March 31, 2013, was inducted into the coveted Hall of Fame by the Institute of Chartered Accountants of India, in the category, Service sector (other than financial services) with turnover less than Rs. 500 crore, of the 'ICAI Awards for Excellence in Financial Reporting' for the year 2012-13.
- Nucleus Software declared winner of "Best Corporate Governance - India - 2014", of the World Finance Corporate Governance Awards – 2014.
- Nucleus Software awarded at the Corporate Affairs Forum & Awards for 2nd consecutive year under the category Financial & Investor Relations Award – 2013 organized by World CSR Congress.
- Nucleus Software's Online Annual Report for the year ended March 31, 2013 has won the Platinum award for excellence within the Industry Technology-Software category and has been ranked 15th worldwide in the Top 50 Annual Reports in the Vision Awards by the League of American Communications Professionals (LACP).

INVESTOR CONFERENCE CALL INFORMATION

On 5th May, 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	May 05, 2014	
Time	4:00 PM IST	
Participant PIN	90812783#	
India National Toll Free Number	18004192425	
Local Dial In Access Numbers	Delhi/ NCR:	011- 39406000/ 44121100
	Mumbai:	022- 60005900/ 39406000
	Kolkata:	033- 39406000/ 44121150
	Chennai:	044- 60005900/ 39406000

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

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Company Secretary



**NUCLEUS
SOFTWARE**

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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 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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For NUCLEUS SOFTWARE EXPORTS LIMITED


 Company Secretary



CONSOLIDATED PROFIT AND LOSS FOR THE QUARTER AND YEAR ENDED 31st March, 2014

₹ In Lakhs

Particulars	Quarter Ended			Year Ended	
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013
	Unaudited	Unaudited	Unaudited	Audited	Audited
1. INCOME FROM OPERATIONS					
Income from Software Products and Services	8,768.59	8,996.15	7,343.50	34,622.21	29,375.85
Total Income from operations (net)	8,768.59	8,996.15	7,343.50	34,622.21	29,375.85
2. EXPENSES					
a) Changes in inventories of stock-in-trade	-	-	-	494.86	-
b) Employee benefit expense	4,600.08	4,579.87	3,890.80	18,075.71	16,340.57
c) Travel expense	517.81	495.48	489.41	1,990.08	2,020.18
d) Finance cost (Bank Charges)	12.49	13.96	13.38	51.48	44.20
e) Other expenses	1,628.67	1,962.16	1,723.66	7,351.64	6,381.40
Total Expenses	6,759.05	7,051.47	6,117.25	27,963.77	24,786.35
3. PROFIT FROM OPERATIONS BEFORE DEPRECIATION (1-2)	2,009.54	1,944.68	1,226.25	6,658.44	4,589.50
4. Depreciation and amortisation expense	265.51	193.10	151.64	793.56	609.16
5. PROFIT FROM OPERATIONS AFTER DEPRECIATION (3-4)	1,744.03	1,751.58	1,074.61	5,864.88	3,980.34
6. Other Income	748.45	764.92	415.11	2,455.34	2,025.10
7. PROFIT BEFORE TAXES (5+6)	2,492.48	2,516.50	1,489.72	8,320.22	6,005.44
8. Tax expense	608.24	177.87	444.78	1,886.34	1,488.53
9. PROFIT AFTER TAXES (7-8)	1,884.24	2,338.63	1,044.94	6,433.88	4,516.91
10. Earnings Per Share (Rs.) (Par value Rs.10 each) (not annualised)					
Basic	5.82	7.22	3.23	19.87	13.95
Diluted	5.82	7.22	3.23	19.87	13.95

FOR NUCLEUS SOFTWARE EXPORTS LIMITED

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CONSOLIDATED SEGMENT INFORMATION

₹ In Lakhs

REVENUE BY	Quarter Ended						Year Ended			
	March 31, 2014	% of Revenue	December 31, 2013	% of Revenue	March 31, 2013	% of Revenue	March 31, 2014	% of Revenue	March 31, 2013	% of Revenue
	Unaudited		Unaudited		Unaudited		Audited		Audited	
GEOGRAPHICAL SEGMENTS										
INDIA	1,659.78	18.93	1,487.26	16.53	1,361.80	18.54	6,985.31	20.18	5,333.25	18.16
FAR EAST	1,586.81	18.10	1,696.13	18.85	1,927.26	26.24	6,929.99	20.02	8,204.39	27.93
SOUTH EAST ASIA	2,106.67	24.03	2,090.23	23.23	1,651.75	22.49	7,799.46	22.53	6,273.22	21.36
EUROPE /U.K.	594.57	6.78	741.34	8.24	404.98	5.51	2,179.61	6.30	1,900.34	6.47
AMERICAS	744.52	8.49	633.75	7.04	452.38	6.16	2,550.80	7.37	1,972.54	6.71
MIDDLE EAST	1,338.67	15.27	1,162.17	12.92	1,234.12	16.81	4,978.71	14.38	4,224.32	14.38
AFRICA	319.85	3.65	781.30	8.68	171.68	2.34	2,028.22	5.86	996.26	3.39
REST OF THE WORLD	417.72	4.75	403.96	4.51	139.53	1.91	1,170.11	3.36	471.53	1.60
TOTAL	8,768.59	100.00	8,996.15	100.00	7,343.50	100.00	34,622.21	100.00	29,375.85	100.00
BUSINESS SEGMENTS										
PRODUCTS	5,912.16	67.42	6,141.26	68.27	4,961.17	67.56	23,795.98	68.73	19,768.39	67.29
Own	5,677.95	64.75	5,876.91	65.33	4,891.17	66.61	22,139.03	63.94	19,188.73	65.32
Traded	234.21	2.67	264.35	2.94	70.00	0.95	1,656.95	4.79	579.66	1.97
PROJECTS & SERVICES	2,856.43	32.58	2,854.88	31.73	2,382.33	32.44	10,826.23	31.27	9,607.46	32.71
TOTAL	8,768.59	100.00	8,996.15	100.00	7,343.50	100.00	34,622.21	100.00	29,375.85	100.00

NUCLEUS SOFTWARE EXPORTS LTD.

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