



Press Release
October 17th, 2005

Nucleus Software's Revenue for Q 2 Up by 48.10%

Revenue for the half year increases by 52.21%

INDIA, New Delhi, October 17th, 2005 -- Nucleus Software Exports Limited (NSE: NUCLEUS), a leading global provider of next generation software products for banking and financial sector, today announced its Q2 results. Consolidated revenue for the quarter ending 30th September 2005 increased by 48.10 % to Rs.35.72 crore as compared to Rs.24.12 crore for the corresponding quarter of the previous year. Net Profit after Tax (PAT) increased to Rs 8.78 crore as compared to Rs.3.39 crore for the corresponding quarter in the previous year.

For the half year ending September 30, 2005, consolidated revenue has increased by 52.21 % to Rs. 68.56 crore from Rs.45.04 crore in the corresponding half-year period in the previous year. Net Profit after tax (PAT) increased to Rs. 17.36 crore as compared to Rs.6.33 crore in the corresponding half-year period in the previous year

Major Highlights:

Quarter ended 30th September 2005

- Consolidated revenue increased by 48.10% as compared to corresponding quarter of the previous year.
- Net Profit after Tax increased by 159.19% as compared to corresponding quarter of the previous year.
- EPS for the quarter increased to Rs 5.45 from Rs. 2.11

Half Year ended 30th September 2005

- Consolidated revenue increased by 52.21 % as compared to corresponding quarter of the previous year.
- Net Profit after Tax increased by 174.49 % as compared to corresponding half year of the previous year.
- EPS for the half year increased to Rs 10.79 from Rs 3.94 for the corresponding half year of the previous year



Nucleus Software Exports Ltd.

33-35, Thyagraj Nagar Market, Near Lodhi Colony, New Delhi-110003.

Amt. (in Rs. lacs)

CONSOLIDATED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LIMITED AND SUBSIDIARIES FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2005

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sept. 30, 2005 UNAUDITED	Sept. 30, 2004 UNAUDITED	Sept. 30, 2005 UNAUDITED	Sept. 30, 2004 UNAUDITED	March 31, 2005 AUDITED
1 Income from Software Services and Products	3,572.09	2,411.86	6,856.44	4,504.36	10,314.09
2 Software Development Expenses	2,000.28	1,525.20	3,680.88	2,893.12	5,971.31
3 Gross Profit	1,571.81	886.66	3,175.56	1,611.24	4,342.78
4 Selling and Marketing Expenses	299.76	215.93	592.02	371.92	822.40
5 General and Administration Expenses	200.28	199.03	433.32	331.29	813.54
6 Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	1,071.77	471.70	2,150.22	908.03	2,706.84
7 Depreciation	139.77	75.56	264.84	140.00	354.08
8 Withholding Taxes	62.84	108.68	132.31	190.91	392.20
9 Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)	869.16	287.46	1,753.07	577.12	1,960.56
10 Other Income	70.60	71.63	132.67	97.26	259.40
11 Profit before Tax	939.76	359.09	1,885.74	674.38	2,219.96
12 Provision for Taxation					
- Current	57.37	23.94	128.08	39.59	130.13
- Fringe Benefit	6.25	-	17.00	(3.49)	-
- Deferred	(1.61)	(3.49)	4.17	5.68	14.86
13 Profit after Tax	877.75	338.64	1,736.49	632.60	2,074.97
14 Paid-up Equity Share Capital	1,609.43	1,609.23	1,609.43	1,609.23	1,609.23
15 Reserves excluding Revaluation Reserves	-	-	-	-	6,815.37
16 Earnings Per Share (Rs.)* (Par value Rs.10/- each)					
Basic	5.45	2.11	10.79	3.94	12.90
Diluted	5.44	2.10	10.76	3.93	12.88
17 Aggregate of Non-Promoter shareholding (Unaudited)					
- Number of Shares	5,686,164	5,261,044	5,686,164	5,261,044	5,424,468
- Percentage of Shareholding	35.33%	32.70%	35.33%	32.70%	33.71%

Amt. (in Rs. lacs)

AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LIMITED FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2005

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sept. 30, 2005 AUDITED	Sept. 30, 2004 AUDITED	Sept. 30, 2005 AUDITED	Sept. 30, 2004 AUDITED	March 31, 2005 AUDITED
1 Income from Software Services and Products	2,345.91	1,483.44	4,499.55	2,787.43	6,703.23
2 Software Development Expenses	1,103.41	912.36	2,013.40	1,736.62	3,505.55
3 Gross Profit	1,242.50	571.08	2,486.15	1,050.81	3,197.68
4 Selling and Marketing Expenses	196.69	136.37	373.52	223.22	505.01
5 General and Administration Expenses	166.03	166.06	349.03	264.06	658.31
6 Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	879.78	268.65	1,763.60	563.53	2,034.36
7 Depreciation	118.62	63.71	225.84	116.66	304.85
8 Withholding Taxes	77.60	108.68	129.37	190.91	374.30
9 Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)	683.56	96.26	1,408.39	255.96	1,355.21
10 Other Income	32.14	59.26	89.12	78.93	310.15
11 Profit before Tax	715.70	155.52	1,497.51	334.89	1,665.36
12 Provision for Taxation					
- Current	48.00	11.50	89.00	14.00	65.18
- Fringe Benefit	8.25	-	17.00	-	-
- Deferred	(1.61)	(3.49)	4.17	2.19	17.34
13 Profit after Tax	661.06	147.51	1,387.34	318.70	1,582.84
14 Paid-up Equity Share Capital	1,609.43	1,609.23	1,609.43	1,609.23	1,609.23
15 Reserves excluding Revaluation Reserves	-	-	-	-	6,184.17
16 Earnings Per Share (Rs.)* (Par value Rs.10/- each)					
Basic	4.11	0.92	8.62	1.98	9.84
Diluted	4.10	0.91	8.59	1.97	9.82
17 Aggregate of Non-Promoter shareholding (Unaudited)					
- Number of Shares	5,686,164	5,261,044	5,686,164	5,261,044	5,424,468
- Percentage of Shareholding	35.33%	32.70%	35.33%	32.70%	33.71%

Amt. (in Rs. lacs)

Segment Reporting

Particulars	Quarter Ended Sept. 30, 2005	Quarter Ended Sept. 30, 2004	Half Year Ended		Year Ended
			Sept. 30, 2005	Sept. 30, 2004	March 31, 2005
a) Revenue by Geographical Segment					
India	493.70	228.74	891.73	441.55	1,137.09
Far East	382.22	544.30	641.77	951.30	1,833.48
Singapore	566.90	457.23	1,286.53	955.66	2,227.06
Europe	491.57	11.16	890.62	43.15	447.82
Others	411.52	242.01	788.90	395.77	1,057.78
Total	2,345.91	1,483.44	4,499.55	2,787.43	6,703.23
Less:- Inter Segment Revenue	-	-	-	-	-
Net Revenue From Operations	2,345.91	1,483.44	4,499.55	2,787.43	6,703.23
b) Segment Profit / (Loss) before Tax and Interest					
India	170.98	(97.64)	271.35	(156.11)	(17.42)
Far East	96.49	84.58	176.60	153.34	397.94
Singapore	260.97	162.35	626.60	347.25	970.69
Europe	224.32	1.07	423.81	9.67	210.18
Others	191.38	86.69	383.11	149.20	471.56
Total	944.14	237.05	1,881.47	503.35	2,032.95
Add:- Other Income	32.14	57.76	89.12	79.84	310.15
Less:- Other Unallocable Expenditure	260.58	139.29	473.08	248.30	677.74
Operating Profit before Tax	715.70	155.52	1,497.51	334.89	1,665.36
c) Capital Employed (Refer Note 7 below)	9,201.70	-	-	-	7,796.65

Other Information (Nucleus Software Exports Limited)

Amt. (in Rs. lacs)

Particulars	Quarter Ended Sept. 30, 2005	Quarter Ended Sept. 30, 2004	Half Year Ended Sept. 30, 2005	Half Year Ended Sept. 30, 2004	Year Ended March 31, 2005
Staff Cost	849.06	618.43	1498.97	1141.52	2395.95
Items exceeding 10% of aggregate expenditure					
Travel Expenditure	319.72	281.93	639.46	507.16	1084.55

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 16 and October 17, 2005.
- During the quarter and half year ended September 30, 2005, the Company has allotted 2000 equity shares of Rs.10/-each in pursuance to the exercise of stock options by certain employees.
- The Board of Directors at their meeting held on October 17, 2005 have allotted 12,000 fully paid up equity shares of Rs. 10/- each to an employee in pursuance of stock options exercised in October 2005.
- There was one investor complaint pending at the beginning of the quarter which was resolved during the quarter. 7 new investor complaints were received and resolved during the current quarter and there was no investor complaint pending at the end of quarter.
- These accounts have been prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).
- Previous period/year figures have been regrouped /reclassified, wherever necessary.
- Fixed assets used in the Company's business cannot be specifically identified with any of the reportable segments, as these are used interchangeably between various segments. The Management believes that it is not practicable to provide segment-wise disclosures relating to total assets and liabilities since a meaningful segregation of the available data is not possible.

For Nucleus Software Exports Ltd.

By order of the Board

Sd/-

VISHNU R. DUSAD

Managing Director

Date: October 17, 2005

Place: NOIDA