



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, 2006

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sept. 30, 2006 UNAUDITED	Sept. 30, 2005 UNAUDITED	Sept. 30, 2006 UNAUDITED	Sept. 30, 2005 UNAUDITED	March 31, 2006 AUDITED
1 Income from Software Products and Services	5,508.58	3,572.09	10,484.57	6,856.44	14,805.18
2 Software Development Expenses	3,215.84	2,000.28	6,124.35	3,680.88	8,050.05
3 Gross Profit	2,292.74	1,571.81	4,360.22	3,175.56	6,755.13
4 Selling and Marketing Expenses	401.06	299.76	722.13	592.02	1,174.60
5 General and Administration Expenses	292.74	200.28	593.91	433.32	1,067.61
6 Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	1,598.94	1,071.77	3,044.18	2,150.22	4,512.92
7 Depreciation	165.72	139.77	310.31	264.84	475.90
8 Withholding Taxes	126.78	62.84	216.99	132.31	323.76
9 Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)	1,306.44	869.16	2,516.88	1,753.07	3,713.26
10 Other Income	103.79	70.60	318.34	132.67	306.66
11 Profit before Tax	1,410.23	939.76	2,835.22	1,885.74	4,019.92
12 Provision for Taxation					
- Current	5.70	57.36	73.36	128.08	269.72
- Fringe Benefit	14.10	6.25	23.10	17.00	42.71
- Deferred	4.17	(1.60)	11.83	4.18	14.34
- Earlier Year	-	-	0.86	-	(15.21)
13 Profit after Tax	1,386.26	877.75	2,726.07	1,736.48	3,708.36
14 Paid-up Equity Share Capital	1,611.78	1,609.43	1,611.78	1,609.43	1,610.63
15 Reserves excluding Revaluation Reserves	-	-	-	-	9,940.61
16 Earnings Per Share (Rs.) (Par value Rs.10/- each)					
Basic	8.60	5.45	16.92	10.79	23.04
Diluted	8.56	5.44	16.85	10.76	22.98
17 Aggregate of Non-Promoter shareholding (Unaudited)					
- Number of Shares	6,413,956	5,686,164	6,413,956	5,686,164	5,812,186
- Percentage of Shareholding	39.80%	35.33%	39.80%	35.33%	36.09%

Amt. (in Rs. lacs)

AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LIMITED FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2006

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sept. 30, 2006 AUDITED	Sept. 30, 2005 AUDITED	Sept. 30, 2006 AUDITED	Sept. 30, 2005 AUDITED	March 31, 2006 AUDITED
1 Income from Software Products and Services	3,483.63	2,345.91	6,620.22	4,499.55	9,436.78
2 Software Development Expenses	1,877.65	1,103.41	3,451.86	2,013.40	4,337.48
3 Gross Profit	1,605.98	1,242.50	3,168.36	2,486.15	5,099.30
4 Selling and Marketing Expenses	245.91	196.69	461.75	373.52	730.72
5 General and Administration Expenses	225.49	166.03	450.19	349.03	785.66
6 Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	1,134.58	879.78	2,256.42	1,763.60	3,582.92
7 Depreciation	130.00	118.62	244.48	225.84	392.93
8 Withholding Taxes	133.03	77.60	208.00	129.37	321.14
9 Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)	871.55	683.56	1,803.94	1,408.39	2,868.85
10 Other Income	45.45	32.14	213.58	89.12	252.55
11 Profit before Tax	917.00	715.70	2,017.52	1,497.51	3,121.40
12 Provision for Taxation					
- Current	(16.00)	48.00	15.00	89.00	192.51
- Fringe Benefit	14.10	8.25	23.10	17.00	42.71
- Deferred	4.17	(1.61)	10.07	4.17	8.59
- Earlier Year	-	-	0.86	-	(15.21)
13 Profit after Tax	914.73	661.06	1,968.49	1,387.34	2,892.80
14 Paid-up Equity Share Capital	1,611.78	1,609.43	1,611.78	1,609.43	1,610.63
15 Reserves excluding Revaluation Reserves	-	-	-	-	8,456.13
16 Earnings Per Share (Rs.)* (Par value Rs.10/- each)					
Basic	5.68	4.11	12.22	8.62	17.97
Diluted	5.65	4.10	12.17	8.60	17.93
17 Aggregate of Non-Promoter shareholding (Unaudited)					
- Number of Shares	6,413,956	5,686,164	6,413,956	5,686,164	5,812,186
- Percentage of Shareholding	39.80%	35.33%	39.80%	35.33%	36.09%

Segment Reporting

Amt. (in Rs. lacs)

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sept. 30, 2006	Sept. 30, 2005	Sept. 30, 2006	Sept. 30, 2005	March 31, 2006
a) Revenue by Geographical Segment					
India	491.80	493.70	1,109.03	891.73	2,079.38
Far East	1,246.91	382.22	2,183.33	641.77	1,620.33
Singapore	285.54	566.90	632.96	1,286.53	2,417.21
Europe	400.34	491.57	813.53	890.63	1,600.25
USA	298.19	3.55	302.16	6.77	10.73
Others	760.85	407.97	1,579.21	782.12	1,708.88
Total	3,483.63	2,345.91	6,620.22	4,499.55	9,436.78
Less:- Inter Segment Revenue	-	-	-	-	-
Net Revenue From Operations	3,483.63	2,345.91	6,620.22	4,499.55	9,436.78
b) Segment Profit / (Loss) before Tax and Interest					
India	(41.81)	170.98	8.97	271.35	492.82
Far East	422.85	96.49	800.14	176.60	463.54
Singapore	127.29	260.97	295.09	626.60	1,172.67
Europe	176.08	224.32	374.42	423.82	770.85
USA	132.93	1.62	134.85	3.25	5.36
Others	339.19	189.76	722.04	379.86	828.62
Total	1,156.53	944.14	2,335.51	1,881.48	3,733.86
Add:- Other Income	45.45	32.14	213.58	89.12	252.55
Less:- Other Unallocable Expenditure	284.98	260.58	531.57	473.09	865.01
Operating Profit before Tax	917.00	715.70	2,017.52	1,497.51	3,121.40
c) Capital Employed (Refer Note 7 below)	11,994.42	9,201.70	11,994.42	9,201.70	10,074.34

Other Information (Nucleus Software Exports Limited)

Amt. (in Rs. lacs)

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sept. 30, 2006	Sept. 30, 2005	Sept. 2006	Sept. 30, 2005	March 31, 2006
Staff Cost	1,615.32	849.06	2,901.72	1,498.97	3,234.67
Item exceeding 10% of aggregate expenditure					
Travel Expenditure	295.64	319.72	578.76	639.46	1,261.37

Notes:

- The above financial statements were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 30, 2006. There are no qualifications in the Auditors' report on these financial statements.
- The Company allotted 11,500 fully paid up equity shares of Rs.10/- each to its employees on July 8, 2006 in pursuance of the stock options exercised by certain employees under ESOP Scheme 1999. The Company granted 4,000 options during the quarter to the eligible employees of the Company under ESOP Scheme (2005) and ESOP Scheme (2006). The Company also granted 155,000 options to Non-Executive Directors under ESOP (2006) on October 21, 2006.
- There were nil investor complaints pending at the beginning of the quarter. 5 new investor complaints were received and resolved during the current quarter.
- Effective April 1, 2006, the Company adopted the revised Accounting Standard 15 'Employee Benefits' issued by the Institute of Chartered Accountants of India. Pursuant to the adoption, the transitional obligations of the Company amounted to Rs.99.81 lacs. As required by the Accounting Standard, this obligation has been recorded with the transfer of Rs.99.81 lakhs from general reserves.
- 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 30, 2006

Place: NOIDA