CONSOLIDATED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LIMITED AND SUBSIDIARIES
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2007

Amt in Rs. lacs

	Particulars	Quarter Ended		Half Year Ended		Year Ended
		Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	March 31, 2007
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from Software Products and Services**	**7,036.57**	**5,508.58**	**13,702.24**	**10,484.57**	**22,118.73**
2	Software Development Expenses	4,331.31	3,215.84	8,486.75	6,124.35	12,510.60
3	**Gross Profit (1-2)**	**2,705.26**	**2,292.74**	**5,215.49**	**4,360.22**	**9,608.13**
4	Selling and Marketing Expenses	445.43	401.06	927.44	722.13	1,792.97
5	General and Administration Expenses	465.10	292.74	882.13	593.91	1,487.25
6	**Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)**	**1,794.73**	**1,598.94**	**3,405.92**	**3,044.18**	**6,327.91**
7	Depreciation	297.70	165.72	545.99	310.31	687.68
8	Withholding Taxes	75.99	126.78	110.01	216.99	468.07
9	**Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)**	**1,421.04**	**1,306.44**	**2,749.92**	**2,516.88**	**5,172.16**
10	Other Income	318.25	103.79	457.48	318.34	562.12
11	**Profit before Tax (9+10)**	**1,739.29**	**1,410.23**	**3,207.40**	**2,835.22**	**5,734.28**
12	Provision for Taxation	120.83	23.97	187.80	109.15	219.56
13	**Profit after Tax (11-12)**	**1,618.46**	**1,386.26**	**3,019.60**	**2,726.07**	**5,514.72**
14	Paid-up Equity Share Capital (Par value Rs.10 each)	3,236.61	1,611.78	3,236.61	1,611.78	1,616.18
15	Reserves excluding Revaluation Reserves	-	-	-	-	14,903.13
16	**Earnings Per Share* (Rs.) (Par value Rs.10 each)**					
	Basic	5.00	4.30	9.33	8.46	17.09
	Diluted	4.98	4.29	9.25	8.44	16.99
17	**Public shareholding**					
	-Number of Shares	13,090,434	6,413,956	13,090,434	6,413,956	6,499,602
	-Percentage of Shareholding	40.45%	39.80%	40.45%	39.80%	40.22%

* Adjusted for Bonus Shares in the ratio of 1:1 allotted on 8th August 2007 as per Accounting Standard 20 (AS-20) on Earnings per sha

AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LIMITED
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2007

Amt in Rs. lacs

	Particulars	Quarter Ended		Half Year Ended		Year Ended
		Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	March 31, 2007
		Audited	Audited	Audited	Audited	Audited
1	**Income from Software Products and Services**	**4,831.23**	**3,483.63**	**9,553.91**	**6,620.22**	**14,653.05**
2	Software Development Expenses	2,775.83	1,877.65	5,481.84	3,451.86	7,353.79
3	**Gross Profit (1-2)**	**2,055.40**	**1,605.98**	**4,072.07**	**3,168.36**	**7,299.26**
4	Selling and Marketing Expenses	288.35	245.91	619.23	461.75	1,207.02
5	General and Administration Expenses	380.34	225.49	705.66	450.19	1,159.39
6	**Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)**	**1,386.71**	**1,134.58**	**2,747.18**	**2,256.42**	**4,932.85**
7	Depreciation	204.98	130.00	366.05	244.48	519.82
8	Withholding Taxes	71.14	133.03	103.85	208.00	467.49
9	**Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8)**	**1,110.59**	**871.55**	**2,277.28**	**1,803.94**	**3,945.54**
10	Other Income	383.57	45.45	535.41	213.58	466.17
11	**Profit before Tax (9+10)**	**1,494.16**	**917.00**	**2,812.69**	**2,017.52**	**4,411.71**
12	Provision for Taxation	86.03	2.27	144.92	49.03	121.54
13	**Profit after Tax (11-12)**	**1,408.13**	**914.73**	**2,667.77**	**1,968.49**	**4,290.17**
14	Paid-up Equity Share Capital (Par value Rs.10 each)	3,236.61	1,611.78	3,236.61	1,611.78	1,616.18
15	Reserves excluding Revaluation Reserves	-	-	-	-	12,156.97
16	**Earnings Per Share* (Rs.) (Par value Rs.10 each)**					
	Basic	4.35	2.84	8.25	6.11	13.29
	Diluted	4.33	2.83	8.18	6.10	13.22
17	**Public shareholding**					
	-Number of Shares	13,090,434	6,413,956	13,090,434	6,413,956	6,499,602
	-Percentage of Shareholding	40.45%	39.80%	40.45%	39.80%	40.22%

* Adjusted for Bonus Shares in the ratio of 1:1 allotted on 8th August 2007 as per Accounting Standard 20 (AS-20) on Earnings per sha

	Segment Reporting					Amt in Rs. lacs
		Quarter Ended		Half Year Ended		
		Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006	March 31, 2007
a)	**Revenue by Geographical Segment**					
	India	716.46	491.80	1,720.24	1,109.03	2,547.84
	Far East	1,889.90	1,246.91	3,500.74	2,183.33	4,813.73
	Singapore	397.08	285.54	749.17	632.96	1,320.92
	Europe	549.68	400.34	951.46	813.53	1,373.88
	USA	38.87	298.19	70.69	302.16	466.79
	Others	1,239.24	760.85	2,561.61	1,579.21	4,129.89
	Total	**4,831.23**	**3,483.63**	**9,553.91**	**6,620.22**	**14,653.05**
	Less:- Inter Segment Revenue	-	-	-	-	-
	Net Revenue From Operations	**4,831.23**	**3,483.63**	**9,553.91**	**6,620.22**	**14,653.05**
b)	**Segment Profit / (Loss) before Tax and Interest**					
	India	142.81	(41.81)	176.87	8.97	42.69
	Far East	614.72	422.85	1,244.19	800.14	1,760.36
	Singapore	144.10	127.29	288.84	295.09	614.05
	Europe	199.48	176.08	364.65	374.42	635.96
	USA	14.11	132.93	27.19	134.85	211.21
	Others	449.73	339.19	993.33	722.04	1,904.10
	Total	**1,564.95**	**1,156.53**	**3,095.07**	**2,335.51**	**5,168.37**
	Add:- Other Income	383.57	45.45	535.41	213.58	466.17
	Less:- Other Unallocable Expenditure	454.36	284.98	817.79	531.57	1,222.83
	Operating Profit before Tax	**1,494.16**	**917.00**	**2,812.69**	**2,017.52**	**4,411.71**
c)	Capital Employed (Segment Assets less Segmen Liabilities) (Refer Note 10 below)	16,596.26	12,014.42	16,596.26	12,014.42	13,845.28

	Other Information (Nucleus Software Exports Limited)					Amt in Rs. lacs
		Quarter Ended September 30, 2007	**Quarter Ended September 30, 2006**	**Half Year Ended September 30, 2007**	**Half Year Ended September 30, 2006**	**Year Ended March 31, 2007**
	Staff Cost	2,342.67	1,615.32	4,566.16	2,901.72	6,226.37
	Items exceeding 10% of aggregate expenditure					
	Travel Expenditure	381.49	295.64	787.93	578.76	1,352.38
	Details of other income:					
	Dividend received from non-trade investments	37.42	11.19	52.58	27.7	99.15
	Gain on foreign exchange fluctuation (net)	296.14	-	226.36	-	67.97
	Profit on sale of investments (net)	38.84	21.27	233.69	140.87	232.70
	Miscellaneous Income	11.17	12.99	22.78	45.01	66.35
	Total	**383.57**	**45.45**	**535.41**	**213.58**	**466.17**

Notes:

1. The above financial statements were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 27, 2007 and October 28, 2007. There are no qualifications in the Auditors' Report on these financial statements.
2. The shareholders approved Bonus Issue of one share for each equity share held at the Annual General Meeting held on July 6,2007. The Bonus Shares were allotted on August 8, 2007 and have been admitted for trading. Consequently the total number of issued Equity Shares have increased to 3,23,64,624 from 1,61,82,312.
3. During the current quarter, the Company allotted 22,000 fully paid equity shares of Rs. 10 each on exercise of options under ESOP Scheme 1999 and ESOP Scheme 2002 .Of total 22,000 shares, 300 shares were allotted to an employee of the Company and 21,700 shares were allotted to the Non-Executive Directors in pursuance of stock options exercised in July 2007.
4. There were nil investor complaints pending at the beginning of the quarter. 22 new investor complaints were received and resolved during the current quarter.
5. Pursuant to the changes in the Indian Income Tax Act, the Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). A sum of Rs. 249 Lacs is carried forward and shown under Loans & Advances in the Balance Sheet as at September 30, 2007 to be set off against future tax liabilities.
6. Provision for taxation includes current tax, deferred tax and fringe benefit tax.
7. These accounts have been prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).
8. Previous period/year figures have been regrouped /reclassified, wherever necessary.
9. The Company has decided to exercise put option (subject to regulatory approval) on investments in equity shares of GMAC Financial Services India Limited.The investment of Rs.1368.83 Lacs was made in October 2004.
10. 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: 28/10/2007

Place: NOIDA