



Nucleus Software's Revenues for Q3 Up by 47.37%

Major Highlights:

Quarter ended December 31, 2004

- Consolidated revenue increased by 47.37 % as compared to corresponding quarter of the previous year.
- Net Profit after Tax increased by 240.20 % in comparison to corresponding quarter of the previous year
- EPS for the quarter increased to Rs. 3.66 from Rs. 1.09* for the corresponding quarter of the previous year

* Adjusted to the bonus issue of 1:1 in August 2004.

Nine Months ended December 31, 2004

- Consolidated revenue increased by 25.77% as compared to the corresponding nine months of previous year.
- Net Profit after Tax increased by 127.16% in comparison to corresponding nine months of previous year.
- EPS for the nine months increased to Rs. 7.60 from Rs. 3.39* for the corresponding nine months of previous year.

* Adjusted to the bonus issue of 1:1 in August 2004.

Other Key Information

4 customers added this quarter, taking the total number to 90.

FINANCIAL RESULTS OF NUCLEUS SOFTWARE GROUP (CONSOLIDATED) FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2004

Particulars	Quarter Ended		Nine Months Ended		Rs in lacs
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	Year Ended March 31, 2004
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income from Software Services and Products	2,707.66	1,837.32	7,212.02	5,734.16	8,009.06
2 Software Development Expenses	1,555.57	1,235.65	4,448.68	3,794.81	5,088.41
3 Gross Profit	1,152.09	601.67	2,763.34	1,939.35	2,920.65
4 Selling and Marketing Expenses	193.92	189.73	565.84	579.71	782.08
5 General and Administration Expenses	228.12	130.07	559.42	428.60	613.67
Operating Profit before Interest, Depreciation and 6 Withholding Taxes (3-4-5)	730.05	281.87	1,638.08	931.04	1,524.90
7 Interest	-	-	-	0.14	0.14
8 Depreciation	113.48	79.08	253.48	249.81	324.26
9 Withholding Taxes	96.60	88.59	287.51	217.67	328.42
Operating Profit after Interest, Depreciation and 10 Withholding Taxes (6-7-8-9)	519.97	114.20	1,097.09	463.42	872.08
11 Other Income	105.69	66.88	202.94	95.13	144.32
12 Profit before Tax	625.66	181.08	1,300.03	558.55	1,016.40
13 Provision for Taxation					
-Current	38.87	10.39	78.46	41.49	54.30
-Deferred	(2.02)	(2.39)	0.17	(20.62)	(10.49)
14 Profit after Tax	588.81	173.08	1,221.40	537.68	972.59
15 Paid-up Equity Share Capital	1,609.23	794.15	1,609.23	794.15	803.29
16 Reserves excluding Revaluation Reserves	-	-	-	-	5,982.89
17 Earnings Per Share (Rs.)* (Par value Rs.10/- each)					
Basic	3.66	1.09	7.60	3.39	6.12
Diluted	3.65	1.08	7.59	3.37	6.11

* Adjusted for the issue of Bonus Shares in the ratio of 1:1 allotted on August 10, 2004, as per Accounting Standard 20 (AS 20) on Earnings Per Share

AUDITED FINANCIAL RESULTS OF NUCLEUS SOFTWARE EXPORTS LTD. FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2004

Particulars	Quarter Ended		Nine Months Ended		Rs in lacs
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003	Year Ended March 31, 2004
	Audited	Audited	Audited	Audited	Audited
Income from Software Services and Products	1,697.97	1,173.57	4,485.41	3,732.04	5,406.13
Software Development Expenses	895.43	722.99	2,632.05	2,233.61	3,004.22
Gross Profit	802.54	450.58	1,853.36	1,498.43	2,401.91
Selling and Marketing Expenses	129.80	97.39	353.01	308.77	442.48
General and Administration Expenses	168.30	101.27	433.45	311.81	455.13
Operating Profit before Interest, Depreciation and Withholding Taxes (3-4-5)	504.44	251.92	1,066.90	877.85	1,504.30
Interest	-	-	-	0.14	0.14
Depreciation	97.33	63.82	213.99	204.61	268.51
Withholding Taxes	96.60	88.60	287.51	217.67	328.42
Operating Profit after Interest, Depreciation and Withholding Taxes (6-7-8-9)	310.51	99.50	565.40	455.43	907.23

Other Income	163.17	63.09	243.17	120.37	157.35
Profit before Tax	473.68	162.59	808.57	575.80	1,064.58
Provision for Taxation					
-Current	12.18	-	26.18	20.00	44.35
-Deferred	(2.02)	(2.39)	0.17	(20.61)	(14.65)
Profit after Tax	463.52	164.98	782.22	576.41	1,034.88
Paid-up Equity Share Capital	1,609.23	794.15	1,609.23	794.15	803.29
Reserves excluding Revaluation Reserves	-	-	-	-	5,849.31
Earnings Per Share (Rs.)* (Par value Rs.10/- each)					
Basic	2.88	1.04	4.86	3.64	6.51
Diluted	2.87	1.03	4.85	3.62	6.50
Aggregate of Non-Promoter shareholding (Unaudited)					
-Number of Shares *	5,346,800	4,724,848	5,346,800	4,724,848	5,256,044
-Percentage of Shareholding	33.22%	29.75%	33.22%	29.75%	32.72%

* Adjusted for the issue of Bonus Shares in the ratio of 1:1 allotted on August 10, 2004, as per Accounting Standard 20 (AS 20) on Earnings Per Share

Segment Reporting	Quarter Ended December 31, 2004	Quarter Ended December 31, 2003	Nine Months Ended		Year Ended March 31, 2004
			December 31, 2004	December 31, 2003	
a) Revenue by Geographical Segment					
India	278.61	252.85	720.16	974.38	1,266.62
Far East	453.76	464.79	1,404.91	1,102.66	1,659.73
Singapore	567.69	398.82	1,523.42	1,160.68	1,533.16
Others	397.91	57.11	836.92	494.32	946.62
Total	1,697.97	1,173.57	4,485.41	3,732.04	5,406.13
Less:- Inter Segment Revenue	-	-	-	-	-
Net Revenue From Operations	1,697.97	1,173.57	4,485.41	3,732.04	5,406.13
b) Segment Profit / (Loss) before Tax and Interest					
India	(15.90)	(57.78)	(172.01)	6.89	(16.14)
Far East	107.02	130.04	260.21	342.00	521.94
Singapore	254.75	166.35	602.07	452.19	646.56
Others	175.51	21.05	334.30	111.71	344.97
Total	521.38	259.66	1,024.57	912.79	1,497.33
Add:- Other Income	163.17	63.09	243.17	120.37	157.35
Less:- Interest	-	-	-	0.14	0.14
Less:- Other Unallocable Expenditure	210.87	160.16	459.17	457.22	589.96
Operating Profit before Tax	473.68	162.59	808.57	575.80	1,064.58
c) Capital Employed (Refer Note 6 below)	7,450.10	6,417.47	7,450.10	6,417.47	6,654.10

Other Information (Nucleus Software Exports Limited)

	Quarter Ended December 2004	Quarter Ended December 31, 2003	Nine Months Ended December 31, 2004	Nine Months Ended December 31, 2003	Year Ended March 31, 2004
Staff Cost	613.09	483.08	1754.60	1415.70	1966.49
Items exceeding 10% of aggregate expenditure					
Travel Expenditure	283.82	204.94	790.98	614.50	802.17

Notes: 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 18, 2005.

2) There was one investor complaint pending at the beginning of the quarter, which was resolved during the quarter.

17 new investor complaints were received during the current quarter out of which 16 have been resolved and one is in the process of being resolved.

3) During the nine months ended December 31, 2004, the Company allotted 14,000 fully paid up equity shares of Rs. 10/- each to its employees in pursuance of stock options exercised in July 2004.

4) These accounts have been prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

5) Previous period/year figures have been regrouped /reclassified, wherever necessary.

6) 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.

By order of the Board

Date: January 18, 2005

Place: NOIDA

**Vishnu R Dusad
Managing Director**