

**NetSol Technologies Ltd.**

NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. 54792, Pakistan.

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FORM-7

Dated: 12/02/2018

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **Financial Results for the Quarter Ended December 31, 2017**

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on **February 12, 2018** at **03:00 P.M** at NETSOL IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange Lahore Cantt., recommended the following:

(i) CASH DIVIDEND

An Interim Cash Dividend for the quarter ended December 31, 2017 at Rs.NIL per share i.e.NIL%. This is in addition to Interim Dividend(s) already paid at Rs.NIL per share i.e.NIL%.

AND/OR

(ii) BONUS SHARES

It has recommended by the Board of Directors to issue Interim Bonus shares in proportion of NIL share(s) for every NIL share(s) held i.e. NIL%. This is in addition to the Interim Bonus Shares already issued @ NIL %.

AND/OR

(iii) RIGHT SHARES

The Board has recommended to issue NIL% Right Shares at par/at a discount/premium of Rs.NIL per share in proportion of NIL share(s) for every NIL share(s). The entitlement of right shares being declared simultaneously will be/will not be applicable on Bonus Shares as declared above.

AND/OR

(iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION

NIL

AND/OR

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

NIL

The financial results of the Company are as follows

FINANCIAL RESULTS OF NETSOL TECHNOLOGIES LIMITED

| | Oct-Dec 2017 | Oct-Dec 2016 | Jul-Dec 2017 | Jul-Dec 2016 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Rupees in '000' | | Rupees in '000' | |
| Revenue-net | 1,123,064 | 1,183,267 | 1,955,704 | 2,146,062 |
| Cost of revenue | (536,654) | (718,824) | (1,107,893) | (1,322,053) |
| Gross Profit | 586,410 | 464,443 | 847,811 | 824,009 |
| Selling and promotion expenses | (96,630) | (120,883) | (169,591) | (211,833) |
| Administrative expenses | (164,703) | (162,318) | (322,375) | (326,641) |
| Other operating expenses | (854) | (62,295) | (991) | (88,450) |
| Other income | 177,793 | 93,717 | 288,007 | 99,249 |
| Operating profit | 502,016 | 212,664 | 642,861 | 296,334 |
| Financial cost | (10,843) | (5,516) | (23,118) | (10,850) |
| profit before taxation | 491,173 | 207,148 | 619,743 | 285,484 |
| Taxation | | | | |
| Current period | (8,153) | (16,290) | (11,040) | (17,525) |
| Prior period | (435) | - | (435) | (566) |
| | (8,588) | (16,290) | (11,475) | (18,091) |
| Profit after taxation for the period | 482,585 | 190,858 | 608,268 | 267,393 |
| Earnings per share | | | | |
| Basic -In Rupees | 5.38 | 2.14 | 6.78 | 3.00 |
| Diluted -In Rupees | 5.37 | 2.12 | 6.77 | 2.97 |

CONSOLIDATED FINANCIAL RESULTS

| | Oct-Dec 2017 | Oct-Dec 2016 | Jul-Dec 2017 | Jul-Dec 2016 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | Rupees in '000' | | Rupees in '000' | |
| Revenue-net | 1,208,020 | 1,331,546 | 2,159,856 | 2,455,768 |
| Cost of revenue | (612,336) | (810,356) | (1,272,898) | (1,512,626) |
| Gross Profit | 595,684 | 521,190 | 886,958 | 943,142 |
| Selling & promotion expenses | (96,630) | (120,883) | (169,591) | (211,833) |
| Administrative expenses | (166,318) | (164,034) | (326,231) | (330,262) |
| Other operating expenses | (951) | (67,864) | (1,692) | (110,143) |
| Other income | 189,892 | 2,215 | 306,961 | 4,869 |
| Operating profit | 521,677 | 170,624 | 696,405 | 295,773 |
| Financial cost | (11,005) | (5,901) | (24,064) | (11,478) |
| Profit before taxation | 510,672 | 164,723 | 672,341 | 284,295 |
| Taxation | | | | |
| Current | (8,351) | (16,470) | (11,494) | (17,919) |
| Prior | (779) | (98) | (779) | (832) |
| | (9,130) | (16,568) | (12,273) | (18,751) |
| Profit after taxation for the period | 501,542 | 148,155 | 660,068 | 265,544 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 501,542 | 148,155 | 660,068 | 265,544 |
| Attributable to: | | | | |
| Equity holders of NETSOL Technologies Limited | 492,161 | 125,501 | 634,437 | 222,675 |
| Non-controlling interest | 9,381 | 22,654 | 25,631 | 42,869 |
| | 501,542 | 148,155 | 660,068 | 265,544 |
| Earnings per share | | | | |
| Basic -In Rupees | 5.49 | 1.41 | 7.08 | 2.50 |
| Diluted -In Rupees | 5.48 | 1.40 | 7.06 | 2.48 |

We will be sending you 200 copies of printed accounts for distribution amongst the TRE Certificate Holders of the Exchange.

Yours faithfully,

SALIM ULLAH GHAFUR
Chief Executive Officer


