

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 12, 2014

Commission file number: 0-22773

NETSOL TECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

NEVADA
(State or other Jurisdiction of
Incorporation or Organization)

95-4627685
(I.R.S. Employer NO.)

24025 Park Sorrento, Suite 410, Calabasas, CA 91302
(Address of principal executive offices) (Zip Code)

(818) 222-9195 / (818) 222-9197
(Issuer's telephone/facsimile numbers, including area code)

Item 2.02 Results of Operations and Financial Condition.

On September 12, 2014, NetSol Technologies, Inc. issued a press release announcing results of operations and financial conditions for the year ended June 30, 2014. The press release is furnished as Exhibit 99.1 to this Form 8-K. Additionally, the Company posted a power point presentation on its website discussing the results of operations and financial conditions for the year ended June 30, 2014.

The information in this report shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Exhibits

- 99.1 News Release dated September 12, 2014
 - 99.2 Power Point Presentation dated September 12, 2014
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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NETSOL TECHNOLOGIES, INC.

Date: September 12, 2014

/s/ Najeeb Ghauri
NAJEEB GHAURI
Chief Executive Officer

Date: September 12, 2014

/s/Roger Almond
Roger Almond
Chief Financial Officer

NetSol Technologies Reports Fiscal 2014 Fourth Quarter and Full Year Results

– Transition Period Impacts License Revenue Results; Maintenance and Service Revenue Hold Strong –

– Adds More than 200 Technical Employees During Year; Doubles the Number of Employees Providing Customer Support –

– Generates Approximately \$19 Million in Cash from Operations for Fiscal 2014 –

– Confirms Recent Signing of \$16 Million Contract for NFS Ascent –

– Conference Call Scheduled Today at 8:30 a.m. ET (5:30 a.m. PT) –

CALABASAS, Calif., Sept. 12, 2014 (GLOBE NEWSWIRE) -- NetSol Technologies, Inc. (Nasdaq:NTWK), a global business services and enterprise application solutions provider, today reported financial results for its fiscal 2014 fourth quarter and full year ended June 30, 2014.

Highlights for 2014 Fiscal Year

- The introduction and global release of NetSol's next-generation platform, NFS Ascent™, featuring an architecture and user interfaces that reflect 30 years of collective experience with global Fortune 500 companies. The platform's framework allows captive automotive and asset finance companies to rapidly transform legacy-dependent information technology into a state-of-the-art IT and business process environment;
- The first roll-out and go-live of NFS Ascent™ at Nissan Leasing (Thailand) Co., Ltd;
- A multimillion-dollar contract for the implementation of NFS™ at a major automobile manufacturer in China;
- A multimillion dollar agreement for the implementation of the WFS module of NFS Ascent™ at a Japanese automobile manufacturer in Thailand;
- A new LeaseSoft project with a private equity-backed asset finance business in the UK;
- Implementation of NetSol's mPOS (mobile point-of-sale) solution by a global luxury car manufacturer and finance company across its dealer network in China;
- Receipt of the "First Rate and Best Selling Leasing and Finance Solution" Award at this year's China Leasing Summit for its flagship product, NFS™; and,
- Profitable sale of business unit, Vrooz, Inc.

Management Remarks

"Fiscal 2014 was a year of significant progress on both the technological and operating fronts, highlighted by the launch of our next-generation finance and leasing platform, NFS Ascent," said Najeeb Ghauri, CEO. "While from a financial perspective, we clearly were in a transition period that severely impacted our financial results, particularly license revenue, our pipeline of potential new business as we proceed into the new year is strong, with great anticipation of closing deals and implementing NFS Ascent."

"Through this transition period we invested heavily in growth, building our infrastructure and adding personnel to support multiple complex implementations concurrently, with the ability to implement them expeditiously, without sacrificing quality or customer service. Our management team and board view our strategic investments as a necessity to support the long-term growth of the company, and as steps that are directly correlated to our confidence and visibility into our pipeline," Ghauri said.

"During this period, we also took steps to refocus the business, discontinuing two non-core products, which increased the depreciation and amortization expense in the fourth quarter. This one-time non-cash charge, combined with the depreciation and amortization for NFS Ascent now that it has been launched, impacted our bottom line on a GAAP basis."

"As we look ahead, I believe that today NetSol is stronger than it has ever been, with a highly competitive solution in NFS Ascent and a growing pool of talented employees worldwide, and the resources to execute our growth strategy. We are pleased to have recently signed our largest individual contract to date, a \$16 million agreement in total for NFS Ascent, with the implementation phase conducted over the next 18 months," Ghauri added.

Fiscal 2014 Fourth Quarter

The following comparison refers to results for the fiscal 2014 fourth quarter versus the fiscal 2013 fourth quarter.

Total net revenues were \$9.5 million, compared with \$15.0 million for the same period last year, principally reflecting license revenue of \$600,000 versus \$6.2 million in the same period last year, as a result of the transition to NFS Ascent. Maintenance revenue increased to \$2.7 million from \$2.4 million last year, as a result of completed implementations. Service revenue was \$6.2 million, primarily consisting of change requests for current customers, versus \$6.4 million in the same period last year, which included change requests and implementation services as a result of new license sales.

Total operating expenses amounted to \$7.3 million, versus \$4.7 million last year. The increase relates to higher selling and marketing costs, travel expenses, and business development costs to market and introduce NFS Ascent globally.

Net loss was \$7.2 million, or \$0.79 per share, for the fourth quarter of fiscal 2014. This compares to net income of \$3.1 million, or \$0.35 per diluted share, for the same period last year.

Adjusted EBITDA loss (a non-GAAP measure) was \$3.3 million, compared to Adjusted EBITDA of \$5.1 million for the same period last year. During the fiscal 2014 quarter, depreciation and amortization increased by \$2.4 million, which was primarily comprised of two discontinued software products and depreciation of NFS Ascent now that it has been launched. The reconciliation of adjusted EBITDA to net income, the most comparable financial measure based upon GAAP, as well as a further explanation of adjusted EBITDA, is included in the financial tables at the end of this press release.

Fiscal 2014 Full Year Results

For the full fiscal 2014 year, total net revenues were \$36.4 million, versus \$49.8 million for the same period last year. License revenue was \$5.4 million versus \$17.8 million last year, reflecting the transition period to NFS Ascent. Maintenance revenue increased to \$10.5 million from \$9.6 million last year as a result of completion of implementations. Service revenue was \$20.4 million, primarily consisting of change requests for current customers, compared with \$22.5 million last year, which included change requests and implementation services as a result of new license sales.

Net loss (which includes discontinued operations to reflect the sale of Vroozzi) for the full fiscal 2014 year was \$11.4 million, or \$1.25 per share, compared with net income of \$7.9 million, or \$0.95 per diluted share, last year.

Adjusted EBITDA loss (a non-GAAP measure) was \$2.3 million, compared to Adjusted EBITDA of \$14.0 million for the same period last year. For the full fiscal 2014 year, depreciation and amortization increased by \$3.5 million over last year. The reconciliation of adjusted EBITDA to net income, the most comparable financial measure based upon GAAP, as well as a further explanation of adjusted EBITDA, is included in the financial tables at the end of this press release.

At June 30, 2014, cash and cash equivalents increased to \$11.5 million from \$7.9 million at June 30, 2013. Cash provided by operations for fiscal 2014 increased significantly to \$18.6 million, compared with \$13.8 million for the first nine months of fiscal 2013.

Fiscal 2014 Fourth Quarter Conference Call

When: Friday, September 12

Time: 8:30 a.m. Eastern Time

Phone: 1-888-337-8169 (domestic)

1-719-325-2376 (international)

A live Webcast will be available online on NetSol's website at <http://www.netsoltech.com/us/investors/event-presentation>, where it will be archived for 90 days.

NetSol will also be using a presentation to accompany the conference call. Please visit the investor relations section of NetSol's website to download the presentation.

About NetSol Technologies

NetSol Technologies, Inc. (www.netsoltech.com) is a worldwide provider of global IT and enterprise application solutions that include credit and finance portfolio management systems, SAP consulting and services, custom development, systems integration and technical services for asset finance and leasing in the automotive, insurance, energy and technology markets. Headquartered in Calabasas, Calif., NetSol's product and services offerings have achieved ISO 9001, ISO 20000, ISO 27001, and SEI (Software Engineering Institute) CMMI (Capability Maturity Model) Maturity Level 5 assessments, a distinction shared by only 178 companies worldwide. The company's clients include Fortune 500

manufacturers, global automakers, financial institutions, utilities, technology providers and government agencies. NetSol has delivery and support locations in San Francisco, London, Beijing, Bangkok, Lahore, Sydney and Riyadh.

Follow NetSol Technologies on Twitter at <https://twitter.com/NetSolTech>

NetSol Technologies Google+ page at <https://plus.google.com/+netsoltechnologies>

Forward-Looking Statements

This press release may contain forward-looking statements relating to the development of the Company's products and services and goals for future operating results, including statements regarding the Company that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. The words "expects," "anticipates," variations of such words, and similar expressions, identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, but their absence does not mean that the statement is not forward-looking. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Factors that could affect the Company's actual results include the progress and costs of the development of products and services and the timing of the market acceptance. The subject Companies expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances upon which any statement is based.

NetSol Technologies, Inc. and Subsidiaries Consolidated Balance Sheets

	As of June 30, 2014	As of June 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,462,695	\$ 7,874,318
Restricted cash	2,528,844	1,875,237
Accounts receivable, net	5,403,165	12,761,375
Accounts receivable, net - related party	2,232,610	1,922,837
Revenues in excess of billings	2,377,367	15,367,198
Other current assets	<u>2,857,879</u>	<u>2,273,314</u>
Total current assets	26,862,560	42,074,279
Investment under equity method	--	545,483
Property and equipment, net	29,721,128	20,978,369
Intangible assets, net	28,803,018	29,452,654
Goodwill	<u>9,516,568</u>	<u>9,653,330</u>
Total intangibles	<u>38,319,586</u>	<u>39,105,984</u>
Total assets	<u>\$ 94,903,274</u>	<u>\$ 102,704,115</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 5,234,887	\$ 4,027,147
Current portion of loans and obligations under capitalized leases	5,791,258	5,308,626
Unearned revenues	3,239,852	2,446,018
Common stock to be issued	<u>347,518</u>	<u>88,325</u>
Total current liabilities	14,613,515	11,870,116
Long term loans and obligations under capitalized leases; less current maturities	<u>1,532,080</u>	<u>1,412,212</u>
Total liabilities	16,145,595	13,282,328
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value; 500,000 shares authorized;	--	--
Common stock, \$.01 par value; 14,500,000 shares authorized; 9,150,889 and 8,929,523 issued and		

outstanding as of June 30, 2014 and 2013	91,509	89,295
Additional paid-in-capital	115,394,097	114,292,510
Treasury stock	(415,425)	(415,425)
Accumulated deficit	(35,177,303)	(23,821,256)
Stock subscription receivable	(2,280,488)	(2,280,488)
Other comprehensive loss	(14,979,223)	(15,714,112)
Total NetSol stockholders' equity	62,633,167	72,150,524
Non-controlling interest	16,124,512	17,271,263
Total stockholders' equity	<u>78,757,679</u>	<u>89,421,787</u>
Total liabilities and stockholders' equity	<u>\$ 94,903,274</u>	<u>\$ 102,704,115</u>

NetSol Technologies, Inc. and Subsidiaries
Consolidated Statement of Operations

	For the Three Months		For the Year	
	Ended June 30,		Ended June 30,	
	2014	2013	2014	2013
Net Revenues:				
License fees	\$ 606,855	\$ 6,219,084	\$ 5,433,053	\$ 17,756,447
Maintenance fees	2,723,595	2,351,178	10,527,216	9,550,471
Services	4,886,647	5,421,794	15,453,740	18,807,962
Services - related party	<u>1,329,612</u>	<u>979,932</u>	<u>4,970,794</u>	<u>3,734,583</u>
Total net revenues	<u>9,546,709</u>	<u>14,971,988</u>	<u>36,384,803</u>	<u>49,849,463</u>
Cost of revenues:				
Salaries and consultants	5,095,105	3,100,305	15,621,806	11,256,982
Travel	614,745	482,814	1,705,554	1,673,988
Depreciation and amortization	3,326,784	1,011,813	6,844,588	3,666,102
Other	<u>868,308</u>	<u>754,673</u>	<u>3,548,392</u>	<u>3,704,667</u>
Total cost of revenues	<u>9,904,942</u>	<u>5,349,605</u>	<u>27,720,340</u>	<u>20,301,739</u>
Gross profit	<u>(358,233)</u>	<u>9,622,383</u>	<u>8,664,463</u>	<u>29,547,724</u>
Operating expenses:				
Selling and marketing	1,539,433	1,037,528	4,572,108	3,387,803
Depreciation and amortization	534,770	442,266	1,886,148	1,555,402
General and administrative	5,156,999	3,202,067	15,046,328	10,994,053
Research and development cost	<u>70,850</u>	<u>53,129</u>	<u>249,712</u>	<u>158,821</u>
Total operating expenses	<u>7,302,052</u>	<u>4,734,990</u>	<u>21,754,296</u>	<u>16,096,079</u>
Income (loss) from operations	<u>(7,660,285)</u>	<u>4,887,393</u>	<u>(13,089,833)</u>	<u>13,451,645</u>
Other income and (expenses)				
Gain (loss) on sale of assets	(39,778)	(25,436)	(229,805)	3,682
Interest expense	(85,447)	(76,090)	(255,677)	(663,967)
Interest income	74,325	43,541	261,251	185,343
Gain on foreign currency exchange transactions	(248,493)	369,723	50,777	1,367,448
Share of net income (loss) from equity investment	(175,151)	14,569	(545,483)	482,664
Amortization of financing costs	--	(20,488)	--	(635,882)
Other income	<u>54,919</u>	<u>148,246</u>	<u>50,578</u>	<u>148,298</u>
Total other income (expenses)	<u>(419,625)</u>	<u>454,065</u>	<u>(668,359)</u>	<u>887,586</u>

Net income (loss) before income taxes	(8,079,910)	5,341,458	(13,758,192)	14,339,231
Income tax provision	(16,453)	(443,399)	(338,282)	(465,426)
Net income (loss) from continuing operations	(8,096,363)	4,898,059	(14,096,474)	13,873,805
Income (loss) from discontinued operations net of gain on disposal	--	(291,110)	1,158,752	(1,785,750)
Net income (loss)	(8,096,363)	4,606,949	(12,937,722)	12,088,055
Non-controlling interest	880,272	(1,458,749)	1,581,675	(4,224,912)
Net income (loss) attributable to NetSol	<u>\$ (7,216,091)</u>	<u>\$ 3,148,200</u>	<u>\$ (11,356,047)</u>	<u>\$ 7,863,143</u>

Amount attributable to NetSol common shareholders:

Income (loss) from continuing operations	\$ (7,216,091)	\$ 3,439,310	\$ (12,514,799)	\$ 9,648,893
Income (loss) from discontinued operations	--	(291,110)	1,158,752	(1,785,750)
Net income (loss)	<u>\$ (7,216,091)</u>	<u>\$ 3,148,200</u>	<u>\$ (11,356,047)</u>	<u>\$ 7,863,143</u>

Net income (loss) per share:

Net income (loss) per share from continuing operations:

Basic	\$ (0.79)	\$ 0.39	\$ (1.38)	\$ 1.18
Diluted	\$ (0.79)	\$ 0.38	\$ (1.38)	\$ 1.16

Net income (loss) per share from discontinued operations:

Basic	\$ --	\$ (0.03)	\$ 0.13	\$ (0.22)
Diluted	\$ --	\$ (0.03)	\$ 0.13	\$ (0.22)

Net income (loss) per common share

Basic	\$ (0.79)	\$ 0.35	\$ (1.25)	\$ 0.96
Diluted	\$ (0.79)	\$ 0.35	\$ (1.25)	\$ 0.95

Weighted average number of shares outstanding

Basic	<u>9,150,101</u>	<u>8,922,088</u>	<u>9,063,345</u>	<u>8,201,247</u>
Diluted	<u>9,150,101</u>	<u>9,009,793</u>	<u>9,063,345</u>	<u>8,288,951</u>

NetSol Technologies, Inc. and Subsidiaries
Consolidated Statement of Cash Flows

For the Year

Ended June 30,

2014	2013
------	------

Cash flows from operating activities:

Net income (loss)	\$ (12,937,722)	\$ 12,088,055
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	8,730,736	5,702,749
Provision for bad debts	1,023,796	415,482
Share of net loss (income) from investment under equity method	545,483	(482,664)
(Gain) loss on sale of assets	229,805	(3,682)
Gain on sale of subsidiary	(1,870,871)	--
Stock issued for interest on notes payable	--	211,111
Stock issued for services	1,076,610	38,790
Fair market value of warrants and stock options granted	189,937	678,494
Impairment of goodwill	136,762	--
Amortization of financing costs	--	635,882
Changes in operating assets and liabilities:		
Accounts receivable	7,094,977	(2,024,814)

Accounts receivable - related party	(309,773)	(100,070)
Revenue in excess of billing	12,825,849	(4,002,140)
Other current assets	216,357	412,036
Accounts payable and accrued expenses	<u>1,682,956</u>	<u>276,590</u>
Net cash provided by operating activities	18,634,902	13,845,819
Cash flows from investing activities:		
Purchases of property and equipment	(13,236,136)	(8,958,876)
Sales of property and equipment	88,641	118,432
Sale of subsidiary	1,810,700	--
Purchase of non-controlling interest in subsidiaries	(17,852)	(799,349)
Increase in intangible assets	<u>(3,385,151)</u>	<u>(4,832,459)</u>
Net cash used in investing activities	(14,739,798)	(14,472,252)
Cash flows from financing activities:		
Proceeds from the exercise of stock options and warrants	709,435	2,537,712
Payment to common shareholders for fractional shares	--	(194)
Proceeds from exercise of subsidiary options	356,029	111,330
Restricted cash	(653,607)	(1,734,006)
Dividend paid by subsidiary to Non controlling interest	(1,008,543)	(388,997)
Proceeds from bank loans	3,244,382	1,795,663
Payments on capital lease obligations and loans - net	<u>(2,880,840)</u>	<u>(630,714)</u>
Net cash provided by (used in) financing activities	(233,144)	1,690,794
Effect of exchange rate changes	(73,583)	(789,650)
Net increase in cash and cash equivalents	3,588,377	274,711
Cash and cash equivalents, beginning of the period	<u>7,874,318</u>	<u>7,599,607</u>
Cash and cash equivalents, end of period	<u>\$ 11,462,695</u>	<u>\$ 7,874,318</u>

NetSol Technologies, Inc. and Subsidiaries
Reconciliation to GAAP

	Three Months Ended <u>June 30, 2014</u>	Three Months Ended <u>June 30, 2013</u>	Year Ended <u>June 30, 2014</u>	Year Ended <u>June 30, 2013</u>
Net Income (loss) before preferred dividend, per GAAP	\$ (7,216,091)	\$ 3,148,200	\$ (11,356,047)	\$ 7,863,143
Income Taxes	16,453	443,399	338,282	465,426
Depreciation and amortization	3,861,554	1,454,079	8,730,736	5,221,504
Interest expense	85,447	76,090	255,677	663,967
Interest (income)	<u>(74,325)</u>	<u>(43,541)</u>	<u>(261,251)</u>	<u>(185,343)</u>
EBITDA	<u>\$ (3,326,962)</u>	<u>\$ 5,078,227</u>	<u>\$ (2,292,603)</u>	<u>\$ 14,028,697</u>
Weighted Average number of shares outstanding				
Basic	9,150,101	8,922,088	9,063,345	8,201,247
Diluted	<u>9,150,101</u>	<u>9,009,793</u>	<u>9,063,345</u>	<u>8,288,951</u>
Basic EBITDA	<u>\$ (0.36)</u>	<u>\$ 0.57</u>	<u>\$ (0.25)</u>	<u>\$ 1.71</u>
Diluted EBITDA	<u>\$ (0.36)</u>	<u>\$ 0.56</u>	<u>\$ (0.25)</u>	<u>\$ 1.69</u>

Although the net EBITDA income is a non-GAAP measure of performance, we are providing it because we believe it to

be an important supplemental measure of our performance that is commonly used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. It should not be considered as an alternative to net income, operating income or any other financial measures calculated and presented, nor as an alternative to cash flow from operating activities as a measure of our liquidity. It may not be indicative of the Company's historical operating results nor is it intended to be predictive of potential future results.

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NetSol



Fiscal 2014 Year-End Conference Call

September 12, 2014



www.netsoltech.com





Safe Harbor Statement



This presentation may contain forward-looking statements relating to the development of NetSol Technologies' products and services and future operation results, including statements regarding the Company that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. The words "believe," "expect," "anticipate," "intend," variations of such words, and similar expressions, identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, but their absence does not mean that the statement is not forward-looking. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Factors that could affect the Company's actual results include the progress and costs of the development of products and services and the timing of the market acceptance. Any forward-looking statements contained herein speak only as of the date hereof. The Company undertakes no obligation to update or review any forward-looking statements.

This presentation may reference non-GAAP measures such as EBITDA. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. The Company uses EBITDA as a measure of the Company's operating trends. Investors are cautioned that EBITDA is not a measure of liquidity or of financial performance under Generally Accepted Accounting Principles (GAAP). The EBITDA numbers presented may not be comparable to similarly titled measures reported by other companies. EBITDA, while providing useful information, should not be considered in isolation or as an alternative to net income or cash flows as determined under GAAP. Investors are advised to carefully review and consider this information as well as the GAAP financial results that are disclosed in the Company's SEC filings.



Fiscal 2014 Results: Agenda



- Fiscal 2014 Highlights
- Building an Engine of Growth
- NFS Ascent Product Overview
- Update on Recent Contract and Implementations
- NFS Mobility Overview
- Financial Review
- Pipeline Discussion





FY 2014 Highlights



- A year marked by product transition concurrent with investment in growth – impacting top and bottom line results
- Launched NFS Ascent™ and NFS Mobility™
 - ✓ NFS Ascent Live at Nissan Leasing (Thailand) for nearly a year
 - ✓ Global luxury car manufacturer and finance company implementing NFS Mobility's mPOS across dealer network in China
- Developed powerful sales and delivery engine
 - ✓ Increased pre-sales and marketing teams worldwide
 - ✓ Increased technical employees
 - ✓ Decreased turnover
- Constructed new building within Lahore Campus
 - ✓ Two floors complete and full with energized staff

ENGINEERED FOR THE FUTURE

NEXT GENERATION PLATFORM FOR THE ASSET FINANCE & LEASING INDUSTRY

NFS | Ascent

Leading Edge Technology

NetSol provides future-proof solutions using state-of-the-art technology. NFS Ascent has been designed as part of a full business platform and developed for maximum flexibility and customization. It is a global system that meets local requirements. Ascent can be used in multinational, multi-company, multi-asset, multi-lingual, multi-distributor and multi-manufacturer environments. Each application within Ascent is a complete solution in itself and can be used independently to address specific areas of the leasing/financing cycle - or collectively, as an end-to-end solution, covering the full leasing and finance cycle from quotation origination through end of contract at the retail and wholesale levels.

○ N-Tier Architecture

○ SOA Platform

○ Database Independent

○ Web Deployment

○ Smart Client

Automating the Entire Lease and Finance Cycle

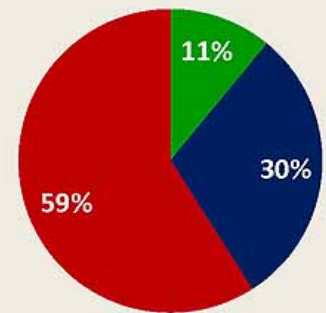
- Designed based on the Company’s collective experience with global Fortune 500 companies
- Five software applications at its core, deployable independently or together
- Platform’s framework allows for rapid transformation of legacy driven technology
- Lease accounting and contract processing engine allows for an array of interest calculation methods; Robust accounting of multi-billion dollar lease portfolios under GAAP and IFRS
- Three highly dynamic and configurable work engines
 - ✓ Apply rules and checkpoints to better manage risks
 - ✓ Automate tasks
 - ✓ Reengineer business processes



NFS | Ascent A Solutions-Based Model

- \$16 Million NFS Ascent Contract
- Implementation with major multi-finance group in Asia
 - ✓ Fully automates all finance front and back office operations
 - ✓ Manages a portfolio of nearly two million contracts, serving more than 5,000 concurrent users
- Scheduled to be completed within the next 18 months
 - ✓ First phase scheduled to go live in February 2015
- License and services revenue will generate more than \$10 million in revenues
 - ✓ Five-year cost of ownership, including maintenance and support, brings the contract value to more than \$16 million

More than 50% of Project Value Derived from Customization & Services



■ License
■ Maintenance
■ Customization and Services

Enterprise Mobility Solutions



mPOS



Collections



Field Investigator



mAccount



Reshaping Business Models, Empowering Workers, Improving Collaboration

Point of Sale

The Point of Sale application simplifies the business origination process for financial products such as financial lease, operating lease and hire purchase.



mAccount

NetSol Financial Suite-mAccount gives your customers complete visibility of their credit/lease contracts.



Field Investigator

Field Investigator includes powerful features that enable your field teams to perform applicant details verification on the go.



Collections

NetSol Financial Suite – Collections empowers your collections teams to do more, with the app's easy to use interface and intelligent architecture.



Point of Sale

The Point of Sale application simplifies the business origination process for financial products such as financial lease, operating lease and hire purchase.



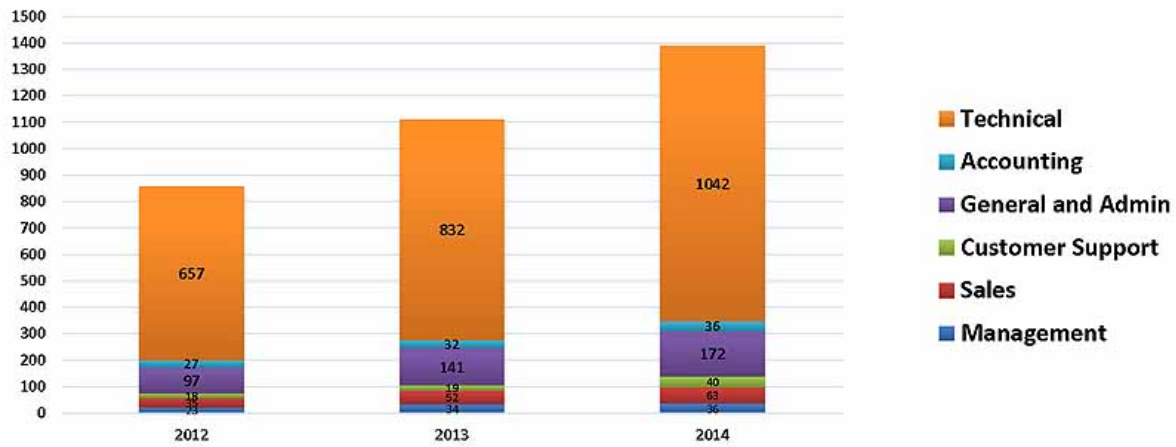
- Global luxury car manufacturer and finance company implementing mPOS across dealer network in China
- A first-of-its-kind solution allows auto dealers to perform the contract origination process using a mobile device
- Comes equipped with detailed intelligence dashboard, quick-quote loan calculator, application submission and collaboration tools

Investing in Future Growth





Building Our Talent Pool



- Visibility into pipeline and deal value gives confidence to invest in hiring
- Aiming to serve multiple complex implementations concurrently
- Incremental cost of new employees builds leverage in model



Building a State-of-the-Art Tech Campus

- Lahore Technology Campus
 - ✓ Consists of 50,000 square feet of computer and general office space
 - ✓ Construction of adjacent facility with covered area of approximately 90,000 square feet – Two floors complete
- Continued hiring of technical staff to support growth objectives
- Improved IT employee turnover from almost 20% in 2012 to less than 8% today





Focusing on the Core Business



- Sold Vroozi subsidiary
 - ✓ Recorded profit on sale
 - ✓ Agreement includes earn out provision
- Discontinued two non-core products
 - ✓ Impacted depreciation and amortization in the quarter



Financials

Roger Almond, CFO





FY 2014 Financial Summary



- Total net revenues were \$36.4 million, compared with \$49.8 million for the same period last year, reflecting decline in new license sales during transition period
- Marked by a period of significant investment, affecting bottom line at a time of less license revenue
 - ✓ Hiring of employees
 - ✓ Higher selling and marketing costs
 - ✓ Travel expenses and business development costs
- One-time charges
 - ✓ Increased depreciation and amortization (non-cash charge) as a result of alignment towards NFS Ascent
- Improved collections

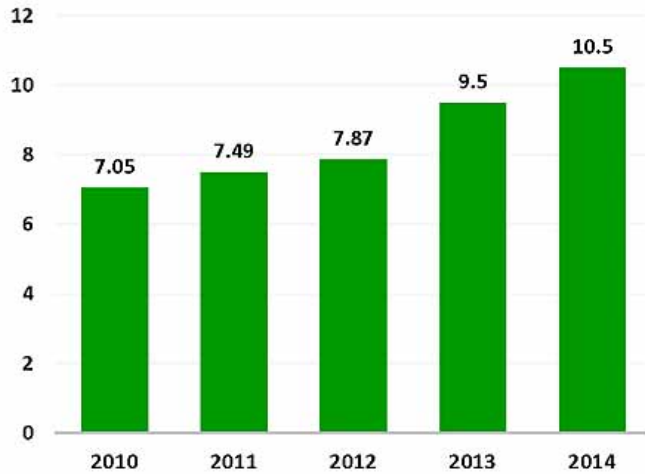


Recurring Revenue Base



Total Maintenance Revenue

In \$ Millions



- Added new customers representing approximately \$870,000 in new maintenance fees during fiscal year
- Customers went live with product during the latter stages of fiscal year 2013 and into fiscal year 2014
- Maintenance fees at current level until we are able to license new customers

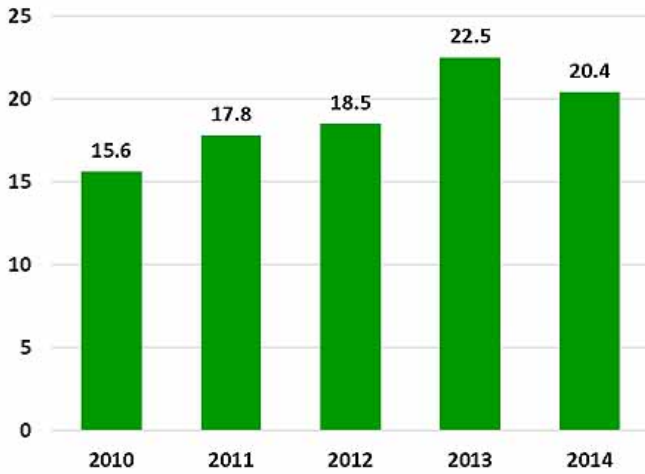


Service Revenue



Total Service Revenue

In \$ Millions



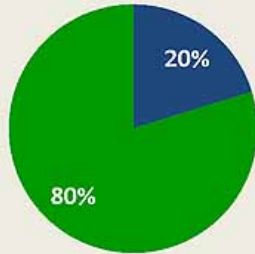
- Service revenue derived from services provided to both current customers and services provided to new customers as part of the implementation process
- Also comprised of request changes/customizations for current systems
- With decline in license revenue, the services associated with implementing new systems declined



Service Revenue Mix

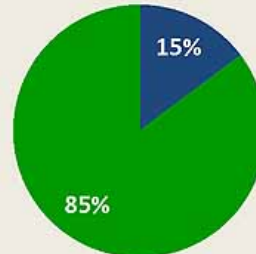


FY13 Service Revenue Mix



■ Implementaton ■ Enhancements

FY14 Service Revenue Mix



■ Implementaton ■ Enhancements

- NFS Ascent contracts carry larger percentage of services revenue
 - ✓ Larger contribution to service revenue as new contracts are implemented
- Enhancements projected to remain stable moving in FY 15
 - ✓ Growing needs of customers as their businesses grow



Investing in Growth



Cost of Revenue:

- Additional employees added incremental expense
- Higher employee salaries and benefits to decrease turnover



Operating Expenses:

- Increased travel for new business and product demos
- Additional administrative costs to support new hires and new business activities





FY 2014 Q4 One-Time Items



One-Time Charges:

Item	Amount
Bad debt	\$1.0 Million
Fully amortized two non-core products	\$1.4 Million
Loss on disposal of assets	\$230,000
Share of loss from Atheeb	\$545,000

✓ One-time charges had a \$3.2 million impact in the quarter

One-Time Gain:

Item	Amount
Sale Vroozi	\$1.9 Million

✓ Eliminated ongoing cash costs



EBITDA

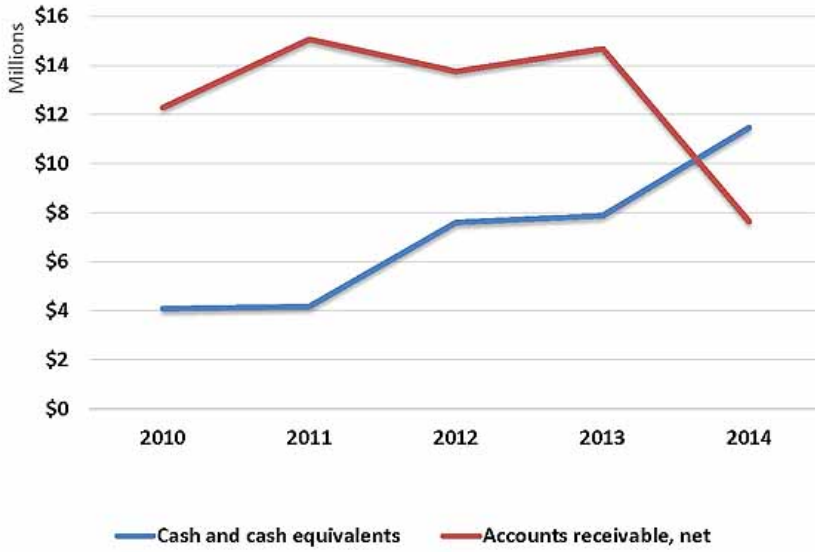


	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Year Ended June 30, 2014	Year Ended June 30, 2013
Net Income (loss) before preferred dividend, per GAAP	\$ (7,216,091)	\$ 3,148,200	\$ (11,356,047)	\$ 7,863,143
Income Taxes	16,453	443,399	338,282	465,426
Depreciation and amortization	3,861,554	1,454,079	8,730,736	5,221,504
Interest expense	85,447	76,090	255,677	663,967
Interest (income)	(74,325)	(43,541)	(261,251)	(185,343)
EBITDA	\$ (3,326,962)	\$ 5,078,227	\$ (2,292,603)	\$ 14,028,697
Weighted Average number of shares outstanding				
Basic	9,150,101	8,922,088	9,063,345	8,201,247
Diluted	9,150,101	9,009,793	9,063,345	8,288,951
Basic EBITDA	\$ (0.36)	\$ 0.57	\$ (0.25)	\$ 1.71
Diluted EBITDA	\$ (0.36)	\$ 0.56	\$ (0.25)	\$ 1.69

We are providing EBITDA because we believe it to be an important supplemental measure of our performance that is commonly used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. It should not be considered as an alternative to net income, operating income or any other financial measures calculated and presented, nor as an alternative to cash flow from operating activities as a measure of our liquidity. It may not be indicative of the Company's historical operating results nor is it intended to be predictive of potential future results.



Capital Resources



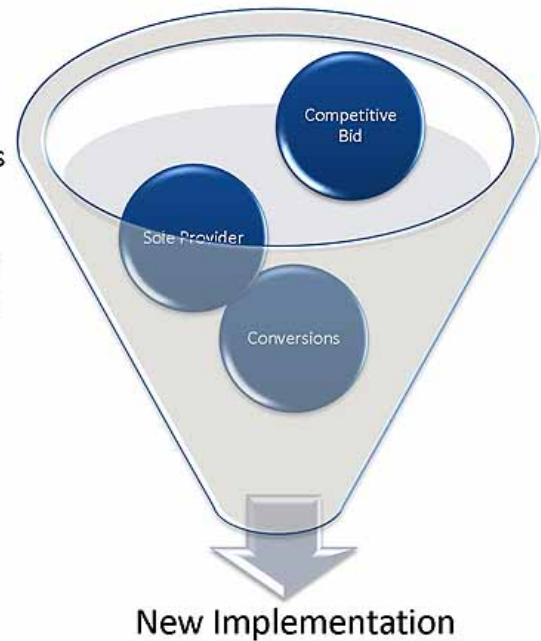
- Strong cash balance
- Highlighted by improved collections
- Manage resources to provide runway to execute growth initiatives

Growing NetSol



NFS | Ascent **New Business Pipeline**

- Targeting region-wide/global rollouts
 - ✓ Global framework agreements provides opportunity
 - ✓ Client history within specific regions
- Higher magnitude, more complex implementations
 - ✓ Consulting playing a larger role
- New system implementations in emerging markets
 - ✓ Leasing and financing growth plays important trend
- NFS conversions
 - ✓ Established upgrade pathway for clients running NFS
- Upgrades from home-grown legacy systems in established markets



Nissan

- Live with NFS Ascent for almost a year
- Global Agreement with NetSol as Preferred Vendor
- Currently serving 5 Nissan markets out of the 7 they do finance business

Toyota

- NFS Ascent project implementation in Thailand already ongoing, with first Go-Live expected by Q1 2015.
- Strong relationship with NetSol in Asia, developed over 10 years of business partnership

Large
Japanese
Bank

- \$16 million contract with first phase scheduled to go live in February 2015



Key Takeaways



- Highly competitive solution in NFS Ascent
- Large scale projects in pipeline
- Focused on execution with talented team

Thank You

