

Press Release
For Immediate Release

KPIT Cummins maintains momentum in Q3

Registers **22.06%** Y-o-Y revenue growth

Pune, January 19, 2009: KPIT Cummins (BSE: 532400; NSE: KPIT), a leading solutions partner to the global manufacturing industry, today announced financial results for the quarter ended December 31, 2008.

Revenue Growth

In USD terms, the company recorded total revenue of **USD 42.36 Mn**, reflecting a **14.15%** growth over the revenue in same quarter last fiscal. In INR terms revenue grew by **22.06%** Y-o-Y to reach **INR 1845.22 Mn**.

Profit Growth

The company earned a net profit of **INR 168.66 Mn** for Q3 FY09, Y-o-Y growth of **19.36%** and Q-o-Q growth of **0.99%**.

Financial Highlights

- Total Revenue for Q3 FY-09 at **Rs. 1845.22 Mn**, registering a Y-o-Y growth of **22.06%**.
- In USD terms Revenue for Q3 FY-09 was at USD 42.36 Mn, reflecting a 14.15% growth Y-o-Y.
- Net Profit for Q3 FY-09 at **Rs. 168.66 Mn** increase of **19.36%** over the same period last year.
- Sequentially Revenue declined by **4.22%** in constant currency terms and by **5.24%** in INR terms.
- 2 of 3 derivative contracts knocked out completely. A portion of the third contract also knocked out.
- EBITDA margin improved Q-o-Q from **14.61%** to **15.54%**.
- Q3 EBITDA at INR **286.71 Mn**, registering Y-o-Y growth of **20.54%** and Q-o-Q growth of **0.80%**.
- PAT margin improved Q-o-Q from **8.58%** to **9.14%**.
- 3 new customers (2 industrials and 1 Hi-tech) added during the quarter: total number of customers goes to **126**.
- Headcount at the end of Q3 FY09 was **4867**, net addition of **106** during the quarter.

Innovative solutions for the focus verticals

Filed two patents in Multi-core Processor technology area, taking the total number of patents filed to 8.

Automotive

- Commenced 7 new SAP Implementation and Rollout programs for Customers in Automotive & Industrials verticals, including one for a leading European automotive Tier 1.
- We are the only company to have 3 SAP certified solutions for discrete manufacturing space (Auto, IMC-Industrial Machinery & Components and Hi-Tech).
- Successfully implemented and tested AUTOSAR (Automotive Open System Architecture: is an open and standardized automotive software architecture) based complex electronic control unit in a vehicle for a leading Asian automotive OEM.

Industrials

- Won a new ERP customization engagement from an European agricultural technology company.
- Won an Oracle Apps implementation engagement from one of the Top five customers.

Hi-Tech

- Deepened relationship with a long standing Japanese semiconductor customer by engaging in the area of new IP development.
- A large engagement with a leading US based Hi-Tech company ramped-up.

Diversified Financial Services

- Strengthened our relationship with one of the Biggest banks in South Africa.
- New engagement in the area of IT enhancements for a global payment software provider.

Commenting on the results, **Mr. Girish Wardadkar, President & Executive Director**, said:

“We are focused on bringing in enhanced productivity & efficiency benefits to our customers. Our investments in productivity enhancement and operational excellence initiatives have yielded encouraging results - this quarter we have received consistent high customer satisfaction ratings. Over the last 3 quarters we initiated several productivity improvement measures including offshore employee cost management and alignment of recruitment strategy. These initiatives have helped us in reducing costs by 2.5% of revenues during Q3FY09. We are confident that our robust operational framework will augur well for us in the coming quarters.”

Commenting on the results, **Mr. Kishor Patil, Chief Executive Officer and Managing Director**, said:

“Despite the tough industry conditions in the last quarter, our leadership team and employees have done an excellent job of maintaining our bottom-line. I am confident that this team will continue to sustain high performance levels, achieve reasonable growth and maintain profitability during the following quarters.

The automotive industry is undergoing major structural shifts that are presenting exciting opportunities for companies like KPIT Cummins. We will continue to make strategic investments in select areas to enable us partner with our customers for higher value creation.”

About KPIT Cummins

KPIT Cummins Infossystems Limited (BSE: 532400; NSE: KPIT), *a trusted global IT consulting and specialist solutions partner*, is focused on co-creating domain intensive technology solutions for Manufacturing corporations (**with special focus on Automotive, Industrial and Hi-Tech verticals**) to help our customers become efficient, integrated and innovative enterprises.

A leader in IP (Intellectual Property) lead technology solutions and services, ***KPIT Cummins currently partners with 100+ global Manufacturing corporations*** [including 50+ OEMs/ODMs (Original Equipment Manufacturers & Original Device Manufacturers)] helping them ***globalize efficiently & bring complex technology products/systems faster to their global markets***. Our offerings include Advanced Technology Solutions, Enterprise IT & Business Intelligence and BPO/KPO (Business/Knowledge Process Outsourcing).

In the last financial year, KPIT Cummins has been recognized among leaders in **IAOP's 'The 2008 Global Outsourcing 100'**, ranked 6th among the **Top 10 IT Services Providers by Global Services Media**, included in the **EFY's TOP 100 survey of focused providers of Electronics Systems and Solutions** and has been awarded the **Fast Track 100 companies by Channel World Magazine** for having demonstrated significant growth in business. KPIT Cummins has also been selected among **the top 25 companies to demonstrate excellence in Corporate Governance** (third year in a row) by Institute of Company Secretaries of India.

For more information, you can visit our company website at www.kpitcummins.com

Forward Looking Statements

Some of the statements in this update that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

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