

Press Release
For Immediate Release

KPIT Cummins registers encouraging growth in Q1 FY09

Revenue grows by 37.32 % Y-o-Y in US Dollar terms
Net profit grows sequentially by 24.76% to Rs 129.68 Mn

KPIT Cummins (BSE: 532400; NSE: KPIT), the co-innovator of futuristic solutions for global manufacturing companies in Automotive, Hi-Tech and Industrial verticals, today announced its results for Q1 ended June 30, 2008.

Top-line Growth

The company recorded total revenues of Rs.1736.83 Mn during Q1 FY09, reflecting a 28.38% growth over the revenues in same quarter last fiscal and sequential growth of 5.36% in INR terms. In US\$ terms revenues grew by 37.32% Y-o-Y while sequential growth was 3.43% for the quarter.

Profit Growth

For Q1 FY09, the Company earned a Net Profit of Rs. 129.68 Mn; profits grew 24.76% over the previous quarter.

Gross profit for the quarter was 38.71% of total revenue, reflecting Y-o-Y growth of 31.55% and sequential growth of 8.08%.

Quarter Highlights

- Total Revenues for the quarter Q1 FY09 grew by 28.38% Y-o-Y to Rs.1736.83 Mn.
- Net Profit earned for Q1 FY09 was Rs.129.68 Mn, an increase of 24.76% over previous quarter.
- Headcount at the end of Q1 FY09 was 4802, net addition of 321 during the quarter.
- 6 new customers added during the quarter: total number of customers goes to 117.
- EBITDA for Q1 FY09 was Rs.226.16 Mn: a Y-o-Y increase of 5.39%.

Key Performance Highlights

In Q1 FY09

Revenues for the automotive vertical grew by 65.75 % Y-o-Y & revenues in Europe registered a Y-o-Y growth of 47.12 %.

Sharp focus on co-innovating technology solutions with customers

- Files for a fourth patent in 'Sensor System for Vehicle Safety.'
- Develops an image processing based automation for cluster testing.
- Increases scope of engagement in the engineering space with a leading Original Equipment Manufacturer in US. Initiates a new project in the transmission space.
- Collaborates with a world leader in automotive interiors for multiple projects in Embedded Graphic Software Development.

Commenting on the Company's performance:

CEO & MD Kishor Patil said,

"The global markets continue to be soft and in a state of flux. This could have an overall impact on the revenue growth and we are cautious about the future outlook for the current financial year.

We have been able to demonstrate robust growth in all our markets this quarter with Europe leading the pack. We have increased our focus on India and Asia Pacific market as we envisage many global manufacturing corporations setting up base here.

Our recent acquisition of business from Harita TVS Technologies is aligned to our strategy and vision to become leaders in focused verticals. The acquisition strengthens our Mechanical Design Services Business to better address the growing needs of our Automotive and Industrials customers."

President & Executive Director Girish Wardadkar said,

"With the entire organization focused towards On-time and Zero-Defect Quality delivery, we have witnessed improved operational efficiency. Utilization is at 73% this quarter and we look forward to improving the same through the year. We have filed for our fourth patent this quarter and will continue to focus and invest in customer centric technology solutions. Overall, we are well prepared operationally for the demand in the coming quarters."

About KPIT Cummins

KPIT Cummins Infosystems 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. Winner of the Golden Peacock Award for Excellence in Corporate Governance (2007), KPIT Cummins has also been selected among the top 25 companies to demonstrate excellence in Corporate Governance (second 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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