

KPIT Cummins registers 41.67% (in USD terms) & 29.51% (in INR terms) y-o-y revenue growth in FY08

Board of Directors recommend 35% Dividend

Pune, June 11, 2008: KPIT Cummins Infossystems Ltd. (BSE: 532400; NSE: KPIT) an IT consulting and specialist solutions partner to Global Manufacturing corporations today announced its results for the Quarter and the Financial year ending March 31, 2008.

The Company recorded total revenues of USD 145.24 Mn for FY08, a growth of 41.67% over the previous year. For the quarter ended March 31, 2008 too, the Company recorded a revenue of USD 41.16 Mn, reflecting a year-on-year growth of 42.87% and a sequential growth of 10.91%. In INR terms, total revenues for the year ended March 31, 2008 were Rs.6005.46 Mn, reflecting a 29.51 % growth over the revenues in FY07. For the quarter ended March 31, 2008, the Company's revenue stood at Rs.1648.41 Mn, a growth of 26.51% over the corresponding period in the last financial year and 9.04 % on a sequential basis.

FY08 Highlights:

- ➔ Revenue for FY08, in USD was 145.24 Mn; a growth of 41.67% over FY07
- ➔ Revenue for FY08, in INR, was 6005.46 Mn; a growth of 29.51 % over FY07
- ➔ EBITDA for FY08 grew by 30.39% resulting in EBITDA margin of 15.37 %
- ➔ Board of directors has recommended 35% Dividend
- ➔ Net profit for FY08 was Rs. 512.82 Mn; a growth of 1.6% over FY07
- ➔ 21 new customers added during FY08
- ➔ 8 star customers added during FY08

Quarter Highlights:

- ➔ Revenue for Q4 FY08, in USD was 41.16 Mn; a y-o-y growth of 42.87% and q-o-q growth of 10.91%
- ➔ Total Revenue, in INR, for Q4FY08 was 1648.41 Mn; a y-o-y increase of 26.51% and a sequential increase of 9.04%.
- ➔ EBITDA for Q4FY08 was Rs.235.58 Mn; a y-o-y increase of 14.62%
- ➔ Net Profit after Tax for Q4FY08 was Rs.103.94 Mn; a y-o-y drop of 26.06%
- ➔ 5 new customers added during the quarter: total # of active customers goes to: 111
- ➔ 2 STAR Customers added during Q4 taking the total number of customers to 25
- ➔ 329 employees added during this quarter taking the total number to 4481
- ➔ Offshore growth (FTE terms) was 35.75% y-o-y and 11.09% sequential
- ➔ Offshore Revenue growth: 34.64% y-o-y and 6.47% sequential

For the year ended March 31, 2008, the company earned Net Profit of Rs.512.82 Mn. For Q4 FY08, the Company posted a Net Profit of Rs.103.94 Mn.

Growth in offshore revenues has been strong at 40.18% over the previous year. As a proportion of total revenues, offshore revenues increased to 52.77% during the year, as compared to 48.75 % in the previous year.

The Board of directors has recommended 35% Dividend for FY08.

Company Guidance for FY09

- The revenues for FY09 in INR are expected to be in the range of 7400 Mn to 7600 Mn (growth in the range of 23% - 26%). In USD terms, revenues are expected to be in the range of 185 Mn to 190 Mn (growth in the range of 27% - 31%).
- The net profit in INR is expected to be in the range of Rs.650 Mn to Rs.670 Mn (growth in the range of 27% - 31%).

Highlights of Q4FY08

Customers & Markets

Sharpens focus on Automotive, Industrial and Hi-Tech verticals

- ✓ **Engagement in the Hybrid Engineering space** with one of our largest US based OEM customers
- ✓ **CMMI process consulting engagement** with one of the leading OEM's from US
- ✓ **A new engagement, as a preferred partner, for Analog & Mixed Signal (AMS)** for one of Europe's leading semiconductor designer & manufacturer supplying IC and sensor system solutions to the consumer and automotive electronics industry.
- ✓ **Increase in the scale of work with full scope AMS(Analog & Mixed Signal) IP (Intellectual Property) design project** with an existing customer in the automotive & consumer electronics industry
- ✓ **Establishment of the AMS Test Lab facility** enabling us to undertake evaluation of the engineering samples of silicon chips.
- ✓ **Investments in customer centric technology solutions:** Filed 3 patents to align with the needs of the customers in our focused verticals through our **Center for Research in Engineering Sciences and Technology (CREST)**

Alliances

New Strategic partnerships aligned with our Leadership vision

- ➔ **Joint Go To Market partnership with SAP for Automotive and Industrial Machinery verticals**

- ✓ KPIT to establish a dedicated Center of Excellence for SAP solutions to Automotive industry.
- ✓ Partnership to bring together Company's deep domain expertise in Automotive & Industrial Machinery verticals together with SAP's high performance enterprise software platform for globalization of manufacturing enterprises

New Board Members

Company strengthens its Board by welcoming distinguished personalities from diverse industries

Leaders in their respective fields of Innovation, Manufacturing and Finance, Padmabhushan Dr. R. A. Mashelkar, Padmashree Mrs. Lila Poonawala and Mr. K. V. Krishnamurthy have joined the board of KPIT Cummins as independent directors.

Commenting on the Company's performance:

Ravi Pandit, Chairman and Group CEO said: *"We witnessed strong technology spending by our customers during FY08. Our strategy of being focused on co-creating domain intensive technology solutions for Manufacturing corporations to help them become more efficient, integrated and innovative enterprises has kept us in good stead. We expect Emerging markets, Japan and Europe to show greater growth in the near future. The business mix from the US market may also change. We are geared up to meet the demands of these different markets and to increase traction in the engineering services domain specifically for the Automotive, Industrial and Hi-Tech verticals."*

Kishor Patil, CEO and Managing Director: *"We demonstrated encouraging performance in all our markets in spite of a challenging year for the industry. I thank our customers for their confidence and employees for their excellent support. Go forward we will sharpen our business focus on select industry verticals and take domain specific Enterprise IT, Engineering & BPO offerings to customers. Our recently announced joint go-to-market service partnership with SAP is a critical step in the direction of achieving market leadership for solutions to the Automotive, Industrials & Hi-Tech industries."*

Girish Wardadkar, President and Executive Director *"Last quarter, our utilization improved from 73% to 76%, with a direct impact on our productivity. For the next fiscal year, operational excellence & technology innovation will be our top 2 focus areas. As we look forward to another year of profitable growth, we will target quantum increase in customer participation for Six Sigma deployment and CREST (Center for research in Engineering Science & Technology) programs"*.

Awards & Recognition

- ➔ KPIT Cummins **ranks 6th amongst the top 10 IT Services Providers** in the Global Services 100 rankings conducted by CyberMedia and Global Services Magazine, demonstrating leadership, innovation and

outstanding performance in information-technology outsourcing (ITO) and business process outsourcing (BPO)

- KPIT Cummins awarded **the Fast Track 100 Award for 2008** by ChannelWorld magazine for having demonstrated significant growth in business

- KPIT Cummins **ranks among leaders(#42) in 'The 2008 Global Outsourcing 100'** & **among the top 20 Companies by Service Offered: Product Research, Development, and Manufacture** by International Association of Outsourcing Professionals (IAOP)

- KPIT Cummins **selected as part of the S&P ESG India Index of 50 companies** issued by Standard & Poor's, CRISIL and KLD Research & Analytics firm and sponsored by the International Finance Corporation.

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 Machinery 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 in the **EFY's TOP 100 survey of focused providers of Electronics Systems and Solutions**. 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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