

Press Release
For Immediate Release

Strong Q2 performance by KPIT Cummins

-Revenue grows 31.53% y-o-y in USD terms
-Net profit grows 28.79% sequentially to INR 167.01Mn

Pune, October 20, 08: KPIT Cummins (BSE: 532400; NSE: KPIT), a leading solutions partner to the global manufacturing industry today announced results for Q2 ending September 30, 2008. The results demonstrate strong performance across all the focus verticals: Automotive, Industrial Equipment and Hi-Tech verticals.

Revenue Growth

In USD terms, the company recorded total revenue of **46.80Mn**, reflecting a **9.94% q-o-q** growth and a **31.53%** growth over the revenue in same quarter last fiscal. In INR terms revenue grew by **30.47% y-o-y** while sequential growth was **12.11%** for the quarter to reach **INR 1947.22Mn**.

Profit Growth

The company earned a net profit of **INR 167.01Mn** for Q2 FY09, a growth of **28.79%** over the previous quarter. Gross profit for the quarter was **INR 782.66Mn**, reflecting y-o-y growth of **41.56%** and sequential growth of **16.40%**.

Quarter Highlights

- Total revenue for the quarter Q2 FY09 grew by **30.47% y-o-y** to **INR 1947.22Mn**.
- Net Profit for Q2 FY09 was **INR 167.01Mn**, an increase of **28.79%** over previous quarter.
- **6** new customers added during the quarter: Total number of customers goes to **123**.
- **1** Star Customer added. Total number of Star Customers becomes **26**.
- EBITDA for Q2 FY09 was **INR 284.44Mn**, a y-o-y increase of **21.11%**.

Accolades and Value Enhancement to customers

Automotive

Ranked #1 among top 15 Engineering Services Exporters showing 87.7% y-o-y growth rate in engineering services (Dataquest-August 2008)

- Bagged 10 new SAP implementation assignments in Auto & Auto Component sector, taking the total number of SAP implementations over last 18 months to 50+.
- Won a multi-country SAP roll-out assignment for a leading European Automotive Tier-1.
- Entered into a partnership with VaST Systems, CA, USA for delivering virtualization tools and services solutions to accelerate cost savings and quality improvement for Automotive OEMs & Semiconductor ODMs.
- Announced a collaboration with NEC Electronics Corporation and ETAS GmbH, to promote software standard AUTOSAR (AUTomotive Open System ARchitecture) for developing high quality and cost-efficient automotive electronics systems.
- Announced a class-based Open Verification Methodology (OVM) with Cadence Design Systems to develop controller area network (CAN) verification IP for the automotive market.
- Filed 2 more Patents in the areas of Control systems and Battery management for Hybrid cars.

Industrial Equipments

- Entered into partnership with Lawson Software for ERP implementations in the area of Enterprise Service Management.
- Won a multi-country PLM Implementation project for an Engine manufacturer.
- Won a multi-country ERP implementation from a European manufacturer of transportation equipments.

Hi-Tech & Semiconductor

- Initiated a chip design engagement with a large Asian semiconductor solutions provider. This will strengthen our leadership position in the Analog & Mixed Signal design services space.
- Made a significant difference to the core design of a latest Blue-ray DVD player to ensure its on-time launch.

Diversified Financial Services

- Entered into partnership with GemStone Systems, to jointly offer services in High Performance Computing and Cluster Management.
- Investments in South African market started yielding results with a major SAP implementation win for one of the largest banks in South Africa.

Commenting on the Company's Q2 FY08-09 performance:

Ravi Pandit, Chairman & Group CEO said,

“Our business strategy of attaining leadership position through focus on select industries while continuing to diversify geographically is yielding encouraging results. Our operational rigor and technology investments have helped us achieve our growth targets. As markets continue to be volatile, we remain cautiously optimistic about our performance for the rest of the financial year.”

Girish Wardadkar, President & Executive Director, said,

“Our utilization improved by 0.9% to reach 74.54% this quarter. We launched 28 new Six Sigma projects taking the total number to 54. Over last 6 months, we have realized savings worth half a million US dollars through our Six Sigma initiative. We filed 2 more patents taking the total number to 6. Our investments in ‘Project Health Management Systems’ and Zero Defect initiatives will go a long way to ensure robust operational performance for the rest of the year.”

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. 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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