

KPIT Cummins Revenues for FY06 cross the Rs. 3 billion mark

- Revenue for Q4FY06 grew by 34.03% over Q4FY05 to Rs. 901.62 million. Net profit for Q4 FY06 grew by 36.73% over Q4FY05 to Rs. 102.72 million. Revenue for the full year FY06 crossed the Rs. 3 billion mark to Rs. 3,182.15 million.
- KPIT Cummins sets up wholly owned subsidiary in Poland
- Board approves increase in authorized capital to Rs. 300 million
- Dr. Vijay Kelkar appointed as Independent Director on the Board of KPIT Cummins.
- KPIT Cummins declared dividend of 35%.
- Guidance for FY07: Revenues between \$ 98 million and \$ 102 million (growth of 34% - 40% over FY06); Net profit between \$ 11.25 million to \$ 12.00 million (growth of 51% - 61% over FY06).

Pune, April 27, 2006: KPIT Cummins Infosystems Ltd (BSE: 532400; NSE: KPIT), a global IT consulting organisation, announced its results for the financial year ended March 31, 2006. Revenues for the fourth quarter were Rs. 901.62 million, a growth of 34.03% over Q4FY05. Net profits for the quarter were Rs. 102.72 million, 36.73% over the corresponding quarter of the previous year.

Total revenues for the year were Rs. 3,182.15 million, a growth of 26% over the previous year. Net profits for the year were Rs. 325.64 million, 15.96% over the net profits for the previous year. Earning per share for FY06 was Rs. 22.72 compared to Rs.22.14 in FY05.

The company's guidance for the financial year 2006-07 for net profits is in the range of \$ 11.25 million to \$ 12.00 million (representing an annual growth of 51% to 61% over FY06. Consolidated revenue guidance is in the range of \$ 98 million to \$ 102 million, representing a growth of 34% to 40% over FY06 revenues.

The Board of Directors of the company approved an increase in Authorized Share Capital from Rs. 120 million to Rs. 300 million. The Board also recommended payment of 35% dividend or Rs. 1.75 per share of face value of Rs. 5 each.

The Board also appointed Dr. Vijay Kelkar as an Independent Director on the Board of the company. A Ph.D. in development economics from the University of California at Berkeley, Dr. Kelkar has served the Government of India in various capacities, most recently as the Advisor to the Ministry of Finance. Earlier Dr. Kelkar has also been Executive Director of the International Monetary Fund, USA. Mr. Anand Khandekar resigned from the Board of KPIT Cummins. **Mr. Ravi Pandit, Chairman and Group CEO, KPIT Cummins,** said " *We are proud to have Dr. Vijay Kelkar on our Board. We extend a very warm welcome to Dr. Kelkar. We also express our gratitude and appreciation to Mr. Khandekar for his valuable contribution to the growth and development of KPIT Cummins.*"

During the year, the company successfully concluded three acquisitions in US, France and India and entered into a joint venture agreement in Germany. With the new acquisitions, the company begins the new fiscal year with a customer base of 72, 51% of which are among the Forbes Global 1000 companies. Revenues from the 10 Star customers constituted 87.09% of the total revenues for FY06. Cummins, the largest and the dominant Star customer, constituted 46.67% of the FY06 revenues.

The company begins the new fiscal with employee strength of over 2370. With the senior management of the acquired companies joining the leadership team of KPIT Cummins, the middle management has been further strengthened.

Commenting on the performance of the company, **Mr Ravi Pandit, Chairman & Group CEO, KPIT Cummins said**, *"The results of the last quarter reflect that KPIT Cummins is back on track on its growth path with renewed momentum. As stated in our guidance for FY07, we expect revenue growth of 34% to 40% and net profit growth of 51% to 61% in FY07. Our M&A initiatives during the year have helped create a platform with a wider customer base, more practices and greater geographical coverage and a growth engine to lead the future growth of the company."*

Mr Kishor Patil CEO & Managing Director, KPIT Cummins added, *"During the current year, we will focus on integrating the new acquisitions with KPIT Cummins. We will also focus on increasing business volumes in not only our IT services business but also on KPIT Cummins GBS, our BPO subsidiary. We are also targeting profitability improvement over the medium term. With these initiatives we are confident of generating shareholder value."*

About KPIT Cummins

KPIT Cummins Infosystems Ltd is a global IT consulting organization and a CMM level 5 Company. With a major presence in solutions for Manufacturing, Advanced Technology Solutions (Automotive, Industrial Automotive and Semiconductor Solutions) and Diversified Financial Services, KPIT Cummins has grown at 66% CAGR over the last three years. KPIT Cummins has been ranked overall 8th among all listed Indian IT companies by Dataquest FINANCIAL INDEX. The Company operates globally through its subsidiaries in USA, UK and Middle East.

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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