

## Press Release

13<sup>th</sup> May 2011:

GSS Infotech is pleased to announce its unaudited results for the third quarter of fiscal year 2011

### Highlights for the quarter:

- ✓ Revenues up 10% on y-o-y basis
- ✓ Operating margin at 18%
- ✓ PAT margin at 12%
- ✓ EPS (Basic and Diluted) for the quarter – Rs 10.7 per share
- ✓ Net Client additions during the quarter – 7 (seven)

### Highlights for the nine months ended on March 31, 2011

- ✓ Revenues up 20% on y-o-y basis
- ✓ EBITDA up 16% on y-o-y basis
- ✓ PAT up 9% on y-o-y basis
- ✓ EPS (Basic and Diluted) for nine months – Rs 32.9 per share

### Message from the MD & CEO

Commenting on the results, Mr. Bhargav Marepally, Managing Director and CEO said, "We had a strong quarter, with the Company's consolidated revenues rising by 10% on a year-on-year (y-o-y) basis. EBITDA margins were stable at 18% and PAT margin was 12%.

We expect that GSS will exceed revenues of US 100 mn or Rs 4,500 mn for the current fiscal year, an important milestone in the company's evolution. We recently achieved SEI CMMi Level 5 certification for our application development and maintenance division, which demonstrates our inherent strength with respect to people, processes and technology. This certification coupled with our global service delivery model, places the Company in an elite group and allows us to bid for, and win, larger customer contracts.

This quarter, we added 5 key clients in the IMS segment and 2 clients in the ADMS segment. The total number of customers served by GSS is now 278. Our



Infrastructure virtualization offering continues to interest customers as they cut costs by consolidating IT infrastructure.”

#### Financial Highlights for the quarter

All figs in INR mn except % data

Particulars	Q3 FY11	Q2 FY11	Q3 FY10	FY10
Operating revenues	1,282.9	1,294.5	1,167.2	4,282.8
Operating Profit	234.6	258.2	236.2	839.3
Operating Margin (%)	18.3%	19.9%	20.2%	19.6%
Profit after Tax	151.2	173.8	153.6	564.2
PAT Margin (%)	11.8%	13.4%	13.2%	13.2%

#### Financial Highlights for the nine months

All figs in INR mn except % data

Particulars	YTD FY11	YTD FY10	FY10
Operating revenues	3,762.6	3,131.6	4,282.8
Operating Profit	718.6	617.5	839.3
Operating Margin (%)	19.1%	19.7%	19.6%
Profit after Tax	464.9	427.6	564.2
PAT Margin (%)	12.4%	13.6%	13.2%

#### ✓ Cash position

- Cash on hand as at the end of Q3 was INR 492 mn as compared to INR 484 mn as at the end of Q2.
- GSS is a debt free company.

#### ✓ New facility

- GSS opened a new office in Riyadh to expand in Saudi Arabia, taking the total number of business and development centres to 13.

#### ✓ Organization Development

- Yagnesh Sanghrajka joins as the new Chief Financial Officer.





**Detailed Financials for the quarter**

All figs in INR mn except % and EPS data

Particulars	Q3 FY11	Q2 FY11	Q3 FY10	FY10
Operating revenues	1,282.9	1,294.5	1,167.2	4,282.8
Operating Expenses	1,048.3	1,036.3	931.0	3,443.5
<b>Operating Profit</b>	<b>234.6</b>	<b>258.2</b>	<b>236.2</b>	<b>839.3</b>
<b>Operating Margin</b>	<b>18.3%</b>	<b>19.9%</b>	<b>20.2%</b>	<b>19.6%</b>
Depreciation /Amortisation	49.26	49.5	51.2	163.5
Financial expenses	--	2.1	--	--
Other Income	1.4	4.8	2.3	10.3
Profit before Tax	186.7	211.4	187.3	686.1
<b>Profit after Tax</b>	<b>151.2</b>	<b>173.8</b>	<b>153.6</b>	<b>564.2</b>
<b>PAT Margin</b>	<b>11.8%</b>	<b>13.4%</b>	<b>13.2%</b>	<b>13.2%</b>
Basic EPS (INR per share)	10.70	12.30	12.06	44.10

**Detailed Financials for the nine months**

All figs in INR mn except % and EPS data

Particulars	YTD FY11	YTD FY10	FY10
Operating revenues	3,762.6	3,131.6	4,282.8
Operating Expenses	3,044.0	2,514.1	3,443.5
<b>Operating Profit</b>	<b>718.6</b>	<b>617.5</b>	<b>839.3</b>
<b>Operating Margin</b>	<b>19.1%</b>	<b>19.7%</b>	<b>19.6%</b>
Depreciation /Amortisation	146.4	113.8	163.5
Financial expenses	2.14	--	--
Other Income	9.12	11.5	10.3
Profit before Tax	579.2	515.9	686.1
<b>Profit after Tax</b>	<b>464.9</b>	<b>427.6</b>	<b>564.2</b>
<b>PAT Margin</b>	<b>12.4%</b>	<b>13.6%</b>	<b>13.2%</b>
Basic EPS (INR per share)	32.88	33.57	44.10



### Revenue Distribution by segment

Particulars	Q3 FY11
Managed IT & IMS	52%
ADMS	27%
Others	21%
Total	100%

### Revenue Distribution by geography

Particulars	Q3 FY11
North America	93%
Rest of World	7%
Total	100%

### Client Distribution

Particulars	Q3 FY11
Top 5	29%
Top 10	38%

### Manpower Distribution by segment

Particulars	Q3 FY11
Managed IT and IMS	393
ADMS	297
Support Functions & others	125
Total	815





## Company Overview

GSS Infotech Limited (GSS) is a fast growing Managed IT Services company. Over the last 12+ years, GSS has gained expertise in Infrastructure Technology Solutions (ITS) and Application Development and Management Services (ADMS). GSS serves Top Fortune 500 and Global 1,000 companies from various industry verticals viz. Insurance, Banking and Financial Services, Retail, Telecom and Healthcare.

GSS has a strong workforce of 800+ highly skilled professionals working onsite and offshore from our 13 business and development centres spread across US, India, Middle East and Singapore. GSS is an SEI CMMi Level 5 company and certified to ISO 9001:2000, ISO 27001 and ITIL compliant processes. GSS is a public listed company and has attracted globally reputed equity investors like IL&FS, Kubera Partners and Clearwater Capital.

For more information, please visit [www.gssinfotech.com](http://www.gssinfotech.com)

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### **Disclaimer**

This document contains certain forward looking statements on our future prospects. Although, GSS believes that expectations contained in these statements are reasonable, their nature involve a number of risks and uncertainties that may lead to different results. These forward looking statements represent only the current expectations and beliefs and company provides no assurance that such expectations will prove correct.

All the references to GSS's financial results in this update pertain to the company's consolidated operations comprising wholly-owned subsidiaries namely GSS America Inc, GSS Infotech Holdings Inc, GSS IT Solutions Private Ltd, Infospectrum Consulting Inc, System Dynamix Corporation, ATEC Group, GCI Systems, Infovista Technologies Inc and Veloce Group.

