

Kale Net Profit up 20%

Brief Highlights:

- Accelya open offer for 34.39% shares successful
- Japan Airlines selects Kale's REVERA®
- Inaugural SIS Readiness Survey: 80% of airlines consider SIS as high priority
- Kale's REVERA Achieves Certified Integration with SAP® Applications
- Consolidated EPS for the nine months ended December 31, 2010 at Rs.9.00 per share

Mumbai, January 27, 2011: Kale Consultants, the leading solutions provider to the Airline and Travel industry, has recorded 19% increase in consolidated PAT at Rs. 66.99 mn as compared to Rs. 56.51 mn for the corresponding quarter of the previous year. The consolidated operating revenue stood at Rs. 417.88 mn for the quarter ended December 31, 2010 as compared to Rs. 431.22 mn for the corresponding quarter of the previous year.

On a standalone basis the PAT stood at Rs. 59.27 mn as compared to Rs. 49.46 mn for the corresponding quarter of previous year. On a stand-alone basis, the company recorded operating revenues of Rs. 321.86 mn for the quarter ended December 31, 2010, as compared to Rs. 335.80 mn for the corresponding quarter of previous year.

The consolidated revenue for nine months ended December 31, 2010, is Rs. 1,276.04 mn compared to Rs. 1,194.97 mn for the corresponding period last year, a growth of 6.78%.

Commenting on the performance, Mr. Vipul Jain, CEO and Managing Director said "This is our first quarter post divestment of the logistics business. As a result our top-line has marginally shrunk and PAT has strengthened. The global airline industry is growing and with our transaction-based-pricing model, we stand to benefit."

Kale Consultants provides comprehensive financial and business intelligence solutions to the airline industry. Solutions for the travel industry include an end-to-end platform for travel operators. Kale's solutions are available as licensed, hosted and outsourced models. These innovative models are beneficial for customers since they reduce upfront investments. The return on investment on the pay for use model is quite fast since the business benefits of the solution pays for itself. Kale also offers a transaction based pricing that is tailored to the clients' business. Thus Kale's solutions reduce capital expenditure and offer flexible pricing models, thereby sharing risks and rewards.

About Kale Consultants:

Kale Consultants Limited is a leading solutions provider to the global Airline and Travel industry. Committed to innovation and excellence, Kale delivers world-class software products, technology, managed process, hosting and consulting services. Kale employs over 1500 talented professionals who focus on delivering quality service to over 100 satisfied customers across 30 countries.

Kale's **Industry Solutions** are driven by active partnerships with industry bodies and customers, and unparalleled domain knowledge. Kale's **Customised Approach** in deploying these solutions supports clients with best fit solutions to match to their requirements.

Visit us at www.kaleconsultants.com

Investor Relations:

Kale Consultants Limited is committed to create long-term sustainable shareholder value through successful implementation of its growth plans. The company's investor relations mission is to maintain an ongoing awareness of its performance among shareholders and financial community.



For additional information, please contact:

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Safe Harbor:

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.





KALE CONSULTANTS LIMITED

Registered Office: Kale Enclave, 685/ZB & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune - 411 037
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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2010

(Rs. in Lakhs)

Sr.	Particulars	Quarter Ended		Period Ended		Year Ended
		Dec 31, 2010	Dec 31, 2009	Dec 31, 2010	Dec 31, 2009	March 31, 2010
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	a. Net Sales / Income from operations	3,218.55	3,357.99	9,913.71	8,851.60	12,672.95
	b. Other Operating Income					
2	Expenditure :					
	a. Employees Cost	1,582.83	1,468.61	5,095.88	4,020.53	5,629.59
	b. Software Development, Delivery and Support Expenses	200.88	358.14	767.61	902.64	1,135.91
	c. Sales, Marketing and Administrative Expenses	679.76	762.84	2,347.74	2,000.01	2,925.24
	d. Depreciation, Amortisation and Impairment	200.41	284.35	691.01	838.76	1,309.35
	e. Product Development Cost	(58.89)	(56.74)	(334.91)	(228.36)	(311.47)
	f. Total	2,604.99	2,817.20	8,567.33	7,533.58	10,688.62
3	Profit From Operations before Other Income, Interest and Exceptional Items (1-2)	613.56	540.79	1,346.38	1,318.02	1,984.33
4	Other Income	48.35	14.22	89.51	51.60	67.56
5	Profit before Interest and Exceptional Item (3+4)	661.91	555.01	1,435.89	1,369.62	2,051.89
6	Interest	6.56	6.45	20.65	19.77	25.94
7	Profit after Interest, but Before Exceptional Item (5-6)	655.35	548.56	1,415.24	1,349.85	2,025.95
8	Exceptional Items (Net)			(341.45)		
9	Profit (+) / Loss (-) from Ordinary Activities before Tax (7+8)	655.35	548.56	1,073.79	1,349.85	2,025.95
10	Tax Expense	62.69	53.93	67.05	101.10	111.90
11	Net Profit (+) / Loss (-) from Ordinary Activities after Tax (9-10)	592.66	494.63	1,006.74	1,248.75	1,914.05
12	Extraordinary Items (net of Tax Expense Rs. NIL)					
13	Net Profit (+) / Loss (-) for the period (11-12)	592.66	494.63	1,006.74	1,248.75	1,914.05
14	Paid up Equity Share Capital (Face Value of Rs.10 each)	1,588.01	1,337.91	1,588.01	1,337.91	1,381.46
15	Reserves Excluding Revaluation Reserve as per Balance Sheet of Previous Accounting Year					9,774.41
16	Earnings Per Share (EPS) Not annualised (Rs.)					
	Before Extraordinary Items					
	Basic	4.15	3.68	6.88	9.32	14.53
	Diluted	4.15	3.57	6.88	9.04	13.52
	After Extraordinary Items					
	Basic	4.15	3.68	6.88	9.32	14.53
	Diluted	4.15	3.57	6.88	9.04	13.52
17	Public Shareholding					
	No of Shares	10,210,609	8,804,058	10,210,609	8,804,058	8,870,066
	% of Shareholding	64.30%	65.81%	64.30%	65.81%	64.21%
18	Promoters and Promoter Group Shareholding					
	a) Pledged/Encumbered					
	Number of shares	720,462	720,462	720,462	720,462	720,462
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	12.71%	15.75%	12.71%	15.75%	14.57%
	Percentage of shares (as a % of the total share capital of the company)	4.54%	5.38%	4.54%	5.38%	5.22%
	b) Non-encumbered					
	Number of shares	4,949,016	3,854,016	4,949,016	3,854,016	4,223,491
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	87.29%	84.25%	87.29%	84.25%	85.43%
	Percentage of shares (as a % of the total share capital of the company)	31.16%	28.81%	31.16%	28.81%	30.57%
19	Consolidated Turnover	4,178.78	4,312.16	12,760.43	11,949.67	16,592.03
20	Consolidated Net Profit from Ordinary Activities After Tax	669.90	565.07	1,299.58	1,987.91	2,629.59
21	Consolidated Earnings Per Share (EPS) Not annualised (Rs.)					
	Before Extraordinary Items					
	Basic	4.84	4.00	9.00	14.50	19.45
	Diluted	4.84	3.87	9.00	14.06	18.09
	After Extraordinary Items					
	Basic	4.84	4.00	9.00	14.50	19.45
	Diluted	4.84	3.87	9.00	14.06	18.09

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STATEMENT OF ASSETS AND LIABILITIES

Sr.	Particulars	(Rs. in Lakhs)	
		Period Ended	Period Ended
		Dec 31, 2010 (Unaudited)	Dec 31, 2009 (Unaudited)
1	Shareholders Fund		
	a. Share Capital	1,588.07	1,337.91
	b. Reserves and Surplus	11,450.03	9,251.33
	c. Partly Paid Warrants	-	120.45
2	Loan Funds	208.65	273.93
	Total	13,246.75	10,983.62
1	Fixed Assets	2,435.43	3,054.68
2	Investments	4,115.19	3,302.07
3	Deferred Tax Asset	99.09	38.16
4	Current Assets, Loans and Advances		
	a. Sundry Debtors	3,206.47	2,518.99
	b. Cash and Bank Balances	1,454.75	1,272.20
	c. Other Current Assets	916.93	1,206.59
	d. Loans and Advances	2,768.47	1,795.47
	Less: Current Liabilities and Provisions		
	a. Liabilities	1,644.40	2,181.80
	b. Provisions	105.17	22.74
	Net Current Assets	6,597.05	4,588.71
	Total	13,246.75	10,983.62

Notes:

- The results described above were taken on record by the Board of Directors in its Meeting held on January 27, 2011 after a limited review by the Statutory Auditors of the Company. The accounts of the subsidiaries of the Company, used for consolidation purposes, have been certified by the management.
- The Company is an integrated business unit which addresses the Travel and Transportation vertical. This, in context of Accounting Standard 17 (AS 17) on Segmental Reporting, is considered to constitute one single segment.
- The Board of Directors of the Company, at its meeting held on September 06, 2010, had passed a resolution approving the sale of the Logistics Business to Kale Logistics Solutions Private Limited, as a going concern, on a slump sale basis with effect from October 01, 2010. Accordingly, the results for the quarter ended December 31, 2010 do not include the financials of the erstwhile Logistics Business. However, the results for the corresponding quarter have not been adjusted and hence are not comparable.
- There were no investor complaints pending at the beginning of the quarter. The Company received 28 complaints during the quarter, all of which have been resolved and there are NIL complaints at the end of the quarter.
- Figures for the previous year have been regrouped, wherever applicable, to make them directly comparable to results of the current period other than as stated in note no. 3 above.

For Kale Consultants Limited

Vipul Jain
Managing Director

Place: Thane

Date : January 27, 2011