Press Release

For immediate release

KPIT Cummins

KPIT Cummins registers 53% Y-o-Y growth in Q3 FY11 USD revenue

Upward revises FY11 USD Revenue Growth guidance to 38% - 40%, PAT Growth to 8% - 10%

Pune, January 20, 2011: KPIT Cummins (BSE: 532400; NSE: KPIT), a leading product engineering and IT consulting partner to manufacturing companies, today reported its consolidated financial results for the quarter ending December 31, 2010.

Highlights for the quarter ended December 31, 2010

- Q3 FY11 USD revenue stood at 60.37 Mn, growth of 52.91% Y-o-Y and 18.98% Q-o-Q.
- FY11 USD revenue growth guidance upward revised to 38% - 40% (25% earlier).
- PAT for the quarter stood at INR 251.38 Mn, a Q-o-Q growth of 5.85% and Y-o-Y growth of 17.62%.
- FY11 INR PAT growth guidance upward revised to 8% - 10% (5% earlier).
- In INR terms revenue grew by 16.51% Q-o-Q and 48.17% Y-o-Y to INR 2,737.45 Mn.
- 5 new customers added during the quarter.
- 3 patents filed during the quarter, in hybrid and engine control systems space.
- Total headcount was 6,229 as of Q3 FY11 end as against 5,953 as at Q2 FY11 end.

Kishor Patil, MD & CEO, said, "We are happy with our business growth in Q3 FY11. The addition of strong business consulting capabilities in Supply Chain management space, which is a key business driver for manufacturing companies, will provide us further opportunities to provide business transformation benefits to our customers. Our investments in enhancing front-end in key geographies and our focus on building best-in-class practices in strategic focus areas is helping us extend our collaboration with customers."

Sachin Tikekar, Chief of People Operations, said, "KPIT Cummins' continued efforts towards strengthening its core practices and building a balanced people pyramid have been delivering encouraging results in helping us achieve leadership in key focus areas. The acquisition of CPG Solutions and In2Soft has been a very significant step in line with our strategy. The integration of the two companies is complete and the propositions made to our customers in both the Oracle and vehicle diagnostics space, are being received exceeding well. This has also helped us in building a global footprint for our practices across the world, with diverse workforce."

Technology & Innovation

REVOLO, the revolutionary plug-in parallel hybrid solution for automobiles, continued to move forward towards its commercial launch, planned in Q1 of FY12. Having received regulatory approvals for retro-fitment from the Ministry of Road Transport, Government of India, KPIT Cummins has kicked off road tests on vehicles.

During this quarter the Company filed 3 more patents in the hybrid technology & engine control systems space. This takes the total number of patents filed till date to 31.

In the IT consulting space, five SAP based solutions developed for the Small and Medium Enterprises have been qualified by SAP for India. These templatised solutions for faster deployment of SAP ERP systems in the manufacturing vertical include those for industrial machinery, automotive and hi-tech industries.

Business Review

KPIT Cummins' understanding of the manufacturing industry continues to draw it closer to customers looking to deploy solutions in ERP, Supply Chain management and logistics space. This has also helped us strengthen our partnership with manufacturing companies looking at scalable and innovative product engineering partners. Significant traction in the automotive industry is being experienced across all the geographies in practices like infotainment, mechanical engineering and powertrain. Capabilities in the automotive industry are also being leveraged for defense customers especially in the areas of vision systems for combat vehicles and high-performance computing.

At the start of the quarter we acquired North America based CPG Solutions, a specialist provider of Oracle services, adding niche consulting capabilities in supply chain, transportation and logistics. CPG Solutions along with In2Soft, the telematics & vehicle diagnostics specialist acquired by KPIT Cummins in Q2 FY11, got consolidated for the full quarter for the first time contributing around USD 4.62 Mn to the total revenues.

All key customers including Cummins demonstrated high growth in Q3 FY11, indicating positive outlook for the year. Both engineering and IT spends are expected to be higher, as companies in manufacturing and energy & utilities space continue to increase investments in newer technologies & emerging markets.

Automotive & Transportation

- A leading Asian Battery manufacturer for Hybrid Electric Vehicle (HEV) and Electric Vehicle (EV) segment has selected KPIT Cummins for a strategic R & D engagement on Battery Management systems.
- Reinforced positioning as a preferred partner in the mechanical engineering space by winning a strategic engagement with a German automotive customer.
- A leading Japanese Automotive OEM partnered with KPIT Cummins for multiple long-term projects in the Body Electronics space.

Energy & Utilities

- Two of the largest North American cooperative utilities have selected KPIT Cummins for strategic SAP solution and services engagements.

Industrials

- Oracle awarded The Specialty Partner FY10 Award for excellence in 'Edge Applications' to KPIT Cummins for Oracle Transportation Management (OTM).
- A leading European discrete manufacturer of large office products has selected KPIT Cummins for strategic Oracle based consulting, deployment and support services in the ERP space.

Hi-Tech and Semiconductor

- KPIT Cummins successfully completed the tape-out of the first device of a new microcontroller platform by a leading European semiconductor company.
- A national defense laboratory has selected us as a partner for co-development projects in the area of front-end digital design and verification.

KPIT Cummins

About KPIT Cummins

KPIT Cummins Infosystems Limited (BSE: 532400; NSE: KPIT), a trusted global IT Consulting and product engineering partner, is focused on co-innovating domain intensive technology solutions for Manufacturing corporations (with special focus on Automotive, Hi-Tech & Industrials verticals) to help its customers become efficient, integrated and innovative enterprises. A leader in technology solutions and services, KPIT Cummins currently partners with 100+ global Manufacturing corporations including 50+ Original Equipment Manufacturers (OEMs), semiconductor companies and Tier 1s, helping them globalize efficiently & bring complex technology products/ systems faster to their global markets. Please visit www.kpitcummins.com for more information.

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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