Press Release
For immediate release

KPIT Cummins Q1 FY12 USD revenue up 60% Y-o-Y, 7% Q-o-Q, driven by strong organic growth in core businesses

INR revenues at 3161.30 million, up 57.59% Y-o-Y, 6.37% Q-o-Q
INR net profits grow 24.41% Y-o-Y, to 240.91 million

Pune, July 21, 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 ended June 30, 2011.

Highlights for the quarter ended June 30, 2011

- USD Revenue for the quarter grew 6.99% Q-o-Q to USD 70.09 million, registering a Y-o-Y growth of 59.98%.
- INR Revenue for the quarter stood at INR 3,161.30 million, a Q-o-Q growth of 6.37% and 57.59% Y-o-Y growth.
- Strong organic growth during the quarter led by traction in automotive business, across geographies.
- Net Profit for the quarter grew by 24.41% Y-o-Y to INR 240.91 million. On a Q-o-Q basis, it declined by 8.51% on account of wage revisions and higher tax rates.
- 4 new patents were filed during the quarter, taking the total number of patents to 37.

Ravi Pandit, Chairman & Group CEO, said, "We are pleased with our organic revenue growth performance this quarter which once again puts us amongst the best performers in the industry. Our Q1 results reflect the strength of our industry-centric practice based leadership model. We are confident of achieving our growth objectives for the year, despite the still existent macro-economic uncertainty. Our employee initiatives have started delivering results, we have been able to bring down the attrition to 22.5% and we will continue with this focus through the year."

Kishor Patil, MD & CEO, said, "This is our fifth consecutive quarter of healthy revenue growth as the momentum continues across our traditional core business areas led by automotive electronics. In Q1 we witnessed good growth in Europe, followed by Asia where we started our first strategic engagement with a Chinese automotive manufacturer. Most of our large customer accounts including Cummins have shown good growth and we are entering Q2 with a strong deal pipeline. Our profits this quarter have gone down by 8.51% over the last quarter on account of wage hikes and higher tax rates. We have reasonable headroom for improving profitability through better rate increase and optimized resource allocation, and we expect the efforts to start delivering results by H2 of FY12."

Recognition

- REVOLO was named the 'Best implemented sustainability innovation' at Knowledge@Wharton's second annual Innovation Tournament. *As a judge, Christian Terwiesch, Wharton operations and information management professor, said he was highly impressed with the REVOLO innovation because it addressed the need to improve emissions of cars already on the road. [May 25, 2011 in Knowledge@Wharton].*
- KPIT Cummins was featured as a 2011 Global Services 100 provider, and ranked amongst the Top Engineering Services Outsourcing Vendors in GS100.

Technology & Innovation

A new ECU has been developed for REVOLO that will significantly improve algorithm security and for one of the aftermarket models the weight of the solution has been brought down to 129 kg from the initial weight of 175 kg. For two of the four critical components, primary and secondary vendor partners have been identified.

During this quarter the Company filed 4 more patents in the areas of vehicle tracking & detection and image processing, taking the total number of patents filed till date to 37.

Two powerful, pre-packaged and turn-key ERP and business process management suites, built on SAP®**,** were launched this quarter – (i) **ComponentEDGE™** customized for mid-size manufacturers and (ii) **WholesaleEDGE™** customized for midsize wholesale distributors.

Customers and Engagements

Automotive & Transportation

- European leader in CAN solutions and Diagnostics is leveraging our strong domain expertise in AUTOSAR and Vehicle Networking for module development and integration, whereas European OEM has selected us as a strategic consulting and application development services partner for engagements in the diagnostics space.
- A leading Asian automotive tier 1 has engaged us for a strategic product design and development project in the Body Electronics space.
- A leading European high-tech manufacturer has selected KPIT Cummins for a strategic project in the area of system controls development for automotive microcontroller unit (MCU).

Industrials

- KPIT Cummins has been selected as a consulting and implementation partner to strengthen business information infrastructure and reporting capabilities for the North America operations of an Asian manufacturer of analytical and testing devices.

Energy & Utilities

- KPIT Cummins further strengthened its partnership with the Energy & Utilities industry with a strategic enterprise planning and performance management consulting and deployment engagement with a North American Utility.

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 150+ global Manufacturing corporations including 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.

Media Contact:

Charuta Patwardhan Charuta.patwardhan@kpitcummins.com +91 20 6652 5000	Vijayasarathi Vinjimoor vijay@gutenbergpr.com +91 80 41146966