

KPIT Cummins takes 50% stake in SYSTIME

SYSTIME is world's largest JD Edwards solution provider and Oracle Platinum partner

Combined practice makes KPIT Cummins a very strong contender for large Oracle Solutions & Services deals in Manufacturing and Energy & Utilities industries

Pune, Mumbai, INDIA - May 24, 2011 - KPIT Cummins Infosystems Ltd (BSE: 532400; NSE: KPIT), a global IT consulting and engineering partner to manufacturing and Energy & Utilities corporations, and SYSTIME, a leading business technology service provider, today announced that KPIT Cummins has entered into a definitive agreement to take 50% stake in SYSTIME, world's largest JD Edwards solution provider.

Strategic Rationale - A symbiotic partnership

Both KPIT Cummins and SYSTIME have a similar strategy of sharply focusing on select industries and achieving market leadership by creating best in class practices/offerings that help customers achieve their growth and profitability objectives. With this partnership the combined Oracle practice will be over USD 125 million for FY12. **Key Highlights:**

What does this partnership mean to KPIT Cummins:

- **Strengthens position as integrated solutions' partner to Manufacturing and Energy & Utilities industries:** The association is aligned to the company's strategy of serving customers in the Manufacturing and Energy & Utilities industries, where JD Edwards (JDE) has been a leader. Oracle's JDE Enterprise One is an integrated suite of comprehensive enterprise resource planning software that enables rapid deployment and ease of administration with low total cost of ownership. The worldwide installed base of JDE is estimated around 5000+ customers, many of which are Fortune 500 companies.
- **Underscores strong focus on providing Oracle based consulting, solutions and services:** This partnership is aligned to KPIT Cummins' vision of offering 'ERP surround' solutions and services using Oracle products (Demantra/VCP, OBIEE, Hyperion, Siebel, OTM, Agile PLM, etc) and integration tools like Oracle Fusion Middleware (OFM). This partnership will add capabilities in providing solutions and services in JDE ERP and Hyperion space, to KPIT Cummins' portfolio. Addition of 600+ JDE and 200+ Oracle Technology practitioners from SYSTIME will make this a 2000+ strong combined practice.
- **Reinforces leadership in Oracle consulting space:** SYSTIME, an Oracle Platinum partner, has been identified by the independent research firm Gartner, Inc. in its '**Magic Quadrant for Oracle ERP service providers, North America, 2010**' report, and has been a winner of several partner awards from Oracle. SYSTIME is the only Oracle partner globally to achieve all available Advanced Specializations (Financials, Distribution and Configurable Network Computing i.e. CNC) in JD Edwards².
- **Provides head-start into Brazil,** one of the fastest growing emerging economies, where SYSTIME is a well established leader serving global JDE clients.

This partnership along with KPIT's earlier acquisition of CPG solutions (www.cpgsolutions.com) in October 2010 further reaffirms KPIT's commitment to serve Oracle customers and to build a strong front-end in key geographies.

What does this partnership mean to SYSTIME:

- o **Capability to offer a comprehensive range of solutions & services:** SYSTIME will be able to extend benefits of KPIT's consulting expertise in the Engineering services, Middleware Technologies and other ERP solutions' areas, to its existing customers.
- o **Global Presence:** With this agreement, SYSTIME's customers will be able to leverage KPIT's global presence and delivery centers in USA, Germany, China and India.

Expressing his views, **Mr. Kishor Patil, MD & CEO, KPIT Cummins**, said “SYSTIME is an excellent strategic partner, and we are confident that our combined and complementary strengths would help create a leadership position for us in the larger Oracle ecosystem. We see great synergy in vision, focus verticals and domain knowledge. SYSTIME has a committed team specialized in JD Edwards, an area where we see a large market opportunity within our focus industries of manufacturing and energy & utilities. We believe this addition of JDE expertise will further enhance our position as a strong contender for large Oracle deals. We welcome SYSTIME into the KPIT Cummins family and look forward to its role in achieving our target of reaching \$500 million in revenues by end of FY13”.

Vishal Grover, President and CEO, SYSTIME, said: “We have found an excellent partner in KPIT Cummins and are very excited about the benefits our clients, employees and key partners can gain. KPIT’s strong Industry expertise, larger geographic presence and a comprehensive suite of Oracle based offerings complement our strong relationships in JD Edwards’ space, and we expect this to help us offer better value propositions to the JD Edwards community.”

The transaction is subject to legal and other clearances.

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.

About SYSTIME

SYSTIME is world's largest solution provider in the worldwide Oracle JD Edwards marketplace. SYSTIME helps companies make their business better by adopting technology solutions to address their operational challenges. Over three decades, SYSTIME has helped clients implement and manage JD Edwards and other business solutions in 77 countries. With SYSTIME, clients are assured of a transparent, responsive partner committed to their success. SYSTIME is an Oracle Platinum Partner in the Oracle Partner Network (OPN). For more information on SYSTIME, visit www.systime.net

Mumbai based Avendus Capital were the advisors on this transaction.

Safe Harbor

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 KPIT Cummins assumes 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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