

Kale Q2 Revenues up 14%

Brief Highlights:

- **Spain-based BPO Accelya acquires promoters stake in Kale Consultants Ltd.**
- **First customer for Kale's Finesse Miscellaneous Billing Solution goes live successfully**
- **Meridiana fly, the second largest airline company in Italy, goes live on APEX®**
- **Spins off Logistics business**

Mumbai, October 22, 2010: Kale Consultants Ltd., the leading solutions provider to the Airline and Travel industry, has recorded operating revenues of Rs. 334.41 mn for the second quarter ended September 30, 2010, as compared to Rs. 293.13 mn for the corresponding quarter of previous year, a growth of 14%. The PAT for the quarter is a loss of Rs. 10.11 mn, which includes an exceptional item of Rs. 44.66 mn loss on account of sale of logistics business. The corresponding PAT last year was Rs. 41.3 mn.

Commenting on the events during the quarter, Mr. Vipul Jain, CEO and Managing Director said "The divestiture of logistics will lead to greater focus and better synergies with Accelya. While the airline industry is on the growth path, the Indian IT industry is facing challenges in terms of manpower costs and the appreciating rupee. However at Kale we are confident that the market opportunities and our business model are robust enough to withstand these challenges."

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:

Sumeet Nadkar
Chief Financial Officer
Kale Consultants Ltd.
Tel: 91-22-6780 8888
Email: sumeet_nadkar@kaleconsultants.com

Prakash Uthup
Manager - Corporate Communications
Kale Consultants Ltd.
Tel: 91-22-6780 8832/ 98205 51532
Email: prakash_uthup@kaleconsultants.com

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



For Immediate Release



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.

