Press Release
For immediate release

KPIT Cummins

KPIT Cummins registers 46% Y-o-Y growth in FY11 USD revenue

Crosses INR 1000 crores mark, FY11 net profits up 10.32% Y-o-Y

Outperforms upward revised revenue and profit guidance

Pune, April 25, 2011: KPIT Cummins (BSE: 532400; NSE: KPIT), a leading product engineering and IT consulting partner to manufacturing and energy & utilities corporations, today reported its consolidated financial results for the quarter and year ending March 31, 2011.

Guidance for FY 2012

- FY12 USD Revenue expected to be in the range of USD 275 Mn to USD 285 Mn, implying 23% to 27% Y-o-Y growth.
- PAT for FY12 to be in the range of INR 1,150 Mn to INR 1,200 Mn, implying a Y-o-Y growth of 22% to 27%.

Highlights for the quarter ended March 31, 2011

- USD Revenue for the quarter grew by 12.51% Q-o-Q to USD 67.92 Mn registering a Y-o-Y growth of 59.18%.
- INR Revenue for the quarter stood at INR 3,081.97 Mn, a Q-o-Q growth of 12.59%, Y-o-Y growth of 56.37%.
- PAT for the quarter grew by 26.67% Y-o-Y to INR 263.31 Mn, registering a Q-o-Q growth of 4.75%.

Highlights for the year ended March 31, 2011

- Crossed the INR 10 billion (INR 1,000 Crore) milestone in revenues, for FY2011.
- FY11 USD revenue grew by 46% Y-o-Y to USD 224.07 Mn, beating the higher end of upward revised guidance of 38-40% growth.
- FY11 revenue in rupee terms grew by 39.82% Y-o-Y to INR 10,230.14 Mn.
- PAT for the year grew by 10.32% to INR 945.82 Mn.
- 3 new customers were added during the quarter, taking the total number of active customers to 155.
- Total headcount at the close of FY11 stood at 6,514, a net addition of 1,596 during the year.
- 20 patents were filed in FY11, taking the total number of patents filed till date to 34.

Ravi Pandit, Chairman and Group CEO, KPIT Cummins, said, "During the year, we crossed an important milestone of INR 1000 crores revenue level. As planned, the growth was driven by increased traction in automotive electronics, global SAP business and emerging markets. At 46% USD revenue growth, our performance is amongst the best in the industry. In FY12, with focus on profitable growth, we are expecting top-line as well as bottom-line growth of around 25%."

Kishor Patil, MD & CEO, said, "Our investments in front-end as well as practice professionals, coupled with strong focus on innovation have helped us grow during the current year. Our recent acquisitions have also performed better than expected. Based on this, we are looking forward to strong growth next year with improved profitability. This will certainly help us improve both earning per share as well as the return on capital employed."

Innovation commitment recognized

- KPIT Cummins was awarded the Economic Times Zigwheels **'Automotive Idea of the Year Award'** for 2010, for its intelligent plug-in parallel hybrid solution, REVOLO.
- NASSCOM awarded the **'Promising Innovation of the Year, 2011'** Award to KPIT Cummins for REVOLO. This award is an acknowledgement of KPIT Cummins' commitment to foster technology innovation in its focused industry.
- KPIT Cummins' REVOLO was also awarded **'Best Electronic Product of the Year 2011'** at Indian Semiconductor Association Technovation event.
- KPIT Cummins' REVOLO won a special recognition award for **exceptional leadership in catalyzing consumer adoption of sustainable solutions**, at the India Carbon Outlook's Parivartan Sustainability Leadership Awards.

Technology & Innovation Review

The road tests of pilot vehicles as well as consumer trials of the much-awaited REVOLO continue, with results so far having validated the pre-announced performance results. The team has further reduced the overall weight of the solution, improved on the durability and standardized many components across multiple vehicle platforms.

Three more patents were filed during this quarter, in the area of driver assistance system (DAS) and image processing. This has taken the number of patents filed during the year to 20, including 14 patents filed around REVOLO. The total number of patents filed by the company till date stands at 34.

People and operations review

More than 800 freshers were added during the year which is an investment for the next year to strengthen the people pyramid. However it reduced the offshore utilization for the current year, which stood at 68.48% as compared to 71.24% last year, and also increased training and other costs.

In line with the industry trend, attrition in the Company was higher this year as compared to last year. This is expected to continue at a higher level during the first two quarters of FY12 and then settle down.

Customers and Business Review

KPIT Cummins is aligned to three industry verticals – (1) Auto, Transportation & Manufacturing, (2) Energy & Utilities and (3) Defense & Government. In FY10 the business was structured into four Strategic Business Units (SBUs) in order to align more closely with focus verticals and customers. These SBUs are (i) Integrated Enterprise Solutions (IES) SBU (ii) Automotive & Engineering (A&E) SBU, (iii) SAP SBU and (iv) Semiconductor Solutions Group (SSG) SBU.

Integrated Enterprise Solution (IES) SBU:

IES SBU is focused on enterprise IT consulting. Oracle is the largest practice within this SBU, along with specialized solutions and consulting services in the areas of Supply Chain Management (SCM), Oracle Transportation Management (OTM), Business Intelligence, Manufacturing Execution Systems (MES), and Enterprise Software Support (ESS). The acquisition of CPG Solutions in the year further strengthened the Oracle consulting capability and helped in leveraging opportunities in the markets by faster integration and joint go-to-market for Oracle. The combined team has already won two more projects from Cummins, where the work has already been initiated.

New Deals

- IFFCO, a UAE headquartered manufacturer has entrusted KPIT Cummins with a large Oracle Transportation Management (OTM) implementation project, which includes building a comprehensive transportation management platform and integrating the supply chain processes of IFFCO group as well as its external carriers. This is one of the largest OTM implementations in the Middle East.
- Reinforced positioning as a preferred partner for the Energy & Utilities space, by being partnered by a leading industrial manufacturer for strategic Oracle Apps roll-out at its Mexican Natural Gas Engine (CNGE) operations.

Automotive & Engineering (A&E) SBU

The A&E SBU is focused on offering product design and engineering services to customers. The key practices in this SBU are powertrain, hybrid, infotainment, body electronics, clusters, AUTOSAR, in-vehicle networks and mechanical engineering design services (MEDS). A major highlight during the year was the acquisition of In2soft GmbH, which has added expertise in vehicle diagnostics & telematics to the A&E portfolio.

New Deals

- KPIT Cummins has emerged partner of first choice to a European Tier1 for a HMI development project in the infotainment space.
- In line with KPIT Cummins' leadership positioning in the AUTOSAR space, it has partnered with a leading European high-end car manufacturer for a crucial AUTOSAR production ECU.

SAP SBU

SAP has been one of the fastest growing SBUs for the company during the year, and significant traction continues to be seen in this along with a healthy pipeline in the utilities industry for Business Intelligence, Customer Relationship Management and Application Maintenance & Support. During Q4 FY11, the company started venturing into the markets as an **SAP gold channel partner,** and authorized reseller of **SAP Business All-in-One** and **SAP BusinessObjects** solutions to midsize high growth businesses in North America.

New Deals

- A major North American aviation electronics supplier is leveraging KPIT Cummins' consulting and technical expertise in SAP, for creation and faster deployment of cutting-edge dashboards for Project Systems and Staffing.

Semiconductor Solutions Group (SSG) SBU

SSG SBU is focused on offering consulting and services in the areas of chip design and verification.

New Deals

- An Indian defense organization has partnered with KPIT Cummins for MEMS/Sensor development for accelerometer based applications.
- A leading North American hi-tech manufacturer has selected KPIT Cummins for a strategic microprocessor porting from 65nm to an advanced 45nm process.

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 and Energy & Utilities corporations to help customers become efficient, integrated and innovative enterprises. A leader in technology solutions and services, KPIT Cummins currently partners with 100+ 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.

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