



**FOR IMMEDIATE RELEASE**

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**WIPRO RECORDS 106% NET INCOME GROWTH FOR THE YEAR ENDED MARCH 31, 2001<sup>1</sup>**

Bangalore, India and Santa Clara, California, USA -- April 19, 2001 -- Wipro Limited (NYSE: WIT), a leading global provider of IT services to international companies, today announced financial results under US GAAP for its fiscal year ended March 31, 2001.

**Highlights:**

*For the Year ended March 31, 2001*

- Net Income for the year ended March 31, 2001 was Rs. 6.46 billion (\$138 million) representing an increase of 106% over last year.<sup>1</sup>
- Global IT Services revenue increased 73% for the year ended March 31, 2001, at Rs. 17.79 billion (\$380 million) and EBIT growth of 108% compared to year ended March 31, 2000.
- R&D Services contributed 50% of total revenue for the year ended March 31, 2001, representing an increase of 4% up from 46% during the corresponding period last year.
- Growth in Services-based income in the Indian Services and Products business segment drove EBIT from 5% for the year ended March 31, 2000 to 9% for the year ended March 31, 2001.
- Rs. 5 billion (\$107 million) cash generated from operations for the year ended March 31, 2001.
- The Board of Directors has recommended a dividend of Rs. 0.50 (1 cent) per share subject to approval of shareholders in the Annual General Meeting scheduled in July 2001.

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<sup>1</sup> Excluding a one-time gain of Rs.412 million (\$9 million) comprising issuance of stock by affiliate Wipro Net Ltd. to a minority shareholder which resulted in an increase in the carrying value of investments in Wipro Net Ltd. by Rs.266 million (\$6 million), and partial sale of our stake in Wipro Net Ltd. resulting in a gain of Rs.146 million (\$3 million) pursuant to a joint venture agreement

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***For the Quarter ended March 31, 2001***

- 6% sequential growth in revenues in Wipro Technologies; operating margin expansion of 260 basis points from 33.7% in December 2000 to 36.3%
- Sequential increase in offshore pricing by 7% and onsite pricing by 6% along with 2% increase in offshore revenue to 50% contribute to margin expansion.
- 61% of Global IT services revenue for the quarter ended March 31, 2001 came from North America, 31% from Europe and 7% from Japan with the balance coming from the rest of the world.
- 32 new clients added in Wipro Technologies. Clients added in fiscal year 2001 contribute 15% of the revenues for the quarter
- Wipro Infotech, the Indian IT Services and Products business, records sequential growth of 88% in revenue and 102% growth in operating margin, a margin expansion of 60 basis points from 10.9% to 11.5%

Total revenues for the year ended March 31, 2001 were Rs. 31 billion (\$662 million), representing a 35% increase over the corresponding period in the last year. Net income was Rs. 6.46 billion (\$138 million) representing an increase of 106% over net income for the same period last year.<sup>1</sup> Earnings per share from continuing operations was Rs. 28.07 (\$0.60) for the year ended March 31, 2001, representing an increase of 119% over the earnings per share of Rs. 12.82 for the corresponding period last year.<sup>1</sup>

Total revenues for the quarter ended March 31, 2001 were Rs. 9.50 billion (\$203 million), up 36% over the quarter ended March 31, 2000.

Commenting on the results, Azim Premji, Chairman of Wipro, said: "Industry data for the year is not available as of now. Based on our estimate of industry performance, we believe that we have grown ahead of the industry in all our strategic business segments and we have achieved operating margins comparable to the best in the industry. Looking forward, predicting the future is not a science any one has perfected. We anticipate that we will grow ahead of the growth rates for Indian software exports."

**Global IT Services (57% of Revenues and 84% of Operating Income for the year ended March 31, 2001)**

Wipro's Global IT Services business segment recorded revenue of Rs. 17.79 billion (\$380 million) for the year ended March 31, 2001, representing an increase of 73% over the revenue for the year ended March 31, 2000. Earnings Before Interest and Tax (EBIT) was Rs. 6.02 billion

(\$128 million) for the year, corresponding to an increase of 108% over EBIT for the previous year. EBIT increased from 28% for the year ended March 31, 2000 to 34% for the year ended March 31, 2001.

Clients with billings in excess of \$ 1 million increased from 39 for the previous year to 65 for the year ended March 31, 2001. Our largest customer, top 5 and top 10 customers accounted for 8%, 30% and 45%, respectively, of our total revenue for the year ended March 31, 2001, as compared to 15%, 39% and 53%, respectively, for the previous year. 114 new clients were added in the twelve-month period ended March 31, 2001.

For the year ended March 31, 2001, North America, Europe and Japan contributed 64%, 29% and 6% of total revenue respectively, with the balance coming from the rest of the world, as compared to 70%, 24% and 6%, respectively, for the year ended March 31, 2000..

We had 9,934 employees as of March 31, 2001. We added 3,287 employees in the year ended March 31, 2001.

### **Indian IT Services and Products (28% of Revenue and 11% of Operating Income for the year ended March 31, 2001)**

Wipro's Indian IT Services and Products business segment (Wipro Infotech) recorded revenue of Rs. 8.7 billion (\$188 million) for the year ended March 31, 2001. EBIT increased to Rs. 764 million (\$16 million) in the year, up from Rs. 435 million in the last year.

An increase in the proportion of high end enterprise products in the Products category, Services and Solutions segment revenues at 22% of the total revenue, productivity improvements and the spin-off of the peripherals business in September of 2000 resulted in the Operating Margin expanding from 5.3% for the year ended March 31, 2000 to 8.8% for the year ended March 31, 2001. Return on Capital Employed (ROCE) was 70% for the twelve months ended March 31, 2001.

### **Consumer Care & Lighting (10% of Revenue and 5% of Operating Income for the year ended March 31, 2001)**

Wipro's Consumer Care & Lighting business segment recorded revenue of Rs. 3.2 billion (\$69 million) for the year ended March 31, 2001. EBIT was Rs.389 million (\$8 million) for the year ended March 31, 2001. ROCE was 46% for the year ended March 31, 2001.

**Wipro Limited results computed under the Indian GAAP and the US GAAP, along with individual business segment reports are available in the Investor Relations section at [www.wipro.com](http://www.wipro.com).**

## **About Wipro Limited:**

Wipro Limited is the first SEI CMM Level 5 certified IT Services Company globally. Wipro provides Research and Development services to Telecom and Electronic product companies and software solutions to global corporate enterprises.

In the Indian market, Wipro is a leader in providing IT solutions and services for the corporate segment in India offering system integration, network integration and IT services. Wipro also has profitable presence in niche market segments of consumer products and lighting.

Wipro's ADSs are listed on the New York Stock Exchange, and its equity shares are listed in India on the Stock Exchange - Mumbai, and the National Stock Exchange, among others.

For more information, please visit our websites at [www.wipro.com](http://www.wipro.com) and [www.wiproindia.com](http://www.wiproindia.com).

## **Forward-looking and cautionary statements**

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. Examples of such statements include our anticipated growth rates as compared to the industry growth rates. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties 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, the success of the companies in which Wipro has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our filings with the United States Securities and Exchange Commission. These filings are available at [www.sec.gov](http://www.sec.gov). Wipro may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. Wipro does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

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*(tables to follow)*

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**WIPRO LIMITED**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in millions, except per share data)

	Three Months Ended			Year Ended		
	March 31			March 31		
	2000	2001	2001	2000	2001	2001
Revenues :						
Global IT Services.....	Rs. 2,961	Rs. 5,139	\$ 110	Rs. 10,206	Rs. 17,670	\$ 377
<i>Indian IT Services and Products:</i>						
Indian IT Services.....	416	468	10	1,513	1,879	40
Indian IT Products.....	2,162	2,557	55	6,669	6,880	148
Consumer Care and Lighting.....	862	820	18	3,222	3,244	69
Others.....	593	515	11	1,381	1,329	28
Total.....	6,994	9,499	203	22,991	31,002	662
Cost of revenues :						
Global IT Services.....	1,691	2,503	53	6,174	9,108	194
<i>Indian IT Services and Products:</i>						
Indian IT Services .....	166	220	5	609	683	15
Indian IT Products .....	1,785	1,867	40	5,574	5,436	116
Consumer Care and Lighting.....	564	536	11	2,251	2,215	47
Others.....	492	405	9	1,070	962	21
Total.....	4,698	5,531	118	15,678	18,404	393
Gross profit.....	2,296	3,968	85	7,313	12,598	269
Operating expenses :						
Selling, general, and administrative expenses.....	(974)	(1,555)	(33)	(3,820)	(5,469)	(117)
Amortization of goodwill.....	(1)	(44)	(1)	(1)	(45)	(1)
Foreign exchange gains, net.....	17	(24)	2	52	86	2
Operating Income.....	1,338	2,345	50	3,544	7,170	153
Gain/(loss)on sale of stock of affiliate, Including direct issue of stock by affiliate	-	-	-	412	-	-
Other income/(expense) , net .....	(95)	344	5	(207)	470	10
Income taxes.....	(191)	(524)	(11)	(525)	(1,150)	(25)
Income before share of equity in earnings of affiliates and minority interest.....	1,052	2,165	44	3,224	6,490	138
Equity in earnings of affiliates .....	24	(80)	(2)	113	(53)	(1)
Minority interest .....	-	-	-	(4)	-	-
Income from continuing operations.....	1,076	2,085	42	3,333	6,437	137
Discontinued operations:						
Income tax benefit on sale of interest.....	219	77	2	219	77	2
Income before cumulative effect of accounting change.....	1,295	2,162	44	-	6,514	139
Cumulative effect of accounting change, net of tax.....	-	(59)	(1)	-	(59)	(1)
Net income .....	Rs. 1,295	Rs. 2,103	\$ 43	Rs. 3,552	Rs. 6,455	\$ 138
Earnings per equity share: Basic						
Continuing Operations.....	4.72	9.02	0.19	14.63	28.07	0.60
Discontinued operations.....	0.96	0.34	0.01	0.96	0.34	0.01
Cumulative effect of accounting change	-	(0.26)	(0.01)	-	(0.26)	(0.01)
Net income.....	5.68	9.10	0.19	15.59	28.15	0.60
Earnings per equity share: Diluted						
Continuing Operations.....	4.71	8.95	0.19	14.58	27.83	0.59
Discontinued operations.....	0.96	0.33	0.01	0.96	0.34	0.01
Cumulative effect of accounting change	-	(0.25)	(0.01)	-	(0.26)	-
Net income.....	5.67	9.03	0.19	15.54	27.91	0.60
<i>Additional Information</i>						
<b>Operating Income</b>						
Global IT Services.....	Rs. 997	Rs. 1,863	\$ 40	Rs. 2,894	Rs. 6,018	\$ 129
Indian IT Services & Products.....	170	386	7	435	764	16
Consumer Care & Lighting.....	163	124	3	479	389	8
Others.....	62	(28)	-	(58)	(1)	-
Reconciling Item.....	(54)	-	-	(206)	-	-
Total.....	1,338	2,345	50	3,544	7,170	153

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**WIPRO LIMITED**  
**CONSOLIDATED BALANCE SHEETS**  
(in Millions, except share data and unless stated otherwise)

	<u>As of March 31,</u>		
	<u>2000</u>	<u>2001</u>	<u>2001</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents .....	Rs. 782	Rs. 5,623	\$ 120
Restricted cash .....	2	-	-
Accounts receivable, net of allowances ..	4,431	5,925	126
Inventories .....	1,215	1,486	32
Investment securities.....	162	148	3
Deferred income taxes .....	12	74	2
Other current assets .....	982	2,401	51
<b>Total current assets .....</b>	<b>7,586</b>	<b>15,657</b>	<b>334</b>
Investment securities .....	135	2,558	55
Property, plant and equipment, net .....	3,604	5,668	120
Investments in affiliates .....	705	690	15
Deferred income taxes .....	256	222	5
Intangible assets, net .....	11	833	18
Other assets .....	381	534	11
<b>Total assets.....</b>	<b>Rs. 12,678</b>	<b>Rs. 26,162</b>	<b>\$ 558</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Borrowings from banks .....	Rs. 93	Rs. 347	\$ 7
Current portion of long term debt .....	1,250	1,326	28
Accounts Payable.....	1,388	1,847	40
Accrued expenses.....	1,490	1,793	38
Advances from customers.....	755	1,077	23
Other current liabilities .....	435	468	10
Redeemable preferred stock .....	250	-	-
<b>Total current liabilities.....</b>	<b>5,661</b>	<b>6,858</b>	<b>146</b>
Long-term debt, excluding current portion	211	95	2
Deferred income taxes .....	18	91	2
Other liabilities .....	102	37	1
<b>Total liabilities.....</b>	<b>5,992</b>	<b>7,081</b>	<b>151</b>
Stockholders' equity			
Equity shares at Rs. 2 par value: 235,000,000 shares authorized as of March 31, 2000 and 375,000,000 shares authorized as of March 31, 2001; Issued and outstanding : 229,156,350 shares as of March 31, 2000 and 232,433,019 shares as of March 31, 2001.....	458	465	10
Additional paid-in capital .....	800	6,696	143
Deferred stock compensation .....	(209)	(97)	(2)
Accumulated other comprehensive income .....	2	2	-
Retained earnings .....	5,635	12,015	256
Equity shares held by a controlled Trust: 1,216,460, and 1,280,885 shares as of March 31,2000, and March 31, 2001.....	*	*	
<b>Total stockholders' equity.....</b>	<b>6,686</b>	<b>19,081</b>	<b>407</b>
<b>Total liabilities and stockholders' equity.....</b>	<b>Rs. 12,678</b>	<b>Rs. 26,162</b>	<b>\$ 558</b>
* Equity shares held by a controlled trust ( in Rs.)	Rs. 74,900	Rs. 74,900	

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For more information, please visit our websites at [www.wipro.com](http://www.wipro.com) and [www.wiproindia.com](http://www.wiproindia.com).

Wipro Limited is a leading India-based provider of IT services globally, headquartered in Bangalore, India. In addition to its New York Stock Exchange listing, Wipro's equity shares trade in India on the Stock Exchange - Mumbai, National Stock Exchange, the Bangalore Stock Exchange, the Delhi Stock Exchange, the Ahmedabad Stock Exchange and the Cochin Stock Exchange.