



**Results in accordance with Consolidated Indian GAAP  
Wipro's PAT for half-year ended September 2001 grows by 63% year on year**

**Bangalore, October 18, 2001** –Wipro Limited today announced its audited results approved by the Board of Directors for the half-year ended September 2001. In the same meeting, the Board of Directors also set aside \$ 15 million for investment in companies engaged in IT Enabled Services as its strategy to address the IT Enabled Services market including offering services for existing and potential customers.

**Highlights of the results:**

- **Profit after Tax grew by 63% year on year to Rs. 4.3 billion and Revenue grew by 21% year on year to Rs. 16.76 billion**
- **10% sequential growth for the quarter in Revenue of Wipro Technologies with sequential growth in On-site realization of 4.6% and Offshore realization of 2.5%**
- **Realization from new customers was over 20% of the average realization for the quarter due to a better mix of higher value added services in data warehousing, package implementation and systems integration.**
- **26 new customers added in the quarter including 11 Fortune 1000 customers**
- **3 new customer dedicated development centers started during the quarter**

Commenting on the results, Mr. Azim Premji, Chairman of Wipro, said, “It is a tribute to the character and dedication of our team at Wipro that, despite the tragedy on September 11, the Profit after Tax for the quarter and half-year have met with our internal expectations. The September 11 tragedy resulted in several deferred customer visits and delays in closing large orders, while smaller project orders continued without any significant delays. We believe we have grown ahead of the Software Services industry growth rate for the half-year and continue to believe that we will grow ahead of the industry growth for the full year. For the next quarter, we currently expect to have a sequential growth rate of around 5% in our Global IT business Revenue. We continue to work towards large order wins to generate upside.”

Mr. Vivek Paul, Vice Chairman and CEO of Wipro Technologies added “In October, we opened a customer dedicated development center for SCA Packaging and concluded an agreement to open a similar center for a US telecom equipment manufacturer. We have also won orders for a large fixed price project with Visteon in our Embedded Systems vertical and a \$3 million project with a US Mid-West life insurance company.”

Wipro Technologies, the Global IT business, accounted for 65% of the Revenue and 92% of the Profit before Interest and Tax. Wipro Technologies grew its Revenue by 40% for the half-year to Rs. 10.94 billion and Profit before Interest and Tax by 48% to Rs. 3.83 billion. Operating Margin to Revenue increased by 2% to 35% for the half-year, from 33% for the corresponding period ended September 2000. The increase was primarily due to increase in realization and reduction in general and administration expenses. Operating Margin for the quarter was 34%.

For the quarter ended September 30, 2001 Wipro's R&D Services business segment, consisting of Telecom & Internet Service Providers practice (12% of Revenue), Embedded Systems & Internet Access devices practice (15% of Revenue) and Telecom & Inter-networking practice (25% of Revenue), continued to contribute 52% of the Global IT Services Revenue, the same proportion as in June 2001, despite sequential decline in Revenue from Telecom equipment manufacturers. Enterprise Solutions contributed 42% and the balance 6%, was contributed by Technology Infrastructure Services. The proportion of Revenues from Europe increased year on year from 27% to 39% for the quarter. Consequently, the proportion of Revenue from America decreased to 55% from 65% in the corresponding quarter of the previous year. The proportion of Revenue from Japan was at 6% for the quarter, corresponding figure for the quarter ended September 2000 was 7%.

Wipro Infotech, the India and Asia Pacific IT Services and Products business, recorded Revenues of Rs. 3,466 million and Profit before Interest and Tax of Rs. 209 million for the six-month period, increasing its market share and maintaining its leadership position in a difficult market environment. For services, which now accounts for 32% of our business (up from 23% in previous year), we have added 11 new customers to the existing base of 172 for our Facilities Management practice. In Availability Services, we have added more than 3,000 new contracts to take our customer base to more than 12,000. In our industry leading Integration Services practice, we have signed 16 new projects. For our IT Consulting and Software Solutions practice, we won 18 new orders. Wipro Infotech accounted for 21% of Revenue and 5% of the Profit before Interest and Tax for the six-month period ended September 30, 2001.

Wipro Consumer Care and Lighting business recorded Revenue of Rs. 1,535 million with Profit before Interest and Tax of Rs. 207 million contributing 9% of total Revenue and 5% of the Profit before Interest and Taxes for half-year. Profit before Interest and Tax to Revenue was 13% for the half year.

**Profit after Tax computed in accordance with US GAAP for the half-year ended September 2001 was Rs.4.00 billion a growth of 62% over the profits for the corresponding half-year ended September 2000.**

The net difference between profits computed in accordance with Indian GAAP and US GAAP is primarily due to accounting for deferred stock compensation expenses, equity accounting for results of investments in associate companies - Wipro GE Medical Systems Limited and Netcracker Limited and amortization of goodwill.

For the half-year ended September 2001, the annualized return on Capital Employed in Wipro Technologies was 113%, Wipro Infotech was 58%, Consumer Care and Lighting was 50%. At the Company level the return was 41%.

### **Performance details of Wipro Technologies for the quarter ended September 2001**

In Wipro Technologies, our Global IT Services business, average price realizations for Offshore projects increased by 16% and those for Onsite by 20% year on year. The sequential increase in realization is 2.5% and 4.6% respectively. Higher value added services in data warehousing, package implementation and systems integration contributed to increased realization from new customers by over 20% of the average for the quarter.

26 new accounts were added in the quarter, of which 11 customer are in the Fortune 1000 list. New customers added in the quarter included Citi Bank, HSBC Group, Johnson Control, Matsushita, Micron Technology Inc., Emerson Motors and Phillip Morris. New customers added in current fiscal year contributed 13% of the Revenue for the quarter.

Our largest customer, top 5 and top 10 customers accounted for 8%, 30% and 44% respectively of our total quarterly Revenue as compared to 10%, 33% and 47% respectively for the corresponding period of the previous year.

Customers with annualized Revenue run rate of \$5 million and above for the quarter increased to 24 from 15 in the quarter ended September 2000 and 22 in June 2001. Customers with annualized run rate of \$1 million and above for the quarter were 81 up from 65 in the quarter ended September 2000 and 74 in June 2001.

For the quarter, R&D Services comprised of Telecom and Inter-networking practice contributing 25% of the Revenue, Embedded Systems and Internet Access practice contributing 15%, the balance 12% was from the Telecom & Internet Service Provider practice. In the Enterprise Solutions, Retail & Utilities contributed 19% of the Revenue, Financial Services 12%, Manufacturing 7% and Enterprise Application Services 2%.

Offshore projects as a percentage of Services Revenue, at 48% for the quarter was lower by 1% as compared to the quarter ended September 2000. It was 50% for the quarter ended June 2001. Fixed Price projects were at 27% of the Revenue for the current quarter up from 13% for the quarter ended September 2000 and 20% for the quarter ended June 2001.

We had 9,411 employees as of September 30, 2001. Gross addition in employees in the quarter ended September 30, 2001 was 111. Consequent to 495 separations (both voluntary and otherwise), there was a net decline in the number of people by 384 as compared to June 30, 2001.

## **Strategy to address IT enabled Services market**

The board of directors today in their meeting approved setting aside an amount of \$15 million for investment in IT Enabled Services companies. An investment of Rs.480 million (\$10 million) was approved in Spectramind eServices Private Limited, a leading India based player in IT Enabled Services. Wipro will hold 17% of the equity shares and convertible preference shares amounting to 7% of equity post conversion (on a fully diluted basis).

**Commenting on the strategy of addressing IT Enabled Services through associate companies, Azim Premji, Chairman, Wipro Limited said “The IT-enabled sector is complementary to our business and offers immense growth opportunities. Many of the challenges they face as an infant industry are those that we have overcome. This investment allows us to participate in this business opportunity without diluting our per capita Operating Margin. In addition, it can open new business opportunities for Wipro. We have carefully evaluated the remote outsourcing space over the past six months and have zeroed in on Spectramind due to its experienced management team, the shared values of integrity and innovation, and commitment to Six Sigma to deliver the highest Customer Satisfaction.”**

Wipro will provide technology intensive secondary and tertiary customer support services and leverage its associate Spectramind to provide remote processing and BPO services. Wipro will also provide client acquisition and account management services on commercial terms to Spectramind.

Spectramind with a team of over 850 associates provides both voice and non-voice based web enabled services to leading global corporate.

**Mr. Vivek Paul, Vice Chairman and CEO of Wipro Technologies added, “Wipro already offers product support services at a secondary or tertiary level for our computing and telecom customers. As these customers now look at using India for primary support, our ability to make a joint offer both expands our market opportunity as well as anchors customers by being a single stop shop. We will now complete the life-cycle partnership with our technology customers spanning R&D services for product development to technical support and BPO services.”**

### **Quarterly Conference call**

Wipro will hold conference calls today to discuss half-year results at 11:00 AM and 7.00 PM to discuss the company’s performance for the half-year and answer questions sent to email ID: [Lakshminarayana.lan@wipro.com](mailto:Lakshminarayana.lan@wipro.com). The audio of the management discussions and the question and answer session will be available online and can be accessed in the Investor Relations section of the company website at [www.wipro.com](http://www.wipro.com), beginning shortly after the live broadcast.

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

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**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. 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.

**WIPRO LIMITED - Consolidated**

**AUDITED SEGMENT WISE BUSINESS PERFORMANCE FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2001**

In Rupees Million

	<b>Global IT Services &amp; products</b>	<b>India &amp; AsiaPac IT Services &amp; Products</b>	<b>Consumer Care &amp; Lighting</b>	<b>Others</b>	<b>Wipro Limited</b>
<b>Revenue</b>	<b>10,936</b>	<b>3,466</b>	<b>1,535</b>	<b>823</b>	<b>16,760</b>
% of total revenue	65%	21%	9%	5%	100%
<b>Growth</b>	<b>40%</b>	<b>-12%</b>	<b>-3%</b>		<b>21%</b>
<b>Profit before interest and tax (PBIT)</b>	<b>3,834</b>	<b>209</b>	<b>207</b>	<b>(63)</b>	<b>4,187</b>
% of total PBIT	92%	5%	5%	-2%	100%
<b>Growth</b>	<b>48%</b>	<b>-10%</b>	<b>0%</b>	<b>-</b>	<b>42%</b>
<b>Operating margin</b>	<b>35%</b>	<b>6%</b>	<b>13%</b>		<b>25%</b>
Interest (income) / expense - net					(446)
<b>Profit before tax</b>					<b>4,633</b>
<b>Growth</b>					<b>56%</b>
<b>Income Tax expense</b>					<b>328</b>
<b>Profit after tax</b>					<b>4,305</b>
<b>Growth</b>					<b>63%</b>
<b>Other Information</b>					
Fixed assets, including Capital work in progress ( Net of revaluation )	4,170	329	460	1,332	6,291
Trade receivables	3,695	1,638	152	451	5,936
Cash balances / Investments	430	18	112	11,611	12,171
Other assets	972	850	400	1,196	3,418
Current liabilities	(2,591)	(2,241)	(374)	(705)	(5,911)
<b>Capital employed</b>	<b>6,676</b>	<b>594</b>	<b>750</b>	<b>13,885</b>	<b>21,905</b>
% of total capital employed	30	3	3	64	100
Capital expenditure	1,098	91	38	173	1,400
Depreciation	433	66	32	129	660
<b>Return on average capital employed</b>	<b>113%</b>	<b>58%</b>	<b>50%</b>		<b>41%</b>

1. In accordance with Accounting Standard 21 " Consolidated Financial Statements " issued by the Institute of Chartered Accountants of India, the consolidated financial statements of Wipro Limited include the financial statements of all subsidiaries which are more than 50% owned and controlled.
2. Accounting Standard 21 requires investments in joint ventures/associates to be stated at cost. Proportionate share in the profits of these joint ventures are not recognized in the financial

statements and only divided income is recognised. Consequently share of profits / ( losses ) in Wipro GE and Net-Kracker has not been considered in the financial statements.

3. The segment report of Wipro Limited and its consolidated subsidiaries has been prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
4. The scheme of amalgamation of Wipro Net Limited (WNL) into Wipro Limited, effective April 1, 2001, has been approved by the shareholders and creditors of both the companies. This amalgamation is subject to approval from the High Court of Karnataka. Others include WNL for the six months period ended September 30, 2001.
5. Figures for previous year are stated on a comparable basis and include revenues and profits of all subsidiaries which were more than 50 % owned and controlled as at September 30, 2000.
6. The Company has three geographic segments; India, USA and Rest of the World. Significant portion of the segment assets are in India. Revenue from geographic segments based on domicile of the customers is outlined below:

<b>Geography</b>	<b>Rs. Mn</b>
India	5,838
USA	6,214
Rest of the world	4,708
Total	16,760

7. For the purpose of reporting, business segments are considered as primary segments and geographic segments are considered as secondary segment.

**WIPRO LIMITED - Consolidated**

**AUDITED SEGMENT WISE BUSINESS PERFORMANCE FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2001**

In Rupees Million

	<b>Global IT Services &amp; products</b>	<b>India &amp; AsiaPac IT Services &amp; Products</b>	<b>Consumer Care &amp; Lighting</b>	<b>Others</b>	<b>Wipro Limited</b>
<b>Revenue</b>	<b>5,726</b>	<b>1,880</b>	<b>776</b>	<b>394</b>	<b>8,776</b>
% of total revenue	65%	21%	9%	5%	100%
<b>Growth</b>	<b>36%</b>	<b>-18%</b>	<b>-4%</b>		<b>15%</b>
<b>Profit before interest and tax (PBIT)</b>	<b>1,938</b>	<b>129</b>	<b>110</b>	<b>(39)</b>	<b>2,138</b>
% of total PBIT	91%	6%	5%	-2%	100%
<b>Growth</b>	<b>31%</b>	<b>-23%</b>	<b>7%</b>	<b>-</b>	<b>23%</b>
<b>Operating margin</b>	<b>34%</b>	<b>7%</b>	<b>14%</b>		<b>24%</b>
Interest (income) / expense - net					(239)
<b>Profit before tax</b>					<b>2,377</b>
<b>Growth</b>					<b>36%</b>
<b>Income Tax expense</b>					<b>212</b>
<b>Profit after tax</b>					<b>2,165</b>
<b>Growth</b>					<b>40%</b>