



**Results in accordance with Consolidated Indian GAAP  
Wipro's PAT for nine months ended December 2001 grows by 44% year on year**

**Bangalore, January 18 2002** –Wipro Limited today announced its audited results approved by the Board of Directors for the nine months ended December 2001.

**Highlights of the results:**

- **Profit after Tax grew by 44% year on year to Rs. 6.5 billion and Revenue grew by 18% year on year to Rs. 25.5 billion**
- **6% sequential growth for the quarter in Revenue of Wipro Technologies with sequential growth in On-site realization of 1.5% and Offshore realization of 2.3%**
- **27 new customers added in the quarter including 6 Fortune 1000 customers**
- **4 new customer dedicated development centers started during the quarter**

Total Revenues for the nine months ended December 31, 2001 were Rs. 25.52 billion, representing an 18% increase over the corresponding period in the last year. Profit after Tax was Rs. 6.54 billion, representing an increase of 44% over Profit after Tax for the same period last year. Total Revenue for the quarter ended December 31, 2001, was Rs. 8.76 billion, representing a 12% increase over the corresponding period in the last year. Profit after Tax was Rs. 2.24 billion, representing an increase of 17% over Profit after Tax for the same period last year.

**Commenting on the results, Mr. Azim Premji, Chairman of Wipro, said, “We achieved a significant milestone this quarter in our journey towards our Vision 2004 by consolidating our Quality leadership position in the global Software Services market. We were the first company in the world to be certified at Level 5 of the People Capability Maturity Model (PCMM) and the first Software Service provider to be certified under TL 9000, reflecting the commitment of Wiproites to Quality.**

**“Our results for the quarter were in line with our expectations in an environment of enhanced economic turbulence. We believe we have grown ahead of the industry growth rate for the nine-month period ended December 2001. For the quarter ending March 2002, we expect revenue from our Global IT business to be around US\$120 million.”**

**Mr. Vivek Paul, Vice Chairman and CEO of Wipro Technologies added “We have seen all round sequential growth across verticals, except in Telecom and Internetworking. The sequential growth in Financial Services of 19% and Enterprise Application Services of 41% contributed to an 8% sequential growth in Enterprise Business. In the R&D Services segment, Embedded Systems grew by 6% sequentially and Telecom and Internet Service Providers grew by 54% sequentially. Despite an environment of severe price pressure, we were able to grow our realization by continuing to grow the mix of high value-add services.”**

### **Wipro Technologies – Our Global IT business**

Wipro Technologies accounted for 67% of the Revenue and 92% of the Profit before Interest and Tax. Wipro Technologies grew its Revenue by 35% for the nine-month period to Rs. 17.0 billion and Profit before Interest and Tax by 38% to Rs. 5.9 billion. Operating Margin to Revenue increased by 1% to 35% for the nine-month period, from 34% for the corresponding period ended December 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 December 31, 2001, the R&D Services business segment, consisting of Telecom & Internet Service Providers practice (17% of Revenue), Embedded Systems & Internet Access devices practice (15% of Revenue) and Telecom & Internetworking practice (19% of Revenue), contributed 51% of Global IT Services Revenue, which represents a 1% increase over the same period last year and a 1% decrease from the quarter ended September 30, 2001. The Enterprise Solutions segments contributed 49%. Technology Infrastructure horizontal contributed 10% of Global IT Services Revenue across R&D and Enterprise solutions. We continued to diversify our Revenue profile with increased contributions from Europe. The proportion of Revenues from Europe increased from 28% for the quarter ended December 31, 2000 to 42% for the quarter ended December 31, 2001. Accordingly, the proportion of Revenue from North America decreased to 51% from 64% in the corresponding quarter of the previous year. Japan contributed 6% for the quarter ended December 31, 2001.

For the quarter ended December 31, 2001, average price realizations for Offshore projects increased by 16% and those for Onsite by 15% year on year. The sequential increase in realization was 2.3% and 1.5% respectively. 27 new accounts were added in the quarter, of which 6 customers are in the Fortune 1000 list. New customers added in current fiscal year contributed 24% of the Revenue for the quarter.

Our largest customer, top 5 and top 10 customers accounted for 15%, 34% and 46% respectively of our total quarterly Revenue as compared to 8%, 29% and 44% respectively for the corresponding period of the previous year.

Customers with annualized Revenue run rate of \$1 million and above for the quarter increased to 85 from 67 in the quarter ended December 2000 and 81 in September 2001.

Customers with annualized run rate of \$5 million and above for the quarter were 21 up from 19 in the quarter ended December 2000. The corresponding number in September 2001 was 24.

Offshore projects as a percentage of Services Revenue, at 44% for the quarter was lower by 4% as compared to the quarter ended December 2000. It was 48% for the quarter ended September 2001. Fixed Price projects were at 33% of the Revenue for the current quarter up from 17% for the quarter ended December 2000 and 27% for the quarter ended September 2001.

We had 9501 employees as of December 31, 2001, a net addition of 91 as compared to September 30, 2001.

### **Wipro Infotech – Our India & Asia Pacific IT Services & Products business**

Wipro Infotech recorded Revenues of Rs. 5008 million and Profit before Interest and Tax of Rs. 311 million for the nine-month period, maintaining its leadership position in a difficult market environment.

For the quarter Value-added services, comprising Facilities Management, Professional Services and Availability Services grew year on year by 29%, while the services revenue, which includes product led services grew year on year by 7%. We signed 13 new contracts for Infrastructure Management, including a 2-year contract from the Andhra Pradesh Government (Dept. of Registration and Stamps) for Rs.30 Million. We added 13 new customers in domestic Software Solutions during the quarter. In the Asia Pacific region, we won five new contracts, including Dubai E-Government for high-end services-operations management of an e-Governance data center.

Wipro Infotech was awarded the Golden Peacock Award for Innovation for 01markets initiative, our e-procurement service portal.

Wipro Infotech accounted for 20% of Revenue and 5% of the Profit before Interest and Tax for the nine-month period ended December 31, 2001.

### **Wipro Consumer Care & Lighting**

Wipro Consumer Care and Lighting business recorded Revenue of Rs. 2295 million with Profit before Interest and Tax of Rs. 312 million contributing 9% of total Revenue and 5% of the Profit before Interest and Taxes for nine-month period. Profit before Interest and Tax to Revenue was 14% for the nine-month period.

## **Wipro Limited**

For the nine-month period ended December 2001, the annualized return on Capital Employed in Wipro Technologies was 114%, Wipro Infotech was 52%, Consumer Care and Lighting was 52%. At the Company level the return was 40%.

**For Wipro Limited, Profit after Tax computed in accordance with US GAAP for the nine-month period ended December 2001 was Rs. 6.2 billion a growth of 45% over the profits for the corresponding nine-month period ended December 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 Netracker Limited and amortization of goodwill.

In the quarter ended December 31, 2001, the Board of Directors accepted the retirement from the Board of Mr. Hamir Vissanji, a Director of Wipro Limited since 1955. Commenting on Mr. Vissanji's contributions to Wipro, Mr. Premji stated that, "In over 200 board meetings during Mr. Vissanji's tenure, he has attended and contributed in all but two meetings, which he could not attend due to health reasons. There can be no better reflection of dedication and commitment than this. His eye for details, especially as the Chairman of Audit Committee and his incisive questions contributed to better decisions. We wish Mr. Vissanji good health and cheer in his retirement."

### **Quarterly Conference call**

Wipro will hold conference calls today to discuss nine month period results at 11:45 AM and 7.00 PM to discuss the company's performance for the nine-month period 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).**

#### **Contact for Investor Relation**

J Shankar  
Corporate Treasurer

Phone: ++91-80-844-0079

Fax: ++91-80-844-0051

[Shankar.jaganathan@wipro.com](mailto:Shankar.jaganathan@wipro.com)

#### **Contact for media & Press**

Vijay K Gupta  
General Manager-Corporate  
Communications

++91-80-844-0076

++91-80-844-0350

[vijayk.gupta@wipro.com](mailto:vijayk.gupta@wipro.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. 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 NINE MONTH PERIOD ENDED DECEMBER 31, 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>17,025</b>	<b>5,008</b>	<b>2,295</b>	<b>1,191</b>	<b>25,519</b>
% of total revenue	67%	20%	9%	4%	100%
<b>Growth</b>	<b>35%</b>	<b>-13%</b>	<b>-7%</b>		<b>18%</b>
<b>Profit before interest and tax (PBIT)</b>	<b>5,927</b>	<b>311</b>	<b>312</b>	<b>(117)</b>	<b>6,433</b>
% of total PBIT	92%	5%	5%	-2%	100%
<b>Growth</b>	<b>38%</b>	<b>-26%</b>	<b>-10%</b>	-	<b>28%</b>
<b>Operating margin</b>	<b>35%</b>	<b>6%</b>	<b>14%</b>		<b>25%</b>
Interest (income) / expense - net					(628)
<b>Profit before tax</b>					<b>7,061</b>
<b>Growth</b>					<b>37%</b>
<b>Income Tax expense</b>					<b>520</b>
<b>Profit after tax</b>					<b>6,541</b>
<b>Growth</b>					<b>44%</b>
<b>Other Information</b>					
Fixed assets, including Capital work in progress ( Net of revaluation )	4,374	320	448	1,307	6,449
Trade receivables	3,320	1,647	152	473	5,592
Cash balances / Investments	330	25	122	13,392	13,869
Other assets	1,583	754	373	1,353	4,063
Current liabilities	(2,629)	(1,986)	(392)	(810)	(5,817)
<b>Capital employed</b>	<b>6,978</b>	<b>760</b>	<b>703</b>	<b>15,715</b>	<b>24,156</b>
% of total capital employed	29	3	3	65	100
Capital expenditure	1,621	117	41	198	1,977
Depreciation	704	102	46	193	1,045
<b>Return on average capital employed</b>	<b>114%</b>	<b>52%</b>	<b>52%</b>		<b>40%</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 Nine months period ended December 31, 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 December 31, 2001.
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	8,462
USA	9,386
Rest of the world	7,671
Total	25,519

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 DECEMBER 31, 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>	6,089	1,542	760	368	8,759
<b>% of total revenue</b>	<b>70%</b>	<b>18%</b>	<b>9%</b>	<b>3%</b>	<b>100%</b>
<b>Growth</b>	<b>26%</b>	<b>-13%</b>	<b>-16%</b>		<b>12%</b>
<b>Profit before interest and tax (PBIT)</b>	<b>2,093</b>	<b>102</b>	<b>105</b>	<b>(54)</b>	<b>2,246</b>
<b>% of total PBIT</b>	93%	5%	5%	-3%	100%
<b>Growth</b>	<b>24%</b>	<b>-47%</b>	<b>-24%</b>	-	<b>8%</b>
<b>Operating margin</b>	<b>34%</b>	<b>7%</b>	<b>14%</b>		<b>26%</b>
Interest (income) / expense - net					(182)
<b>Profit before tax</b>					<b>2,428</b>
<b>Growth</b>					<b>11%</b>
<b>Income Tax expense</b>					<b>192</b>
<b>Profit after tax</b>					<b>2,236</b>
<b>Growth</b>					<b>17%</b>