

## Wipro Q3 net profit rises 9%

### OUR BUREAU

Bengaluru, January 16

Wipro has reported a healthy all-round performance, beating analyst estimates on the back of growth in its infrastructure and healthcare outsourcing services in the third quarter ended December 2014.

India's third-largest software exporter posted 8.8 per cent growth in its consolidated net profit, at ₹2,192.8 crore, during the quarter, compared with ₹2,014.7 crore in the same period a year ago.

On a sequential basis, the growth was 5.1 per cent. Wipro's performance has bettered both Infosys and TCS, which posted lower revenue and net profit growth rates.

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# Wipro CEO sees 'bright spots' in Europe, N America markets

In Q3, infrastructure, healthcare verticals did better than expected

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Further, revenues stood at ₹12,085.1 crore, a 7 per cent increase compared with the December 2013 quarter.

## Opportunities

Commenting on the performance, TK Kurien, Executive Director and CEO, Wipro, said that opportunities in North America are a 'bright spot' as the economy is showing some signs of improvement.

He also pointed out opportunities in Europe, a geogra-



**All-round performance** TK Kurien, CEO, Wipro, and Saurabh Govil, Senior Vice-President, HR, at a press conference to announce the third quarter results in Bengaluru. GRN SOMASHEKAR

phy which did not open up to outsourcing in the past, is opening up more.

However, he cautioned that the precipitous drop in oil prices has impacted capex and discretionary spend in the near term.

Wipro Chairman Azim Premji said: "Developments in the global currency and commodity markets are affecting major economies unevenly even as India anticipates growth led by next-generation of economic reforms."

## Revenue guidance

Wipro, which gives only quarterly revenue guidance, has projected that IT service revenues will be in the range of \$1.81-1.85 billion in the January-March quarter of this financial year, which would be

lower when compared to Nasscom's growth projections.

## Key verticals

This quarter's performance was driven by infrastructure and healthcare, two verticals that drove growth in the last quarter too. Healthcare and lifesciences reported a 20.3 per cent growth when compared to the same period last year on a constant currency basis. Similarly, infrastructure services, which involve managing the IT equipment of companies, grew 20.5 per cent on a year-on-year basis.

Kurien also said that its push into open source is gaining momentum and the company has scaled up this area by training 1,000 people on open source technologies. Industry

watchers believe that higher investment in open source technologies help system integrator to get better margins.

Dipen Shah, Head - Private Client Group Research, Kotak Securities, said that Wipro's performance beat expectations on revenues as well as margins and the 3.7 per cent constant revenue growth was better than larger peers and the best in the past 12 quarters.

## Jatin Dalal is new CFO

The company also announced that Suresh Senapaty, CFO and a member of the Board, after being with the company for 35 years will retire from the company on March 31, after attaining the age of superannuation. Senior VP (Finance) Jatin Dalal will take over the role of Senapaty from April.