



Wipro's PAT for half year ended September 2000 grows by 121%
PBI T of Wipro Technologies up 137% for the half-year

Bangalore, October 31, 2000 -Wipro Limited, India's largest IT Company today announced its audited results approved by the Board of Directors for the half year ended September 2000. Revenues in the period grew by 39% year on year to Rs.13.760 billion, and Profit After Tax grew by 121% to Rs.2.617 billion.

Wipro Technologies, the Global IT Services business, accounted for 56% of Total Revenues and 88% of the Profit before Interest and Tax. Wipro Technologies grew its own Revenues by 79% for the half-year to Rs.7.719 billion, and Profit before Interest and Tax by 137% to Rs.2.562 billion. Operating Margin to Revenue increased by 2% to 33% for the half-year, from 31% for the quarter ended June 2000 and 25% for the half-year ended September 1999.

Wipro Technologies R&D Services division accounted for 49% of Software Revenues while the Enterprise division contributed the remaining 51%. For the half-year, the Telecom domain accounted for 64% of Revenues from R&D Services, and Electronic Commerce accounted for 30% of Revenues from the Enterprise division.

Wipro Infotech, the Indian IT Services and Products business, accounted for 29% of Revenues and 8% of Profit before Interest and Tax. Wipro Infotech grew its own revenues by 13% to Rs.3.943 billion, and Profit before Interest and Tax by 145% to Rs.232 million. A focus on growing the services segment of its business, along with the spin-off of its Peripherals business resulted in Operating Margin doubling from 3% to 6% for the half-year.

Wipro Consumer Care and Lighting business recorded revenue of Rs.1.579 billion and its Profit Before Interest and Tax was Rs.208 million, corresponding to 13% of revenue for the half-year.

Profit After Tax, computed in accordance with US GAAP, for the half year ended September 2000 was Rs.2.517 billion, corresponding to a growth of 145% over the profits for the half-year ended September 1999. The net difference between profits computed in accordance with Indian GAAP and US GAAP are primarily due to accounting for deferred stock compensation expenses, equity accounting for results of investments in associate companies - Wipro GE Medical Systems , Wipro ePeripherals Ltd and Wipro Net Ltd., and an interest provision on differential treatment for sale of investment by Wipro in 1999-2000.

For the half-year ended September 2000, the annualized Return On Capital Employed (ROCE) at Wipro Technologies was 121%, while ROCE for Wipro Infotech and Consumer Care and Lighting was 82% & 71% respectively. Company level the ROCE was 68%.

Performance details of Wipro Technologies

Wipro Technologies, which represents Wipro's Global IT Services business, increased its number of customers with annualized run rates of over \$1 million from 52 in the quarter ended June 2000 to 65 in the quarter ended September 2000. Customers with annualized run rates between \$3-5 million grew from 8 to 11. 33 (new accounts were added in the quarter). New customers added in 2000-01 contributed 5.7% of the revenue for the quarter. Revenue from North America was 65%, Europe 27% and from Japan 7%. The mix for financial year 2000 was America 70%, Europe 24% and Japan 5%, with the balance coming from the rest of the world. In the quarter Wipro Technologies' largest customer accounted for 10% of revenues, the same as in the quarter ended June 2000. Top 5 and top 10 customers accounted for 33% and 47% for the quarter, respectively. For the year ended March 2000, they accounted for 39% and 53%, respectively.

Off shore projects as a percentage of revenue was 49% for the quarter, up from 45% in the quarter ended September 1999 and 47% in the quarter ended June 2000. Fixed price projects were at 13% of the revenue for the quarter. Fixed price projects were 10% for the quarter ended September 1999 and 11% for the year ended March 2000.

For the quarter ended September 2000, Wipro Technologies recruited 1275 employees, bringing the total number of employees as of September to over 8578.

US SEC 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 affecting 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, counterproductive acquisitions, liability for damages on our service contracts, withdrawal of fiscal incentives by government, political instability, legal restriction on raising capital or acquiring companies outside India, and unauthorised use of our intellectual property. Further information regarding these and other risks and uncertainties is included in the company's United States Securities and Exchange Commission filings. These filings are available at www.sec.gov.

For more information, please visit our websites at www.wipro.com and www.wiproindia.com

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WIPRO LIMITED

SEGMENT WISE BUSINESS PERFORMANCE FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2000

In Rupees Million

	Global IT Services	Indian IT Services & Products	Consumer Care & Lighting	Others	Wipro Limited
Revenue					
External sales & services	7,719	3,943	1,579	519	13,760
Internal sales					
Total revenue	7,719	3,943	1,579	519	13,760
% of total revenue	56	29	11	4	100
Growth	79%	13%	3%	(5%)	39%
Profit before depreciation Interest and tax	2,847	275	237	(43)	3,316
% of total PBDIT	86	8	7	(1)	100
Growth	119%	133%	(3%)		95%
Profit before interest and tax	2,562	232	208	(89)	2,913
% of total PBIT	88	8	7	(3)	100
Growth	137%	145%	(1%)		108%
Operating margin	33%	6%	13%		21%
Interest (income) / expense					(20)
Profit before tax					2,933
Growth					135%
Income tax					316
Profit after tax					2,617
Growth					121%
Other Information					
Net fixed assets (net of revaluation)	2,386	186	478	1,010	4,060
Trade receivables	2,906	1,457	131	368	4,862
Cash balances / investments	805	67	67	2,028	2,967
Other assets	675	890	453	439	2,457
Current liabilities	1,148	2,158	415	841	4,562
Capital employed	5,624	428	717	3,004	9,784
% of total capital employed	58	4	7	31	100
Capital expenditure	723	79	43	239	1084
Depreciation	285	43	29	46	403
Return on average capital employed	121%	82%	71%		68%

1. In compliance with exposure draft on Segment reporting issued by the Institute of Chartered Accountants of India, corresponding figures of Revenues, Profit before Depreciation, Interest and taxes and Profit before Interest and Taxes, for Six month period ended September 30, 1999, have been restated to exclude interest income earned on inter segment lending and other investments.

2. Profits before Interest and taxes in Indian IT services and products includes losses of Rs 16 mn of our Internet portal 01 markets.com. Operating margin and growth in Profit before interest and taxes without considering this loss is 6.3 % and 161 % respectively.
3. Effective September 1, 2000 Peripherals Services division (PSD), engaged in the business of manufacture, sales and trading in Computer Peripherals, was spun off into a new legal entity Wipro e-Peripherals. Indian IT services and products includes financials of PSD for the five month period in the current year and for the entire period in the previous year
4. Others represents Wipro Fluid Power, Wipro Biomed, and corporate services including spends on Wipro Brand identity and Six Sigma initiative.
5. Profits before Interest and taxes under " Others " is after a provision of Rs 52.45 million on account of entry tax.

WIPRO LIMITED
Audited Financial Statements for the Six months ended September 30, 2000
In rupees million

	Three months ended September 30,		Six months ended September 30,		Year ended
	2000	1999	2000	1999	March 31, 2000
Sales & services	7,404	5,646	13,589	9,849	22,859
Other income	135	-12	171	29	198
Total revenues	7,539	5,634	13,760	9,878	23,057
Purchase of finished goods for sale	1,187	1,249	2,103	2,137	4,076
Consumption of raw materials	940	353	1,729	1,145	4,419
Staff cost	1,052	614	1,934	1,201	2,567
Travelling and allowances	1,418	976	2,801	1,831	4,187
Other expenditure	1,014	1,454	1,879	1,861	3,387
Total expenses	5,611	4,646	10,446	8,175	18,636
Operating profits	1,928	988	3,314	1,703	4,421
Interest expense/ (income)	-18	69	-20	150	215
Depreciation	208	162	401	303	699
Profit before taxation and non-recurring/extraordinary items	1,738	757	2,933	1,250	3,507
Provision for taxation	198	45	316	68	501
Profit after taxation but before non- recurring/extraordinary items (refer note 3 & 4)	1,540	712	2,617	1,182	3,006
Extraordinary/non-recurring items					523
Profit for the year / period	1,540	712	2,617	1,182	2,483
Paid-up equity share capital	458	458	458	458	458
Reserve excluding revaluation reserves	8,451	4,638	8,451	4,638	5,834
<u>Dividend</u>					
Equity shares					69
Preference shares					26
<u>Dividend per share (in Rs.)</u>					
Equity					0.30
Preference					10.25
<u>Earnings per share (in Rs.)</u>					
Basic	6.72	3.11	11.42	5.16	10.84
Diluted	6.66	3.11	11.31	5.16	10.80

Notes:

- The above financial results were approved by the Board of Directors of the Company at its meeting held on October 31, 2000.

2. Pursuant to the scheme of amalgamation of Wipro Computers Limited (WCL) with the Company approved by the Honourable High Court of Karnataka on February 16, 2000, the entire undertaking including all assets and liabilities of WCL were transferred to the Company with effect from April 1, 1999. Figures for the Six month period ended September 30, 1999 include results of operations of Wipro Acer Limited.
3. In fiscal 2000, the company had sold 4,694,795 shares of Wipro Net Limited (WNL) resulting in an extraordinary income of Rs.1,095 mn. Consequent to this sale, holding in WNL has dropped to 47%. Of the total shares sold, on 1,791,385 shares, the buyer has a put option and the Company has a call option for a specific period, within a price band of Rs.555 to Rs.700 per share.
4.
 - a. In fiscal 2000, the Company had carried out a comprehensive review of the financial position of Wipro Finance Limited. On the basis of its review, the Company had infused an additional equity of Rs.450 mn, convertible preference shares of Rs.200 mn and redeemable preference shares of Rs.300 mn, to discharge all its obligations.
 - b. To focus on its core business, the Company divested significant portion of its holding in Wipro Finance Limited, resulting in an extraordinary loss of Rs.810 mn. Following the divestment, Wipro Finance Limited ceased to be a subsidiary of the Company. Further, based on its review of the financial position of Wipro Finance Limited, the company estimated the value of remaining investments to be negligible and had therefore provided for diminution in the value of such investments aggregating to Rs.701mn.
 - c. In fiscal 2000, the Company had also made an extraordinary provision of Rs.108 mn for diminution in value of investment in Wipro Inc. a subsidiary incorporated in USA on account of diminution of Wipro Inc's investment in Enthink Inc a wholly owned subsidiary of Wipro Inc, incorporated in USA.
5. For computing diluted EPS, treasury stock method has been used in respect of employee stock option outstanding.

Place : Bangalore
Date : October 31, 2000

By order of the board

Azim H Premji
Chairman and Managing Director