



**Wipro's PAT for nine-month period ended December 2000 grows by 121% year on year**  
*Wipro Technologies revenue grows 82% with margin expansion of 7% yoy*

**Bangalore, January 19, 2001** –Wipro Limited, India's largest IT Company today announced its audited results approved by the Board of Directors for the nine-month period ended December 2000. Revenue for the nine-month period grew by 39% year on year to Rs.21.5 billion and the Profit after Tax grew by 121% to Rs. 4.5 billion.

Wipro Technologies, the Global IT Services business, accounted for 58% of the revenue and 85% of the Profit before Interest and Tax. Wipro Technologies grew its revenue by 82% for the nine-month period to Rs.12.5 billion and Profit before Interest and Tax by 129% to Rs.4.2 billion. Operating Margin to Sales increased by 7% to 34% for the nine-month period ended December 2000 from 27% for the nine-month period ended December 1999. Operating Margin to Sales was 33% for the half-year ended September 30, 2000.

Wipro's Technology Solutions (R&D Services) contributed 50% of the Software revenue while Enterprise Solutions contributed 45% and the remaining 5%, was contributed by Global Support for the third quarter. For the third quarter, R&D Services comprised of Telecom and Inter-networking practice contributing 30% of the revenue, Embedded Systems and Internet Access practice contributing 17%, the balance 3% was from the newly constituted (effective October 2000) Telecom & Internet Service Provider practice. In the Enterprise Solutions, Electronic Commerce accounted for 16% of the revenue, ERP 2%, and the balance 27% coming from application development and maintenance in Client Server and mainframe.

Wipro Infotech, the Indian IT Services and Products business accounted for 26% of the revenue and 9% of the Profit before Interest and Tax. Wipro Infotech grew its Profit before Interest and Tax by 141% to Rs.423million. Increase in the proportion of Solutions and Services segment revenue at 23% to the total revenue and spin-off of its peripherals business in September 2000, resulted in the Operating Margin expanding from 3.2% in 1999 to 7.4% for the nine-month period ended December 2000. For the quarter ended December 2000, the Operating Margin was 10.8%.

Wipro Consumer Care and Lighting business recorded revenue of Rs.2.5 billion with Profit before Interest and Tax of Rs. 347million, 12% of revenue for the nine-month period. Growth in revenue of Lighting Products was 25% and toilet soaps (Santoor, Milk and Roses, Wipro Active, Wipro Shikakai and Wipro Baby Soft) was 20% over the nine-month period ended December 1999 being significantly higher than the industry average.

Profit after Tax computed in accordance with US GAAP for the nine-month period ended December 2000 was Rs.4.35 billion a growth of 93% over the profits for the corresponding nine-month period ended December 1999. Excluding the one time gain of Rs.412 m resulting from the issuance of stock by affiliate Wipro Net in 1999, the growth in Profit after Tax was 136% for the nine month period over the corresponding period in 1999.

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, Wipro Net Ltd and Netcracker Limited and interest provision on differential treatment for sale of investment by Wipro in 1999-2000.

For the nine month period ended December 2000, the annualized return on capital employed in Wipro Technologies was 121%, Wipro Infotech was 89%, Consumer Care and Lighting was 72%. At the Company level the return was 54%.

Wipro Infotech won the Golden Peacock Innovative Service Award for Effective Service Delivery using state of art technology. The award will be presented in the inaugural session of the World Congress on Total Quality 2001 on January 20, 2001. Golden Peacock Service Award is designed to reward dissemination of leading edge concepts and international expertise to redefine quality and the role of innovation to meet the challenges of the 21<sup>st</sup> century.

The board of directors of Wipro Limited accepted the early retirement of Mr.Arun Thiagarajan, Vice Chairman, from the board of Wipro and commended the contribution made by him.

## **Performance details of Wipro Technologies for the quarter ended December 2000**

Wipro Technologies, which represents Wipro's Global IT Services business, increased the number of customers with annualized run rate of over \$1 million from 65 in the previous quarter to 67 in the current quarter. Customers with annualized run rate in excess of \$5 million increased to 19 in the current from 15 in the previous quarter, and customers with annualized run rates of between \$3-5 million grew from 11 to 14. Revenue from companies with "dot com" business models were 1.5% and technology products start up companies contributed 3.5% of the revenue for the quarter.

26 new accounts were added in the quarter. New customers added in 2000-01 contributed 10.25% of the revenue for the quarter.

Revenue from America was 64%, Europe 28% and Japan 7% with the balance from the rest of the world. The mix for financial year 2000 was America 70%, Europe 24% and Japan 5% with the balance from the rest of the world.

Wipro Technologies' largest customer accounted for 8% of the revenue in the quarter, compared to 15% in the year ended March 2000. Top 5 and Top 10 customers accounted for 29% and 44% 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 48% for the quarter, up from 45% in the quarter ended December 1999. Off shore revenue was 49% in the quarter ended September 2000. Fixed price projects were at 17% of the revenue for the current quarter up from 11% for the quarter ended December 1999 and 13% for the quarter ended September 2000.

For the current quarter, 912 employees were recruited bringing the total number of employees in Wipro Technologies as of December to 9490. This compares with 472 employees recruited in the quarter ended December 1999.

**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**

**SEGMENT WISE BUSINESS PERFORMANCE FOR THE NINE MONTH PERIOD ENDED  
DECEMBER 31, 2000**

In Rupees Million

	<b>Global IT Services</b>	<b>Indian IT Services &amp; Products</b>	<b>Consumer Care &amp; Lighting</b>	<b>Others</b>	<b>Wipro Limited</b>
<b>Revenue</b>					
External sales & services	12,519	5,705	2,479	831	21,534
Internal sales					
<b>Total revenue</b>	<b>12,519</b>	<b>5,705</b>	<b>2,479</b>	<b>831</b>	<b>21,534</b>
% of total revenue	58	26	12	4	100
<b>Growth</b>	<b>82%</b>	<b>5%</b>	<b>4%</b>	<b>(1%)</b>	<b>39%</b>
<b>Profit before depreciation Interest and tax</b>	<b>4,689</b>	<b>487</b>	<b>390</b>	<b>65</b>	<b>5,631</b>
% of total PBDIT	83	9	7	1	100
<b>Growth</b>	<b>116%</b>	<b>128%</b>	<b>2%</b>	<b>-</b>	<b>98%</b>
<b>Profit before interest and tax</b>	<b>4,227</b>	<b>423</b>	<b>347</b>	<b>(30)</b>	<b>4,967</b>
% of total PBIT	85	9	7	(1)	100
<b>Growth</b>	<b>129%</b>	<b>141%</b>	<b>5%</b>	<b>-</b>	<b>109%</b>
<b>Operating margin</b>	<b>34%</b>	<b>7%</b>	<b>14%</b>		<b>23%</b>
Interest (income) / expense					(134)
<b>Profit before tax</b>					<b>5,101</b>
<b>Growth</b>					<b>131%</b>
Income tax					596
<b>Profit after tax</b>					<b>4,505</b>
<b>Growth</b>					<b>121%</b>
<b>Other Information</b>					
Net fixed assets ( at cost)	3,134	244	474	959	4,811
Trade receivables	3,393	1,352	169	391	5,305
Cash balances / investments	717	113	87	8,121	9,038
Other assets	816	935	563	727	3,041
Current liabilities	(1,637)	(2,063)	(465)	(871)	(5,036)
Capital employed	6,423	581	828	9,327	17,159
% of total capital employed	37	3	5	55	100
Capital expenditure	1,822	69	9	209	2,109
Depreciation	462	64	43	96	665
<b>Return on average capital employed</b>	<b>121%</b>	<b>89%</b>	<b>72%</b>		<b>54%</b>

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 Nine month period ended December 31, 1999,

have been restated to exclude interest income earned on inter segment lending and other investments.

2. Profit before Interest and taxes in Indian IT services and products includes losses of Rs 43 mn of our Internet portal 01 markets.com. Operating margin and growth in Profit before interest and taxes without considering this loss is 8% and 165% respectively.
3. Effective September 1, 2000 Peripherals Services Division, 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 Peripherals Services Division 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.

**WIPRO LIMITED**

**SEGMENT WISE BUSINESS PERFORMANCE FOR THE THREE MONTH PERIOD ENDED  
DECEMBER 31, 2000**

In Rupees Million

	<b>Global IT Services</b>	<b>Indian IT Services &amp; Products</b>	<b>Consumer Care &amp; Lighting</b>	<b>Others</b>	<b>Wipro Limited</b>
<b>Revenue</b>					
External sales & services	4,800	1,762	900	312	7,774
Internal sales	-	-	-	-	-
<b>Total revenue</b>	<b>4,800</b>	<b>1,762</b>	<b>900</b>	<b>312</b>	<b>7,774</b>
% of total revenue	62	23	12	4	100
<b>Growth</b>	<b>88%</b>	<b>(9%)</b>	<b>7%</b>	<b>8%</b>	<b>38%</b>
<b>Profit before depreciation Interest and tax</b>	<b>1,842</b>	<b>213</b>	<b>153</b>	<b>107</b>	<b>2,315</b>
% of total PBDIT	80	9	7	5	100
<b>Growth</b>	<b>110%</b>	<b>122%</b>	<b>11%</b>		<b>104%</b>
<b>Profit before interest and tax</b>	<b>1,665</b>	<b>191</b>	<b>139</b>	<b>60</b>	<b>2,054</b>
% of total PBIT	81	9	7	3	100
<b>Growth</b>	<b>117%</b>	<b>136%</b>	<b>15%</b>		<b>109%</b>
<b>Operating margin</b>	<b>35%</b>	<b>10.84%</b>	<b>15%</b>		<b>26%</b>
Interest (income) / expense					(114)
<b>Profit before tax</b>					<b>2,168</b>
<b>Growth</b>					<b>126%</b>
Income tax					280
<b>Profit after tax</b>					<b>1,888</b>
<b>Growth</b>					<b>120%</b>

**WIPRO LIMITED**  
**Audited Financial Statements for the Nine months ended December 31, 2000**

	Nine months ended December 31,		In rupees million		
	2000	1999	Three months ended December 31, 2000	Three months ended December 31, 1999	Year ended March 31, 2000
Sales & services	21,327	15,345	7,738	5,496	22,859
Other income	234	149	63	120	198
<b>Total revenues</b>	<b>21,561</b>	<b>15,494</b>	<b>7,801</b>	<b>5,616</b>	<b>23,057</b>
Purchase of finished goods for sale	3,050	2,760	947	623	4,076
Consumption of raw materials	2,620	2,817	891	1,672	4,419
Staff cost	3,045	1,848	1,111	647	2,567
Travelling and allowances	4,393	2,914	1,592	1,083	4,187
Other expenditure	2,821	2,310	942	449	3,387
<b>Total expenses</b>	<b>15,929</b>	<b>12,649</b>	<b>5,483</b>	<b>4,474</b>	<b>18,636</b>
<b>Operating profits</b>	<b>5,632</b>	<b>2,845</b>	<b>2,318</b>	<b>1,142</b>	<b>4,421</b>
Interest expense / ( income )	(134)	172	(114)	22	215
Depreciation	665	462	264	159	699
<b>Profit before taxation and non-recurring/extraordinary items</b>	<b>5,101</b>	<b>2,211</b>	<b>2,168</b>	<b>961</b>	<b>3,507</b>
Provision for taxation	596	170	280	102	501
<b>Profit after taxation but before non-recurring/extraordinary items (refer note 3 &amp; 4)</b>	<b>4,505</b>	<b>2,041</b>	<b>1,888</b>	<b>859</b>	<b>3,006</b>
Extraordinary/non-recurring items	--	415	-	415	523
<b>Profit for the year / period</b>	<b>4,505</b>	<b>1,626</b>	<b>1,888</b>	<b>444</b>	<b>2,483</b>
Paid-up equity share capital	465	458	465	458	458
Reserve excluding revaluation reserves	16,193	5,082	16,193	5,082	5,834
<u>Dividend</u>					
Equity shares	-	-	-	-	69
Preference shares	18	-	18	-	26
<u>Dividend per share (in Rs.)</u>					
Equity	-	-	-	-	0.30
Preference	8	-	8	-	10.25
<u>Earnings per share ( on Profit before non-recurring / extraordinary items )(in Rs.)</u>					
Basic	19.61	8.91	8.16	3.75	10.84
Diluted	19.45	8.90	8.09	3.75	10.80

**Notes:**

1. The above financial results were approved by the Board of Directors of the Company at its meeting held on January 19, 2001.
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 Nine month period ended December 31, 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.200mn and redeemable preference shares of Rs.300mn, 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.701 mn.

- c. In fiscal 2000, the Company had also made an extraordinary provision of Rs.108mn 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 : January 19, 2001

By order of the board

Azim H Premji  
Chairman and Managing Director