

Press release

CMC Net Profit Grows 26% in FY 2008-09

Highlights

- Consolidated Operating Margin expansion of 230 basis points.
- Consolidated Net profit margin expansion by 340 basis points
- American Subsidiary business grows by 15% in Dollar terms
- Cash and Cash equivalent of Rs. 162 crore.
- Dividend of Rs. 15.00 per share of face value of Rs. 10.00

Mumbai, April 13, 2009: CMC Limited announced total consolidated operating revenues of Rs. 939.83 crore for 2008-09 and a consolidated Profit After Tax of Rs. 116.15 crores. Operating revenues for the previous year 2007-08 was Rs.1064.74 crore and the consolidated profit after tax for the year was Rs. 92.34 crore in the previous year. The efforts of the Company to improve the margins by right mix of business (value adding solutions and services revenue), has resulted in Profit After Tax improvement by 26%. The revenue drop of 12% is due to the exit from low margin hardware business by the Company as a strategic intent. The Operating Profit (EBITDA) increased by 6% to Rs. 126.69 crore compared with Rs. 119.06 crore in the previous year. Operating margins increased by 230 basis points over the previous year.

The company announced an increase in dividend to Rs. 15.00 per share for 2008-09 (Rs. 11.00 per share for 2007-08).

“The value adding services and systems integration business using the assets of the Company will be enhanced going forward. The Company is clearly focused on growth for the future by a right combination of domestic and international business.” said **R Ramanan, CEO and MD**. “American Geography contributed with 15% growth in Dollar terms and 33% growth in Rupee terms over previous year”, added Mr. Ramanan

“The Company demonstrated significant resilience to volatility in Exchange rates through effective utilization of internal hedge, resulting in net exchange gain of Rs. 9.45 crore during the year compared to net exchange loss of Rs. 1.00 crore last year. The Company ended the year with Rs. 162 crore of cash and cash equivalent and earned Rs. 4.71 crore as interest and dividend from investment of surplus funds compared to Rs. 1.18 crore in the previous year.”, said **J K Gupta, Chief Financial Officer**.

The standalone operating revenues of the Company for the year ended March 2009 was Rs. 820.45 crore compared to Rs. 977.19 in the previous year. The net profit on standalone basis is Rs. 105.57 crore, an increase of 20% over Rs. 88.22 crore earned in the previous year.

For the quarter ended March 2009, the company continued its thrust on profitable business resulting in 91 basis point expansion in operating margin over previous quarter on a consolidated basis. The net profit on a consolidated basis was Rs. 38.45 crore, an increase of 43% over Rs. 26.96 crore earned in the previous quarter.

About CMC

Incorporated in 1975, CMC is a pioneer Information Technology solutions provider in India and is a subsidiary of Tata Consultancy Services Limited, Asia's largest software Company. CMC had a consolidated revenue of Rs. 968 crore for 2008-09. Operating out of 18 offices and 180 service locations in the country, CMC employs around 5400 people and has a wholly owned subsidiary in USA called CMC Americas, Inc.

CMC's vision is to operate globally and bring the benefit of Information Technology to improve the productivity of its customers and the quality of its customer's products and services. CMC combines horizontal expertise in Information Technology with its vertical experience developed by working in a wide range of industries.