

Press release

CMC Net Profit Grows 23% in FY 2009-10

Highlights

- Consolidated Operating Margin expansion of 510 basis points.
- Strong growth in international business drives margin expansion
- American Subsidiary business grows by 34% in Dollar terms
- Cash and Cash equivalent of Rs. 263 crore.
- Increase in Dividend to Rs. 20 per share of face value of Rs. 10

Mumbai, April 15, 2010: CMC Limited announced an Operating Profit (EBITDA) of Rs. 162.72 crore an increase of 28% over 2008-09. Operating margins increased by 510 basis points over the previous year. The substantial improvement in margins is the result of a planned change in the business mix, moving out of low margin equipment business and focusing more on value adding solutions and services business.

The Company earned consolidated operating revenue of Rs. 870.73 crore during 2009-10. The Company's Profit after Tax grew by 23% from Rs. 116.15 crore to Rs. 143.23 crore.

The company announced an increase in dividend to Rs. 20 per share for 2009-10 (Rs. 15 per share for 2008-09).

"We are very happy with strong performance on all fronts for the 4th successive quarter. The Company continues to focus on value adding business using its core solutions and software assets in various verticals as a key differentiator. The Company will continue to aim for right combination of domestic and international business with a view to enhance its margins." said **R Ramanan, CEO and MD**. American Geography has grown by 34% in Dollar terms during the year. "The Company's first major onsite delivery centre in USA will become operational in April, 2010 enhancing its capability to service clients in America.", added Mr. Ramanan

"Continuous improvement in business mix coupled with improved employee productivity and prudent cost management has helped the Company in increasing operating margins. Company's focus on cash management helped improving receivable significantly during the year. The Company ended the year with Rs. 263 crore of cash and cash equivalent and earned Rs. 9.01 crore as dividend from investment of surplus funds compared to Rs. 4.71 crore in the previous year.", said **J K Gupta, Chief Financial Officer**.

The standalone operating revenues of the Company for the year ended March 2010 was Rs. 690.01 crore compared to Rs. 820.45 crore in the previous year, reflecting the changing domestic business mix. The net profit on standalone basis is Rs. 129.58 crore, an increase of 23% over Rs. 105.57 crore earned in the previous year.

For the quarter ended March 2010, the company continued its thrust on profitable business resulting in 50 basis point expansion in operating margin over previous quarter on a consolidated basis. The net profit on a consolidated basis was Rs. 44.30 crore, an increase of 22% over Rs. 36.26 crore earned in the previous quarter.

About CMC

Incorporated in 1975, CMC is a pioneer Information Technology solutions providers in India and is a subsidiary of Tata Consultancy Services Limited, Asia's largest software Company. CMC had a consolidated revenue of Rs. 871 crore for 2009-10. Operating out of 18 offices and 180 service locations in the country, CMC employs around 5600 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.
