

Press Release

13th August 2011:

GSS Infotech announces its unaudited consolidated results for the fourth quarter and year ended 30th June 2011

Consolidated Highlights for the quarter:

- ✓ Revenues are flat on y-o-y basis
- ✓ Gross margin at 23%
- ✓ Operating margin at 17%
- ✓ EPS (Basic and Diluted) for the quarter – Rs 7.4 per share
- ✓ Client additions during the quarter – 10 (ten)

Consolidated Highlights for the year ended on June 30, 2011

- ✓ Revenues up 15% on y-o-y basis
- ✓ EBITDA down 1% on y-o-y basis, EBITDA Margin at 18.6%
- ✓ PAT flat on y-o-y basis, PAT Margin at 11.5%
- ✓ EPS (Basic and Diluted) for the year – Rs 44.1 per share

Message from the MD & CEO

Commenting on the results, Mr. Bhargav Marepally, Managing Director and CEO said, “We had a subdued quarter, with the Company’s consolidated revenues being flat on a year-on-year (y-o-y) basis. While we are in the process of integrating our acquisitions made last year, our traditional staff augmentation business has slowed down in the recent past as a part of our business strategy of renewed focus on the IT infrastructure space. Gross margins were stable at 23%. However, profit for the quarter was affected mainly on account of reduction in the exchange fluctuation gain (to the tune of INR 23.4 mn) as compared to same quarter last year.

GSS has clocked revenues of over US 100 mn (Rs 4,500 mn) for the current fiscal year, an important milestone in the company’s evolution.

This quarter, we added 10 new clients. The total number of customers served by GSS is 288.”

Consolidated Financial Highlights for the quarter All figs in INR mn except % data

Particulars	Q4 FY11	Q3 FY11	Q4 FY10	FY 11	FY10
Operating revenues	1,157.70	1,282.90	1,157.20	4,920.30	4,282.80
Operating Profit	192.94	234.6	248.2	915.57	839.3
Operating Margin (%)	16.67%	18.29%	21.45%	18.61%	19.60%
Profit after Tax	95.6	151.2	151.8	564.6	564.2
PAT Margin (%)	8.26%	11.79%	13.12%	11.47%	13.20%

✓ Cash position

- Cash on hand as at the end of Q4 was INR 251 mn.
- GSS is a debt free company.

Detailed Consolidated Financial Highlights for the quarter and year

All figs in INR mn except % and EPS data

Particulars	Q4 FY11	Q3 FY11	Q4 FY10	FY 11	FY10
Operating revenues	1,157.70	1,282.90	1,157.20	4,920.30	4,282.80
Operating Expenses	964.76	1,048.30	909.00	4,004.73	3,443.50
Operating Profit	192.94	234.6	248.2	915.57	839.3
Operating Margin	16.67%	18.29%	21.45%	18.61%	19.60%
Depreciation /Amortisation	49.77	49.3	38.0	196.20	163.5
Financial expenses	0.8	0	0		--
Other Income	0.3	1.4	2.5		10.3
Profit before Tax	142.7	186.7	212.7	725.9	686.1
Profit after Tax	95.6	151.2	151.8	564.6	564.2
PAT Margin	8.26%	11.79%	13.12%	11.47%	13.20%
Basic EPS (INR per share)	7.4	10.7	11.7	44.1	44.1

Revenue Distribution by segment

Particulars	Q4 FY11
Managed IT & IMS	56%
ADMS/T&M	40%
Others	4%
Total	100%

Revenue Distribution by geography

Particulars	Q4 FY11
North America	96%
Rest of World	4%
Total	100%

Client Distribution

Particulars	Q4 FY11
Top 5	25%
Top 10	34%

Manpower Distribution by segment

Particulars	Q4 FY11
Managed IT and IMS	224
ADMS/T&M	327
Support Functions & others	136
Total	687*

*- Excludes Subcontractors



Company Overview

GSS Infotech Limited (GSS) is a fast growing Managed IT Services company. Over the last 12+ years, GSS has gained expertise in Infrastructure Technology Solutions (ITS) and Application Development and Management Services (ADMS). GSS serves Top Fortune 500 and Global 1,000 companies from various industry verticals viz. Insurance, Banking and Financial Services, Retail, Telecom and Healthcare.

GSS has a strong workforce of highly skilled professionals working onsite and offshore from our 13 business and development centres spread across US, India, Middle East and Singapore. GSS is an SEI CMMi Level 5 company and certified to ISO 9001:2000, ISO 27001 and ITIL compliant processes. GSS is a public listed company and has attracted globally reputed equity investors like IL&FS, Kubera Partners and Clearwater Capital.

For more information, please visit www.gssinfotech.com

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Disclaimer

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