



## Satyam's Q1 revenue up by 43% and Net Profit by 45% YoY; revises revenue and EPS guidance upwards for FY09

Sydney, July 18, 2008: Satyam (NYSE: SAY) today announced the audited results of the company for the quarter ended June 30, 2008 (Q1 2009).

Here's a summary:

### Consolidated Indian GAAP Highlights

Revenue was Rs.2620.8 crore; a YoY increase of 43.2% and a sequential increase of 8.5%.

Net Profit after Tax was Rs. 547.7 crore; a YoY increase of 44.8% and a sequential increase of 17.3%.

EPS for Q1 2009 was Rs. 8.16; a YoY increase of 43.9% and a sequential increase of 17.1%.

EBITDA margin for the quarter was 24.12%

### B. Ramalinga Raju, Founder and Chairman Satyam

Satyam forged ahead during the first quarter, despite difficult economic environments in key markets. Our focus on transformation initiatives is finding greater acceptance from customers enhancing our ability to garner a higher share of their spend.

### US GAAP Highlights

Revenue was US\$ 637.3 mn; up 40.9 % YoY and 3.9 % sequentially.

Net Income was \$ 126.6 mn; YoY increase of 36.0 % and a sequential increase of 12.7 %.

Basic earning per ADS for the quarter was US\$ 0.38; increase of 35.7 % YoY and up 11.8 % sequentially.

Operating margins (EBIT) for the quarter was 21.0%.

### Other Highlights

The parent company ended the quarter with 46,620 associates, an addition of 651 associates including 161 trainees for Q1 09. The number of associates including the subsidiaries and joint ventures stood at 51,643

Attrition on a trailing twelve-month basis fell to 12.6 % from 13.1 % in Q4 FY08. Annualised quarterly attrition for the quarter stood at 10.95 %

34 Customers added during the quarter

V. Srinivas, CFO

Improved operational efficiency, better cost management and a favourable foreign exchange environment have helped us revise our fiscal 2009 EPS growth guidance upwards to 28% from 19% given earlier.

#### Business Outlook

For fiscal 2009, under US GAAP, revenue is expected to be between US\$ 2.65 bn and US\$ 2.69 bn, implying a growth rate of 24.0% to 26.0% over fiscal 2008. Basic earning per ADS for fiscal 2009 is expected to be between US\$ 1.45 and US\$ 1.48\*, implying a growth rate of 16.0 % to 18.4% over fiscal 2008.

Corresponding revenue under Indian GAAP consolidated is expected to be between Rs 11,181 crore and Rs 11,363 crore, implying a growth rate of 32.0 % to 34.1 % over fiscal 2008. EPS for the full year is expected to be between Rs. 31.83 and Rs. 32.35, implying a growth rate of 26.1 % to 28.2 %.

For Q2 FY 2009, under US GAAP, revenue is expected to be between US\$ 645.6 mn and US\$ 651.9 mn, implying a growth rate of 3.5 % to 4.5 %#. Basic earning per ADS for the quarter is expected to be US\$ 0.35\*.

For Q2 FY 2009, under Indian GAAP consolidated, corresponding revenue is expected to be between Rs. 2,743 crore and Rs 2,769 crore, implying a growth rate of 4.7 % and 5.7 %; EPS for the quarter is expected to be between Rs. 7.71 and Rs. 7.78.

\* Excluding Fringe Benefit Tax (FBT) on ESOPs. # Growth rate is after adjusting Q1 2009 revenue for US\$ 13.5 mn due to foreign exchange fluctuation arising out of prevailing US GAAP standards. Unadjusted growth rate is 1.3% to 2.3%.

#### Key Awards and Recognitions in this Quarter

Satyams Leadership Certification Process wins ASTD Award Satyam earned the American Society of Training and Developments (ASTD) Excellence in Practice Citation. Satyam was honoured for its Full Life Cycle Leader Certification (FLCL) process, which equips new leaders with the right tools, skills and knowledge to complement the organisations distributed leadership business framework.

Satyam Wins Two Computerworld Honours Program Awards Both Satyam submissions to the 2008 IDG Computerworld Honours Program (CHP) received 21st Century Achievement Award the first time a submitting organisation has had more than one winner. The Byrraju Foundation was honoured for a program that delivers electrocardiograms to rural Indians, Emergency Management and Research Institute (EMRI) for its Call 108 service, a program based on emergency numbers such as 911 in the United States and 112 in Europe.

Satyam Positioned in Gartners Challengers Quadrant for BI and PMSatyam was positioned in the Challengers quadrant of Gartners Magic Quadrant for Business Intelligence and Performance Management Services, North America. The report analyses the market for BI and PM solution implementation services (in North America.).

Satyam honoured as Microsoft Partner of the Year Finalist Satyam was a finalist for a Microsoft Worldwide Partner of the Year Award for its Business Intelligence and Data Management Solutions. Finalists delivered exemplary solutions to customers and demonstrated significant customer impact, originality, effective time-to-market, deployment of advanced features, and the ability to optimise their use of Microsoft technologies to meet business needs.

Satyam BPO Ranked No. 2 Global BPO vendor Satyam BPO has been ranked second among the worlds leading BPO vendors in Brown-Wilson Groups Black Book of Outsourcing. Satyam BPO also ranked fourth on the Knowledge Process Outsourcing Vendors list. More than 4,000 organisations were evaluated in compiling the lists.

For the third consecutive year, Satyam BPO has been ranked among the top 10 in Brown-Wilson Groups Black Book of Outsourcing. In 2007 and 2006, Satyam BPO had been ranked in several categories such as FAO, KPO and Energy and Utilities. It also won two prestigious Six Sigma IQ Excellence Awards for Best Defect Elimination in Service & Transaction and Best Design for Six Sigma.

#### Business Highlights

Satyam endeavours to increase its footprint in new geographies while enhancing its capabilities in strategic industries and services. Several of our new Q1 engagements reflect this approach; they are summarised here.

Satyam announced the successful go-live of the end-to-end enterprise data warehouse (EDW) implementation project for one of its strategic customers in the telecom space. The success through this engagement marks one of the first real enterprise data warehouse solutions built ground-up, and one of the largest and most complex data warehouse implementations in the world. Satyam undertook end-to-end planning and execution of this program, thereby generating immense business value for the customer.

Bridge Strategy Group, a Satyam company, helped a US-based electric utility with an acquisition, due diligence and integration planning of a regional

utility with more than one million customers. The acquisition will transform power utilities in the Midwest region of the US.

Citisoft, a Satyam company, partnered one of the largest independent global investment management firms to frame the business drivers, vision and objectives for a Global Equity Platform (GEP) implementation project. The Satyam team proposed an equity systems model that highlighted advantages of a single equity platform and its potential cost savings.

Satyam is leveraging its full suite of end-to-end offerings to design a complete avionics system for a new generation of planes. The Aircraft Data Acquisition and Recording System project calls for a line replaceable unit and a complete avionics system that comply with FAA standards.

Satyam helped a global consumer packaged goods company analyse the process gaps in its efforts to establish a process framework for its global and regional IT ecosystem. The framework has increased reliability, process compliance and standardisation of business processes.

A leading Indian Bank has entrusted the task of customising and implementing a treasury management system to automate the clients treasury operations. The system will enable the bank to close all trades accurately, reduce turnaround time and comply with local reporting requirements.

Satyam facilitated the strengthening of capabilities, brand and values of Loyalty Programs for the world's leading Australian carrier. Satyam also enhanced their information capabilities to enrich the on-line shopping experience for their customers.

**Satyam Named SAP Global Partner**SAP has named Satyam a Global Services Partner, a distinction that means the company helps Fortune 1000 companies reliably and rapidly implement SAP solutions and transform business processes. Satyam, with one of the world's largest SAP practices, joins a select group of large consultancies in the partnership, which is designed to enhance customer investments in SAP solutions.

**Satyam Wins SAP Pinnacle Award**Satyam earned an SAP Pinnacle Award in the Ecosystem Expansion Category. Pinnacle Awards are granted to leading SAP partners who have excelled at enhancing the customer experience and addressing critical issues, such as accelerating innovation and improving return on investment. Award recipients develop partnerships with SAP and mutual business by providing high quality products, solutions and services to customers.

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