



FOR IMMEDIATE RELEASE

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WIPRO RECORDS 125% NET INCOME GROWTH FOR THIRD FISCAL QUARTER ENDED DECEMBER 31, 2000¹

Bangalore, India and Santa Clara, California -- January 18, 2001 -- Wipro Limited (NYSE:WIT) today announced financial results under US GAAP for its fiscal third quarter and the nine months ended December 31, 2000.

Highlights:

- Net Income for third quarter totaled Rs. 1.8 billion (\$39 million) representing an increase of 125% over corresponding period in last year.¹
- Global IT Services revenue increased 80% for the quarter ended December 31, 2000, at Rs. 4.8 billion (\$102 million) and EBIT growth of 105%.
- R&D Services contributed 50% of total revenue for the third fiscal quarter, representing an increase of 3% up from 47% during the corresponding period last year.
- 64% of total revenue came from North America, 28% from Europe and 7% from Japan with the balance coming from the rest of the world.
- Growth in Services-based income in the Indian Services and Products business segment drove EBIT from 6% to 11% for the third fiscal quarter ended December 31, 2000.
- Rs. 3.6 billion (\$78 million) cash generated from operations for the nine-month period ended December 31, 2000.

Total revenues for the quarter ended December 31, 2000 were Rs. 7.5 billion (\$160 million), up 25% over the quarter ended December 31, 1999. Net income for the quarter ended December 31, 2000 was Rs. 1.8 billion (\$39 million), representing an increase of 125% over the same quarter last year.¹ Earnings per share was Rs. 7.96 (\$0.17) for the quarter, representing an increase of 122% over the quarter ended December 31, 1999.¹

¹ Excluding a one-time gain of Rs.412 million (\$ 9 million) comprising issuance of stock by affiliate Wipro Net Ltd. to a minority shareholder which resulted in an increase in the carrying value of investments in Wipro Net Ltd. by Rs.266 million (\$ 6 million), and partial sale of our stake in Wipro Net Ltd. resulting in a gain of Rs.146 million (\$ 3 million) pursuant to a joint venture agreement

Total revenues for the nine months ended December 31, 2000 were Rs. 21.5 billion (\$460 million), representing a 34% increase over the corresponding period in the last year. Net income was Rs. 4.35 billion (\$93 million) representing an increase of 136% over net income for the same period last year.¹ Earnings per share was Rs. 19.02 (\$0.41) for the nine months ended December 31, 2000, representing an increase of 135% over the earnings per share of Rs. 8.10 for the corresponding period last year.¹

Azim Premji, Chairman of Wipro, commented on the results: “We are closely watching the growing global concerns about an economic slowdown in the US. Our outlook on the demand for R&D and IT Services has not changed in the last quarter. We see the slowdown in the US economy as an opportunity for Indian Service Providers to convert outsourcing by US Companies into off-shore sourcing. This should benefit the ultimate consumer. Our established base in Europe and Japan will help us leverage the growth in these markets.”

Global IT Services (64% of Revenues and 83% of Operating Income)

Wipro’s Global IT Services business segment recorded revenue of Rs. 4.8 billion (\$102 million) for the quarter ended December 31, 2000, representing an increase of 80% over the revenue for the quarter ended December 31, 1999. Earnings before Interest and Tax (EBIT) was Rs. 1.6 billion (\$35 million) for the quarter, corresponding to an increase of 105% over EBIT for the same quarter last year.

EBIT increased from 30% for the quarter ended December 31, 1999 to 34% for the quarter ended December 31, 2000. This growth resulted from a higher proportion of revenues coming from R&D Services, which increased from 47% to 50%, and an increase in billing rates per professional by 17%, which was partially offset by lower utilization of professionals by 2% and increase in compensation costs.

Clients with annualized billings in excess of one million dollars increased from 65 for the quarter ended September 30, 2000 to 67 for the quarter ended December 31, 2000. Our largest customer, top 5 and top 10 customers accounted for 8%, 29% and 44% of our total revenue for the quarter ended December 31, 2000, respectively. Twenty-six new clients were added in the quarter ended December 31, 2000, and 82 in the nine-month period ended December 31, 2000. New clients contributed 10% of total revenues in the quarter.

North America, Europe and Japan contributed 64%, 28% and 7% of total revenue in the quarter, respectively, with the balance coming from the rest of the world.

We had 9490 employees as of December 31, 2000. We added 912 employees in the quarter and 2843 professionals in the nine-month period ended December 31, 2000.

Indian IT Services and Products (21% of Revenue and 9% of Operating Income)

Wipro’s Indian IT Services and Products business segment (Wipro Infotech) recorded revenue of Rs. 1.6 billion (\$34 million) for the quarter ended December 31, 2000. EBIT increased to Rs. 172 million (\$4 million) in the quarter, up from Rs.118 million in the same quarter last year.

The services component of Wipro’s Indian IT Services and Products business segment was the driver of EBIT growth in the quarter. Revenue from the services component increased to 23% of

total revenues for the Indian IT Services and Products business segment, representing an increase of 5% from 18% in the corresponding period last year. Return on Capital Employed (ROCE) annualized was 90% for the nine months ended December 31, 2000.

Wipro Infotech won the Golden Peacock Innovative Service Award for Effective Service Delivery using state-of-the-art technology. The award will be presented in the inaugural session of the World Congress on Total Quality 2001 on January 20, 2001. The 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 21st century.

Consumer Care & Lighting (11% of Revenue and 5% of Operating Income)

Wipro's Consumer Care & Lighting business segment recorded revenue of Rs. 852 million (\$18 million) for the quarter ended December 31, 2000, representing an increase of Rs.12 million (\$0.25 million) over revenue in the same quarter last year. Earnings Before Interest and Tax (EBIT) was Rs. 109 million (\$2.3 million) for the quarter ended December 31, 2000. Return on Capital Employed (ROCE) was 44% for the nine months ended December 31, 2000.

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

Wipro Limited results computed under the Indian GAAP, along with individual business segment reports are available in the Investor Relations section at www.wipro.com.

About Wipro Limited:

Wipro Limited is the first SEI CMM Level 5 certified IT Services company globally. Wipro provides Research and Development services to Telecom and Electronic product companies and software solutions to global corporate enterprises.

In the Indian market, Wipro is a leader in providing IT solutions and services for the corporate segment in India offering system integration, network integration and IT services. Wipro also has profitable presence in niche market segments of consumer products and lighting.

Wipro's ADSs are listed on the New York Stock Exchange, and its equity shares are listed in India on the Stock Exchange - Mumbai, and the National Stock Exchange, among others.

For more information, please visit our websites at www.wipro.com and www.wiproindia.com.

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. 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.

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(tables to follow)

WIPRO LIMITED
CONSOLIDATED STATEMENTS OF INCOME
(in Rs. millions, except per share data)

	Three Months Ended			Nine Months Ended			Year ended
	December 31,			December 31,			March 31
	1999	2000	2000	1999	2000	2000	2000
	(unaudited)			(unaudited)			
Revenues :							
Global IT Services	2,652	4,777	\$ 102	7,245	12,531	\$ 268	10,206
Indian IT Services and products							
Indian IT Services	377	361	8	1,029	1,213	26	1,423
Indian IT Products	1,750	1,224	26	4,575	4,521	97	6,758
Consumer Care and Lighting	841	852	18	2,361	2,424	52	3,223
Others	356	279	6	787	814	17	1,381
Total	5,976	7,493	\$ 160	15,997	21,503	\$ 460	22,991
Cost of revenues :							
Global IT Services	1,316	2,466	53	4,482	6,605	141	6,174
Indian IT Services and Products							
Indian IT Services	165	120	3	443	463	10	609
Indian IT Products	1,548	888	19	3,788	3,569	76	5,574
Consumer Care and Lighting	528	580	12	1,688	1,680	36	2,251
Others	217	157	3	579	557	12	1,070
Total	3,774	4,211	90	10,980	12,874	275	15,678
Gross profit	2,202	3,282	70	5,017	8,630	185	7,313
Operating expenses :							
Selling, general, and administrative expenses	1,242	1,375	29	2,846	3,915	84	3,821
Operating Income	960	1,907	41	2,171	4,715	101	3,492
Gain/(loss) on sale of stock of affiliates, including direct issue of stock by affiliate	412			412			412
Other income/(expense), net	(16)	208	4	(76)	237	5	(155)
Income taxes	(186)	(299)	(6)	(335)	(627)	(13)	(525)
Income before share of equity in earnings of affiliates and minority interest	1,170	1,816	39	2,172	4,325	93	3,224
Equity in earnings of affiliates	58	18		88	27	-	113
Minority interest	-	-		(4)	-		(4)
Income from continuing operations	1,228	1,835	39	2,256	4,352	93	3,333
Income tax benefit on sale of 50% interest in discontinued operations.	219			219			219
Net income	1,447	1,835	\$ 39	2,475	4,352	\$ 93	3,552
Earnings per equity share: Basic							
Continuing Operations	5.39	7.96	0.17	9.91	19.02	0.41	14.63
Discontinued operations	0.96			0.96			0.96
Net income	6.35	7.96	0.17	10.87	19.02	0.41	15.59
Earnings per equity share: Diluted							
Continuing operations	5.39	7.89	0.17	9.90	18.87	0.41	14.58
Discontinued Operations	0.96			0.96			0.96
Net Income	6.35	7.89	0.17	10.86	18.87	0.41	15.54
Additional Information							
Operating Income							
Global IT Services	800	1,637	35	1,896	4,155	89	2,894
Indian IT Services & Products	118	172	4	265	416	9	435
Consumer Care & Lighting	110	109	2	316	266	6	479
Others	(29)	66	1	(112)	14		(36)
Reconciling Item	(39)	(77)	(1)	(194)	(136)	(3)	(280)
Total	960	1,907	41	2,171	4,715	101	3,492

WIPRO LIMITED
CONSOLIDATED BALANCE SHEETS
(in Rs. Millions, except share data and unless stated otherwise)

	Nine Months Ended December 31,			As of March 31,
	1999	2000	2000	2000
	(unaudited)			
ASSETS				
Current assets:				
Cash and cash equivalents	522	5,761	\$ 123	784
Accounts receivable, net of allowances	4,074	5,383	115	4,431
Inventories	1,512	1,170	25	1,215
Deferred income taxes	44	224	5	12
Other current assets	967	1,752	38	981
	7,119	14,290	306	7,423
Investment securities	379	1,324	28	297
Property, plant and equipment, net	3,463	5,383	115	3,604
Investments in affiliates	681	645	14	705
Deferred income taxes	374	70	2	256
Intangible assets, net	20	985	21	11
Other assets	277	532	11	382
	12,313	23,229	497	12,678
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Borrowings from banks	1,167	8	-	93
Current portion of long term debt	242	1,362	29	1,250
Accounts Payable	1,870	1,435	31	1,388
Accrued expenses	1,108	1,867	40	1,490
Advances from customers	524	715	15	755
Other current liabilities	563	760	16	435
Redeemable preferred stock	269			250
	5,743	6,147	131	5,661
Long-term debt, excluding current portion	1343	120	3	211
Deferred income taxes	74	9	-	18
Other liabilities.	42	44	1	102
	7,202	6,320	135	5,992
Stockholders' equity				
Equity shares at Rs. 2 par value: 235,000,000 shares authorized as of December 31, 1999 and March 31, 2000 and 375,000,000 shares authorized as of December 31, 2000; Issued and outstanding : 229,156,350 shares as of March 31, 2000 and December 31, 1999 and 232,391,814 shares as of December 31, 2000	458	465	10	458
Additional paid-in capital	394	6,665	143	800
Deferred stock compensation	(302)	(133)	(3)	(209)
Accumulated other comprehensive income	2	1		2
Retained earnings	4,559	9,911	212	5,635
Equity shares held by a controlled Trust: 1,216,460, 1,263,510 and 1,272,785 shares as of March 31, 2000, December 31, 1999 and December 31, 2000	*	*	*	*
Total stockholders' equity	5,111	16,909	362	6,686
Total liabilities and stockholders' equity	12,313	23,229	497	12,678
* Equity shares held by a controlled trust 74,900	Rs. 69,500	Rs. 74,900		Rs.