

# India's Wipro Q4 profit up 7.7% but forecast muted

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India's third-largest software company Wipro on Wednesday posted a 7.7 percent year-on-year rise in net profit for the January-March period, but gave a muted forecast that sent its shares tumbling.

Consolidated net profit for the fourth quarter was 14.81 billion rupees (\$284 million) compared with 13.75 billion rupees in the same period last year, the company said in a statement to the Bombay Stock Exchange.

Total revenue in the quarter increased 19 percent year-on-year to 98.69 billion rupees, it added, based on international accounting norms.

Wipro's earnings just beat analysts' estimates of a net profit of 14.76 billion rupees, according to an average earnings forecast polled by Dow Jones Newswires.

But the company forecast little growth for its revenues from IT services in the next quarter ending June, at between \$1.52 billion and \$1.55 billion, due to an uncertain global business environment.

The revenue outlook hit Wipro shares, which slid as much as 8.22 percent to a day's low of 406 rupees after the earnings. Shares closed at 410.15 rupees, down 7.29 percent.

"The overall macro-economic environment is volatile and customers continue to be cautious," Wipro chairman Azim Premji told reporters at

the company's Bangalore headquarters.

The company's results come after Infosys, India's second-biggest outsourcer, disappointed investors by warning of a tough year ahead due to the global financial climate and growing anti-outsourcing sentiment in the United States.

However sector leader TCS, part of the Tata conglomerate, this week posted a 23 percent rise in quarterly profit and was upbeat on its outlook.

India's flagship outsourcing sector derives half of its revenues from the United States and is engaged in an increasingly fierce struggle for business with global rivals such as IBM and Accenture.

Wipro is a pioneer in India's software and outsourcing industry, which has benefited from work farmed out by global companies seeking to cut costs by taking advantage of India's lower wages and engineering talent.

Wipro added 41 new clients in the quarter, and on Wednesday the firm announced a partnership with the National University of Singapore for a multi-million-dollar IT infrastructure services deal.

The outsourcer also won a multi-year contract with a leading communication service provider in North America for technical support services, it said, without giving details.

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