

Investor Update QIV FY 05-06

Zensar's New Strategies Bring Rich Rewards

Record profit jump of 92% in FY 05-06

Pune, India – 20th April, 2006:

Zensar Technologies, the leading global software and BPO services provider has announced excellent results for the fiscal year 2005-06.

Financial Highlights

Consolidated Results for the quarter ended 31st March, 2006

- Revenue was Rs 125.23 cr for the quarter ended 31st March, 2006; the Y-0-Y growth was 36.3% (Rs 91.85 Cr) and sequential quarter growth of 14.6 % (Rs 109.28 Cr)
- Net profit after tax was Rs 16.47 cr for the quarter ended 31st March, 2006; as against a loss of Rs 1.07 cr in the corresponding quarter last year, and with a sequential quarter growth of 75.4% (Rs 9.39 cr). Exceptional items have been excluded.
- Basic earnings per share before exceptional income has increased to Rs 7.34 from negative in the same quarter previous year

Consolidated Results for year ended 31st March, 2006

- Revenue was Rs 428.79 cr for the year ended 31st March, 2006; the YoY growth was 24.3% (Rs 344.89 cr)
- Net profit after tax was Rs 34.02 cr for the year ended 31st March, 2006; the YoY growth was 92.3% (Rs 17.69 cr). Exceptional items have been excluded.
- Basic earnings per share before exceptional income has increased to Rs 14.49 from Rs 7.73 the previous year; the YoY growth being 87.4%.

Ganesh Natarajan, Deputy Chairman and MD said; "The consolidated profit has been the highest in the company's history and demonstrates the success of the new innovation strategy of the company. The Company's SBU structure launched this year has driven the intended growth in new business areas and has significantly improved profitability. It has been a good year achieving significant milestones of growth through acquisitions, expansion into new service areas and signing large deals with global corporations. Zensar's innovative Solution BluePrint framework continues to enhance productivity and win new customers."

Business Update

- Zensar and Fujitsu have signed a 30 mn \$ multi-year offshore agreement with a new center planned to employ 1000 people over three years
- 56 new clients added this year with 22 of them engaging Zensar's services from its new portfolio
- The year has seen the acquisition and successful integration of OBT Inc and OBT Global Ltd into Zensar's operations. OBT is a profitable dual shore SAP services provider with a track record of outstanding customer satisfaction in SAP Implementation and Support, ABAP programming and SAP Help Desk services.
- The company has been steadily consolidating its position in the retail sector in the last two years with a series of customer wins in all its IT and BPO practices and has completed the acquisition of Intellectual property rights for Point of Sale (POS) products and the existing customer base for POS from one of India's leading domestic Retail-IT firms.
- Key wins this year include a UK based leading global energy companies, one of Australia's top 3 telecommunications carriers, a leading US based global manufacturer of optical products, a US based global provider of Information security and storage service, a leading global manufacturer of optical products and one of India's leading Retail groups.
- The company has 2859 employees as on 31st March, 2006

S Balasubramaniam, Chief Financial Officer said, "We have consolidated our strategy and are confident of sustained value creation for our shareholders. We are targeting a Profit achievement of over Rs 50 cr for the current financial year."

Key Growth Metrics:

New Practice Wins over FY 05-06:

SBU	New Practice	Customers Acquired
Application Portfolio Management	Testing Services	8
	Infrastructure Management Services	5
Enterprise Application Services	Enterprise Collaboration & Content Management	3
	Business Intelligence & DataWarehousing	7
Innovative Technology Solutions	Application Modernization	5
Business Process Outsourcing	HR Shared Services	4

Geography-wise Revenue over FY 05-06:

Geography-wise Revenue in %	Q I 05 - 06	Q II 05 - 06	Q III 05 - 06	Q IV 05 - 06
Americas	48%	50%	49%	50%
Europe	28%	24%	27%	27%
Rest Of the World	24%	26%	24%	23%

About Zensar Technologies (www.zensar.com)

Zensar Technologies is among the top 25 software services provider from India. It is a joint venture of RPG Group, one of the leading industrial houses and Fujitsu Services of UK, a US \$4 billion IT services company. Zensar is the world's first enterprise-wide SEI CMM Level 5 Company and now a CMMI Level 5 Company with industry expertise that spans Banking, Finance, Insurance, Telecommunications, Utilities and Manufacturing. Zensar has more than 2800 employees with sales and operations presence across USA, UK, Germany, Sweden, Finland, Middle East, South Africa, Hong Kong, Singapore, Australia, Japan and China. The company delivers comprehensive services in mission critical applications, enterprise applications, e-business, BPO and Knowledge Services. The company has developed tools and methodologies, including the proprietary Solution BluePrint (SBP), which enables its clients with innovative business solutions and a rapid 'go-to-market' capability. The company supports Fortune 500 clients with software business solutions that help them compete in the digital economy.

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Safe Harbor

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, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.
