



**Sonata Software - Consolidated Q2 FY13 Revenues at Rs 378 Crores.
Declares Interim Dividend of Rs 0.50 per share (50% on face value of Re 1/- per share)**

Mumbai, Nov 12, 2012

Sonata Software, an IT consulting and software services provider, today reported its unaudited financial results for the quarter ended September 30, 2012.

Result Highlights

Sonata Software Limited - Segmental Financial highlights

(Rs. in crores)

Revenues	Q2 - 12-13	Q1 - 12-13	Q2 - 11-12	QoQ	YoY
International IT Services	81.82	80.71	66.06	1%	24%
Domestic - Products & Services	290.57	204.12	187.07	42%	55%
Consolidated *	378.01	284.83	253.13	33%	49%
EBIDTA	Q2 - 12-13	Q1 - 12-13	Q2 - 11-12	QoQ	YoY
International IT Services	11.21	10.18	11.04	10%	2%
Domestic - Products & Services	3.86	1.75	1.24	121%	212%
Consolidated *	15.07	11.93	12.28	26%	23%
PAT	Q2 - 12-13	Q1 - 12-13	Q2 - 11-12	QoQ	YoY
International IT Services	5.05	5.87	6.82	-14%	-26%
Domestic - Products & Services	3.13	0.90	(0.57)	248%	648%
Consolidated PAT Before Extra Ordinary Items *	8.18	6.77	6.25	21%	31%
Extra Ordinary items					
(i) Loss on sale of subsidiary TUI InfoTec	(58.06)	-	-		
(ii) Profit/(Loss) on divestment of TUI InfoTec	23.90	(24.46)	(2.83)		
Consolidated PAT after Extra Ordinary Items **	(25.98)	(17.69)	9.08		

* Consolidated Revenues, EBIDTA and PAT before Extraordinary Items do not include the TUI InfoTec GmbH results.

** The Company's subsidiary Sonata Europe Limited executed a Share purchase and Joint Venture termination agreement on September 28, 2012 to sell its 50.1% shareholding in its step-down subsidiary TUI InfoTec GmbH ("TUI") to Leibniz-Service GmbH ('the purchaser'). As per the agreement, the effective date of the transfer and assignment of the shares was October 1, 2011, and the purchaser assumed all losses of TUI commencing from October 1, 2011. The Company had in the consolidated results for the previous quarter and for the period 1 October 2011 to 31 March 2012 recognized its share of such losses amounting to Rs. 2,465.68 lacs and Rs. 1,305.03 lacs respectively.

On the effective date of the sale (October 1, 2011), the loss on disposal of TUI would have amounted to Rs. 7,110.60 lacs. The loss recognized during the quarter, and half year ended September 30, 2012, pursuant to the sale is netoff the loss of Rs. 1,305.03 lacs recognized in the period 1 October 2011 to 31 March 2012 and is included under exceptional items. Further, the company's share of net losses as recognized in the quarter ended June 2012 of Rs. 2,465.68 lacs has been reversed in the current quarter and included under exceptional items.

Consequent to the sale of TUI, the operations of this subsidiary are not included in the consolidated results with effect from April 1, 2012, accordingly the figures for the quarter and half year ended September 30, 2012 are not comparable with quarter ended June 30, 2012, September 30, 2011, half year ended September 30, 2011, and year ended March 31, 2012.

The above results include the following profit/ (loss) from operations of TUI as were consolidated in previous quarters ended June 30, 2012, and 2011, half year ended September 30, 2011 and previous year ended March 31, 2012:



Highlights for the quarter

During the Quarter, Sonata Europe Limited divested its 50.1% shareholding in TUI InfoTec GmbH, it's Joint Venture in Germany back to TUI Travel PLC and losses on account of the sale have been accounted in the current quarter. The losses being extraordinary in nature have been disclosed separately to help comparison of the business performance over the quarters.

As part of the transaction Sonata was accorded status of a “preferred partner” for IT services to TUI Travel PLC. Further, the Offshore Development Centers (ODC) currently being run by Sonata for TUI Travel PLC and TUI InfoTec will continue. Sonata and TUI InfoTec will also continue to develop together 3rd party business (outside of TUI Travel PLC) in the German region.

Post the divestiture, the Company now has two business lines:

- International IT Services and;
- Domestic Products.

Our International IT Services business has shown an increase of 24% in revenues on YoY basis. Base business margins, excluding foreign exchange fluctuation continued to improve. As regards profits, growth on a YoY basis has been negative primarily on account of foreign exchange Losses which stood at Rs 6.7 crores vs. a gain of Rs 7.4 crores a year ago. A large part of this wide swing has been made up by increase in Other Income this quarter with the balance through improvement in operating margins.

We have made significant investments in this business in terms of expanding the sales team, investment in sales and marketing developing new technology and practice areas such as mobility, cloud etc.

Our Domestic Products business has shown a 55% growth in revenues and a very significant growth in PAT at Rs 3.1 crores compared to the previous year. Primary reason for the swing is improvement in the overall quality of our business and realignment of our product portfolio. Focus in this business will be to improve profitability while maintaining effective return on capital employed.

Speaking on the results Mr Srikar Reddy Managing MD& CEO of the Company said “We are continuing on the road to transforming the company by focusing on globally competitive and profitable businesses. The divestment of our stake in the JV is one of the step, apart from various other actions we are taking to be able to offer a differentiated value proposition to our clients globally and become a strategic partner of choice in our areas of focus.”

Expansion of services and significant projects executed in the Quarter were:

One of the largest Oil & Gas exploration and production companies has selected Sonata as their IT services partner to provide Performance Testing Services for various functional modules of Documentum application, for one their complex products.

Sonata has entered into an agreement with Qatar’s leading IT solutions and services provider, which delivers IT services to support the realization of Qatar National Vision 2030. Under this agreement,



Sonata will provide a diverse range of IT services for their group companies, as well as top enterprises in Qatar.

Sonata is engaged in developing the Mobile Content Distribution Platform, that will publish multi-lingual content and product brochures to Sales team iPads, for one of the US based ISVs.

A leading ISV has signed up with Sonata for providing Engineering Services on their Customer Relationship Management Product. The breadth of services includes development, quality assurance, performance engineering for both the Online and On-Premise releases.

Sonata participated in a very large enterprise document management platform built around ECM, covering over 10 million physical document files, to migrate their documents from the existing infrastructure setup to the new one.

Sonata established partnership with Hybris to provide agile e-commerce solutions using hybris platform. This partnership has transpired into business with one of our existing customers. Sonata will be holding a joint marketing event targeting customers in travel & ecommerce domain.

Sonata Information Technology entered into partnership with TIBCO as reseller of their products in India.

About Sonata Software Limited

Sonata Software, headquartered in Bangalore, India, is an IT consulting and software services company delivering transformational IT solutions through customer specific Centres of Excellence. Sonata serves Software Product Companies, and enterprises in the Travel, Manufacturing, Retail and Distribution verticals across the globe. Its key service lines include Business Intelligence and Analytics, Application Development Management (ADM), Mobility, Cloud, Social Media, Testing, Enterprise Services (ERP and CRM), and Infrastructure Management services. Sonata has strategic alliances with global technology majors like Microsoft, SAP, IBM, Oracle, and HP to deliver innovative solutions.

Sonata operates globally through its subsidiaries and affiliates that include (1) Sonata Software North America Inc, which provides development and consulting services to clients using an Onsite-Offshore Delivery Model, (2) Sonata Software FZ LLC – Sonata's fully-owned subsidiary IT solutions to customers in the Middle East, (3) Sonata Software (Qatar) LLC – Sonata's Joint Venture with Mohammad Nasser Abdullah Al MISNAD and (4) Sonata Information Technology Limited, which is a premier software services and product distribution company with India-focused business operations.

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