



Sonata Software - Consolidated Q1 FY13 Revenues at Rs 403.61 Crores

Mumbai, Aug 9, 2012

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

Result Highlights

Sonata Software Ltd - Consolidated Financial results

(In Rs. Cr.)

Revenues	Q1 - 12-13	Q4 11-12	Q1 - 11-12	QoQ	YoY
International IT Services	80.71	65.49	78.46	23%	3%
TUI InfoTec GmbH (Joint Venture)	118.78	113.73	133.70	4%	-11%
Domestic - Products & Services	204.12	137.59	126.62	48%	61%
Consolidated	403.61	316.81	338.78	27%	19%

EBIDTA	Q1 - 12-13	Q4 11-12	Q1 - 11-12	QoQ	YoY
International IT Services	10.18	(1.55)	18.16	757%	-44%
TUI InfoTec GmbH (Joint Venture)	4.58	3.69	9.90	24%	-54%
Domestic - Products & Services	1.75	(0.42)	0.08	516%	1999%
Total	16.51	1.72	28.14	860%	-41%

Exceptional Item - Employee Restructuring Costs/Provisions at TUI InfoTec GmbH

	43.16	7.56	-		
Consolidated	(26.65)	(5.84)	28.14		

PAT	Q1 - 12-13	Q4 11-12	Q1 - 11-12	QoQ	YoY
International IT Services	5.87	(2.26)	13.32	360%	-56%
TUI InfoTec GmbH (Joint Venture)	(2.84)	(3.51)	(3.22)	19%	12%
Domestic - Products & Services	0.90	(4.09)	(1.24)	122%	172%
Total	3.93	(9.86)	8.84	140%	-56%

Exceptional Item - Employee Restructuring Costs/Provisions at TUI InfoTec GmbH - 50.1% (Sonata's share)

	21.62	3.79	-		
Consolidated	(17.69)	(13.65)	8.84		

Note: the above financials by segment are post appropriate intercompany eliminations

Said Srikar Reddy, MD & CEO, Sonata Software, "Our focus of being a partner of choice in delivering transformational outsourcing services in setting up client specific Centres of Excellence in select horizontals and verticals is helping us differentiate ourselves. Our long standing alliances with leading technology majors are helping us deliver value to our clients businesses. We will continue to invest in building capability in technology areas like mobility, cloud, analytics, big data, social media and investing in marketing and market presence."

N. Venkatraman, CFO, Sonata Software, said, "The profit and growth numbers in our International IT Services and Domestic Products and Services are a result of various measures taken to improve



margins. The revenues show a sequential growth of 23% and 48%, with a significant increase in EBIDTA and PAT.”

“We have added six new clients in this quarter. On the domestic business front, the recent notification by the Government of India removing multilevel taxation (TDS) on the sale of software in India, will give a significant boost to our returns in this business. It will also significantly help improve our cash flows,” he added.

“Results of TUI InfoTec, our (before extraordinary items) 50.1% subsidiary in Germany, are positive and encouraging. Sequentially, revenues have grown by 4% and EBIDTA and PAT by 24% and 19% respectively. The exceptional item at TUI InfoTec was the significant non-cash provisions made for employee restructuring costs as per German accounting standards. These costs have an immediate impact of depressing the consolidated results, but in the medium and long term they get paid back through improved realization and cash flows” he said.

Highlights for the quarter

International IT Services:

- Added 6 new customers
- Established Offshore Development Center for Coalfire Inc., USA
- Strengthened US sales team by onboarding 2 senior sales professionals
- Zinnov, a leading Offshore Advisory firm, ranked Sonata as an established, niche R&D service provider in their Global R&D Service Providers Rating (GSPR).

Significant Projects:

One of the world’s largest corporate travel management companies has chosen Sonata as an extended development partner to fast-track their business goals. Sonata’s relevant travel domain experience and expertise in integration services has led to this strategic relationship that includes Hotel Travel Server integration, Train Travel Server Integration, and Localization Project. The integration is executed in Agile using SCRUM methodology.

A large retailer in Australia has chosen Sonata as their partner for the development and support of DynamicsAX2009. Sonata played a key role as an AX consultant by helping the customer in the architectural audit of the existing deployment, which led to the development of new features & enhancements to the existing AX 2009 along with performance tuning & benchmarking.

Sonata has been selected as a partner for implementing a complete retail system to provide innovative solutions by a Duty free terminal, a subsidiary of an existing airline client. In the continued effort to add value to customers in the TTL (Travel, Transportation and Logistics) domain, Sonata is involved in the implementation of AX Retail Point-of-sale, shop management, Inventory, and finance solutions. Sonata is also architecting an integration solution with other solutions including Warehouse Management, CRM, and web selling channels.

The European Integration team of a world leader in convenient snacks, foods, and beverages has engaged Sonata to develop and deploy a complex SAP Data Services Integration task for Russia business that covers integration of 26 databases with SAP – BW (Business Warehouse).



For a leading manufacturer of disposable medical connection systems, Sonata has been engaged in the maintenance and support of Oracle e-Business suite. Leveraging Sonata's strong Oracle strengths in SCM and Finance, the engagement will help the customer control and manage their high-volume ticket queue.

Sonata is working with a leading integrated mobile security solutions provider for the architecture and delivery of their generation product on JEE technologies. Having embarked on a large scale enhancement and value addition process to their existing mobile platforms, the customer was looking for a suitable offshore partner to achieve their business objectives. Sonata's strong presence in the ISV segment and open source technology capabilities were looked at as key drivers by the customer.

A leading airline in the Middle East region has selected Sonata as their Mobility solutions partner to develop a mobile technical framework and iPad apps. Sonata's scope of work involves design and development of the framework that encompasses key technical components for UI, security & access control, connectivity, logging, GPS and synchronization, and of iPad apps for the pilots viz. briefing pack delivery app & duty check-in app. The solutions will streamline, automate and monitor the operational business processes involved in flight deck crew duty check-in and will provide easy access to briefing pack per flight route in an unencumbered way.

For one of the world's leading auto manufacturers, Sonata will be providing techno functional support for their Oracle applications P2P and O2C business cycles.

Sonata is assisting a large manufacturer of rubber & plastic components and assemblies in rolling-out of Microsoft Dynamics AX for their India Operations.

Sonata is developing a complete Business Intelligence solution for a Government organization that is responsible for establishing and maintaining a technically sound management accounting system. The solution will help the client track funds being disbursed under various schemes and will consist of dashboards, exception reports, alerts and detailed analytical reports, and will be used across Government functions. Built on a Microsoft stack including SQL Server 2008, SSIS, SSAS and SSRS, along with SharePoint Server 2010, the application will provide information to more than 8 lacs stakeholders across the country. It will help the Government have better fiscal control, thus ensuring the schemes are run efficiently.

About Sonata Software Limited

Sonata Software (www.sonata-software.com), headquartered in Bangalore, India, is an IT consulting and software services provider. Sonata's focus areas includes enterprises in the Outsourced Product Development (OPD), Travel, Consumer Packaged Goods (CPG), Retail and Manufacturing verticals and its customers are located across the US, Europe, Middle East and the Asia-Pacific region. Its key service lines include Application Development Management (ADM), Emerging Technologies (Mobility, Analytics, Cloud and Social Media), Business Intelligence, Testing, Enterprise Services - ERP, CRM and Remote Infrastructure Management. Sonata has been recognized for its excellence in providing Software/ISV R&D and Cloud Computing Services to global customers by Zinnov



Management Consulting Pvt. Ltd. Sonata and its Affiliates leverage their alliances with global technology majors like Microsoft, SAP, IBM, Oracle, HP to deliver innovative solutions.

Sonata operates globally through its subsidiaries and affiliates that include (1) TUI InfoTec – Sonata's Joint Venture with TUI, Europe's largest tourism group, (2) Sonata Software North America Inc, which provides development and consulting services to clients using an Onsite-Offshore Delivery Model, (3) Sonata Software FZ LLC – Sonata's fully-owned subsidiary IT solutions to customers in the Middle East, (4) Sonata Software (Qatar) LLC – Sonata's Joint Venture with Mohammad Nasser Abdullah Al MISNAD and (5) Sonata Information Technology Limited, which is a premier software services and product distribution company with India-focused business operations.

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