

GSS America's Q3 2009 Revenues at Rs. 993 mn

Board approves buy-back of shares

Hyderabad, 29 January 2009: GSS America Infotech Limited ("**GSS America**" or "**Company**") with focus in IT Infrastructure and Software Services sectors reported its results for the third quarter ended December 31, 2008.

The company has reported revenue of Rs. 993.4 mn for the quarter and Rs. 3,219.7 mn for the nine months ended 31 December, 2008 as per Indian GAAP consolidated financials. Corresponding Net Profits was Rs. 135.4 mn and Rs. 557.4 mn respectively. EPS for the quarter was Rs. 10.18 while cumulative EPS for the nine months ended December 31, 2008 was Rs. 46.76.

The company ended the quarter with 90 active customers. The number of employees for the period ended December 31, 2008 was 1121.

Commenting on the performance, **Bhargav Marepally, CEO and Managing Director, GSS America** said, *"We continue to see demand from customers in the Infrastructure Management service offering. In keeping with this demand, GSS will continue to make investments in data centres, which is the backbone of the IMS service offering, across geographies. In line with our inorganic growth strategy, we will also keep scouting for suitable acquisition targets and might revisit some of the prospects we had evaluated in the last twelve months."*

Buy-back

The Board of Directors has approved the proposal for buy-back of equity shares of the Company subject to approvals/exemptions as may be required from the statutory authorities. It was agreed that the total amount allocated for buy-back of shares will not exceed Rs. 20 crore, being 9.86% of the paid up capital and free reserves of the Company as on March 31, 2008 and that the maximum buy-back price shall be Rs. 250 per equity share.

Commenting on the buy-back, Bhargav added *"We believe that the current valuations are not a reflection of the intrinsic strength of the Company. The buy-back proposal is being implemented keeping in with the Company's desire to enhance overall shareholders' value."*

With a view to achieving excellence in corporate best practices, the Board decided to implement the following going forward:

- The financial results of the Company and the subsidiaries of the Company will be audited on a quarterly basis instead of the limited review currently being done
- Statutory Auditors of the Company will be appointed for a three year term and will be replaced at the end of the term

- Appoint a third party accounting firm to oversee the internal audit function of the Company, reporting directly to the audit committee
- The Board will be further broad-based and will include 4 independent Directors with complementary skills that will significantly add value to the Company
- The Audit Committee will be composed entirely of Independent Directors
- Separation of Chairman and CEO's role with the Chairman's role assumed by an Independent Director
- Any pledging of shares by promoters will be notified to the stock exchanges/SEBI. (For purposes of clarification, the promoters disclosed that they have currently not pledged any percentage of their shareholding)

Attached: Financial Results

About GSS America:

GSS America Infotech Limited (BSE: 532951, NSE: GSSAMERICA) is one of India's fastest growing IT Consulting and Software Development Company. Since 1999, GSS America has been a leading Global IT Services company focused on providing scalable and cost-effective IT Solutions using Global Delivery Model in customized solutions for industries like Financial Services, Insurance, Telecom, Manufacturing, Transportation, Healthcare, Legal and Power.

Since inception, GSS America has grown consistently and has served over 600 client relationships in US and India.

For further information on the Company and its products, please visit: www.gssamerica.com

For further information, please contact:

Ravi Shankar Chivukula

GSS America Infotech Limited

Tel.: +91 040 4002 8700

Email: ravi.chivukula@gssamerica.com

Diwakar Pingle

Christensen Investor Relations

Tel.: +91 98490 04971

Email: dpingle@christensenir.com

Disclaimer: This press release contains forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. The Company undertakes no duty to update any forward-looking statements.

| FINANCIAL RESULTS OF GSS AMERICA INFOTECH LTD. FOR THE QUARTER ENDED 31st DECEMBER 2008 | | | | | Figures in Rs. Lakhs | | |
|---|--|---------------------------|----------------------------|----------------------|---------------------------|----------------------------|----------------------|
| S. No | Particulars | CONSOLIDATED | | | STANDALONE | | |
| | | (Unaudited) Quarter ended | (Unaudited) 9 months ended | (Audited) Year ended | (Unaudited) Quarter ended | (Unaudited) 9 months ended | (Audited) Year ended |
| | | 31.12.2008 | 31.12.2008 | 31.03.2008 | 31.12.2008 | 31.12.2008 | 31.03.2008 |
| 1 | Net Income from sales/services | 9,933.77 | 32,197.00 | 29,870.55 | 915.77 | 3110.26 | 3,939.69 |
| | Cost of sales/services | | | | | | |
| 2 | (d) Staff Costs | 7,903.40 | 25,138.37 | 20,631.18 | 556.76 | 1632.62 | 1,189.93 |
| 3 | Gross Profit (1-2) | 2,030.37 | 7,058.63 | 9,239.37 | 359.01 | 1,477.64 | 2,749.76 |
| 4 | General Administrative & Selling Expenses | 605.45 | 1,351.69 | 1,804.73 | 215.58 | 407.16 | 651.21 |
| 5 | Depreciation | 307.88 | 779.90 | 625.82 | 11.44 | 34.91 | 44.60 |
| 6 | Operating Profit before interest (3) – (4+5+6) | 1,117.04 | 4,927.04 | 6,808.82 | 131.99 | 1,035.57 | 2,053.96 |
| 7 | Interest | 0.00 | 0.00 | 0.00 | 0 | 0 | 0.00 |
| 8 | Exceptional Items | 0.00 | 0.00 | 0.11 | 0 | 0 | 0.11 |
| 9 | Operating Profit after interest and Exceptional Items (7-8-9) | 1,117.04 | 4,927.04 | 6,808.71 | 131.99 | 1,035.57 | 2,053.86 |
| 10 | Other Income | 454.22 | 1,342.11 | 157.34 | 452.89 | 1338.77 | 155.04 |
| 11 | Profit (+)/Loss (-) from Ordinary Activities before tax (10+11) | 1,571.26 | 6,269.15 | 6,966.05 | 584.88 | 2,374.34 | 2,208.90 |
| 12 | Tax Expense | 217.43 | 694.68 | 746.44 | 72.34 | 258.79 | 239.82 |
| 13 | Net Profit (+)/ Loss (-) from Ordinary Activities after tax (12-13) | 1,353.83 | 5,574.47 | 6,219.62 | 512.54 | 2,115.55 | 1,969.07 |
| 14 | Net Profit (+)/ Loss(-) for the period (14-15) | 1,353.83 | 5,574.47 | 6,219.62 | 512.54 | 2,115.55 | 1,969.07 |
| 15 | Paid-up equity share capital (Face Value. Rs. 10/- each) | 1,330.00 | 1,330.00 | 1,330.00 | 1,330.00 | 1,330.00 | 1,330.00 |
| 16 | Reserves and Surplus | 31,346.51 | 31,346.51 | 25,128.46 | 21,064.03 | 21,064.03 | 18,953.94 |
| 17 | Earnings Per Share (Face Value Rs. 10/- each) | | | | | | |
| | a) Basic and diluted EPS before Extraordinary items for the period | 10.18 | 41.91 | 46.76 | 3.85 | 15.91 | 14.81 |
| | b) Basic and diluted EPS after Extraordinary items for the period | 10.18 | 41.91 | 46.76 | 3.85 | 15.91 | 14.81 |
| 18 | Public shareholding | | | | | | |
| | – Number of shares | 6,237,283 | 6,237,283 | 6,832,000 | 6,237,283 | 6,237,283 | 6,832,000 |
| | – Percentage of shareholding | 46.90 | 46.90 | 51.37 | 46.90 | 46.90 | 51.37 |

FOR GSS America Infotech Limited

Bhargav Marepally
CEO & Managing Director

Date: January 29, 2008

Hyderabad

Indian GAAP Consolidated

Rs. million except per share data

| Provisional Profit & Loss Summary for Quarter Ended | | Dec | Sep | QoQ Growth |
|---|--|---------------|-----------------|----------------|
| | | 2008 | 2008 | % |
| 1 | Net Income from sales/services | 993.38 | 1,140.83 | (12.93) |
| | Cost of sales/services | | | |
| 2 | Staff Costs | 790.34 | 894.21 | (11.62) |
| 3 | Gross Profit (1-2) | 203.04 | 246.62 | (17.67) |
| 4 | General Administrative & Selling Expenses | 60.55 | 40.91 | 48.01 |
| 5 | Depreciation | 30.79 | 23.64 | 30.23 |
| 6 | Operating Profit before interest (3) – (4+5) | 111.70 | 182.07 | (38.65) |
| 7 | Interest | - | - | |
| 8 | Exceptional Items | - | - | |
| 9 | Operating Profit after interest and Exceptional Items (6-7-8) | 111.70 | 182.07 | (38.65) |
| 10 | Other Income | 45.42 | 57.61 | (21.16) |
| 11 | Profit (+)/Loss (-) from Ordinary Activities before tax (9+10) | 157.12 | 239.68 | (34.45) |
| 12 | Tax Expense | 21.74 | 24.36 | (10.74) |
| 13 | Net Profit (+)/ Loss (-) from Ordinary Activities after tax (11-12) | 135.38 | 215.32 | (37.13) |
| 14 | Extraordinary items (net of tax expense) | - | - | |
| 15 | Net Profit (+)/ Loss(-) for the period (13-14) | 135.38 | 215.32 | (37.13) |
| 16 | Paid-up equity share capital (Face Value. Rs. 10/- each) | 133.00 | 133.00 | |
| 17 | Reserves and Surplus | 3,139.49 | 3,118.14 | |
| 18 | Earnings Per Share (Face Value Rs. 10/- each) | | | |
| | a) Basic and diluted EPS before Extraordinary items for the period | 10.18 | 16.19 | (37.13) |
| | b) Basic and diluted EPS after Extraordinary items for the period | 10.18 | 16.19 | (37.13) |
| 19 | Public shareholding * | | | |
| | – Number of shares | 6,237,283 | 6,249,000 | |
| | – Percentage of shareholding | 46.90 | 46.98 | |