



INVESTOR UPDATE

OCTOBER 2007 – DECEMBER 2007

- *Infotech's financial performance has been discussed on a consolidated Group basis in this document.*
- *Infotech Group's operations comprise three overseas subsidiaries (Infotech Enterprises Europe Ltd., U.K. (IEEL); Infotech Enterprises America Inc., (IEAI); and Infotech Enterprises GmbH (IE, GmbH), and the Indian subsidiary Infotech Geospatial (India) Ltd.*

Commenting on the Third quarter FY 08 results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, “I am pleased to announce another strong quarterly performance. The company has delivered a robust growth performance during the quarter under review, due to its strong momentum across its business operations and the initiatives undertaken over the years. I'm delighted to bring to your attention that the Total Income in the first nine months of this fiscal has crossed Rs. 500 Crs threshold”

During the quarter we delivered a robust 11.0% sequential growth and 39.6% Y-o-Y growth in revenues in \$ terms, which is in line with our projections. Operating margin has been maintained at 18.1% despite exchange fluctuations. Growth that we witnessed in our business this quarter is broad based – both UTG and EMI segments have witnessed sequential growth of 20% and 7% respectively in \$ terms.

During the quarter we have been selected as Framework supplier by OGC/Catalist for UK Government work. We have figured among the “200 Best under a Billion \$” as listed in the Forbes Asia recent issue.

Our diversified revenue portfolio, both in currencies and geographies, makes us believe that the operating margins are not likely to be impacted any further, barring dramatic currency movement. Going forward, we expect to continue to deliver significant growth on the back of increased order intake which is quite strong and visible in both the verticals.”



FINANCIAL HIGHLIGHTS

All numbers in US\$ Million, except % data

Particulars	Q3 FY 08	Q2 FY 08	Q-o-Q	Q3 FY 07	Y-o-Y
Operating Revenue	43.8	39.4	11.0%	31.4	39.6%
Operating Profit	7.9	7.2	10.5%	7.1	12.1%
Operating Margin	18.1%	18.2%		22.5%	
PAT (Post share of JV Profits)	5.3	6.2		4.1	

FINANCIALS: INDIAN GAAP CONSOLIDATED

All numbers in INR Million, except for % data

Particulars	Q3 FY 08	Q2 FY 08	Q-o-Q	Q3 FY 07	Y-o-Y
Operating Revenues	1768.5	1610.8	9.8%	1430.4	23.6%
Operating Expenditure	1448.1	1317.5	9.9%	1107.9	30.7%
Salary Costs	932.4	893.6	4.3%	656.0	42.1%
Travel Expenditure	150.0	122.2	22.7%	125.5	19.5%
Purchases for Products / Re-sale	139.7	91.2	53.2%	168.2	
Other Operating Costs	226.0	210.5	7.4%	158.1	43.0%
Operating Profits	320.4	293.3	9.2%	322.6	
Operating Margins	18.1%	18.2%		22.5%	
Depreciation & Amortization	99.1	87.8	12.9%	65.8	50.6%
Financial Expenses	12.5	9.5	31.9%	4.8	161.5%
Other Income	54.6	109.1		0.2	
Profit Before Tax	263.3	305.1		252.2	4.4%
PBT Margin	14.4%	17.7%		17.6%	
Tax	62.4	75.0		52.2	19.5%
PAT	201.0	230.1		200.0	0.5%
Share of Profits from - IASI	12.5	22.2		(12.3)	
Minority Interest - IGIL	0.3	0.5			
PAT inc. Share of Profits	213.8	252.8		187.7	13.9%
Net Margin	11.7%	14.7%		13.1%	
Basic EPS	4.11	4.91		4.13	



FINANCIAL REVIEW:

- In Rupee terms, Revenue at Rs.1768.5 millions for the third quarter ended December 31st '07; Y-o-Y growth of 23.6%, sequential growth of 9.8%.
- In \$ terms, Revenues at USD 43.8 millions for the 3rd quarter ended 31st December 2007; Y-o-Y growth of 39.6% and sequential growth of 11%.
- Operating margins stable at 18.1% despite exchange fluctuations.
- In Rupee terms, Net Profit at Rs. 213.8 millions for the third quarter ended December 31st '07; Y-o-Y growth of 13.9%.
- In \$ terms, Net Profit at USD 5.3 millions for the 3rd quarter ended 31st December 2007; Y-o-Y growth of 28.6%.
- Multimap, a company in which we held stake, was bought by Microsoft which yielded a profit of UKP 252,000 on our investment. This is reflected in other income during the quarter.
- Earning per share is at Rs. 4.11 per share.

BUSINESS HIGHLIGHTS:

- During the quarter, we won **2 (Two) multi-million dollar** upgrade and migration projects for Tier One Telecom clients.
- Selected as **Frame work supplier by OGC/ Catalist** for UK Government work.
- Pratt & Whitney announced the selection of its **new high technology Geared Turbo Fan engine** by Mitsubishi. Infotech has played a key role in the design of the test rig and expect higher level participation in the final design.
- Our initiatives of expanding into Australian market a year back yielding strong results now and is among the fastest growing market segments. Infotech has several strong engagements in this market.



- About 30 Infotech **ACE Quality System consultants** are deployed in various parts of the world to assist UTC Fire & Security in timely completion of ACE assessments planned. This is the new service offering after Infotech reached ACE Gold Level in Engineering at Hyderabad.
- We have added **469 new associates** during the quarter of which 368 are in UTG vertical and 79 are in EMI.
- **8 new customers** are added during the quarter of which 3 are in EMI vertical and 5 are in UTG vertical
- We have figured among the “**200 Best under a Billion \$**” listed in the Forbes Asia recent issue.
- We opened a **new 150,000 SFT facility in Electronics City, Bangalore** on Oct 24, 2007 and have consolidated all the existing facilities into this new facility.
- **I-Bridge**, an initiative of **company-wide roll out of SAP** has been successfully completed.

GROUP REVENUE ANALYSIS

All numbers in **INR Million**, except for % data

Group Revenue Analysis	Q3 FY08	Q2 FY08	Q3 FY07
Infotech Enterprises Ltd	1,131.7	1,031.9	922.4
Infotech Enterprises Europe Ltd	211.0	211.6	243.7
Infotech Enterprises America Inc.,	559.1	512.4	464.2
Infotech Enterprises, GmbH	436.5	367.8	308.1
Infotech Geospatial (India) Ltd	6.4	0.4	-
Gross Revenues	2,344.8	2,124.1	1,938.4
Less: Intra Group Revenues	576.3	513.3	508.0
Net Revenues	1,768.5	1,610.8	1,430.4



GROUP PROFIT ANALYSIS

All numbers in **INR Million**, except for % data

Group Profit Analysis	Q3 FY08	Q2 FY08	Q3 FY07
Infotech Enterprises Ltd	144.7	179.4	180.8
Infotech Enterprises Europe Ltd	22.9	15.6	16.4
Infotech Enterprises America Inc	11.6	21.1	3.7
Infotech Enterprises, GmbH	25.9	27.0	17.3
Infotech Geospatial (India) Ltd	(1.2)	(1.8)	-
Gross Profit	203.9	241.3	218.2
Less: Others (Elimination)	2.9	11.2	18.2
Profit After Tax	201.0	230.1	200.0
Share of Profits from IASI	12.5	22.2	(12.3)
Minority Interest of IGIL	0.3	0.5	-
Profit after Minority Interest	213.8	252.8	187.7

VERTICAL WISE REVENUE

All numbers in **INR Million**

Business Segment	Q3 FY08	Q2 FY08	Q3 FY07
Utilities Telecom and Government	683.6	577.9	543.1
Engineering, Manufacturing and Industrial Products	1092.5	1036.3	888.8
Less: Inter Vertical Sales	7.6	3.5	1.5
TOTAL	1,768.5	1610.8	1,430.4



GEOGRAPHY WISE REVENUE

All numbers in INR Million

Geography	Q3 FY08	Q2 FY08	Q3 FY07
North America	807.2 (45.6%)	762.5 (47.3%)	681.3 (47.6%)
Europe	816.3 (46.2%)	765.6 (47.5%)	672.5 (47.0%)
Asia/ Australia	145.1 (8.2%)	82.7 (5.1%)	76.6 (5.4%)
TOTAL	1768.5 (100.0%)	1610.8 (100.0%)	1430.4 (100.0%)

CLIENT CONCENTRATION

Concentration	Q3 FY08	Q2 FY08	Q3 FY07
Top 5	41.8%	46.8%	50.6%
Top 10	58.0%	60.9%	68.1%
Others	42.0%	39.1%	31.9%

VERTICAL WISE BREAKUP OF ASSOCIATES

Vertical Wise Manpower Breakup	31-Dec-07	30-Sep-07	31-Dec-06
UTG	3,759	3,373	2,581
EMI	2,919	2,840	2,248
Support Functions	194	190	114
TOTAL	6,872	6,403	4,943

LOCATION WISE BREAKUP OF ASSOCIATES

Group Manpower Distribution Analysis	31-Dec-07	30-Sep-07	31-Dec-06
Infotech Enterprises Ltd.,	6346	5901	4562
Infotech Enterprises Europe Ltd	43	39	35
Infotech Enterprises America Inc.	303	310	268
Infotech Enterprises, GmbH	134	118	78
Infotech Geospatial (India) Ltd.	46	35	-
TOTAL	6872	6403	4943



About Infotech Enterprises

Infotech Enterprises Limited (IEL) is a global IT Services provider offering Engineering Design Services, Geospatial Information Services and IT Services. Over the last 16+ years Infotech has achieved in gaining expertise in Engineering Design Services in – Aerospace, Locomotives, Marine, Automobiles and other Industrial products. Geospatial Solutions for Telecommunication, Utilities and Government and Software Services.

Over +6800 highly skilled professionals in Infotech work onsite, offshore and near shores to provide high quality and value added services and solutions for companies in several industry sectors. Infotech Enterprises is an SEI CMMi Level 5 company, and certified to ISO 9001:2000, ISO 27001 and AS 9100 standards. Infotech Enterprises is a public listed company and has attracted globally reputed equity investors like Pratt & Whitney and General Atlantic Partners.

For more information, please visit www.infotech-enterprises.com

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