



INVESTOR UPDATE

JULY 2007 – SEPTEMBER 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 Second quarter FY 08 results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, "I am pleased to announce another strong quarterly performance from Infotech Enterprises Limited. 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 by us over the years."

In the quarter we delivered a robust 9.1% sequential growth and 38% Y-o-Y growth in revenues in \$ terms, which is in line with our projections. The net margin has improved by 97% sequentially and 40% Y-o-Y. Growth that we witnessed in our business this quarter is broad based – both UTG segment and EMI segment grew sequentially at 3% and 13% in \$ terms respectively

During the quarter we have been recognized as a "Gold Site", by our major customer Pratt & Whitney. We have entered into Strategic Partnership with Continental Data graphics (CDG), which is a subsidiary of The Boeing Company.

These are likely to witness strong growth momentum across our business operations.

With the help of the exposure in various currencies we believe that the margins are not likely to be impacted significantly any further. Going forward, we expect to continue delivering significant growth on the back of increased order intake which is quite strong and visible in both the verticals."

Key Performance Highlights: Infotech Group

- Revenue growth of 9.1% in \$ terms and 8.2% in Rupee terms sequentially, in line with our earlier projections.
- We have seen a healthy growth in both the verticals: UTG 3% and EMI 13% in \$ terms sequentially and 30.5% in UTG and 43% in EMI in \$ terms Y-o-Y. Overall we grew by 38% Y-o-Y, which is in line with our target.
- Business momentum and environment continues to be strong for Infotech's offerings.
- PAT has improved by 97% sequentially and 40% Y-o-Y.

All numbers in US \$ Million, except for % data

	Q 2 FY 08	Q1 FY 08	Q-o-Q Growth	Q2 FY 07	Y-o-Y Growth
US\$ vs INR Rate	40.86	41.19		45.95	
Operating Revenue	\$39.42	\$36.13	9.1%	\$28.57	38.0%
Operating Profit	\$7.17	\$6.41	11.9%	\$6.17	16.3%
Operating Margin	18.2%	17.8%		21.6%	
PAT (Pre share of JV Profits)	\$5.63	\$2.90	94.0%	\$3.76	49.8%
PAT (Post share of JV Profits)	\$6.18	\$3.14	96.7%	\$4.41	40.2%

Key Operating Highlights for quarter ended Sep 2007:

- During the quarter, the company has allotted 4,417,277 equity shares of Rs. 5/- each at a premium of Rs.355/- and 2,724,000 Compulsorily Convertible Preference Shares of Rs. 360/- per share to GA Global Investment Limited, Cyprus. The company also allotted 1,166,420 equity shares of Rs. 5/-each at a premium of Rs. 355/- to Carrier International ,Mauritius.

- We have successfully been reappraised at maturity level 5 of the Capability Maturity Model Integration (CMMI) Version 1.2 for its Hyderabad centre.

- We are recognized as one of the “GOLD site” by Pratt and Whitney

- We have invested 74% stake in Infotech Geospatial (India) Ltd w.e.f 01st Sep '07.

- We have received 196000\$ from IASI a Associate company as dividend for 2006 during the quarter.

- We have established a Strategic Partnership with Continental Data graphics (CDG), a subsidiary of The Boeing Company.

- In terms of Manpower we have added 768 new associates during this quarter of which 510 are in GSD and 225 are in EMI vertical and balance in support services.

- 10 new customers are added during the quarter in which 7 are from EMI and 3 are from UTG vertical.

Detailed Financial Performance Review

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

	Q 2 FY 08	Q 1 FY 08	Q-o-Q Growth	Q 2 FY 07	Y-o-Y Growth
Operating Revenues	1610.8	1488.1	8.2%	1312.8	22.7%
Operating Expenditure	1317.5	1223.9	7.6%	1029.2	28.0%
Employee cost	893.6	820.2		620.6	
Travel expenses	122.2	122.0		116.3	
Purchases	91.2	94.4		155.7	
Oprtg & admin exp	210.5	187.3		136.6	
Operating Profit	293.2	264.2	11.0%	283.6	3.4%
<i>Operating Margins</i>	<i>18.2%</i>	<i>17.8%</i>		<i>21.6%</i>	
Dep. & Amortization	87.8	75.8		62.8	
Financial Expenses	9.5	4.5		4.3	
Other Income	109.1	(30.4)		5.2	
Profit before Tax	305.1	153.4	98.9%	221.7	37.6%
Provision for Taxation	75.0	33.8		49.0	
Profit after Tax	230.1	119.6	92.4%	172.8	33.2%
Share of IASI profit	22.2	10.0		29.9	
Min. Interest (Infotech Geospatial (India) Ltd)	0.5			-	
PAT incl. share of profits from IASI	252.7	129.5	95.1%	202.7	24.7%
<i>Net Margins</i>	<i>14.7%</i>	<i>8.9%</i>		<i>15.4%</i>	
<i>Basic EPS</i>	4.91	2.81		4.42	

Group Revenue Analysis:

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

	Q 2 FY 08	Q 1 FY 08	Q 2 FY 07
Infotech Enterprises Ltd, India	1031.9	962.6	830.8
Infotech Enterprises Europe Ltd, UK	211.6	241.3	234.9
Infotech Enterprises America Inc., USA	512.4	466.6	416.3
Infotech Enterprises, GmbH, Germany	367.8	297.3	272.0
Infotech Geospatial (India) Ltd.	0.4	-	-
Gross Revenues	2124.1	1967.8	1753.9
Less: Intra Group Revenues	(513.3)	(479.7)	(441.1)
Net Revenues	1610.8	1488.1	1312.8

Group Profit Analysis:

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

Group Profit Analysis	Q2 '07-'08	Q1 '07-'08	Q2 '06-'07
Infotech Enterprises Ltd	179.3	81.6	130.9
Infotech Enterprises Europe Ltd	15.6	13.7	19.8
Infotech Enterprises America Inc.,	21.1	12.1	4.1
Infotech Enterprises, GmbH	27.0	15.1	23.1
Infotech Geospatial (India) Ltd.	(1.8)		
Gross Profit	241.2	122.5	177.9
Less: Goodwill/ Others	(10.2)	(2.9)	(5.20)
Profit After Tax	231.0	119.6	172.8
(+) Share of Profit from IASI	22.2	10.0	29.9
(-) Minority Interest of IGIL	0.5		
Net Profit	252.7	129.5	202.6

Verticals-wise Revenues

All numbers in INR Million

	Q2 FY 08	Q1 FY 08	Q2 FY 07
UTG	577.9	565.3	498.3
EMI	1036.3	924.5	815.9
Less: Inter vertical Sales	(3.4)	(1.7)	(1.4)
TOTAL	1610.8	1,488.1	1312.8

Geography-wise Revenues

All numbers in INR Million, except % data

	Q2 FY 08	Q1 FY 08	Q2 FY 07
North America	762 (47.3%)	700 (47.0%)	620 (47.3%)
Europe	765 (47.5%)	698 (46.9%)	622 (47.4%)
Asia/Australia	83 (5.2%)	90 (6.1%)	71 (5.2%)
TOTAL	1610	1488	1313

Client Concentration

	Q2 FY 08	Q1 FY 08	Q2 FY 07
Top-5	46.5%	46.1%	52.1%
Top-10	60.7%	62.3%	69.3%
Others	39.3%	37.7%	30.7%

Human Resources

Vertical-wise Split	Q2 FY 08	Q1 FY 08	Q2 FY 07
UTG	3,362	2,852	2,260
EMI	2,821	2,596	2,150
Support Functions	185	152	124
Total	6,368	5,600	4,534

Group Company-wise Split	Q2 FY 08	Q1 FY 08	Q2 FY 07
Infotech Enterprises Ltd, India	5,901	5,161	4,173
Infotech Enterprises Europe Ltd, UK	39	36	25
Infotech Enterprises America Inc., USA	310	301	272
Infotech Enterprises, GmbH, Germany	118	102	64
TOTAL	6,368	5,600	4,534

About Infotech Enterprises

Infotech Enterprises is a 6300+ employees software services company with core competencies in the areas of Geospatial Data & Technology services, engineering design and IT services. The company specializes in providing services and solutions for manufacturing, utilities, telecommunications, transportation, retail, financial services, geotechnical and local government markets.

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

For further information please contact:

Roma

Tel.: +91-40-2311 0357 Ext: 698

Fax: +91-40-6662 4368

Email: roma@infotechsw.com