



- **REVENUES GREW SEQUENTIALLY 8.2% IN \$ TERMS**
- **BUSINESS MOMENTUM AND ENVIRONMENT CONTINUES TO BE STRONG FOR INFOTECH'S OFFERINGS.**
- **NET ADDITION OF 469 PEOPLE; 200 IN UTG AND 241 IN EMI.**
- **IAOP RATES INFOTECH ENTERPRISES AS ONE OF THE TOP-100 GLOBAL OUTSOURCING COMPANIES.**

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**Hyderabad, India / Wednesday, July 18, 2007:** Infotech Enterprises Limited (BSE: INFOTECENT, NSE: INFOTECENT) has announced that its unaudited financial results for the quarter ended 30 June, 2007 were taken on record by the Board at its meeting held today.

*Note: All discussions in the announcement cover consolidated financial performance of Infotech Enterprises Limited and its subsidiaries.*

**Commenting on the first quarter FY 08 results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said,** *"I am extremely delighted to bring out the Q1 FY 08 results of Infotech Enterprises Limited. Business momentum and environment for the services that Infotech offers continue to be strong and it is reflected in the operational performance of the company. Added to the strong business momentum, key initiatives that we have taken and relationships that we developed with customers in the last 12 months continue to deliver results.*

*During the quarter we delivered a robust 8.2% sequential growth in revenues in \$ terms, which is in line with our projections. While the drastic appreciation of rupee had its impact on our operating margins, due to our operational excellence and ability to manage business mix, we could sustain the impact on operating margins at 2.6% in spite of drastic appreciation in rupee.*

*Growth that we witnessed in our business this quarter is broad based – both UTG segment and EMI segment grew sequentially at 6.65% and 9.4% in \$ terms respectively.*

*We continue to be bullish on growth prospects for the year and with somewhat stabilizing Rupee we believe margins are not likely to be impacted any further."*

#### **Key Performance Highlights: Infotech Group**

- **Revenue growth of 8.2% in \$ terms** sequentially, in line with our earlier projections.
- **Both business segments grew at a healthy pace: UTG grew at 6.65% and EMI grew at 9.4%** in \$ terms sequentially.
- Business momentum and environment continues to be strong for Infotech's offerings.
- Operating margins impacted only to the extent of 2.6% in spite of 10% appreciation of Rupee – Strong reflection of operational excellence, ability to manage business mix.

- PAT impacted largely due to Translation losses and lesser share of profits from JV; both non-operating parameters.

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

	<b>Q1 FY 08</b>	<b>Q4 FY 07</b>	<b>Q-o-Q Growth</b>	<b>Q1 FY 07</b>	<b>Y-o-Y Growth</b>
US\$ vs INR Rate	41.19	45.29		45.52	
<b>Operating Revenue</b>	<b>\$36.13</b>	<b>\$33.38</b>	<b>8.2%</b>	<b>\$25.71</b>	<b>40.5%</b>
Operating Profit	\$6.41	\$6.81	-5.7%	\$4.82	33.1%
Operating Margin	17.8%	20.4%		18.7%	
PAT (Pre share of JV Profits)	\$2.90	\$4.58	-36.6%	\$3.60	-19.4%
PAT (Post share of JV Profits)	\$3.15	\$5.49	-42.7%	\$4.34	-27.5%

**Key Operating Highlights for quarter ended June 2007:**

- **Shareholders approved raising funds worth \$75 Mil** by placing equity with leading Private Equity Firm General Atlantic Partners and with UTC Group.
- **Acquired 74% stake in Geospace Integra** as a part of Strategy to address growing demand for **Geospatial Services in India and Middle East Markets**. Integration of two entities in progress.
- **Established a 50:50 Joint Venture with Hindustan Aeronautics Limited (HAL)**, a leading Indian aerospace company. JV will mainly focus on aero-engines, technical publications and anticipated work from various OEMs under the offset programs. With offset program related work expected to flow into India from 2009, this JV will be in a strong position to pitch for and win a large portion of engineering services work.
- During the quarter started working on a **system level design** work for a **leading North American Aerospace Company**.
- Top-5 customer has projected to **increase the volume of business two fold**.
- In the **Geospatial area**, selected by leading multi-national for a **large software migration project**.
- 469 people net additions – 200 of them in UTG, 241 of them in EMI segment and the remainder in corporate functions.
- Attrition for the quarter at 3.64% (Including the forced attrition of 1%)
- 8 new customers added – 5 in UTG and 3 in EMI segment.
- International Association of Outsourcing Professionals (IAOP) has rated us as **one of the top 100 global outsourcing companies** in 2007.

## Financial Performance Review

(Rs. in Lakhs)

Sl. No.	Particulars	Three Months Ended June 30, 2007	Three Months Ended June 30, 2006	Year Ended March 31, 2007
		<b>(Unaudited)</b>	(Unaudited)	(Audited)
1	Sales	<b>14,881</b>	11,703	54,254
2	Other Income	<b>(304)</b>	429	672
<b>3</b>	<b>Total Income</b>	<b>14,577</b>	<b>12,132</b>	<b>54,926</b>
<b>4</b>	<b>Total Expenditure ( a + b + c + d)</b>	<b>12,239</b>	<b>9,509</b>	<b>42,906</b>
a	Staff Cost	<b>8,202</b>	5,692	26,469
b	Travel Expenses	<b>1,220</b>	1,031	4,699
c	Purchases - Services/Products	<b>944</b>	1,557	5,116
d	Operating & Administrative Expenses	<b>1,873</b>	1,229	6,622
<b>5</b>	<b>Profit before interest, depreciation &amp; tax (PBIDT)</b>	<b>2,338</b>	<b>2,623</b>	<b>12,020</b>
6	Financial Expenses	<b>45</b>	25	148
7	Depreciation & Amortization	<b>759</b>	539	2,566
<b>8</b>	<b>Profit before Taxation</b>	<b>1,534</b>	<b>2,059</b>	<b>9,306</b>
9	Provision for Taxation	<b>325</b>	426	1,846
10	Fringe Benefit Tax	<b>38</b>	29	133
11	Deferred Taxation	<b>(25)</b>	(36)	(114)
<b>12</b>	<b>Profit after Taxation</b>	<b>1,196</b>	<b>1,640</b>	<b>7,441</b>
<b>13</b>	<b>Share of Profit from Associate Company</b>	<b>101</b>	335	925
<b>14</b>	<b>Profit After Share of Profits from Associate Company</b>	<b>1,297</b>	1,975	8,366
15	EPS - Basic	<b>2.81</b>	4.33	18.24
	EPS - Diluted	<b>2.74</b>	4.22	17.82
	(On par value of Rs. 10 per share)			

### Notes

1. The above unaudited results were taken on record by the Board of Directors at their meeting held on July 18, 2007
2. The above Consolidated Financial Results have been prepared in accordance with Accounting Standard 21 issued by The Institute of Chartered Accountants of India
3. The consolidated Financial Results represent those of Infotech Enterprises Limited and its wholly owned subsidiaries viz. M/s Infotech Enterprises Europe Limited, UK; Infotech Enterprises America Inc., USA and Infotech Enterprises, GmbH, Germany.
4. Corresponding previous period's figures have been regrouped / reclassified wherever necessary.

## **About Infotech Enterprises**

Infotech Enterprises is a 5600+employee 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 is also 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 Tele Atlas.

For more information, please visit [www.infotech-enterprises.com](http://www.infotech-enterprises.com)

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