



## PRESS RELEASE\*

- **Operating Revenues up 52.1% Y-on-Y, 9.0% Q-on-Q, at Rs. 1430.4 million**
- **Net profit before JV's share at Rs. 200 million for the quarter, up 69.6% Y-on-Y**
- **Net addition of 406 employees during the quarter**

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**Hyderabad, India / Wednesday, January 17, 2007:** Infotech Enterprises Limited (BSE: INFOTECENT, NSE: INFOTECENT) has announced that its unaudited financial results for the quarter ended December 31, 2006 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 third quarter results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, "This quarter witnessed growth amongst both the verticals on the back of significant ramp up in the existing clients. While the existing clients contributed to 6.5% of the sequential growth, the rest 2.5% came from new customers and on account of exchange rate fluctuations.**

*While the momentum in the existing service offerings is encouraging, we are building new practice areas, specifically in the EMI Vertical to increase the visibility for the Company in the forthcoming years. Operating margins, which are at 22.5% this quarter may impact to an extent on account of these investments, but we feel it's the right juncture for these investments to be made.*

*The company has participated in various bids, several of these to be awarded during Quarter 4. The pipeline is extremely healthy and we strongly believe that the growth momentum will continue."*

### **Key Performance Highlights: Infotech Group Sequential Period Analysis (October - December 2006 Vs. July – September 2006)**

- Operating revenues grew by 9% sequentially, at Rs. 1430.4 million as against Rs. 1312.8 million
- Operating profits higher by 13.8%, at Rs. 322.6 million compared to Rs. 283.5 million. Operating margins at 22.5% as against 21.6%
- Net Profit after tax (before share of Joint Venture profits) up 15.8%, at Rs. 200.0 million as compared to Rs. 172.7 million.
- Net Profit after tax (after share of Joint Venture profits) at Rs. 187.7 million as against Rs. 202.6 million.

### **Corresponding Period Analysis (October - December 2006 Vs. October - December 2005)**

- Operating Revenues higher by 52.1%, at Rs. 1430.4 million as against Rs. 940.6 million.
- Operating profits increased by 81.5% to Rs. 322.6 million as against Rs. 177.7 million.
- Net Profit after tax (before share of Joint Venture profits) up 69.6%, at Rs. 200.0 million as compared to Rs. 117.9 million.
- Net Profit after tax (after share of Joint Venture profits) at Rs. 187.7 million as against Rs. 132.7 million, an increase of 41.5%.

### **Key Business / Operating Highlights for Quarter 3 FY 2007**

- Strong order intake in Europe for Geospatial work of over GBP 6 million.
- Initiatives taken to provide advanced aeronautical design courses at various institutions to improve the quality and suitability of engineers in the Aerospace vertical.
- Net addition of 409 associates during the quarter, 321 in the GSD vertical.
- 8 new customers added during the quarter, 5 in GSD and 3 in EMI Vertical.
- Operating Revenues and Net Profits for the first 9 months FY 2007 exceeds FY 2006 total revenues and profits.

## Financial Performance Review

(Rs. In Millions)

Particulars	Q3 FY 2007	Q2 FY 2007	Q-on-Q Variance (%)	Q3 FY 2006	Y-on-Y Variance (%)	FY 2006
Operating Revenues	1430.4	1312.8	9.0%	940.6	52.1%	3625.0
Operating Expenditure	1107.9	1029.3	7.6%	762.9	45.2%	2967.3
▪ Employee cost	656.0	620.7	5.7%	442.9	48.1%	1700.6
▪ Travel expenses	125.5	116.3	7.9%	87.7	43.1%	328.3
▪ Purchases- Services/Products	168.2	147.3	14.2%	110.3	52.5%	463.4
▪ Oprtg & admin exp	158.1	145.0	9.0%	122.0	29.5%	475.1
Operating Profit	322.6	283.5	13.8%	177.7	81.5%	657.7
<i>Operating Margins</i>	<i>22.5%</i>	<i>21.6%</i>		<i>18.9%</i>		<i>18.1%</i>
Dep. & Amortization	65.8	62.8	4.9%	48.9	34.5%	185.6
Financial Expenses	4.8	4.3	10.8%	1.8	168.6%	8.9
Other Income	0.2	5.2	(95.5%)	12.1	(98.1%)	33.5
Profit before Tax	252.2	221.7	13.8%	139.1	81.4%	496.6
Provision for Taxation	52.2	49.0	6.5%	21.1	147.1%	94.1
Profit after Tax	200.0	172.7	15.8%	117.9	69.6%	402.5
Share of IASI profit	(12.3)	29.9	(141.1%)	14.8	(183.3%)	100.7
PAT incl. share of profits from IASI	187.7	202.6	(7.3%)	132.7	41.5%	503.2
<i>Net Margins</i>	<i>13.1%</i>	<i>15.4%</i>		<i>13.9%</i>		<i>13.8%</i>
<i>Basic EPS*</i>	<i>4.13</i>	<i>4.42</i>		<i>2.92</i>		<i>11.11</i>

\* EPS adjusted to Bonus Issue and Stock Split

## **About Infotech Enterprises**

Infotech Enterprises is a 4900+ employee software services company with core competencies in the areas of Geospatial Data & Technology services, engineering design and IT services. The company specializes in software services and solutions for manufacturing, utilities, telecommunications, transportation, retail, financial services, geotechnical and local government markets.

The company has its headquarters and development facilities in India and serves a global customer base through subsidiaries in the UK (Infotech Enterprises Europe Limited), Germany (Infotech Enterprises GmbH) and USA (Infotech Enterprises America, Inc.). Infotech has also developed a strategic partner network to serve markets in Europe, Japan, Australia, the Middle East and the Asia-Pacific region.

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.infotechsw.com](http://www.infotechsw.com)

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