



PRESS RELEASE *

- Revenues for FY 2005-06 at Rs. 3625 million up 41%
- Net profit for FY 2005-06 up 84% to Rs. 503.2 million
- EPS for the year at Rs. 33.3, up 78.3%
- Recommend a stock split of 2-for 1 (Rs.10 share sub-divided into 2 shares of Rs. 5 each)
- Recommend a Bonus of 2:1, i.e; for every 2 shares held, 1 Bonus share
- Recommend a dividend of 22.5% pre-bonus & pre-split

Hyderabad, India / Wednesday, April 19, 2006: Infotech Enterprises Limited (BSE: INFOTECENT, NSE: INFOTECENT) has announced that its audited financial results for the quarter and year ended March 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 fourth quarter and year end results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, "The year has been significant for the company with several new marquee client additions across both verticals, launch of new service offerings and expansion in many new regions. In FY2006, Infotech delivered 41% growth in revenues and growth of 84% in net profit. We delivered average sequential quarter growth of 13.4%. We have achieved two significant landmarks towards the close of the year – exceeding Rs. 1 billion in quarterly revenues in Q4 and Rs. 500 million in net profit during FY2006.

During the quarter, we maintained our growth momentum by bagging major contracts from GE Energy to provide geospatial data management services for Swisscom Fixnet, Switzerland and from a consortium of state and local government agencies located in the County of Los Angeles to provide digital aerial imagery services. These contracts highlight our leadership in the GIS space and follow several significant wins recently in both our focus verticals.

We believe that our financial and operational achievements in FY2006 reflect the superior value we deliver to the customers. We look forward to making further inroads in global markets by delivering on our strategic corporate plans. We expect to build upon the strong platform created in FY2006 to deliver another year of strong growth in FY2007 and become key players in our focus segments."

Key Performance Highlights

Infotech Group: Consolidated Performance

Fiscal Year 2006 review (April 2005 – March 2006 Vs. April 2004 – March 2005)

- Operating revenues at Rs. 3625.0 million as compared to revenues of Rs. 2571.3 million in FY 2005, representing a Y-o-Y growth of 41.0%
- Operating profit at Rs. 671.9 million as compared to Rs. 466.5 million, higher by 44.0%. Operating margins for the year at 18.5% as compared to 18.1%.
- Net Profit up 83.8% at Rs. 503.2 million as compared to Rs. 273.8 million.

Sequential Period Analysis (January – March 2006 vs. October – December 2005)

- Operating revenues higher by 14.6%, at Rs. 1078.0 million compared to Rs. 940.6 million.
- Operating profit higher by 11.8% at Rs. 198.7 million compared to Rs. 177.7 million. Operating Margins at 18.4% as compared to 18.9%.
- Net profit higher by 25.1% at Rs. 166.0 million compared to Rs. 132.7 million.

Corresponding period analysis (January – March 2006 Vs. January – March 2005)

- Operating revenues increase by 65.4% at Rs. 1078.0 million compared to Rs. 651.7 million in the corresponding period last year.
- Operating profit higher by 53.4% at Rs. 198.7 million compared to Rs. 129.5 million. Operating margins at 18.3% compared to 19.9%.
- Net profit after tax higher by 86.2% at Rs. 166.0 million compared to Rs. 89.2 million.

Key business / operating highlights for Financial Year 2005-06

- During the year, the following major contracts were signed by the Company:
 - Strategic alliance with Ten Sails, UK to provide solutions, services and technology expertise to global Small World user community.
 - Engineering design agreement with Alstom Transport extending over a period of 5 years and expected to generate revenues of US\$ 50-55 million.
 - Two-year contract with SP AusNet, a wholly owned subsidiary of Singapore Power, to provide geospatial data maintenance for their gas and electricity network assets.
 - Major GIS contract from KPN Telecom extending over a period of 18 months.
 - Contract for geospatial technical services from UK-based Network Rail.
 - Contract with GE Energy to provide geospatial data management services for Swisscom Fixnet over a period of three and half years.
 - Contract with LA County to provide Digital Aerial Imagery Services to 26 State and Local Governments Consortium within the County
- Set up dedicated design centers for major clients, including Hamilton Sundstrand, Alstom Transportation, Boeing, Airbus, KPN Telecom etc. strengthening several long-term relationships.
- Infotech launched several new service offerings in both UTG and EMI verticals during the year. These include piping and instrumentation (UTG); and marine vertical practice, interiors and seating, signaling and interlocking, aerospace structures, and validation and verification (EMI).
- 40 new clients were added during FY2006, 19 in the UTG vertical and 21 in EMI vertical. Of these, 10 new clients were added during the quarter under review – six in UTG and four in EMI.
- Infotech expanded its human resources by 1546 and employed 3978 associates at the close of FY2006.

Infotech Enterprises Limited: Standalone Performance

Fiscal year review (April 2005 – March 2006* Vs. April 2004 – March 2005)

- Operating revenues up 38.9% at RS. 2136.9 million compared to Rs. 1538.0 million.
- Net Profit after tax higher by 27.2% at Rs. 283.8 million compared to Rs. 223.1 million.

Sequential period analysis (Q4FY2006* vs. Q3FY2006)

- Operating revenues for the quarter up 25.0% at Rs. 652.0 million from Rs. 521.5 million.
- Net Profit after tax higher by 65.6% at Rs. 118.1 million compared to Rs. 71.3 million.

Corresponding period analysis (Q4FY2006 2005 vs. Q4FY2005)

- Operating revenues for the quarter up 54.5% at Rs. 652.0 million.
- Net profit after tax higher by 64.7% at Rs. 118.1 million.

**Includes financials of Noida Operations w.e.f. October 1, 2005*

Group Financial Performance

INFOTECH ENTERPRISES LIMITED							
Consolidated Group Financial Performance							
<i>(Rs. Million)</i>							
Particulars	Q4 FY 2006	Q3 FY 2006	Q2 FY 2006	Q1 FY 2006	FY 2006	FY 2005	Y-on-Y Variance (%)
Operating Revenues	1078.0	940.6	824.1	782.2	3625.0	2571.3	41.0%
Operating Expenditure	879.4	762.9	663.6	647.2	2953.1	2104.7	40.3%
- Employee cost	494.5	442.9	394.4	364.7	1696.5	1212.7	39.9%
- Travel expenses	98.1	87.7	73.0	68.6	327.4	230.3	42.1%
- Purchases for resale	160.8	110.3	79.1	108.6	458.8	289.5	58.5%
- Oprtg & admin exp	126.0	122.0	117.1	105.2	470.3	362.3	26.4%
Operating Profit	198.7	177.7	160.5	135.0	671.9	466.5	44.0%
<i>Operating Margins</i>	<i>18.4%</i>	<i>18.9%</i>	<i>19.5%</i>	<i>17.3%</i>	<i>18.5%</i>	<i>18.1%</i>	
Financial Expenses	6.2	1.8	1.4	1.6	11.0	2.5	340.1%
Depreciation & Amortization	48.1	48.9	43.7	45.0	185.7	167.3	11.0%
Other Income	14.0	12.1	6.9	(11.7)	21.3	42.6	(50.0%)
Profit before Tax	158.4	139.1	122.3	76.8	496.5	339.3	46.3%
Provision for Taxation	35.8	21.1	25.7	11.4	94.0	90.1	4.3%
Profit after Tax	122.6	117.9	96.6	65.4	402.5	249.1	61.5%
Share of IASI profit	43.4	14.8	12.2	30.3	100.7	24.6	
PAT incl. share of profits from IASI	166.0	132.7	108.7	95.7	503.2	273.7	83.8%
<i>Net Margins</i>	<i>15.2%</i>	<i>13.9%</i>	<i>13.1%</i>	<i>12.4%</i>	<i>13.8%</i>	<i>10.5%</i>	

About Infotech Enterprises Ltd.

Infotech Enterprises (BSE: INFOTECENT, NSE: INFOTECENT) is a fourteen-year old leading Indian software services company with core competencies in the areas of GIS, engineering design and IT services. Its range of services includes Digitization of drawings and maps, Photogrammetry, CAD / CAE, Design and Modeling, Repair Development engineering, Reverse engineering, Application Software Development, Software Products Development, Consulting and Implementation. The company specializes in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets with over 3900 software professionals globally.

The company has its headquarters and development facilities in India and serves a global customer base through subsidiaries in the UK (Infotech Enterprises Europe), Germany (Advanced Graphics Software GmbH), USA (Infotech Software Solutions, Inc.), Noida, India (Tele Atlas). 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 Maturity Level 5 company and is also certified to ISO 9001:2000, AS 9100 & BS 7799 quality standards. It is a public listed company and has attracted globally reputed strategic investors like Pratt & Whitney & Tele Atlas.

For more information, please do visit us at: www.infotechsw.com

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