



## PRESS RELEASE

- REVENUES GREW SEQUENTIALLY 9.1% IN \$ TERMS AND 8.2% IN RUPEE TERMS.
- BUSINESS MOMENTUM AND ENVIRONMENT CONTINUES TO BE STRONG FOR INFOTECH'S OFFERINGS.
- NET ADDITION OF 768 PEOPLE; 510 IN UTG ,225 IN EMI. AND BALANCE IN SUPPORT FUNCTIONS.
- PAT HAS IMPROVED BY 97% SEQUENTIALLY AND 40% Y-O-Y.
- WE HAVE SUCCESSFULLY BEEN REAPPRAISED AT MATURITY LEVEL 5 OF THE CAPABILITY MATURITY MODEL INTEGRATION (CMMI) VERSION 1.2 FOR ITS HYDERABAD CENTRE.

**Hyderabad, India / Wednesday, Oct 17, 2007:** Infotech Enterprises Limited (BSE: INFOTECENT, NSE: INFOTECENT) has announced that its unaudited financial results for the quarter ended 30th Sep, 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 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

	<b>Q 2 FY 08</b>	<b>Q1 FY 08</b>	<b>Q-o-Q Growth</b>	<b>Q2 FY 07</b>	<b>Y-o-Y Growth</b>
US\$ vs INR Rate	40.86	41.19		45.95	
<b>Operating Revenue</b>	<b>\$39.42</b>	<b>\$36.13</b>	<b>9.1%</b>	<b>\$28.57</b>	<b>38.0%</b>
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 01<sup>st</sup> 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.

## **Financial Performance Review**

(Rs. in Lakhs)

Sl. No.	Particulars	Three Months Ended 30-Sep-07 (Unaudited)	Three Months Ended 30-Sep-06 (Unaudited)	Half year Ended 30-Sep-07 (Unaudited)	Half year Ended 30-Sep-06 (Unaudited)	Year Ended 31-Mar-07 (Audited)
1	Sales	16,108	13,128	30,989	24,831	54,254
2	Other Income	1,091	52	787	481	672
3	<b>Total Income</b>	<b>17,199</b>	<b>13,180</b>	<b>31,776</b>	<b>25,312</b>	<b>54,926</b>
4	<b>Total Expenditure (a + b + c + d)</b>	<b>13,176</b>	<b>10,293</b>	<b>25,415</b>	<b>19,802</b>	<b>42,907</b>
a	Staff Cost	8,935	6,207	17,137	11,899	26,469
b	Travel Expenses	1,223	1,163	2,443	2,194	4,699
c	Purchases - Services/Products	912	1,473	1,856	3,030	5,116
d	Operating & Administrative Expenses	2,106	1,450	3,979	2,679	6,623
5	<b>Profit before interest, depreciation &amp; tax (PBIDT)</b>	<b>4,023</b>	<b>2,887</b>	<b>6,361</b>	<b>5,510</b>	<b>12,019</b>
6	Financial Expenses	96	43	141	68	148
7	Depreciation & Amortization	877	628	1,636	1,167	2,566
8	<b>Profit before Taxation</b>	<b>3,050</b>	<b>2,216</b>	<b>4,584</b>	<b>4,275</b>	<b>9,305</b>
9	Provision for Taxation	596	450	921	875	1,846
10	Fringe benefit Tax	35	37	73	66	133
11	Deferred Taxation	119	3	94	(33)	(115)
12	<b>Profit after Taxation</b>	<b>2,300</b>	<b>1,726</b>	<b>3,496</b>	<b>3,367</b>	<b>7,441</b>
13	Minority Interest of IGIL	5	-	5	-	-
14	Share of Profit from Associate Company (IASI)	221	299	322	634	925
15	<b>Profit After Share of Profit from Associate Company</b>	<b>2,526</b>	<b>2,025</b>	<b>3,823</b>	<b>4,001</b>	<b>8,366</b>
16	EPS - Basic*	4.91	4.42	7.83	8.73	18.24
	EPS - Diluted*	4.58	4.32	7.28	8.54	17.82

\*On par value of Rs. 5 per share

**Notes**

1. The above unaudited results were taken on record by the Board of Directors at their meeting held on October 17, 2007.
2. The above Consolidated Financial Results have been prepared in accordance with Accounting Standard 21 and Accounting Standard 23 issued by The Institute of Chartered Accountants of India.
3. With effect from September 1, 2007, the company acquired 74% stake in Geospatial Integrated Solutions Pvt. Ltd. Consequent to the acquisition, the name of the company has been changed to Infotech Geospatial (India) Ltd.
4. The consolidated Financial Results represent those of Infotech Enterprises Limited, its subsidiary companies, viz. Infotech Enterprises Europe Limited, UK, Infotech Enterprises America Inc., USA, Infotech Enterprises GmbH, Germany, Infotech Geospatial (India) Ltd. and Associate Company viz. Infotech Aerospace Services Inc. Puerto Rico.
5. Corresponding previous period's figures have been regrouped / reclassified wherever necessary.

## **About Infotech Enterprises**

Infotech Enterprises is a 6300+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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### **For further information please contact:**

K.S. Susindar  
Asst. General Manager- Corporate Communications  
Infotech Enterprises Limited  
Tel.: +91 40 23112501

Email: [susindarks@infotechsw.com](mailto:susindarks@infotechsw.com)

Deepti M Sangani/Meeta Singh  
Perfect Relations  
Mobile: 9849758020/9949065300  
Email: [dsangani@perfectrelations.com](mailto:dsangani@perfectrelations.com), [meetas@perfectrelations.com](mailto:meetas@perfectrelations.com)