



PRESS RELEASE

KEY HIGHLIGHTS

- Revenue Rs. 2214.2 Millions for the quarter, Q-o-Q growth of 10.4% and Y-o-Y growth of 37.5% in Rupee terms.
 - Revenue at \$ 50.6 Million for the quarter, Q-o-Q growth of 5.3% and Y-o-Y growth of 28.4% in \$ terms.
 - Operating profits at 20.6% for the quarter, Q-o-Q improvement of 220 basis points and Y-o-Y improvement of 240 basis points.
 - Net Profit after Tax at Rs. 349 million, an improvement of 38.1% Y-o-Y and 42.1% sequentially in rupee terms.
 - Net Profit after Tax at \$ 8.0 million, an improvement of 29.0% Y-o-Y and 35.5% sequentially in \$ terms.
 - Hitech market gets increased focus.
 - We continue to make in-roads in the Asia Pacific, India and Middle East region. Japan added to our list of offices.
 - Net addition of 553 people during the quarter.
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Commenting on the Second quarter FY 09, Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, “I am pleased to announce another strong quarterly performance. The company has delivered a robust growth performance during the quarter under review. Revenues crossed Rs. 2.21 billion for the quarter. We also made a significant improvement of 220 basis points in our Operating Margins over the sequential quarter.

Our North American and German subsidiaries have shown strong sustainable performance. In the first six months of the current financial year, all our wholly-owned subsidiaries and our associate have paid dividends. Our order inflow is in line with our budgets and we do not see any significant effect of US slowdown on our order inflow. We continue to make in-roads in the Asia Pacific, India and Middle East region. We have started our operations in Japan, which is the world's second largest economy, and will focus on engineering services.

Engineering, Utilities and Telecommunications, our key verticals continue to be robust in growth and don't show any signs of slow down. We are increasing our focus in the Hitech markets and our acquisition of Time To Market Inc. and all its affiliates is a significant step in that direction. Going forward, we expect to continue to deliver significant growth on the back of increased order intake and high visibility of business in both the verticals.”

HIGHLIGHTS FOR THE QUARTER ENDED SEPTEMBER 30, 2008 (Q2 FY09)

FINANCIAL HIGHLIGHTS

Particulars	Q2 FY 09	Q1 FY 09	Q-o-Q	Q2 FY 08	Y-o-Y
Operating Revenue	2214.2	2006.1	10.4%	1610.8	37.5%
Operating Profit	456.6	368.9	23.8%	293.2	55.7%
Operating Margin	20.6%	18.4%		18.2%	
PAT (Post share of JV Profits)	349.0	245.6	42.1%	252.7	38.1%

(All numbers in INR Million, except % data)

Particulars	Q2 FY 09	Q1 FY 09	Q-o-Q	Q2 FY 08	Y-o-Y
Operating Revenue	50.6	48.1	5.3%	39.4	28.4%
Operating Profit	10.4	8.8	18.1%	7.2	44.4%
Operating Margin	20.6%	18.4%		18.2%	
PAT (Post share of JV Profits)	8.0	5.9	35.5%	6.2	29.0%
Exchange Rate (US\$ vs INR)	43.75	41.73		40.86	

(All numbers in US\$ Million, except % data)

- In **Rupee terms, Revenues** at Rs. 2.214 billion for the quarter; Y-o-Y growth of 37.5%, sequential growth of 10.4%.
- In **\$ terms, Revenues** at US\$ 50.6 millions for the quarter; Y-o-Y growth of 28.4% and sequential growth of 5.3%.
- In **Rupee terms, Net Profit** at Rs. 349.0 millions for the quarter; Y-o-Y growth of 38.1% and sequential growth of 42.1%.
- In **\$ terms, Net Profit** at US\$ 8.0 millions for the quarter; Y-o-Y growth of 29.0% and sequential growth of 35.5%.
- **Operating margins** are at 20.6%, a Y-o-Y increase of 240 basis points and sequential increase of 220 basis points.
- Received **dividend** of US\$ 0.62 Millions from our US subsidiary and GBP 0.39 Millions from UK subsidiary. Also received US\$ 0.25 Millions dividend from our Associate Company.
- **Cash and Cash Equivalents**, including liquid investments, as on September 30, 2008 was Rs. 3,337 million.
- We incurred **Capital Expenditure** of Rs. 177 million during the quarter and Rs. 476 million during the half-year.
- **23 Customers** were added during the quarter, 6 in UTG and 17 in EMI.
- We entered into a **definitive agreement with Time To Market Inc. (TTM)** to acquire the company and all its affiliates. This will enable us to create a strong momentum in the Hitech markets. TTM is a wholly owned subsidiary of Infotech effective October 1, 2008.
- We opened a **new office at Japan** which will focus on engineering services.
- We have forged a **Strategic Engineering Partnership with ALTEN**, a leader in Engineering Consulting in Europe, to provide advanced technology solutions and global engineering delivery to EADS (parent company of Airbus).
- We signed a **new multi-year contract with Bombardier Transportation** to continue to provide engineering, electronic design, technical publications, and IT related services to Bombardier Transportation divisions worldwide. We now support all Bombardier divisions across multiple technologies and projects in a real-time engineering environment.
- We also signed a **3 year contract with IHS Inc.** This marks our foray into the global Oil and Gas industry.

- **Letter of Intent received from Govt. of Andhra Pradesh** for survey and mapping work of two districts of Andhra Pradesh valued at Rs. 49 crores. The order is expected to be executed during the next 30 months.
- **New service offerings:** For Utilities - building capability in distribution utility operational systems; For Telecom - “FTTx” addressing fibre to the home / office; Others - built competence on Integraph G/Technology platform. For Engineering - Electrical system drawings for oil rigs, PCB reverse engineering, Design of Bow Thruster Gearbox foundation, Steam Turbine Blades design.
- We inaugurated our **new facility at Noida**. The four-level facility with a built-up area of 45,000 sft will have 650 seats engaging upto 1000 associates.
- NDPL E-GIS System, which has been implemented by us, has won the prestigious “**GITA Excellence Award**” by GITA-ANZ (Geospatial Information Technology Association, Australia & New Zealand) for implementing GIS and integrating it with NDPL’s business and distribution management systems.
- Participated in Automotive R&D summit - Pune, InnoTrans 2008 - Germany, Hong Kong Medical Fair, Intergeo - Germany, GITA 2008 - Sydney and ESRI International User Conference - USA.
- Actively participated in **Investor Roadshows** at Singapore, Hong Kong, London and Frankfurt during the quarter.
- Our executive management has increased interaction with our customers. **Customer visits** to our development centers has also seen an increase. This has helped in engaging our customers better and making them get a good feel for the future. This has also helped in **strengthening our order pipeline**.
- We are conducting an **Associate engagement survey**, partnered by Hewitt Associates.
- We have started an organization-wide initiative for conducting **Vision Deployment workshops**.

INFOTECH ENTERPRISES LIMITED

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UNAUDITED CONSOLIDATED FINANCIAL RESULTS UNDER INDIAN GAAP FOR THE QUARTER ENDED SEPTEMBER 30, 2008

(Rupees in Lakhs)

Sl. No.	Particulars	Three Months Ended 30-Sep-08 (Unaudited)	Three Months Ended 30-Sep-07 (Unaudited)	Half year Ended 30-Sep-08 (Unaudited)	Half year Ended 30-Sep-07 (Unaudited)	Year Ended 31-Mar-08 (Audited)
1	Sales	22,142	16,108	42,203	30,989	67,413
2	Other Income	1,135	1,091	1,463	787	2,267
3	Total Income	23,277	17,199	43,666	31,776	69,680
4	Total Expenditure (a + b + c + d)	17,575	13,176	33,948	25,415	55,243
a	Staff Cost	12,149	8,935	23,070	17,137	35,615
b	Travel Expenses	1,860	1,223	3,592	2,443	5,531
c	Purchases - Services/Products	270	912	1,085	1,856	4,804
d	Operating & Administrative Expenses	3,296	2,106	6,201	3,979	9,293
5	Profit before interest, depreciation & tax (PBIDT)	5,702	4,023	9,718	6,361	14,437
6	Financial Expenses	112	96	216	141	372
7	Depreciation & Amortization	1,139	877	2,214	1,636	3,654
8	Profit before Tax	4,451	3,050	7,288	4,584	10,411
9	Current Tax	1,020	596	1,770	921	2,037
10	Fringe Benefit Tax	52	35	94	73	153
11	Deferred Tax	37	119	(168)	94	385
12	Profit after Tax	3,342	2,300	5,592	3,496	7,836
13	Minority Interest	12	5	4	5	22
14	Share of profit from Associate Company	137	221	351	322	699
15	Profit after Minority Interest and Share of profit from Associate Company	3,491	2,526	5,947	3,823	8,557
16	EPS - Basic*	6.65	4.91	11.36	7.83	16.90
	EPS - Diluted*	6.60	4.58	11.28	7.28	16.69

*On par value of Rs. 5 per share

Notes

- The above unaudited results were taken on record by the Board of Directors at their meeting held on October 23, 2008.
- The above Consolidated Financial Results have been prepared in accordance with Accounting Standard 21, Accounting Standard 23 and Accounting Standard 27 issued by The Institute of Chartered Accountants of India.
- 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, Infotech Enterprises GmbH, Germany; partly-owned subsidiary Infotech Geospatial (India) Ltd.; Associate Company, viz. Infotech Aerospace Services Inc. Puerto Rico; and Joint Venture, viz. Infotech HAL Ltd.
- The results for the quarter ended September 30, 2008 on Consolidated basis have not been subjected to "Limited Review" by the statutory auditors.
- We entered into a definitive agreement with Time To Market Inc. (TTM) to acquire the company and all its affiliates. This will enable us to create a strong momentum in the Hitech markets. TTM is a wholly owned subsidiary of Infotech effective October 1, 2008.
- Corresponding previous period's figures have been regrouped / reclassified wherever necessary.

for INFOTECH ENTERPRISES LIMITED

Place : Hyderabad
Date : October 23, 2008

B.V.R. MOHAN REDDY
Chairman & Managing Director

ABOUT INFOTECH ENTERPRISES LIMITED

Infotech Enterprises Limited (IEL) is a global IT Services provider offering Engineering Design Services, Geospatial Information Services and IT Services. Over the last 17+ years Infotech has achieved in gaining expertise in Engineering Design Services in - Aerospace, Locomotives, Marine, Automobiles and other Industrial products. Geospatial Solutions for Telecommunication, Utilities and Government and Software Services.

Over +7800 highly skilled professionals in Infotech work onsite, offshore and near shores to provide high quality and value added services and solutions for companies in several industry sectors. 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

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