



INVESTOR UPDATE

QUARTER ENDED DECEMBER 31, 2008

- Infotech's financial performance has been discussed on a consolidated Group basis in this document.
- Infotech Group's operations comprise overseas wholly-owned subsidiaries Infotech Enterprises Europe Ltd., U.K. (IEEL); Infotech Enterprises America Inc., (IEAI); Infotech Enterprises GmbH (IE, GmbH) ; TTM Pvt. Limited; TTM Institute of Information Technology Pvt. Limited, India; Joint Venture Infotech HAL Limited and the Indian partially-owned subsidiary Infotech Geospatial (India) Ltd (IGIL).

KEY HIGHLIGHTS

- Revenue, in Rupee terms, Rs. 2327.5 Millions for the quarter, Q-o-Q growth of 5.1% and Y-o-Y growth of 31.6%.
- Revenue, in US\$ terms, at \$ 47.7 Millions for the quarter, Q-o-Q de-growth of 5.7% and Y-o-Y growth of 9.0%. Q-o-Q de-growth of 5.7% is attributed solely to weakening of GBP, Euro, and Aus\$ against INR.
- Operating profits for the quarter in Rupees and US\$ terms stood at Rs.450.8 Millions and \$ 9.2 Millions respectively.
- Operating margins for the quarter at 19.4% for the quarter, Y-o-Y improvement of 130 basis points.
- Profit Before Tax, excluding forex losses of Rs. 224.6 Million, stands at Rs. 376.6 Million.
- Net Profit after Tax at Rs. 144.8 Millions, impacted largely due to foreign exchange currency & translation losses, a non-operational parameter, of Rs. 224.6 Millions (This includes provision of Rs.100 Millions made towards possible future currency losses from open forward contracts).
- Both business segments grew at a healthy pace - UTG grew at 15.3% and EMI grew at 41.5% Y-o-Y in Rupee terms.
- Eight new customers added in UTG and fifteen new customers added in EMI vertical during the quarter.



Commenting on the Third quarter FY 09, Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, “I am pleased to announce another good quarterly performance amidst the global economic crisis. The company has delivered a robust growth performance during the quarter under review. Revenues touched Rs. 2327.5 million for the quarter. We also made a significant Q-o-Q improvement of 5.1% and Y-o-Y improvement of 31.6% in our Revenues in rupee terms in difficult market conditions. We witnessed significant volatile cross-currency movements during the quarter which adversely impacted our USD reported revenue figures by as much as -7.9%. Our efforts to contain costs during the quarter have helped us maintain healthy operating margins.

We see continued business momentum in all Geographies, viz. North America, Europe and Asia Pacific-India-Middle East. We continued to add customers in both UTG & EMI segments during the quarter; however, we are also observing slower ramp-up of new customers on account of global economic crisis. During the quarter we saw one of our large customers showed substantial de-growth on account of significant impact of global recession in their line of business. Our other major customers are very stable and are growing at a stable pace.

Our wholly owned subsidiaries continue to be profitable and distribute dividends. Our current geography revenue split places the company in a strong position to mitigate economy related risks.

The cumulative value of services rendered to UTC companies from year 2000 till date has crossed \$ 200 million in this quarter. UTC has awarded ACE (Achieving Competitive Excellence) Supplier Gold to us in December 2008.

Our acquisition of TTM Inc and all its affiliates during the last quarter has started to show positive momentum in this segment. We also incorporated a subsidiary at Japan during the last quarter which we expect to start delivering positive results over the next few quarters.

During the quarter, we acquired a 10% stake in Tele-Atlas Kalyani India Limited, Pune, given the tremendous potential for India map data products. In addition, it creates greater synergy with our largest GIS customer.



Going forward, we expect to continue to deliver growth driven primarily by farming existing relationships by moving up the value chain, adding new customers and expanding our geographic scope in all our verticals.

HIGHLIGHTS FOR THE QUARTER ENDED DECEMBER 31, 2008 (Q3 FY09)

FINANCIAL HIGHLIGHTS

Particulars	Q3 FY 09	Q2 FY 09	Q-o-Q	Q3 FY 08	Y-o-Y
Operating Revenue	2327.5	2214.2	5.1%	1768.5	31.6%
Operating Profit	450.8	456.6	-1.3%	320.4	40.7%
Operating Margin	19.4%	20.6%		18.1%	
PAT (Post share of JV Profits)	144.8	349.0	-58.5%	213.8	-32.2%

(All numbers in INR Million, except % data)

Particulars	Q3 FY 09	Q2 FY 09	Q-o-Q	Q3 FY 08	Y-o-Y
Operating Revenue	47.7	50.6	-5.7%	43.8	9.0%
Operating Profit	9.2	10.4	-11.5%	7.9	16.5%
Operating Margin	19.4%	20.6%		18.1%	
PAT (Post share of JV Profits)	3.0	8.0	-62.5%	5.3	-43.4%
Exchange Rate (US\$ vs INR)	48.76	43.75		40.40	

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

- In Rupee terms, Revenues at Rs. 2.328 Billion for the quarter; Y-o-Y growth of 31.6%, sequential growth of 5.1%.
- In \$ terms, Revenues at US\$ 47.7 Millions for the quarter; Y-o-Y growth of 9.0% and sequentially down by 5.7% due to INR weakening against Euro, GBP, and AUD significantly.
- In Rupee terms, Net Profit at Rs. 144.8 Millions for the quarter as against Rs. 349.0 million in sequential quarter; mainly impacted due to foreign currency exposure & translation losses of Rs. 224.6 Millions which includes provision of Rs.100 Millions towards possible foreign currency losses from open forward contracts.



- In \$ terms, **Net Profit** at US\$ 3.0 millions for the quarter as against US\$ 8.0 millions in the sequential quarter.
- **Operating Margins** are at 19.4%, as against 20.6% in the sequential quarter. Largely on account of our currency fluctuations and our investments in setting-up of subsidiary in Japan.
- **Operating & Admn Expenses** includes a one-time charge of Rs. 13.2 Millions towards provision for doubtful rental deposit which has been legally contested.
- In relation to open foreign currency options as at December 31, 2008, we have recognised a provision of Rs. 200 Millions, in the first 9 months of FY 09, based on our expectation of rupee to foreign currency movement. On a mark-to-market basis, potential mark-to-mark provision is Rs. 310 Millions on the forex cover of \$ 61.25 Million and this forex cover would mature over the next 22 months going upto October 2010.
- Received **dividends** of EUR 277,778 from our German subsidiary and GBP 125,000 from UK subsidiary.

Cash and Cash Equivalents as on December 31, 2008 was Rs. 2,954.4 million. An annexure with details is enclosed.

- We incurred **Capital Expenditure** of Rs. 711 Millions during the last nine months. During quarter-3, we have incurred Rs. 239 Millions.
- **23 Customers** were added during the quarter, 8 in UTG and 15 in EMI.
- We signed **cooperation and partnership** agreement with Volker Wessels Telecom, UK and Teaming agreement with Alcatel Lucent to participate in EGIS implementation at Singtel.
- More than 35% of UTG business is now annuity based.
- **New service offerings:** For **Utilities** - adding field data capture activities to our current Geospatial data services capability; For **Telecom** - developed new OSS / BSS service offerings; For **Engineering** - Railway Fixed Asset Management System, Plant design, wiring harness design and DMU positioning and development.



- We inaugurated Terex CoE at Bangalore and Invensys CoE at Noida.
- We became members of the SOI Consortium and the International Rail Industry Standard (IRIS).
- UTC awarded ACE (Achieving Competitive Excellence) Supplier Gold in December 2008.
- Existing customers emerge as key growth drivers while new customers look for larger engagements.
- Participated in Hyderabad Aero Show - Hyderabad, APTA - USA, Airtec - Germany, International Forum - Paris, EuroMold 2008 - Germany, AusRail 2008 - Melbourne, Asia Pacific Spatial Conference - Canberra and ESRI EMEA International User Conference 2008 - London.
- Cost Control Initiatives taken across the company. A high powered task force set up, constituting of senior leaders in the company, to monitor the cost control measures.
- Net addition of 102 associates during the quarter and 953 associates in the last nine months.
- We have completed the **Associate engagement survey**, partnered by Hewitt Associates. A Focus Group has been formed based on the survey to review People Practices, Recognition, Benefits, Career Progression, Learning and Development.

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INCOME STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2008

Particulars	Q3 FY 09	Q2 FY 09	Q-o-Q	Q3 FY 08	Y-o-Y
Operating Revenues	2327.5	2214.2	5.1%	1768.5	31.6%
Operating Expenditure	1876.7	1757.6	6.8%	1448.1	29.6%
Salary Costs	1303.0	1214.9	7.3%	932.4	39.8%
Travel Expenditure	158.5	186.1	-14.8%	150.0	5.6%
Purchases for Products / Re-sale	88.3	27.0	227.2%	139.7	-36.8%
Other Operating Costs	326.9	329.6	-0.8%	226.0	44.6%
Operating Profits	450.8	456.6	-1.3%	320.4	40.7%
Operating Margins	19.4%	20.6%		18.1%	
Depreciation & Amortization	119.4	113.9	4.8%	99.1	20.5%
Financial Expenses	13.0	11.3	15.0%	12.5	4.0%
Other Income *	-166.4	113.6	-246.5%	54.6	-404.8%
Profit Before Tax	152.0	445.0	-65.8%	263.3	-42.3%
PBT Margin	6.5%	19.1%		14.4%	
Tax	36.2	110.9	-67.4%	62.4	-42.0%
Current	23.1	102.0		56.2	
Earlier year	4.1			-	
Deferred	4.3	3.7		2.2	
Fringe Benefit	4.7	5.2		4.0	
PAT	115.9	334.1	-65.3%	201.0	-42.3%
Share of Profits from Associate	29.8	13.7		12.5	
Minority Interest	-0.9	1.2		0.3	
PAT inc. Share of Profits	144.8	349.0	-58.5%	213.8	-32.2%
Net Margin	6.7%	15.0%		11.7%	
Basic EPS	2.72	6.65		4.11	

(All numbers in INR Million, except for % data)

Provision for Taxation for earlier year relates to undisputed taxes of Rs. 4.1 Millions relating to AY 2005-06 as per Asst Order dt. 26.12.2008

* Provision for Forex hedges Rs. 100 Million and Translation Losses of Rs. 124.6 Million.



PERFORMANCE METRICS (Q3 FY09)

GROUP REVENUE ANALYSIS

Group Revenue Analysis	Q3 FY09	Q2 FY09	Q3 FY08
Infotech Enterprises Ltd	1476.4	1535.0	1131.7
Infotech Enterprises Europe Ltd	306.5	250.7	211.0
Infotech Enterprises America Inc., *	981.6	790.2	559.1
Infotech Enterprises, GmbH	494.6	499.4	436.5
Infotech Geospatial (India) Ltd	23.1	5.6	6.4
TTM India Pvt Ltd	12.5	-	-
Gross Revenues	3294.7	3080.9	2344.8
Less: Intra Group Revenues	967.2	866.7	576.3
Net Revenues	2327.5	2214.2	1768.5

*TTM Inc Revenues included in Q-3 FY 09 76.3 - -
 (All numbers in INR Million, except for % data)

GROUP PROFIT ANALYSIS

Group Profit Analysis	Q3 FY09	Q2 FY09	Q3 FY08
Infotech Enterprises Ltd	78.0	330.1	144.7
Infotech Enterprises Europe Ltd	7.0	7.8	22.9
Infotech Enterprises America Inc. *	56.2	39.3	11.6
Infotech Enterprises, GmbH	6.7	25.6	25.9
Infotech Geospatial (India) Ltd	3.3	-4.7	-1.2
TTM India Pvt Ltd	(2.8)	-	-
Gross Profit	148.4	398.1	203.9
Less: Others (Elimination)	-32.5	-64.0	2.9
Profit After Tax	115.9	334.1	201.0
Share of Profits from Associate	29.8	13.7	12.5
Minority Interest	-0.9	1.2	0.3
Profit after Minority Interest	144.8	349.0	213.8

*TTM Inc Profits included in Q-3 FY 09 (0.2) - -
 (All numbers in INR Million, except for % data)



VERTICAL WISE REVENUE

Business Segment	Q3 FY09	Q2 FY09	Q3 FY08
Utilities Telecom and Government	788.4 (33.9%)	780.2 (35.3%)	683.6 (38.7%)
Engineering, Manufacturing and Industrial Products	1546.3 (66.4%)	1437.4 (64.9%)	1092.5 (61.7%)
Less: Inter Vertical Sales	-7.2 (-0.3%)	-3.4 (-0.2%)	-7.6 (-0.4%)
TOTAL	2327.5 (100.0%)	2214.2 (100.0%)	1768.5 (100.0%)

(All numbers in INR Million, except for % data)

GEOGRAPHY WISE REVENUE

Geography	Q3 FY09	Q2 FY09	Q3 FY08
North America	1232.0 (52.9%)	1060.9 (47.9%)	807.2 (45.6%)
Europe	839.8 (36.1%)	942.6 (42.6%)	816.3 (46.2%)
Asia/ Australia	255.8 (11.0%)	210.7 (9.5%)	145.1 (8.2%)
TOTAL	2327.5 (100.0%)	2214.2 (100.0%)	1768.5 (100%)

CLIENT CONCENTRATION

Concentration	Q3 FY09	Q2 FY09	Q3 FY08
Top 5	42.1%	39.1%	41.8%
Top 10	57.9%	55.5%	58.0%
Others	42.1%	44.5%	42.0%

VERTICAL WISE BREAKUP OF MANPOWER

Vertical Wise Manpower	31-Dec-08	30-Sept-08	31-Dec-07
UTG	4361	4239	3759
EMI	3455	3462	2919
Support Functions	158	171	194
TOTAL	7974	7872	6872



GROUP MANPOWER BY COMPANY

Name of the Company	31-Dec-08	30-Sep-08	31-Dec-07
Infotech Enterprises Ltd.,	7152	7218	6346
Infotech Enterprises Europe Ltd	79	42	43
Infotech Enterprises America Inc.	370	347	303
Infotech Enterprises, GmbH	152	171	134
Infotech Geospatial (India) Ltd.	120	94	46
TTM	101	0	0
TOTAL	7974	7872	6872

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 +7900 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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Annexure to Investor Update

CASH AND BANK BALANCES AS ON DEC 31, 2008	
Name of Bank	Amount (INR Millions)
In Current Accounts	
City National Bank - USA	344.72
Oriental Bank of Commerce - EEFC, India	212.34
Natwest - UK	46.09
Hypo Vereinsbank - Germany	45.86
Commonwealth Bank - Australia	35.48
ABN Amro - EEFC, India	30.24
HDFC Bank, India	28.13
Kreissparkasse Böblingen - Germany	26.94
Oriental Bank of Commerce, India	26.62
ABN Amro, India	11.84
Bank of America - USA	11.35
Others	65.28
TOTAL CURRENT ACCOUNTS	884.90
In Fixed deposits	
Oriental Bank of Commerce, India	615.69
Tamilnad Mercantile Bank, India	213.15
Axis Bank, India	200.00
Andhra Bank, India	200.00
HSBC, India	200.00
ABN Amro, India	192.90
Syndicate Bank , India	164.12
Union Bank of India, India	160.11
HDFC Bank, India	62.64
ICICI - UK	49.39
Others	11.17
TOTAL FIXED DEPOSITS	2,069.16
TOTAL CASH AND CASH EQUIVALENTS	2,954.06