



PRESS RELEASE

KEY HIGHLIGHTS

1. Revenue for the quarter Rs. 2,326.0 million, Y-o-Y growth of 15.9%, Q-o-Q growth of -1.0%.
 - Operating profit for the quarter Rs. 523.6 million, Y-o-Y growth of 41.9%, Q-o-Q growth of 2.9%.
 - Profit before Tax for the quarter Rs. 566.8 million, Y-o-Y growth of 99.7%, Q-o-Q growth of 445.5%.
 - Profit after Tax for the quarter Rs. 462.7 million, Y-o-Y growth of 88.4%, Q-o-Q growth of 149.5%.
- Operating profits for the quarter at 22.5%, an increase of 80 basis points over previous quarter and 410 basis points over first quarter of last year.
- EPS at Rs. 8.38 per share as against Rs. 3.48 in the previous quarter.
- Strong financial performance despite global slowdown and volatile currency markets.
- All Wholly Owned Subsidiaries have achieved commendable revenues and profits.
- Business momentum and environment continues to be in line with expectations for key verticals - Manufacturing, Utilities and Telecom.

Commenting on the First quarter FY 10, Mr. BVR Mohan Reddy, Chairman and Managing Director, said, "I am pleased to announce that the company has delivered a strong performance in the first quarter of the financial year 2009-2010. Despite the adverse global macro-economic conditions, the quarter saw revenues at Rs. 2,326.0 million (\$ 47.8 million). We not only retained our revenues but also posted a 80 basis points increase in operating margins as compared to the sequential quarter. This was achieved because of operational excellence and continued focus on cost control measures during these challenging times. Also, we have improved our PAT to Rs. 462.7 million (\$ 9.5 million).

Despite adverse conditions, our overseas subsidiaries have continued to show strong sustainable performance. IEEL revenues have grown by 53%, IEAI by 13% and IEG by 6% over quarter-1 of last year despite facing a challenge globally. The share of revenues from European geography have increased during the quarter. We continue to make in-roads in the Asia Pacific-India-Middle East region. We have started receiving orders from Japan.

Our top 10 customers have been fairly stable in their revenue contribution. The company, through its continued efforts in improving customer relationship, has enabled us to maintain a healthy order pipeline.

Our verticals, UTG and EMI, have shown growth of 15% and 16% respectively in the quarter as compared to quarter-1 of last year.

We have a strong balance sheet with cash balance of Rs. 3,469 Millions. Our receivables days for the Group are at 94 days as against 105 days during Q-4.”

HIGHLIGHTS FOR THE QUARTER ENDED JUNE 30, 2009 (Q1 FY10)

FINANCIAL HIGHLIGHTS

| Particulars | Q1 FY 10 | Q4 FY 09 | Q-o-Q | Q1 FY 09 | Y-o-Y |
|-------------------|----------|----------|--------|----------|-------|
| Operating Revenue | 2,326.0 | 2,349.7 | -1.0% | 2,006.1 | 15.9% |
| Operating Profit | 523.6 | 509.0 | 2.9% | 368.9 | 41.9% |
| Operating Margin | 22.5% | 21.7% | | 18.4% | |
| PAT | 462.7 | 185.4 | 149.5% | 245.6 | 88.4% |

(All numbers in INR Million, except % data)

| Particulars | Q1 FY 10 | Q4 FY 09 | Q-o-Q | Q1 FY 09 | Y-o-Y |
|-------------------------------------|----------|----------|--------|----------|-------|
| Operating Revenue | 47.8 | 47.2 | 1.2% | 48.1 | -0.6% |
| Operating Profit | 10.8 | 10.2 | 5.9% | 8.8 | 22.7% |
| Operating Margin | 22.5% | 21.7% | | 18.4% | |
| PAT | 9.5 | 3.7 | 156.8% | 5.9 | 61.0% |
| Average Exchange Rate (US\$ vs INR) | 48.67 | 49.76 | | 41.73 | |

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

- In Rupee terms, Revenue at Rs.2,326.0 millions for the quarter; Y-o-Y growth of 15.9%, sequential growth of -1.0%.
- Operating margins are at 22.5%, a Y-o-Y improvement of 410 basis points and Q-o-Q improvement of 80 basis points due to lower travel and operating and administrative expenses.
- In Rupee terms, Net Profit at Rs. 462.7 millions for the quarter; sequential growth of 149.5%.

However, the PAT improvement is the result of :

1. Reversal of MTM provision of Rs. 209.5 million (previous quarter - Provision for MTM losses of Rs. 309.6 million)
 2. Share of profit from IASI - Rs. 41.4 million (previous quarter - Rs. 15.2 million), due to receipt of grants in Q-1. We believe that the annual estimate of Rs. 80 million will be achieved by year end.
- Cash balance stood at Rs. 3,469 million as against Rs. 3,333 million as at end of previous quarter (details in attached annexure).
 - **Capital Expenditure** of Rs. 106 million during the quarter.
 - **18 customers were added** during the quarter, 8 in UTG and 10 in EMI.
 - We signed a multi-year partnering contract with inCONTROL Tech (iTEC), Malaysia, to implement an Enterprise GIS Information System for Tenaga Nasional Berhad (TNB), the largest electric utility in Malaysia.
 - Strengthened market presence by winning major Aerospace opportunities globally.
 - Launched global PMO to support drive for customer delight through Global Delivery Model in UTG. Engineering services have revamped the business development structure and positioned it to comprehensively harness the market potential.
 - **Launched new service offerings:** For Utilities - solutions to cater to Smart Grid programs; OSS related services. For Engineering - Plant engineering, Sustainance engineering, Requirements based engineering.
 - We obtained ISO 27001 certification for our Kakinada facility.
 - Participated in prestigious seminars like GITA, Florida, Integraph, Washington, Le Bourget Paris Air Show and EADS, Toulouse.

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UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2009

(Rupees in Lakhs)

| Sl. No. | Particulars | Three Months Ended 30-Jun-09 (Unaudited) | Three months Ended 30-Jun-08 (Unaudited) | Year Ended 31-Mar-09 (Audited) |
|---------|--|--|--|--------------------------------|
| 1 | Net Sales | 23,260 | 20,061 | 88,975 |
| 2 | Expenditure | | | |
| a | Employees Cost | 13,355 | 10,921 | 48,949 |
| b | Travel Expenses | 1,139 | 1,732 | 6,493 |
| c | Purchases - Services/Products | 858 | 815 | 3,027 |
| d | Depreciation and Amortisation | 1,176 | 1,075 | 4,656 |
| e | Other expenditure | 2,672 | 2,905 | 12,655 |
| f | Total | 19,200 | 17,448 | 75,780 |
| 3 | Profit from Operations before Other Income and Interest | 4,060 | 2,613 | 13,195 |
| 4 | Other Income | 1,632 | 328 | (2,945) |
| 5 | Profit before Interest | 5,692 | 2,941 | 10,250 |
| 6 | Interest expense | 24 | 104 | 403 |
| 7 | Profit before tax | 5,668 | 2,837 | 9,847 |
| 8 | Tax expense | | | |
| | - Current year | 858 | 750 | 2,996 |
| | - Earlier year | - | - | 41 |
| | - Fringe Benefit Tax | 39 | 42 | 175 |
| | - Deferred Tax | 600 | (205) | (1,810) |
| 9 | Net Profit after tax | 4,171 | 2,250 | 8,445 |
| 10 | Minority Interest | 41 | (8) | 2 |
| 11 | Share of Profit from Associate Company | 414 | 214 | 801 |
| 12 | Net Profit for the period | 4,626 | 2,456 | 9,248 |
| 13 | Paid-up equity share capital | 2,762 | 2,625 | 2,761 |
| 14 | Reserves excluding revaluation reserves | - | - | 74,271 |
| 15 | EPS - Basic* | 8.38 | 4.71 | 17.36 |
| | EPS - Diluted* | 8.36 | 4.67 | 17.33 |
| 16 | Aggregate of Non-promoter shareholding | | | |
| | Number of Shares | 42,315,551 | 39,495,999 | 42,278,790 |
| | Percentage | 76.60% | 75.25% | 76.55% |
| 17 | Promoters and Promoter Group Shareholding | | | |
| a) | Pledged / Encumbered | | | |
| | - Number of Shares | 357,440 | - | 358,428 |
| | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 2.76% | - | 2.77% |
| | - Percentage of Shares (as a % of the total share capital of the company) | 0.65% | - | 0.65% |
| b) | Non-encumbered | | | |
| | - Number of Shares | 12,571,708 | - | 12,592,578 |
| | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 97.24% | - | 97.23% |
| | - Percentage of Shares (as a % of the total share capital of the company) | 22.75% | - | 22.80% |

*On par value of Rs. 5 per share

Notes

1. The consolidated financials results were taken on record by the Board of Directors at their meeting held on July 15, 2009.
2. The consolidated financial results have been subjected to Limited Review by Statutory Auditors.
3. The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as set out in the Accounting Standard on Consolidated Financial Statements mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

4. 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, TTM (India) Pvt Ltd, India; TTM Institute of Information Technology Pvt. Ltd., India; Infotech Enterprises Japan KK, Japan, partly-owned subsidiary Infotech Geospatial (India) Ltd.; Associate Company, viz. Infotech Aerospace Services Inc. Puerto Rico; and Joint Venture, viz. Infotech HAL Ltd.
5. Clause 41 of the Listing Agreement requires companies to either publish standalone or consolidated financial results in the newspapers and this choice is to be exercised during the first quarter of the financial year. The company, in compliance with this provision, has opted to publish the consolidated financial results. The standalone financial results will, however, be made available to the Stock Exchanges where the company's shares are listed and will also be posted on the company's website.
6. With effect from October 1, 2008, the company acquired 100% stake in Time to Market Inc, USA, TTM (India) Pvt Ltd, India and TTM Institute of Information Technology Pvt. Ltd., India. Hence the financial results for the quarters ended June 30, 2009 and June 30, 2008 are not strictly comparable.
7. Other Income for the quarter includes Rs. 2,095 Lakhs towards reversal of provision for MTM losses on Forward Contracts and Rs. 815 lakhs towards loss on forward contracts. Other Income for the year ended March 31, 2009 includes Rs. 5,148 lakhs towards provision for MTM losses on Forward Contracts and Rs. 2,850 lakhs towards loss on forward contracts.
8. The changes in the rate and other changes contemplated by the Finance Bill, 2009, are not considered whilst making provision for taxation for the quarter.
9. Tax expense for earlier year relates to Assessment Year 2005-06, vide demand dated December 26, 2008.
10. Corresponding previous period's figures have been regrouped / reclassified wherever necessary.

CONSOLIDATED SEGMENT INFORMATION

(Rupees. in Lakhs)

| | Three Months Ended 30-Jun-09 (Unaudited) | Three months Ended 30-Jun-08 (Unaudited) | Year Ended 31-Mar-09 (Audited) |
|---|---|---|---|
| Segment Revenue | | | |
| Utilities, Telecom and Government | 8,421 | 7,234 | 30,940 |
| Engineering, Manufacturing, Industrial Products | 14,886 | 12,860 | 58,238 |
| Total | 23,307 | 20,094 | 89,178 |
| Less : Inter segment Revenue | 47 | 33 | 203 |
| Revenue from Operations | 23,260 | 20,061 | 88,975 |
| Segment Results | | | |
| Profit before Depreciation, Tax and Financial Expenses | | | |
| Utilities, Telecom and Government | 2,861 | 1,553 | 8,581 |
| Engineering, Manufacturing, Industrial Products | 3,265 | 3,170 | 13,546 |
| Total | 6,126 | 4,723 | 22,127 |
| Less : | | | |
| Financial Expenses | 24 | 104 | 403 |
| Depreciation and Amortisation | 1,176 | 1,075 | 4,656 |
| Other un-allocable expenditure (net of un-allocable income) | (742) | 707 | 7,221 |
| Profit Before Taxation | 5,668 | 2,837 | 9,847 |

Notes

Segmental Capital Employed

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly, no reporting relating to total segment assets and liabilities have been made.

for INFOTECH ENTERPRISES LIMITED

Place : Hyderabad

Date : July 15, 2009

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 18+ years Infotech has excelled 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 +7400 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 UTC and General Atlantic Partners.

For more information, please visit www.infotech-enterprises.com

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