



PRESS RELEASE

INFOTECH ENTERPRISES LIMITED Q4 PRESS RELEASE

Hyderabad, April 27th, 2009 -

KEY HIGHLIGHTS

- Revenue at Rs. 8,897.5 million for FY 09, Y-o-Y growth of 32.0%.
- Revenue in \$ terms at US\$ 193.4 Million for FY 09, Y-o-Y growth of 15.5%.
- Revenue at Rs. 2,349.7 million for the quarter, Y-o-Y growth of 25.4%.
- Operating profits at 20.1% for FY 09, an increase of 200 basis points over FY 08.
- Operating profits at 21.7% for the quarter, an increase of 230 basis points over sequential quarter.
- Profit before Tax for Q-4 (before provision for MTM losses on forward contracts Rs. 309.6 million) at Rs. 413.5 million, a Y-o-Y growth of 29.6%.
- Profit after Tax for FY 09 at Rs. 924.8 million, a Y-o-Y growth of 8.1%.
- MTM losses of Rs. 514.8 million fully provided in P&L.
- Board of Directors recommend 30% dividend i.e. Rs. 1.50 per Equity share of Rs. 5 each, subject to the approval of the shareholders.
- Strong financial performance despite global slowdown and volatile currency markets.
- All Wholly Owned Subsidiaries have achieved commendable revenues and profits. IEAL revenues up 51.1% Y-o-Y; IEG revenues up 21.6% Y-o-Y; IEE revenues up 20.2% Y-o-Y.
- Business momentum and environment continues to be strong for key verticals - Manufacturing, Utilities and Telecom.
- Net addition of 640 people during FY 09.

Commenting on the Fourth quarter FY 09 and Annual results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, *"I am pleased to announce another strong quarterly and annual performance. The company has delivered a robust growth performance during the quarter and year under review. We have improved our operating margins by 230 basis points over the sequential quarter, despite global slowdown and volatile currency markets.*

Our geographies have shown strong sustainable performance. Our German, UK and US subsidiaries have Y-o-Y growth rates of 21.6%, 20.2% and 51.1% respectively. The share of profits from our associate company in Puerto Rico has increased by 14% Y-o-Y. Our wholly-owned subsidiaries, IEE, IEAI and IEG, and associate company IASI have distributed dividends during FY 09.

Our verticals, UTG and EMI, have shown growth of 5.4% and 38.8% respectively in Q-4 FY 09 as compared to Q-4 FY 08.

We have a strong balance sheet with cash balance of Rs. 333 crores.

We have undertaken various cost control measures on a "war-footing" and the impact can be clearly seen from the improvement in operating margins.

Going forward, we expect our operating margins to be between 19% and 20%.

HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2009 (Q4 FY09)

FINANCIAL HIGHLIGHTS

Particulars	Q4 FY 09	Q3 FY 09	Q-o-Q	Q4 FY 08	Y-o-Y
Operating Revenue	2,349.7	2,327.5	1.0%	1,874.0	25.4%
Operating Profit	509.0	450.8	12.9%	341.6	49.0%
Operating Margin	21.7%	19.4%		18.2%	
PAT (Post share of HAL JV Profits)	185.4	144.8	28.0%	259.3	-28.5%

(All numbers in INR Million, except % data)

Particulars	Q4 FY 09	Q3 FY 09	Q-o-Q	Q4 FY 08	Y-o-Y
Operating Revenue	47.2	47.7	-1.1%	46.6	1.3%
Operating Profit	10.2	9.2	10.9%	8.5	20.0%
Operating Margin	21.7%	19.4%		18.2%	
PAT (Post share of HAL JV Profits)	3.7	3.0	23.3%	6.5	-43.1%
Average Exchange Rate (US\$ vs INR)	49.76	48.76		40.24	

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

- In Rupee terms, Revenue at Rs.2,349.7 millions for the quarter; Y-o-Y growth of 25.4%, sequential growth of 1.0%. The sequential growth of 1.0% is due to - (1) Exchange fluctuation +0.3%; (2) Price Variation +1.2%; (3) Volume de-growth -0.5%.
- Operating margins are at 21.7%, a Y-o-Y improvement of 350 basis points and Q-o-Q improvement of 230 basis points. However, going forward, the operating margin is sustainable between 19% and 20%.
- In Rupee terms, Net Profit (after provision for MTM losses on forward contracts Rs. 309.6 million) at Rs. 185.4 millions for the quarter; sequential growth of 28.0%.
- In constant currency terms, the revenues in dollar terms have grown by 0.6%.
- Cash balance stood at Rs. 3,333 million (as per annexure) as against Rs. 2,964 million as at end of Q-3.
- Incurred Capital Expenditure of Rs. 424 million during the quarter.
- **Forex losses** for the quarter were on account of the following -

Cash loss incurred on honoring of matured forward contracts	- Rs. 80.0 million
MTM provision	- Rs. 309.6 million
Gain on currency translation	- Rs. (14.3) million
<u>Total</u>	<u>- Rs. 375.3 million</u>

Deferred Tax asset amounting to Rs. 174.9 million has been recognized on account of the MTM provision of Rs. 514.8 million for the year.
- **14 customers were added** during the quarter, 6 in UTG and 8 in EMI.
- Infotech Enterprises Benelux BV, our step-down subsidiary has signed an agreement with Dutch telecommunication, engineering and technology company, **Volker Wessels** to provide telecommunications engineering to telecom industry worldwide.
- Infotech Enterprises Japan KK, our wholly owned subsidiary, has signed a **framework agreement with Mitsubishi Heavy Industries, Japan**, for providing engineering and other manufacturing related services.

- We have signed a **Memorandum of Understanding with Eurocopter**, a German based helicopter manufacturing company for helicopter programme of the Ministry of Defense, Govt. of India.
- **Infotech HAL Limited**, our JV with HAL, secured a redesign and supply order from MBDA, a French company that supplies defense equipment.
- We have been awarded the **IMC RBNQ Performance Excellence Trophy** under the service category. The award is recognition of the company's implementation / institutionalization and demonstration of the Business Excellence processes over the last three years.
- United Technologies Corporation (UTC) awarded us with **ACE Supplier Gold**, a recognition it gives to its key suppliers demonstrating high commitment to quality.
- **Launched new service offerings:** For Utilities - underground field data capturing services; 3D city modeling and texturing. For Engineering - Electrical wiring harness and Aircraft qualification support;
- UTG has introduced an in-house developed tool named MIGRA, which helps us perform our tasks faster, thus improving utilization.
- We have **forged new partnerships** with Incontrol, Malaysia; Bentley, Australia and SBS, Australia.

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INFOTECH ENTERPRISES LIMITED

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AUDITED CONSOLIDATED FINANCIAL RESULTS UNDER INDIAN GAAP FOR THE YEAR ENDED 31-MARCH-09

(Rupees in Lakhs)

Sl. No.	Particulars	Three Months Ended 31-Mar-09 (Unaudited)	Three months Ended 31-Mar-08 (Unaudited)	Year Ended 31-Mar-09 (Audited)	Year Ended 31-Mar-08 (Audited)
1	Sales	23,497	18,739	88,975	67,413
2	Expenditure				
a	Employees Cost	12,852	9,153	48,952	35,615
b	Travel Expenses	1,316	1,586	6,493	5,531
c	Purchases - Services/Products	1,058	1,550	3,027	4,804
d	Depreciation	1,248	1,028	4,656	3,654
e	Other expenditure	3,182	3,051	12,652	9,293
f	Total	19,656	16,368	75,780	58,897
3	Profit from Operations before Other Income and Interest	3,841	2,371	13,195	8,516
4	Other Income	(2,745)	935	(2,945)	2,267
5	Profit before Interest	1,096	3,306	10,250	10,783
6	Interest	57	108	403	372
7	Profit / (Loss) from operating activities	1,039	3,198	9,847	10,411
8	Provision for Tax - Current Year	994	554	2,995	2,037
	- Earlier Year	-	-	41	-
9	Fringe benefit Tax	34	40	175	153
10	Deferred Tax	(1,685)	269	(1,810)	385
11	Net Profit / (Loss) from operating activities after tax	1,696	2,335	8,446	7,836
12	Minority Interest	7	14	2	22
13	Share of Profit from Associate Company	152	252	801	699
14	Net Profit / (Loss) for the period	1,855	2,601	9,249	8,557
15	EPS - Basic*	3.48	5.08	17.36	16.90
	EPS - Diluted*	3.47	5.02	17.33	16.69

*On par value of Rs. 5 per share

Notes

1. The above audited results were taken on record by the Board of Directors at their meeting held on April 25, 2009.
2. The above Consolidated Financial Results have been prepared in accordance with Accounting Standard 21, Accounting Standard 23 and Accounting 27 issued by The Institute of Chartered Accountants of India.
3. 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, Infotech Enterprises Japan KK; TTM (India) Pvt Ltd, India; TTM Institute of Information Technology Pvt. Ltd., India; Infotech Enterprises Engineering Services Pvt. Ltd. India; partly-owned subsidiary Infotech Geospatial (India) Ltd.; Associate Company, viz. Infotech Aerospace Services Inc. Puerto Rico; and Joint Venture, viz. Infotech HAL Ltd;
4. With effect from October 1, 2008, the company acquired 100% stake in TTM Inc, USA, TTM (India) Pvt Ltd, India and TTM Institute of Information Technology Pvt. Ltd., India. Hence the financial results for 3 months and 12 months are not comparable.
5. Other Income for the year includes Rs. 5148 Lakhs towards provision for MTM Losses on Forward Contracts. Other Income for the quarter includes Rs. 3096 Lakhs towards provision for MTM Losses on Forward Contracts.
6. Provision for Tax for earlier year relates to Assessment Year 2005-06, vide demand dated December 26, 2008.
7. Corresponding previous period's figures have been regrouped / reclassified wherever necessary.

for INFOTECH ENTERPRISES LIMITED

Place : Hyderabad
 Date : April 25, 2009

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

ABOUT INFOTECH ENTERPRISES LIMITED

About Infotech Enterprises

Founded in 1991, we are a Global IT services and solutions provider specializing in Engineering Services, Geographic Information Services (GIS) and IT services. We provide services to a wide range of industries -Aerospace, Rail, Automotive, Marine, Energy, Plant Engineering, Utilities, Telecom (operators), Government, Retail, Consumer Electronics, Medical Electronics, Semiconductor, Telecom (Manufacturers) and Computing industries. Infotech has a distinctive business model: "offshore services, onshore responsibility". We operate "Centres of Excellence" for leaders in key industries. We combine the extensive engineering design and solutions capability based in India with global delivery through our offices worldwide providing local customer interface and project management.

Our cutting edge is our industry specific domain expertise, people and processes, technologies, tools and training. We draw on this strong foundation to create measurable business impact for customers around the world, resulting in long-term relationships with several of the most recognized names in their respective industries. Many of these are among the top fortune 500 companies.

Infotech is certified to ISO 9001:2000, AS 9100, ISO 27001 and AS9100. We have been successfully reappraised for CMMi Level 5 Version 1.2 for the software units of our Engineering, UTG and IT verticals.

We are a (INFOTECENT in BSE – Bombay Stock Exchange and in NSE – National Stock Exchange) listed company with equity participation from globally reputed investors.

CONTACT DETAILS

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