

# Investor Update

Year and Quarter 4 ended March 31, 2010



- ✓ **FY10 Total Income (including other income) reaches Rs. 1,000 crores (Rs. 9,994.9 million), a major milestone in company's history.**
- ✓ **FY10 Revenues at Rs. 9,531 million, growth of 7.1% over FY09.**
- ✓ **FY10 Revenues cross \$ 200 million, a major milestone in company's history.**
- ✓ **Operating margins for FY 10 at 21.9%, an improvement of 180 basis points over last year.**
- ✓ **FY10 PBT crosses Rs. 2,000 million.**
- ✓ **FY10 PAT at Rs. 1,708 million, growth of 84.7% over FY 09.**
- ✓ **FY10 EPS at Rs. 30.9 from Rs. 17.4 in FY 09.**
- ✓ **Revenue for Quarter-4 Rs. 2,441 million, Y-o-Y growth of 3.9%, Q-o-Q growth of 2.1%.**
- ✓ **Revenue for Quarter-4 \$ 53 million, Y-o-Y growth of 12.6%, Q-o-Q growth of 3.7%.**
- ✓ **Operating margins for Quarter-4 at 21.6%.**
- ✓ **PAT for Quarter-4 at Rs. 513 million, Y-o-Y growth of 185%, Q-o-Q growth of 35%.**
- ✓ **The Board of Directors recommended 40% dividend, i.e Rs. 2 per equity share of Rs. 5 each, subject to the approval of shareholders.**
- ✓ **The Board of Directors recommended a 1:1 bonus i.e. one bonus share for every share held.**
- ✓ **Strong financial performance despite global financial meltdown and adverse currency markets.**
- ✓ **Unified leadership in EMI vertical under Krishna Bodanapu.**
- ✓ **Business momentum and environment continues to be in line with expectations for key verticals – Manufacturing, Telecom and Hitech.**

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**Hyderabad, India – April 21, 2010:** Infotech Enterprises Limited, a global services provider offering Engineering Design Services, Geospatial Information Services and IT Services, announced its audited financial results for the year ended March 31, 2010.

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**Update Coverage:**

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**Note :** All the references to Infotech's financial results in this update pertain to the company's consolidated operations comprising overseas wholly-owned subsidiaries Infotech Enterprises Europe Ltd., (IEEL); Infotech Enterprises America Inc., (IEAI); Infotech Enterprises GmbH (IEG) ; TTM Institute of Information Technology Pvt. Ltd, Infotech Enterprises Japan KK; Joint Venture Infotech HAL Ltd (HAL JV) and the partially-owned subsidiary Infotech Geospatial (India) Ltd (IGIL).

## Management Comments

**Commenting on the results, Mr. BVR Mohan Reddy, Chairman and Managing Director, said,** "We delivered a stable revenue performance at Rs. 2,441 million as compared to Rs. 2,391 million in the previous quarter, recording a 2.1% increase over the sequential quarter and a 3.9% increase over corresponding quarter of the preceding year. In \$ terms, we delivered revenues of \$ 53 million, recording a 3.7% increase over the sequential quarter and a 12.6% increase over corresponding quarter of the preceding year. For the full year FY 2010, we recorded revenues of Rs. 9,531 million, which is a 7.1% increase over FY 09.

We achieved two major milestones in the history of the company this year - the total income for the year has reached Rs. 1,000 crores (Rs. 9,994.9 million) and revenues for the year have crossed \$ 200 million.

Despite the last year being extremely challenging for the industry due to global financial meltdown and adverse currency markets, we have been able to improve our operating margins by 180 basis points over last year. We have also shown strong volume growth in both our business segments and we grew in all geographies we operate.

We are seeing good momentum in Manufacturing, Telecom and Hitech segments. Our revenue contributions from Top 10 customers have increased year on year and this indicates strong customer relationships and confirms their confidence in us. We continue to de-risk our revenue contribution through our excellent geographic spread.

We signed long term engineering services contract with Seawell for setting up an engineering design centre. Seawell is a global oilfield service company and provides drilling services and well services to Oil and Gas companies worldwide.

We continue to have a strong balance sheet with cash balance of Rs. 383.6 crores."

## Update on Q-4 FY 10 Performance

### Performance Highlights - Q4 FY10

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

Particulars	Q4 FY 10	Q3 FY 10	Q-o-Q	Q4 FY 09	Y-o-Y
Operating Revenue	2,440.6	2,390.7	2.1%	2,349.7	3.9%
Operating Profit	526.1	517.9	1.6%	509.0	3.3%
Operating Margin	21.6%	21.6%		21.7%	
PAT	513.3	379.1		185.4	

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

Particulars	Q4 FY 10	Q3 FY 10	Q-o-Q	Q4 FY 09	Y-o-Y
Operating Revenue	53.1	51.3	3.7%	47.2	12.6%
Operating Profit	11.5	11.1	3.6%	10.2	12.7%
Operating Margin	21.6%	21.6%		21.7%	
PAT	11.2	8.1		3.7	
Average Exchange Rate (US\$ vs INR)	45.92	46.64		49.76	

- ✓ In Rupee terms, Revenues are at Rs. 2,440.6 millions for the quarter; Y-o-Y growth of 3.9%, sequential growth of 2.1%.
- ✓ In \$ terms, Revenues are at \$ 53.1 million for the quarter; Y-o-Y growth of 12.6%, sequential growth of 3.7%.
- ✓ Operating margins are at 21.6%.
- ✓ In Rupee terms, Net Profit is at Rs.513.3 millions for the quarter as against Rs.379.1 million in the sequential quarter.
- ✓ In \$ terms, Net Profit is at \$ 11.2 million for the quarter as against \$ 8.1 in the sequential quarter.
- ✓ Other Income of Rs. 179.0 million includes Forex gain of Rs. 107.1 million -
 

Gains on honoring matured forward contracts	- Rs.	18.1 million
Reversal of MTM provision	- Rs.	61.7 million
Restatement of forward contracts taken during the year	- Rs.	90.5 million
Loss on currency translation	- Rs.	(63.2) million

## Business and Operational Highlights - Q4 FY10

### ✓ **New Business & Services Offerings –**

- Signed **long term engineering services contract with Seawell** for setting up an engineering design centre.
- **Several key wins in Utilities, Telecom and Government segments.**
- Infotech and SA2 Worldsync launched Global Data Synchronisation (GDS) initiative for India.
- **13 customers were added** during the quarter, 5 in UTG and 8 in EMI.
- **New service offerings / initiatives:**
  - UTG – FTTm (Fibre to the meter), Smart Grid technologies, Directional Survey;
  - EMI – Should cost analysis.

### ✓ **Quality and other certifications –**

- Rail groups achieved IRIS (International Rail Industry Standard) certification.
- AS 9100 and ISO 9001 certification received by Infotech HAL Limited, our Joint Venture company.

### ✓ **Organisation Development –**

- Unified leadership in EMI vertical under Krishna Bodanapu.
- Sundar Viswanathan joins as new CFO; S. Nataraja to continue as Advisor to CMD after attaining the age of superannuation.

### ✓ **Facilities –**

- Inaugurated a local telecom engineering design centre in Dallas, Georgia, USA.

### ✓ **Investments and Cash –**

- **Cash balance** stood at Rs. 3,836 million as against Rs. 3,954 million as at end of Q-3. The details are as follows :

Current & EEFC Accounts	- Rs. 852 million
Deposit Accounts	- Rs. 1,481 million
Liquid investments	- Rs. 1,503 million
- **Capital Expenditure** of Rs. 61 million during the quarter and Rs. 291 million for the year.

## Detailed Financials - Q4 FY10

Particulars	Q4 FY 10	Q3 FY 10	Q-o-Q	Q4 FY 09	Y-o-Y
<b>Operating Revenues</b>	<b>2,440.6</b>	<b>2,390.7</b>	<b>2.1%</b>	<b>2,349.7</b>	<b>3.9%</b>
Operating Expenditure	<b>1,914.5</b>	<b>1,872.8</b>	<b>2.2%</b>	<b>1,840.7</b>	<b>4.0%</b>
Salary Costs	1,447.0	1,307.8	10.7%	1,286.1	12.5%
Travel Expenditure	153.0	148.0	3.4%	134.0	14.2%
Purchases for Products / Re-sale	56.7	112.4	-49.6%	109.9	-48.4%
Professional charges	78.9	83.5		89.1	
Other Operating Costs	178.9	221.1	-19.2%	221.6	-19.3%
<b>Operating Profits</b>	<b>526.1</b>	<b>517.9</b>	<b>1.6%</b>	<b>509.0</b>	<b>3.3%</b>
<b>Operating Margins</b>	<b>21.6%</b>	<b>21.6%</b>		<b>21.7%</b>	
Depreciation & Amortization	92.9	111.1	-16.4%	124.8	-25.6%
Financial Expenses	25.0	1.5		5.7	
Other Income	178.4	77.5		-274.6	
Profit Before Tax	586.6	482.8		103.9	
PBT Margin	22.4%	19.5%		5.0%	
Tax	102.7	129.0		-65.6	
Profit After Tax	483.9	353.8		169.5	
Share of Profits - IASI	29.5	25.3		15.2	
Minority Interest - IGIL	-0.1	-0.1		0.7	
<b>PAT after Share of Profits</b>	<b>513.3</b>	<b>379.1</b>		<b>185.4</b>	
<b>Net Margin</b>	<b>19.6%</b>	<b>15.3%</b>		<b>8.9%</b>	
<b>Basic EPS</b>	<b>9.6</b>	<b>6.9</b>		<b>3.5</b>	

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

## Other Performance Metrics - Q4 FY10

### Revenue Distribution, by Company –

Name of Company	Q4 FY10	Q3 FY10	Q4 FY09
Infotech Enterprises Ltd	1,352.8	1,400.1	1,398.3
Infotech Enterprises Europe Ltd	318.9	264.7	318.0
Infotech Enterprises America Inc. #	947.4	842.9	915.9
Infotech Enterprises, GmbH	534.1	607.1	436.5
Infotech Geospatial (India) Ltd	12.2	16.7	42.6
TTM (India) Pvt Ltd *	--	--	10.6
Infotech HAL Limited	3.2	2.6	1.6
Infotech Enterprises Japan KK	5.6	1.6	
Gross Revenues	3,174.2	3,135.7	3,123.5
Less: Intra Group Revenues	733.6	745.0	773.8
<b>Net Revenues</b>	<b>2,440.6</b>	<b>2,390.7</b>	<b>2,349.7</b>

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

# Includes Daxcon w.e.f. Jan 15, 2010 146.8 -- --

\*Merged into Infotech Enterprises Ltd., w.e.f. April 1, 2009

### Revenue Distribution, by Vertical –

Business Segment	Q4 FY10	Q3 FY10	Q4 FY09
Utilities Telecom and Government	796.2 (32.6%)	845.6 (35.4%)	802.0 (34.1%)
Engineering, Manufacturing and Industrial Products	1,646.6 (67.5%)	1,550.8 (64.9%)	1,554.3 (66.1%)
Less: Inter Segment Sales	-2.2 (-0.1%)	-5.7 (-0.3%)	-6.6 (-0.2%)
<b>TOTAL</b>	<b>2,440.6</b> <b>(100.0%)</b>	<b>2,390.7</b> <b>(100.0%)</b>	<b>2,349.7</b> <b>(100.0%)</b>

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

**Revenue Distribution, by Geography –**

<b>Geography</b>	<b>Q4 FY10</b>	<b>Q3 FY10</b>	<b>Q4 FY09</b>
North America	1,174.6 (48.2%)	1,111.7 (46.5%)	1,210.4 (51.5%)
Europe	1,041.6 (42.7%)	1,064.3 (44.5%)	885.9 (37.7%)
Asia/ Australia	224.4 (9.1%)	214.7 (9.0%)	253.4 (10.8%)
<b>TOTAL</b>	<b>2,440.6</b> <b>(100.0%)</b>	<b>2,390.7</b> <b>(100.0%)</b>	<b>2,349.7</b> <b>(100.0%)</b>

**Revenue Contribution –**

	<b>Q4 FY10</b>	<b>Q3 FY10</b>	<b>Q4 FY09</b>
Top 5	43.4%	44.7%	41.0%
Top 10	61.2%	59.8%	55.4%
Others	38.8%	40.2%	44.6%

**Profit Distribution, by Company –**

<b>Name of Company</b>	<b>Q4 FY10</b>	<b>Q3 FY10</b>	<b>Q4 FY09</b>
Infotech Enterprises Ltd	334.8	266.6	116.4
Infotech Enterprises Europe Ltd	24.6	19.2	53.5
Infotech Enterprises America Inc. #	68.7	36.5	25.7
Infotech Enterprises, GmbH	35.4	47.9	11.4
Infotech Geospatial (India) Ltd	-0.1	0.2	-2.7
TTM (India) Pvt Ltd *	--	--	-7.2
Infotech HAL Limited	0.3	0.1	--
Infotech Enterprises Japan KK	-3.1	-8.0	--
Gross Profit	460.6	362.5	197.1
Less: Others (Elimination)	23.3	-8.7	-27.6
Profit After Tax	483.9	353.8	169.5
Share of Profits from IASI	29.5	25.3	15.2
Minority Interest of IGIL	-0.1	-0.1	0.7
<b>Profit after Minority Interest</b>	<b>513.3</b>	<b>379.1</b>	<b>185.4</b>

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

# Includes Daxcon w.e.f. Jan 15, 2010

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\*Merged into Infotech Enterprises Ltd., w.e.f. April 1, 2009



**Manpower Distribution, by Vertical –**

<b>Business Segment</b>	<b>31-Mar-10</b>	<b>31-Dec-09</b>	<b>31-Mar-09</b>
UTG	3,854	3,663	4,011
EMI	3,358	3,128	3,250
Support Functions	425	416	400
<b>TOTAL</b>	<b>7,637</b>	<b>7,207</b>	<b>7,661</b>

**Manpower Distribution, by Company –**

<b>Name of Company</b>	<b>31-Mar-10</b>	<b>31-Dec-09</b>	<b>31-Mar-09</b>
Infotech Enterprises Ltd.,	6,681	6,438	6,820
Infotech Enterprises Europe Ltd	77	73	69
Infotech Enterprises America Inc. #	628	449	385
Infotech Enterprises, GmbH	191	187	190
Infotech Geospatial (India) Ltd.	48	49	105
TTM (India) Pvt Ltd *	--	--	80
TIIT	7	8	12
Infotech Enterprises Japan KK	5	3	----
<b>TOTAL</b>	<b>7,637</b>	<b>7,207</b>	<b>7,661</b>

# Includes Daxcon w.e.f. Jan 15, 2010

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\*Merged into Infotech Enterprises Ltd., w.e.f. April 1, 2009

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## Update on FY 10 Performance

### Performance Highlights- FY10

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

Particulars	FY 10	FY 09	Y-o-Y
Operating Revenue	9,531.2	8,897.5	7.1%
Operating Profit	2,082.7	1,785.2	16.7%
Operating Margin	21.9%	20.1%	
PAT	1,708.3	924.8	84.7%

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

Particulars	FY 10	FY 09	Y-o-Y
Operating Revenue	201.0	193.4	3.9%
Operating Profit	43.9	38.8	13.2%
Operating Margin	21.9%	20.1%	
PAT	36.0	20.1	79.2%
Average Exchange Rate (US\$ vs INR)	47.41	46.00	

- ✓ In Rupee terms, Revenues are at Rs. 9,531.2 millions for the year; growth of 7.1% over last year.
- ✓ In \$ terms, Revenues are at \$ 201.0 million for the year; growth of 3.9% over last year.
- ✓ Operating margins are at 21.9%.
- ✓ In Rupee terms, Net Profit is at Rs.1,708.3 millions for the year as against Rs. 924.8 million last year.
- ✓ In \$ terms, Net Profit is at \$ 36.0 million for the year as against \$ 20.1 last year.
- ✓ Other Income of Rs. 464.3 million includes Forex gain of Rs. 253.4 million -
 

Cash loss on honoring matured forward contracts	- Rs. (187.0) million
Reversal of MTM provision	- Rs. 450.8 million
Restatement of forward contracts taken during the year	- Rs. 90.5 million
Loss on currency translation	- Rs. (100.9) million

## Business and Operational Highlights - FY10

✓ **New Business & Services Offerings –**

- Signed long term engineering services contract with Hamilton Sunstrand.
- Won the Urban Property Ownership Record “Technical Service Provider” project for 5 towns in Karnataka. Our partially owned subsidiary Infotech Geospatial also won the “Service Provider” project for Shimoga town.

✓ **Mergers & Acquisitions –**

- Acquired Daxcon Engineering Inc., located in Peoria, Illinois, USA. Financials have been consolidated w.e.f. January 15, 2010.

✓ **Others –**

- United Technologies group’s cumulative business crossed \$ 250 million during Q 2 of this year.
- We completed our 6 years of partnership with Bombardier Transportation during Q 2 of this year.
- Pursuant to scheme of amalgamation as approved by High Court of Judicature, Andhra Pradesh, the erstwhile TTM (India) Private Limited has been amalgamated with the company effective April 1, 2009.

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## Detailed Financials - FY10

<b>Particulars</b>	<b>FY 10</b>	<b>FY 09</b>	<b>Y-o-Y</b>
<b>Operating Revenues</b>	<b>9,531.2</b>	<b>8,897.5</b>	<b>7.1%</b>
Operating Expenditure	<b>7,448.6</b>	<b>7,112.3</b>	<b>4.7%</b>
Salary Costs	5,427.1	4,896.2	10.8%
Travel Expenditure	551.1	651.7	-15.4%
Purchases for Products / Re-sale	323.3	306.8	5.4%
Professional charges	306.1	385.2	-20.5%
Other Operating Costs	841.0	872.4	-3.4%
<b>Operating Profits</b>	<b>2,082.6</b>	<b>1,785.2</b>	<b>16.7%</b>
<b>Operating Margins</b>	<b>21.9%</b>	<b>20.1%</b>	
Depreciation & Amortization	435.7	465.6	-6.4%
Financial Expenses	31.3	40.3	-22.3%
Other Income	463.7	-294.6	
Profit Before Tax	2,079.3	984.7	111.2%
PBT Margin	20.8%	11.4%	
Tax	505.0	140.2	
Profit After Tax	1,574.3	844.5	
Share of Profits - IASI	129.2	80.1	61.2%
Minority Interest - IGIL	4.8	0.3	
<b>PAT after Share of Profits</b>	<b>1,708.3</b>	<b>924.8</b>	<b>84.7%</b>
<b>Net Margin</b>	<b>17.1%</b>	<b>10.8%</b>	
<b>Basic EPS</b>	<b>30.9</b>	<b>17.4</b>	

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

## Other Performance Metrics - FY10

### Revenue Distribution, by Company –

Name of Company	FY10	FY09
Infotech Enterprises Ltd	5,618.0	5,665.7
Infotech Enterprises Europe Ltd	1,246.9	1,091.9
Infotech Enterprises America Inc. #	3,448.3	3,399.8
Infotech Enterprises, GmbH	2,208.1	1,893.5
Infotech Geospatial (India) Ltd	61.6	78.3
TTM (India) Pvt Ltd *	--	23.1
Infotech HAL Limited	9.7	2.6
Infotech Enterprises Japan KK	9.4	--
Gross Revenues	12,602.0	12,154.9
Less: Intra Group Revenues	3,070.8	3,257.4
<b>Net Revenues</b>	<b>9,531.2</b>	<b>8,897.5</b>

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

# Includes Daxcon w.e.f. Jan 15, 2010 146.8 --

\*Merged into Infotech Enterprises Ltd., w.e.f. April 1, 2009

### Revenue Distribution, by Vertical –

Business Segment	FY10	FY09
Utilities Telecom and Government	3,349.9 (35.1%)	3,094.0 (34.8%)
Engineering, Manufacturing and Industrial Products	6,195.2 (65.0%)	5,823.8 (65.5%)
Less: Inter Segment Sales	-23.6 (-0.1%)	-20.3 (-0.3%)
<b>TOTAL</b>	<b>9,531.2</b> <b>(100%)</b>	<b>8,897.5</b> <b>(100.0%)</b>

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

**Revenue Distribution, by Geography –**

<b>Geography</b>	<b>FY10</b>	<b>FY09</b>
North America	4,509.5 (47.3%)	4,465.9 (50.2%)
Europe	4,156.7 (43.6%)	3,488.4 (39.2%)
Asia/ Australia	865.0 (9.1%)	943.2 (10.6%)
<b>TOTAL</b>	<b>9,531.2 (100%)</b>	<b>8,897.5 (100.0%)</b>

**Revenue Contribution –**

	<b>FY10</b>	<b>FY09</b>
Top 5	43.4%	40.5%
Top 10	58.7%	56.4%
Others	41.3%	43.6%

**Profit Distribution, by Company –**

<b>Name of Company</b>	<b>FY10</b>	<b>FY09</b>
Infotech Enterprises Ltd	1,233.1	683.2
Infotech Enterprises Europe Ltd	89.6	77.9
Infotech Enterprises America Inc.	157.9	173.3
Infotech Enterprises, GmbH	150.7	67.0
Infotech Geospatial (India) Ltd	-18.4	-0.8
TTM (India) Pvt Ltd *	--	-10.7
Infotech HAL Limited	0.1	-5.5
Infotech Enterprises Japan KK	-21.9	--
Gross Profit	1,591.1	984.4
Less: Others (Elimination)	-16.7	-139.9
Profit After Tax	1,574.4	844.5
Share of Profits from IASI	129.2	80.1
Minority Interest of IGIL	4.7	0.2
<b>Profit after Minority Interest</b>	<b>1,708.3</b>	<b>924.8</b>

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

# Includes Daxcon w.e.f. Jan 15, 2010

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\*Merged into Infotech Enterprises Ltd., w.e.f. April 1, 2009

## Company Overview

Infotech Enterprises Limited (IEL) is a global Engineering Design and Geospatial Information Services company. 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 +7600 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](http://www.infotech-enterprises.com)

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