



INFOTECH ENTERPRISES LIMITED Q4 AND ANNUAL RESULTS F/Y 2009-2010

PRESS RELEASE

Key Highlights

- **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. 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 and quarter ended March 31, 2010.

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.

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in Lakhs)

Sl. No.	Particulars	Three Months	Three months	Year	Year
		Ended 31-Mar-10 (Unaudited)	Ended 31-Mar-09 (Unaudited)	Ended 31-Mar-10 (Audited)	Ended 31-Mar-09 (Audited)
1	Net Sales	24,406	23,497	95,312	88,975
2	Expenditure				
a	Employees Cost	14,471	12,852	54,272	48,949
b	Travel Expenses	1,531	1,316	5,510	6,493
c	Purchases - Services/Products	557	1,058	3,224	3,027
d	Depreciation and Amortisation	929	1,248	4,357	4,656
e	Other expenditure	2,585	3,182	11,479	12,655
f	Total	20,073	19,656	78,842	75,780
3	Profit from Operations before Other Income / (expense) and Interest expense	4,333	3,841	16,470	13,195
4	Other Income / (expense)	1,784	(2,745)	4,637	(2,945)
5	Profit before Interest	6,117	1,096	21,107	10,250
6	Interest expense	249	57	312	403
7	Profit before tax	5,868	1,039	20,795	9,847
8	Tax expense - Current year	1,160	994	4,143	2,996
	- Earlier years	453	-	453	41
	- MAT credit	(1,099)	-	(1,099)	-
	- Fringe Benefit Tax	(1)	34	(1)	175
	- Deferred Tax	516	(1,685)	1,555	(1,810)
9	Net Profit after tax	4,839	1,696	15,744	8,445
10	Minority Interest	-	7	48	2
11	Share of Profit from Associate Company	295	152	1,292	801
12	Net Profit for the period	5,134	1,855	17,084	9,248
13	Paid-up equity share capital			2,775	2,761
14	Reserves excluding revaluation reserves			87,364	74,271
15	EPS - Basic*	9.64	3.48	30.87	17.36
	EPS - Diluted*	9.60	3.47	30.75	17.33
16	Aggregate of Non-promoter shareholding				
	Number of Shares	42,639,544	42,278,790	42,639,544	42,278,790
	Percentage	76.83%	76.55%	76.83%	76.55%
17	Promoters and Promoter Group Shareholding				
a)	Pledged / Encumbered				
	- Number of Shares	286,900	358,428	286,900	358,428
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	2.23%	2.77%	2.23%	2.77%
	- Percentage of Shares (as a % of the total share capital of the company)	0.52%	0.65%	0.52%	0.65%
b)	Non-encumbered				
	- Number of Shares	12,573,080	12,592,578	12,573,080	12,592,578
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	97.77%	97.23%	97.77%	97.23%
	- Percentage of Shares (as a % of the total share capital of the company)	22.65%	22.80%	22.65%	22.80%

*On par value of Rs. 5 per share

Company Overview

About Infotech Enterprises Limited

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.

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

For additional information, please contact:

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