

Investor Update

Quarter 1 ended June 30, 2010

- ✓ **Revenue for Quarter-1 Rs. 2,529 million, Y-o-Y growth of 8.7%, Q-o-Q growth of 3.6%.**
 - ✓ **Revenue for Quarter-1 \$ 55 million, Y-o-Y growth of 15.9%, Q-o-Q growth of 4.3%.**
 - ✓ **Revenue grew at 6.5% over previous quarter in constant currency terms. Significant impact of adverse forex movement (2.9% decrease).**
 - ✓ **Operating margins for Quarter-1 at 16.0%.**
 - ✓ **PAT for Quarter-1 at Rs. 329 million.**
 - ✓ **Since inception, achieved cumulative revenues of USD 1 billion by Quarter-1, a major milestone in the company's history.**
 - ✓ **Business momentum and environment continues to be in line with expectations for key verticals – Manufacturing and Telecom.**
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Hyderabad, India – July 14, 2010: Infotech Enterprises Limited, a global services provider offering Engineering Design Services, Geospatial Information Services and IT Services, announced its unaudited financial results for the quarter ended June 30, 2010.

Update Coverage:

- **Management Comments**
- **Highlights for Quarter-1**
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- **Overview of the Company**

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 an encouraging revenue performance at Rs. 2,529 million as compared to Rs. 2,441 million in the previous quarter, recording a 3.6% increase over the sequential quarter and a 8.7% increase over corresponding quarter of the preceding year. In \$ terms, we delivered revenues of \$ 55.4 million, recording a 4.3% increase over the sequential quarter and a 15.9% increase over corresponding quarter of the preceding year. In constant currency terms, revenues have grown by 6.5% over the sequential quarter. ENGG vertical witnessed a volume growth of 10.6% and UTG vertical witnessed a volume de-growth of 2.0%.

Our operating margins for the quarter at 16.0% are below our expectations. This primarily reflects the impact of adverse exchange rate movements, particularly EURO and GBP, and completion of some large projects in UTG. In addition, salary increments, continued investment in people and infrastructure and increase in other direct expenses have also contributed to decrease in profit.

It is, however, encouraging to note that we are confident about our Q-2 performance based on confirmed business and quality of order pipeline. We are also actively taking steps to expand our existing client relationships and capitalize on the pipeline that we have built besides putting in place various initiatives to address overall performance improvement such as better utilization, hiring freshers, controlling SG&A etc.

During May 2010, we achieved cumulative revenues of USD 1 billion, which is a major milestone in the history of the company. Infotech today proudly owns over a million sft of world class facilities in delivery centers and relationship management offices and works with customers in 25 countries across the globe.

We have commenced operations from our new SEZ facility at Visakhapatnam, which is our first SEZ development centre. This is our sixth development centre, the first in SEZ and second in a Tier II town.

We continue to have a strong balance sheet with cash balance increasing to Rs. 405 crores. Our M&A focus continue to be important for accelerated growth this year"

Update on Q-1 FY 11 Performance

Performance Highlights - Q1 FY11

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

Particulars	Q1 FY 11	Q4 FY 10	Q-o-Q	Q1 FY 10	Y-o-Y
Operating Revenue	2,528.9	2,440.6	3.6%	2,326.0	8.7%
Operating Profit	403.9	526.1	-23.2%	523.6	-22.9%
Operating Margin	16.0%	21.6%		22.5%	
PAT	328.9	513.3	-35.9%	462.7	-28.9%

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

Particulars	Q1 FY 11	Q4 FY 10	Q-o-Q	Q1 FY 10	Y-o-Y
Operating Revenue	55.4	53.1	4.3%	47.8	15.9%
Operating Profit	8.8	11.5	-23.5%	10.8	-18.5%
Operating Margin	16.0%	21.6%		22.5%	
PAT	7.2	11.2	-35.7%	9.5	-24.2%
Average Exchange Rate (US\$ vs INR)	45.67	45.92		48.67	

Business and Operational Highlights - Q1 FY11

✓ New Business & Services Offerings –

- **Several key wins in Utilities, Telecom and Government segments.**
- **12 customers were added** during the quarter, 6 in UTG and 6 in EMI.
- **New service offerings / initiatives:**
 - UTG – FTTx, Smart data services;
 - EMI – Propulsion System Integration Center (PSIC), Share Point Development Service.

✓ Quality and other certifications –

- Pratt & Whitney, Canada, CoE, received UTC Supplier Gold recognition. UTC IT site also received Gold recognition. With this, the entire UTC Division at Infotech operates at ACE Gold level.

✓ Facilities –

- Commenced operations from our new SEZ at Visakhapatnam.
- Opened at CoE in our London office in collaboration with Remote Energy Monitoring Limited, UK, to showcase Smart Metering technologies and solutions.

✓ Investments and Cash –

- **Cash balance** stood at Rs. 4,052 million as against Rs. 3,836 million as at end of Q-4. The details are as follows :

Current & EEFC Accounts	- Rs.	1,377 million
Deposit Accounts	- Rs.	1,702 million
Liquid investments	- Rs.	973 million
- **Capital Expenditure** of Rs. 104 million during the quarter.

Detailed Financials - Q1 FY11

Particulars	Q1 FY 11	Q4 FY 10	Q-o-Q	Q1 FY 10	Y-o-Y
Operating Revenues	2,528.9	2,440.6	3.6%	2,326.0	8.7%
Operating Expenditure	2,124.9	1,914.5	10.9%	1,802.4	17.9%
Salary Costs	1,566.9	1,447.0	8.3%	1,335.4	17.3%
Travel Expenditure	163.7	153.0	7.0%	114.0	43.6%
Purchases for Products / Re-sale	86.1	56.7	51.8%	85.8	0.3%
Professional charges	76.0	78.9	-3.7%	67.8	12.1%
Other Operating Costs	232.2	178.9	29.8%	199.4	16.4%
Operating Profits	404.0	526.1	-23.2%	523.6	-22.9%
Operating Margins	16.0%	21.6%		22.5%	
Depreciation & Amortization	116.8	92.9	25.7%	117.6	-0.7%
Financial Expenses	2.4	25.0	-90.0%	2.4	-4.2%
Other Income	80.7	178.4	54.7%	163.2	-50.6%
Profit Before Tax	365.6	586.6	-37.7%	566.8	-35.5%
PBT Margin	14.0%	22.4%		22.8%	
Tax	74.0	102.7	28.0%	149.7	-50.6%
Profit After Tax	291.6	483.9	-39.8%	417.1	-30.1%
Share of Profits - IASI	36.8	29.5	24.7%	41.4	-11.1%
Minority Interest - IGIL	-0.5	-0.1		4.1	
PAT after Share of Profits	328.9	513.3	-35.9%	462.7	-28.9%
Net Margin	12.6%	19.6%		18.6%	
Basic EPS *	2.96	4.8		4.2	

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

(* On par value of Rs. 5 per share and adjusted for issue of bonus shares in the ratio of 1 share for every 1 share held.)

Other Performance Metrics - Q1 FY11

Revenue Distribution, by Company –

Name of Company	Q1 FY11	Q4 FY10	Q1 FY10
Infotech Enterprises Ltd	1,415.8	1,352.8	1,417.8
Infotech Enterprises Europe Ltd	265.9	318.9	332.2
Infotech Enterprises America Inc. #	977.2	947.4	803.9
Infotech Enterprises, GmbH	511.0	534.1	489.3
Infotech Geospatial (India) Ltd	7.1	12.2	14.5
TTM India Pvt Ltd *	--	--	6.3
Infotech HAL Limited	2.4	3.2	1.9
Infotech Enterprises Japan KK	4.1	5.6	0.6
Gross Revenues	3,183.5	3,174.2	3,066.5
Less: Intra Group Revenues	654.6	733.6	740.5
Net Revenues	2,528.9	2,440.6	2,326.0

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

Includes Daxcon

183.9

146.8

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

Revenue Distribution, by Vertical –

Business Segment	Q1 FY11	Q4 FY10	Q1 FY10
Utilities Telecom and Government	746.5 (29.5%)	796.2 (32.6%)	842.1 (36.2%)
Engineering, Manufacturing and Industrial Products	1,783.9 (70.5%)	1,646.6 (67.5%)	1,488.6 (64.0%)
Less: Inter Segment Sales	-1.5 (-0.1%)	-2.2 (-0.1%)	-4.7 (0.2%)
TOTAL	2,528.9 (100.0%)	2,440.6 (100.0%)	2326.0 (100.0%)

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

Revenue Distribution, by Geography –

Geography	Q1 FY11	Q4 FY10	Q FY10
North America	1,320.1 (52.2%)	1,174.6 (48.2%)	1,099.5 (47.3%)
Europe	970.3 (38.4%)	1,041.6 (42.7%)	1,016.1 (43.7%)
Asia/ Australia	238.3 (9.4%)	224.4 (9.1%)	210.4 (9.0%)
TOTAL	2,528.9 (100.0%)	2,440.6 (100.0%)	2,326.0 (100.0%)

Revenue Contribution –

	Q1 FY11	Q4 FY10	Q1 FY10
Top 5	41.4%	43.4%	41.4%
Top 10	60.0%	61.2%	57.1%
Others	40.0%	38.8%	42.9%

Profit Distribution, by Company –

Name of Company	Q1 FY11	Q4 FY10	Q1 FY10
Infotech Enterprises Ltd	215.2	334.8	379.2
Infotech Enterprises Europe Ltd	24.8	24.6	21.5
Infotech Enterprises America Inc. #	40.7	68.7	27.6
Infotech Enterprises, GmbH	39.0	35.4	27.8
Infotech Geospatial (India) Ltd	-2.0	-0.1	-15.9
TTM India Pvt Ltd	--	--	-8.3
Infotech HAL Limited	-0.2	0.3	-0.3
Infotech Enterprises Japan KK	-5.0	-3.1	-5.7
Gross Profit	312.6	460.6	425.9
Less: Others (Elimination)	-21.0	23.3	-8.8
Profit After Tax	291.6	483.9	417.1
Share of Profits from IASI	36.8	29.5	41.4
Minority Interest of IGIL	-0.5	-0.1	4.1
Profit after Minority Interest	328.9	513.3	462.7

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

Includes Daxcon

13.5

8.6

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

Manpower Distribution, by Vertical –

Business Segment	30-Jun-10	31-Mar-10	30-Jun-09
UTG	3,772	3,854	4,078
EMI	3,463	3,358	3,225
Support Functions	434	425	155
TOTAL	7,669	7,637	7,458

Manpower Distribution, by Company –

Name of Company	30-Jun-10	31-Mar-10	30-Jun-09
Infotech Enterprises Ltd.,	6,589	6,681	6,626
Infotech Enterprises Europe Ltd	135	77	71
Infotech Enterprises America Inc. #	688	628	396
Infotech Enterprises, GmbH	210	191	183
Infotech Geospatial (India) Ltd.	38	48	94
TTM India Pvt Ltd *	--	--	77
TIIT	6	7	8
Infotech Enterprises Japan KK	3	5	3
TOTAL	7,669	7,637	7,458

Includes Daxcon

171

161

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

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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

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