



INFOTECH ENTERPRISES LIMITED Q4 & ANNUAL RESULTS FY 2010-2011

PRESS RELEASE

Key Highlights

- ✓ Total Income for FY crosses Rs. 1200 crores (including other income).
- ✓ Revenue for FY crosses Rs. 1000 crores for the first time (at 1,188 crores), a major milestone in the history of the company.
- ✓ Revenue grew by 24.6% Y-o-Y to Rs. 11,880 million.
- ✓ Revenue in dollar terms was \$ 260.7 million for the year, a growth of 29.7% over last year.
- ✓ Operating margin at 15.2% for the year.
- ✓ Profit after tax at Rs. 1,396.9 million for the year.
- ✓ Revenue for the quarter at Rs. 3,258 million, Y-o-Y growth of 33.5%, Q-o-Q growth of 3.8%.
- ✓ Operating margin at 14.3% for the quarter.
- ✓ Profit after tax at Rs. 369.8 million for the quarter.
- ✓ Board of Directors recommend 25% dividend, i.e Rs. 1.25 per equity share of Rs. 5 each, subject to the approval of shareholders.
- ✓ Aerospace engineering services revenues cross \$ 100 million in a single year, makes Infotech the largest engineering services company in Aerospace business in India.
- ✓ Business momentum and environment continues to be in line with the expectations in – Aerospace, Heavy equipment, Rail, Hitech, Telecom and Content engineering.

Message from the Chairman & Managing Director

Commenting on the results, Mr. BVR Mohan Reddy, Chairman and Managing Director, said, "We are pleased to deliver one more quarter of consistent results. Our Q4 results for FY 2010-11, indicate encouraging quarter on quarter revenue growth of 3.8%. We crossed the Rs. 1200 crore total income mark during this financial year which is a significant milestone in the history of the company. We recorded a revenue of Rs. 1188 crores, a growth of 24.6% over the last year. In dollar terms, our revenues were at \$ 260.7 million, a growth of 29.7% over last year.

The quarter saw our Aerospace Engineering revenues exceed \$ 100 million in a single year. The quarter also witnessed key partnerships forged in Hitech, Rail and Oil & Gas domains and an addition of 3 "must-have" customers in N&CE.

Our operating margins for the quarter and the full year were at 14.3% and 15.2% respectively. The operating margins and PAT was disappointing for we made investments into sales and business organization for future. In future, we don't intend to increase these investments and so this will not be the trend. We are also hiring around 1000 freshers to make sure our cost base comes under control. The management believes that we have several levers that we can use to improve margins in the next 12 months"

Performance Highlights

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

Particulars	Q4 FY 11	Q3 FY 11	Q4 FY 10		FY 11	FY 10
Operating Revenue	3,258.3	3,138.2	2,440.6		11,880.0	9,531.2
Operating Profit	467.2	475.0	526.1		1,803.5	2,082.6
Operating Margin	14.3%	15.1%	21.6%		15.2%	21.9%
PAT	369.8	368.4	513.4		1,396.9	1,708.4

Business and Operational Highlights

- ✓ **New Business & Services Offerings –**
 - Key partnerships in Hitech, Rail and Oil & Gas.
 - Aerospace Engineering Revenues cross \$100 Million in a single year.
 - **19 customers added** during the quarter, 12 in N&CE and 7 in ENGG.
 - **Renewed contract with IHS** for three years at an increased price.
 - Secured multi-million dollar enterprises GIS and data project for one of the largest utilities in US with a ramp up expected in Q-1 FY 12.
 - Breakthrough into wireless side, supporting one of the largest engineering firms in Australia.
 - Establishes Integrated Global Aerospace Practice.
 - First large order executed through our alliance with JDA in IT services business.
- ✓ **Investments and Cash –**
 - **Cash balance** stood at Rs. 3,836 million as against Rs. 3,808 million as at end of Q-3.
 - **Capital Expenditure** of Rs. 612 million during the quarter.
- ✓ **New facilities -**
 - Inaugurated new electronic centre of excellence for Hamilton Sundstrand.
 - Further expanded our US telecom engineering footprint with new site offices opening up in Mississippi and Pennsylvania.
- ✓ **Organisation Development –**
 - Ajay Aggarwal joins as the new CFO.

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2011

(Rupees in Lakhs)

Sl. No.	Particulars	Three Months Ended 31-Mar-11 (Unaudited)	Three months Ended 31-Mar-10 (Unaudited)	Year Ended 31-Mar-11 (Audited)	Year Ended 31-Mar-10 (Audited)
1	Net Sales	32,583	24,406	118,801	95,312
2	Expenditure				
a	Employees Cost	20,643	14,471	74,657	54,272
b	Travel Expenses	2,148	1,531	7,609	5,510
c	Purchases - Services/Products	1,105	557	4,308	3,224
d	Depreciation and Amortisation	1,226	929	4,859	4,357
e	Other expenditure	4,005	2,585	14,192	11,479
f	Total	29,127	20,073	105,625	78,842
3	Profit from Operations before Other Income and Interest expense	3,456	4,333	13,176	16,470
4	Other Income	509	1,784	2,726	4,637
5	Profit before Interest and exceptional item	3,965	6,117	15,902	21,107
6	Interest expense	82	249	154	312
7	Profit after Interest but before exceptional item	3,883	5,868	15,748	20,795
8	Exceptional item	-	-	229	-
9	Profit before tax	3,883	5,868	15,977	20,795
10	Tax expense				
	- Current year	890	1,160	3,879	4,143
	- Earlier years	3	453	3	453
	- MAT credit	(343)	(1,099)	(1,247)	(1,099)
	- Fringe Benefit Tax	-	(1)	-	(1)
	- Deferred Tax	(154)	516	63	1,555
11	Net Profit after tax	3,487	4,839	13,279	15,744
12	Minority Interest	(5)	-	(10)	48
13	Share of Profit from Associate Company	216	295	700	1,292
14	Net Profit for the period	3,698	5,134	13,969	17,084
15	Paid-up equity share capital	5,564	2,775	5,564	2,775
16	Reserves excluding revaluation reserves	98,991	87,860	98,991	87,860
17	EPS - Basic*	3.33	4.82	12.56	15.44
	EPS - Diluted*	3.32	4.80	12.54	15.38
18	Aggregate of Non-promoter shareholding				
	Number of Shares	85,669,043	42,639,544	85,669,043	42,639,544
	Percentage	76.99%	76.83%	76.99%	76.83%
19	Promoters and Promoter Group Shareholding				
a)	Pledged / Encumbered				
	- Number of Shares	510,146	286,900	510,146	286,900
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	1.99%	2.23%	1.99%	2.23%
	- Percentage of Shares (as a % of the total share capital of the company)	0.46%	0.52%	0.46%	0.52%
b)	Non-encumbered				
	- Number of Shares	25,097,080	12,573,080	25,097,080	12,573,080
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	98.01%	97.77%	98.01%	97.77%
	- Percentage of Shares (as a % of the total share capital of the company)	22.55%	22.65%	22.55%	22.65%

*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.

Company Overview

About Infotech Enterprises Limited -

Founded in 1991, we are a leading Global Engineering services company. 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: "Global Delivery and Collaborative Engineering".

Infotech is a recognized leader in providing efficient and sustainable solutions based on Global Collaborative Engineering - a proven strategy designed to lower engineering costs, leverage know-how for localization and accelerate R&D efforts. Our clients range from large highly diversified engineering conglomerates to companies that are leaders in niche engineering. We operate from 30 global locations across 16 countries - Canada, USA, UK, Germany, France, Norway, Sweden, Denmark, Netherlands, Dubai, Singapore, Malaysia, Japan, Australia and New Zealand - and accommodate the largest operations out of India for Engineering Services, and Network & Content Engineering (N & CE) services.

Infotech's cutting edge is its 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. Infotech operate offshore 'Centres of Excellence' for leaders in the Aerospace, Rail, Telecommunications, Transportation and Government verticals.

Our processes are aligned with practices of ISO 9001:2008, ISO 27001:2005, AS 9100C, IRIS, ISO 13485 quality standards and CMMi Level 5 framework.

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

Disclaimer -

This document contains certain forward looking statements on our future prospects. Although, Infotech believes that expectations contained in these statements are reasonable, their nature involve a number of risks and uncertainties that may lead to different results. These forward looking statements represent only the current expectations and beliefs and company provides no assurance that such expectations will prove correct.

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); Infotech Enterprises IT Services Pvt. Ltd (IEITS); 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).

Income statement provided is in the internal MIS format. MIS format is different from the income statement published as part of financial results in terms of grouping of cost elements.