



I n v e s t o r U p d a t e

Volume 4

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January – March 2006

- *Infotech's financial performance has been discussed on a consolidated Group basis in this document.*
- *Infotech Group comprises Infotech Enterprises Limited, its three overseas subsidiaries (Infotech Enterprises Europe Ltd., U.K. (IEE); Infotech Enterprises America Inc, USA (IEAI) – along with IEAI's subsidiary VARGIS LLC, USA; and Infotech Enterprises, GmbH, Germany.*
- *Infotech's Noida-based subsidiary has been merged with the parent Company w.e.f. October 1, 2005 and hence the standalone performance figures include the financials of this operation.*
- *The names of Infotech's subsidiaries have been changed as under:*
 - *Infotech Software Solutions Inc. (ISSI) is now called Infotech Enterprises America Inc.*
 - *Advanced Graphics Solutions is now called Infotech Enterprises GmbH*
- *Infotech's standalone financial results have also been provided for reference in the last section of this update.*

Commenting on the fourth quarter and year end results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, "The year has been significant for the company with several new marquee client additions across both verticals, launch of new service offerings and expansion in many new regions. In FY2006, Infotech delivered 41% growth in revenues and growth of 84% in net profit. We delivered average sequential quarter growth of 13.4%. We have achieved two significant landmarks towards the close of the year – exceeding Rs. 1 billion in quarterly revenues in Q4 and Rs. 500 million in net profit during FY2006.

During the quarter, we maintained our growth momentum by bagging major contracts from GE Energy to provide geospatial data management services for Swisscom Fixnet, Switzerland and from a consortium of state and local government agencies located in the County of Los Angeles to provide digital aerial imagery services. These contracts highlight our leadership in the GIS space and follow several significant wins recently in both our focus verticals.

We believe that our financial and operational achievements in FY2006 reflect the superior value we deliver to the customers. We look forward to making further inroads in global markets by delivering on our strategic corporate plans. We expect to build upon the strong platform created in FY2006 to deliver another year of strong growth in FY2007 and become key players in our focus segments."

Key Performance Highlights

Infotech Group: Consolidated Performance

Fiscal Year 2006 review (April 2005 – March 2006 Vs. April 2004 – March 2005)

- Operating revenues at Rs. 3625.0 million as compared to revenues of Rs. 2571.3 million in FY 2005, representing a Y-o-Y growth of 41.0%
- Operating profit at Rs. 671.9 million as compared to Rs. 466.5 million, higher by 44.0%. Operating margins for the year at 18.5% as compared to 18.1%.
- Net Profit up 83.8% at Rs. 503.2 million as compared to Rs. 273.8 million.

Sequential Period Analysis (January – March 2006 vs. October – December 2005)

- Operating revenues higher by 14.6%, at Rs. 1078.0 million compared to Rs. 940.6 million.
- Operating profit higher by 11.8% at Rs. 198.7 million compared to Rs. 177.7 million. Operating Margins at 18.4% as compared to 18.9%.
- Net profit higher by 25.1% at Rs. 166.0 million compared to Rs. 132.7 million.

Corresponding period analysis (January – March 2006 Vs. January – March 2005)

- Operating revenues increase by 65.4% at Rs. 1078.0 million compared to Rs. 651.7 million in the corresponding period last year.
- Operating profit higher by 53.4% at Rs. 198.7 million compared to Rs. 129.5 million. Operating margins at 18.3% compared to 19.9%.
- Net profit after tax higher by 86.2% at Rs. 166.0 million compared to Rs. 89.2 million.

Key business / operating highlights for Financial Year 2005-06

- The Board of Directors recommend a Stock Split of 2-for 1, i.e; a sub-division of every equity share from the current value of Rs. 10 each into 2 equity shares of par value of Rs. 5 each
- The Board of Directors recommend a 2:1 Bonus, i.e; for every 2 shares held, 1 bonus share
- The Board of Directors recommend a dividend of 22.5% pre-bonus and pre-split
- During the year, the following major contracts were signed by the Company:
 - Strategic alliance with Ten Sails, UK to provide solutions, services and technology expertise to global Small World user community.
 - Engineering design agreement with Alstom Transport extending over a period of 5 years and expected to generate revenues of US\$ 50-55 million.

- Two-year contract with SP AusNet, a wholly owned subsidiary of Singapore Power, to provide geospatial data maintenance for their gas and electricity network assets.
- Major GIS contract from KPN Telecom extending over a period of 18 months.
- Contract for geospatial technical services from UK-based Network Rail.
- Contract with GE Energy to provide geospatial data management services for Swisscom Fixnet over a period of three and half years.
- Contract with LA County to provide Digital Aerial Imagery Services to 26 State and Local Governments Consortium within the County
- Set up dedicated design centers for major clients, including Hamilton Sundstrand, Alstom Transportation, Boeing, Airbus, KPN Telecom etc. strengthening several long-term relationships.
- Infotech launched several new service offerings in both UTG and EMI verticals during the year. These include piping and instrumentation (UTG); and marine vertical practice, interiors and seating, signaling and interlocking, aerospace structures, and validation and verification (EMI).
- 40 new clients were added during FY2006, 19 in the UTG vertical and 21 in EMI vertical. Of these, 10 new clients were added during the quarter under review – six in UTG and four in EMI.
- Infotech expanded its human resources by 1546 and employed 3978 associates at the close of FY2006.

Group Financial Performance Review

INFOTECH ENTERPRISES LIMITED Consolidated Group Financial Performance

(Rs. Million)

Particulars	Q4 FY 2006	Q3 FY 2006	Q2 FY 2006	Q1 FY 2006	FY 2006	FY 2005	Y-on-Y Variance (%)
Operating Revenues	1078.0	940.6	824.1	782.2	3625.0	2571.3	41.0%
Operating Expenditure	879.4	762.9	663.6	647.2	2953.1	2104.7	40.3%
- Employee cost	494.5	442.9	394.4	364.7	1696.5	1212.7	39.9%
- Travel expenses	98.1	87.7	73.0	68.6	327.4	230.3	42.1%
- Purchases for resale	160.8	110.3	79.1	108.6	458.8	289.5	58.5%
- Oprtg & admin exp	126.0	122.0	117.1	105.2	470.3	362.3	26.4%
Operating Profit	198.7	177.7	160.5	135.0	671.9	466.5	44.0%
<i>Operating Margins</i>	<i>18.4%</i>	<i>18.9%</i>	<i>19.5%</i>	<i>17.3%</i>	<i>18.5%</i>	<i>18.1%</i>	
Financial Expenses	6.2	1.8	1.4	1.6	11.0	2.5	340.1%
Depreciation & Amortization	48.1	48.9	43.7	45.0	185.7	167.3	11.0%
Other Income	14.0	12.1	6.9	(11.7)	21.3	42.6	(50.0%)
Profit before Tax	158.4	139.1	122.3	76.8	496.5	339.3	46.3%
Provision for Taxation	35.8	21.1	25.7	11.4	94.0	90.1	4.3%
Profit after Tax	122.6	117.9	96.6	65.4	402.5	249.1	61.5%
Share of IASI profit	43.4	14.8	12.2	30.3	100.7	24.6	
PAT incl. share of profits from IASI	166.0	132.7	108.7	95.7	503.2	273.7	83.8%
<i>Net Margins</i>	<i>15.2%</i>	<i>13.9%</i>	<i>13.1%</i>	<i>12.4%</i>	<i>13.8%</i>	<i>10.5%</i>	

INFOTECH ENTERPRISES LIMITED					
Consolidated Group Financial Performance					
<i>(Rs. Million)</i>					
Particulars	Q4 FY 2006	Q3 FY 2006	QoQ Variance (%)	Q4 FY2005	YOY Variance (%)
Operating Revenues	1078.0	940.6	14.6%	651.7	65.4%
Operating Expenditure	879.4	762.9	15.3%	522.1	68.4%
- Employee cost	494.5	442.9	11.6%	323.3	53.0%
- Travel expenses	98.1	87.7	11.8%	54.6	79.4%
- Purchases for Resale	160.8	110.3	45.8%	55.0	192.4%
- Oprtg & admin exp	126.0	122.0	3.3%	89.2	41.3%
Operating Profit	198.7	177.7	11.8%	129.5	53.4%
<i>Operating Margins</i>	<i>18.4%</i>	<i>18.9%</i>		<i>19.9%</i>	
Financial Expenses	6.2	1.8	250.8%	0.4	
Depreciation & Amortization	48.1	48.9	(1.7%)	38.9	23.7%
Other Income	14.0	12.1	16.5%	4.9	185.2%
Profit before Tax	158.4	139.1	13.9%	95.3	66.3%
Provision for Taxation	35.8	21.1	69.6%	18.9	89.6%
Profit after Tax	122.6	117.9	3.9%	76.4	60.5%
Share of IASI profit	43.4	14.8		12.8	
PAT incl. share of profits from IASI	166.0	132.7	25.1%	89.2	86.2%
<i>Net Margins</i>	<i>15.2%</i>	<i>13.9%</i>		<i>13.6%</i>	

During FY2006, Infotech delivered 41.0% growth in revenues. Operating revenues stood at Rs. 3625 million as compared to Rs. 2571.3 million in the previous financial year. The company witnessed strong sequential growth in each quarter, averaging 13.4%, on the back of increased traction from its existing client base and addition of new customers. Growth during FY2006 was driven by:

- o 62% increase in UTG revenues, 26% in EMI.
- o Diversification in geographical contribution due to 98% growth in Europe and 56% in Asia/Australia.
- o Significant growth in many of Infotech's leading client relationships.

During Q4FY2006, operating revenues grew by 14.6% as compared to the previous sequential quarter. Growth was achieved across both verticals and all of Infotech's subsidiaries.

Operating expenditure for the year increased by 40.3% and by 15.3% in the quarter under review.

During the year, employee cost was higher by 39.9% at Rs. 1696.5 million. Employee cost as a proportion of revenues reduced from 47.2% to 46.8% even as the company added 1546 employees during the year, increasing the resource base by 63.6%. Employee additions were focused on lower experience resources. Although average utilization was lower during the year under review as Infotech positioned itself for further growth opportunities, strong value addition to clients improved average bill rates.

During Q4FY2006, revenue growth surpassed resource additions as the company focused on the utilization of the preceding quarter's significant recruitment.

Travel expenses were higher by 42.1% in FY2006 at Rs. 327.4 million. With the significant growth achieved across Infotech's global subsidiaries, the level of onsite travel increased further during the year.

Travel expenses in the quarter under review were higher by 11.8%, or 9.1% of operating revenues compared to 9.3% of operating revenues in the previous sequential quarter.

During the year under review, cost of purchases for resale (software products/services purchased for implementation of projects) increased by 58.5% to Rs. 458.8 million as the company undertook several onsite consulting projects, including photogrammetry-led offerings across North America and Europe.

During Q4FY2006, cost of purchases for resale was higher by 45.8% compared to the previous sequential quarter.

Operating and administrative expenses, largely costs relating to the support infrastructure, were higher by 26.4% in FY2006. As a proportion of operating revenues, such expenses reduced from 14.5% to 13.0% as the management exercised strict control over the company's cost structure.

During the quarter under review, operating and administrative expenses were higher by 3.3%, and reduced to 11.7% of operating revenues compared to 13.0% in the previous sequential quarter.

During FY2006, operating profit expanded by 44.0% and operating margin was higher at 18.5% from 18.1% last year. Profitability during the year was influenced by an increase in the proportion of onsite consulting engagements that contribute lower margins. Excluding this, the overall profitability across Infotech's global operations showed strong expansion.

Financial expenses during FY2006 were higher at Rs. 11.0 million as compared to Rs. 2.5 million last year largely due to the execution of bank guarantees and initiation of credit facilities for some delivery units. A large part of this expense was incurred during Q4FY2006.

Provision for depreciation and amortization was higher by 11.0% in FY2006 to Rs. 185.7 million. During the year, there was an increase in Infotech's asset base on account of infrastructure expansion as well as acquisition of the Noida facility in April 2005.

Other income in FY2006 was impacted due to wide fluctuations in foreign currency values, reducing by 50.0% to Rs. 21.3 million.

PBT was higher by 46.3% in FY2006, PBT margin increased to 13.7% from 13.2% last year. In Q4FY2006, PBT was higher by 13.9%.

Provision for tax was at Rs. 94.0 million in FY2006 compared to Rs. 90.1 million in FY2005. Tax rate for the year was 18.9% compared to 26.6% in the preceding year, as the proportion of business delivered out of tax efficient units increased. The company expects its tax rate to remain at the current level over the next year.

In Q4FY2006, the tax provision was higher by 69.6% at Rs. 35.8 million compared to Q3FY2006. This was largely because some units made increased year-end provisions during the quarter. The tax rate was higher in Q4FY2006 at 22.6% compared to 15.2% in the preceding quarter.

The contribution from Infotech's share of profits in its investment in IASI (U.S. near shore delivery center) increased to Rs. 100.7 million in FY2006 compared to Rs. 24.6 million in FY2005. The facility underwent significant expansion during the year under review. Also in Q1FY2006 and Q4FY2006, this operation received government grants based on employment generated locally.

During Q4FY2006, IASI's contribution increased to Rs. 46.4 million, up 194.3%, compared to the preceding quarter.

In FY2006, net profit increased by 83.8% to Rs. 503.2 million. Net margin expanded from 10.5% in FY2005 to Rs. 13.8% in FY2006. EPS for the year increased to Rs. xx from Rs. xx in FY2005.

In Q4FY2006, net profit increased showed an expansion of 25.1% from the previous sequential quarter. Net margin was higher at 15.2% compared to 13.9%. EPS for the quarter was Rs. 11.00.

Group Financial Performance

(Rs. Million)

Group revenue analysis	Q4 FY 2006	Q3 FY 2006	Q2 FY 2006	Q1 FY 2006	FY 2006	FY 2005	Y-on-Y Variance
Infotech Enterprises Ltd**	652.0	606.1	461.3	417.6	2136.9	1538.0	38.9%
Infotech Enterprises Europe Ltd.	169.8	142.2	117.8	122.3	552.1	446.4	23.7%
Infotech Enterprises America Inc.*	401.6	367.1	304.5	282.3	1355.6	885.0	53.2%
Infotech Enterprises GmbH	195.0	125.2	106.1	84.0	510.2	278.3	83.3%
Infotech Aerospace Services Inc.	-	-	-	-	-	109.6	-
Infotech Enterprises, Noida	-	-	85.2	77.6	162.8	-	-
Gross revenues	1423.0	1240.5	1074.8	983.8	4722.2	3257.3	45.0%
Less: Intra group revenues	(345.0)	(299.9)	(250.7)	(201.6)	(1097.2)	(686.0)	
Net revenues	1078.0	940.6	824.1	782.2	3625.0	2571.3	41.0%

* Includes VARGIS, ** Noida operations merged with parent company from Q3FY2006

Each of the subsidiaries contributed to the growth of the company during FY2006. While the European subsidiary grew on the back of contracts from KPN Telecom and Swisscom, German subsidiary Infotech Enterprises GmbH delivered substantial expansion on account of contracts from Alstom Transport and ramp up in Bombardier Transportation. Infotech Enterprises America Limited delivered growth on account of increased visibility in both UTG and EMI verticals.

The operations of Infotech Enterprises Noida Limited have been merged with the parent company effective October 1, 2005. Therefore, the standalone financial performance of Infotech Enterprises Limited for Q3FY2006 and Q4FY2006 includes the Noida operations.

Profitability in the European and German subsidiaries expanded significantly in FY2006 on account of expansion in the revenue base, while strict cost control was maintained.

Share of profits from IASI were higher during the quarter under review as the company received salary grants from the local government.

(Rs. million)

Group profit analysis	Q4 FY 2006	Q3 FY 2006	Q2 FY 2006	Q1 FY 2006	FY 2006	FY 2005	Y-on-Y Variance
Infotech Enterprises Ltd. **	118.1	85.6	61.9	30.3	283.8	223.1	27.2%
Infotech Enterprises Europe Ltd.	15.6	16.6	14.8	18.8	65.8	28.7	129.6%
Infotech Enterprises America Inc.*	(8.4)	19.4	6.4	5.1	22.5	17.1	31.6%
Infotech Enterprises, GmbH	12.6	1.6	2.2	2.9	19.3	6.6	190.4%
Infotech Aerospace Services Inc.	-	-	-	-	-	16.6	-
Infotech Enterprises Noida	-	-	16.5	13.7	30.1	-	-
Gross Profit	126.1	123.2	101.8	70.7	421.8	292.2	44.4%
Less: Goodwill/others	(3.5)	(5.2)	(5.2)	(5.2)	(19.3)	(43.0)	
Profit after Tax	122.6	117.9	96.6	65.4	402.5	249.2	61.6%
Add: Share of profits from IASI	43.4	14.8	12.2	30.3	100.7	24.6	
PAT (including share of IASI's profits)	166.0	132.7	108.7	95.7	503.2	273.8	83.8%

* Includes VARGIS, ** Noida Operations merged with Parent Company from Quarter 3

Revenue Analysis

(Rs. million)

Vertical Segment	Q4 FY 2006	Q3 FY 2006	Q2 FY 2006	Q1 FY 2006	FY 2006	FY 2005	Y-on-Y Variance
Utilities, Telecom, Government (UTG)	470.2	423.2	383.7	382.0	1659.1	1024.4	61.9%
Engineering, Manufacturing, Industrial Products (EMI)	606.0	519.2	441.2	401.0	1967.4	1557.4	26.4%
Inter vertical sales / Other Division Sales	1.8	(1.5)	(1.0)	(0.8)	(1.5)	(10.3)	
Total	1078.0	940.9	823.9	782.2	3625.0	2571.3	41.0%

Both verticals saw strong revenue traction during FY2006. For the year, 40 new clients were added, 19 in UTG and 21 in EMI. During Q4FY2006, 10 new clients were added, 6 in UTG and 4 in EMI verticals.

UTG Vertical Update

In the UTG vertical, Infotech's offerings include geo-spatial data services (data conversion and photogrammetry services) and geospatial technical services (implementation services on GIS platforms and GIS software development). During the year:

- Infotech was awarded a major GIS contract by Dutch telecom services provider KPN Telecom. Valued at several million euros, the contract will be executed in a tight schedule of 18 months. This was one of the largest, single-vendor GIS contracts awarded by the global telecom industry to an offshore services company in recent years.
- Infotech and Ten Sails entered into a strategic alliance to offer services, solutions and technology expertise to the global user community of the GE Smallworld software.
- Infotech's geospatial technical services business won a project from Network Rail in the UK and an engagement in the environmental sciences space.
- Infotech signed a multi-million euro contract with GE Energy to provide geo-spatial data management services for Swisscom Fixnet. This is the single largest contract of its kind awarded to an offshore GIS services company.
- Infotech inaugurated a US-based geospatial production facility at Frostburg, Maryland managed by Infotech's U.S. subsidiary VARGIS. The facility is focused on the local government sector and provides Infotech with local execution capability.
- Infotech won a multi-million dollar digital aerial imagery and related photogrammetry services contract from a consortium of state and local government agencies located in the County of Los Angeles.
- Infotech registered its business in Australia and subsequently won local digitization orders, including a two-year contract with SP AusNet, a wholly owned subsidiary of Singapore Power, to provide geospatial data maintenance for their gas and electricity network assets.

EMI Vertical Update

In the EMI vertical, Infotech offers engineering services, such as CAD / CAM / CAE services, to several leading global players. It also provides IT services, such as SAP implementation, and engages customers in the areas of embedded systems and technical publications. During the quarter:

- During the year, Infotech has launched new service offerings in the areas of aerostructures, avionics, interiors & seating and signaling & interlocking. In addition, Infotech has initiated its marine vertical practice. The expanded offerings have allowed Infotech to target a larger share of the outsourcing plans of existing/potential clients.
- Infotech participated in the design and development of Pratt & Whitney's new aircraft engines and the overall order intake increased on the back of major customer wins recorded by the customer. Component repair based engagements were initiated with Pratt & Whitney's units located in Singapore, Norway, New Zealand and other countries.
- Infotech has expanded the Bombardier relationship, which now extends across development, maintenance, embedded systems, engineering design and technical publications. Infotech also engages with Bombardier's operation in China, and several other global units in the rail systems vertical.
- Infotech set-up a 10,000 sq ft center of excellence for Airbus platforms focused on design engineering, technical publications and validation & verification. It caters to Tier-I suppliers

of Airbus, many of which are existing clients for Infotech. Infotech sees the potential to execute services of over \$ 5 million in calendar 2006 within this space.

- Infotech delivered on its ongoing component design project for Boeing's 787 'Dreamliner' project, through the engagement with Hamilton Sundstrand. Infotech's center of excellence for delivering design engineering and product engineering services for Hamilton Sundstrand expanded significantly.
- Infotech signed a 5-year major engineering design agreement with Alstom Transport. Infotech delivers engineering design and analysis, technical publications, embedded and engineering software development services to the client and expects to generate revenues of US\$ 50-55 million over the contract period.
- Infotech runs two engineering design facilities in Bangalore, one for Alstom Transport and the other for Pratt & Whitney Canada.
- Infotech expanded its front-end sales and marketing infrastructure in the U.S. with the inauguration of a new office at Rockford, Illinois. Focused on technical publications, the new office employs a group of seven highly experienced domain experts.

Geography Wise Revenues

Geography	Q4 FY 2006	Q3 FY 2006	Q2 FY 2006	Q1 FY 2006	FY 2006	FY 2005
North America	553.2 (51.3%)	526.5 (56.0%)	434.2 (52.7%)	421.8 (53.9%)	1935.7 (53.4%)	1691.0 (65.8%)
Europe	470.6 (43.6%)	368.4 (39.2%)	341.7 (41.5%)	321.3 (41.1%)	1502.0 (41.4%)	760.2 (29.6%)
Asia/ Australia	54.3 (5.0%)	45.7 (4.9%)	48.2 (5.9%)	39.1 (5.0%)	187.3 (5.2%)	120.0 (4.7%)
Total	1078.0 (100.0%)	940.6 (100.0%)	824.1 (100.0%)	782.2 (100.0%)	3625.0 (100.0)	2571.3 (100.0%)

Client Concentration

Concentration	Q4 FY 2006	Q3 FY 2006	Q2 FY 2006	Q1 FY 2006	FY 2006	FY 2005
Top 5	49.5%	52.7%	55.7%	54.7%	52.9%	49.3%
Top 10	63.2%	65.8%	64.8%	64.3%	62.8%	60.2%
Others	36.8%	34.2%	35.2%	35.7%	37.2%	39.8%

Human Resources

During the year under review, Infotech added 1546 associates. The expansion in human resources was largely in the first and third quarters of the fiscal year, due to the acquisition of Tele Atlas in April 2005 and the expansion of GIS resources in Q3FY2006 aligned with strong visibility from new/existing customers.

Business-wise Breakup	31 Mar 2006	31 Dec 2005	30 Sep 2005	30 Jun 2005	31 Mar 2005
Utilities, Telecom, Government (UTG)	2175	2228	1669	1685	1138
Engineering, Manufacturing, Industrial, Products (EMI)	1694	1500	1392	1361	1209
Support Functions	109	104	92	87	85
Total	3978	3832	3153	3133	2432

Group distribution analysis	31 Mar 2006	31 Dec 2005	30 Sep 2005	30 Jun 2005	31 Mar 2005
Infotech Enterprises Limited, India	3100	2925	2375	2376	2269
Infotech Enterprises Europe Ltd., U.K.	23	22	20	20	21
Infotech Enterprises America Ltd.	248	234	190	179	125
Infotech Enterprises, GmbH	23	19	19	18	17
Infotech Enterprises Noida	584	632	549	540	-
Total	3978	3832	3153	3133	2432

**Includes VARGIS*

Infotech Enterprises Limited: Standalone Performance

Fiscal year review (April 2005 – March 2006* Vs. April 2004 – March 2005)

- Operating revenues up 38.9% at RS. 2136.9 million compared to Rs. 1538.0 million.
- Net Profit after tax higher by 27.2% at Rs. 283.8 million compared to Rs. 223.1 million.

Sequential period analysis (Q4FY2006* vs. Q3FY2006)

- Operating revenues for the quarter up 25.0% at Rs. 652.0 million from Rs. 521.5 million.
- Net Profit after tax higher by 65.6% at Rs. 118.1 million compared to Rs. 71.3 million.

Corresponding period analysis (Q4FY2006 2005 vs. Q4FY2005)

- Operating revenues for the quarter up 54.5% at Rs. 652.0 million.
- Net profit after tax higher by 64.7% at Rs. 118.1 million.

**Includes financials of Noida Operations w.e.f. October 1, 2005*

INFOTECH ENTERPRISES LIMITED
Standalone Indian Company Performance

(Rs. Million)

Particulars	Q4 FY2006*	Q4 FY2005	Q-on-Q Variance	FY2006*	FY 2005	Y-on-Y Variance
Operating Revenues	652.0	421.9	54.5%	2136.9	1538.0	38.9%
Operating Expenditure	493.3	315.7	56.3%	1656.7	1155.1	43.4%
- Employee cost	270.2	170.1	58.8%	880.0	619.8	42.2%
- Travel expenses	83.7	45.3	84.7%	277.3	189.5	46.4%
- Oprtg & admin exp	139.4	100.3	39.0%	499.4	345.8	44.1%
Operating Profit	160.1	106.2	49.4%	480.2	382.9	25.4%
<i>Operating Margins</i>	<i>24.4%</i>	<i>25.2%</i>		<i>22.5%</i>	<i>24.9%</i>	
Financial Charges	0.6	0.6	4.0%	3.0	1.1	172.2%
Depreciation & Amortization	34.5	27.6	25.0%	139.3	124.1	12.2%
Other Income	16.2	6.1	166.2%	13.5	35.4	(62.0%)
Profit before Tax	139.8	84.1	66.2%	351.4	293.1	19.9%
Provision for Taxation	21.7	12.4	74.8%	67.6	70.1	(3.6%)
Profit after Tax	118.1	71.7	64.7%	283.8	223.1	27.2%

**Includes financials of Noida Operations w.e.f. October 1, 2005*

About Infotech Enterprises Ltd.

Infotech Enterprises (BSE: INFOTECENT, NSE: INFOTECENT) is a fourteen-year old leading Indian software services company with core competencies in the areas of GIS, engineering design and IT services. Its range of services includes Digitization of drawings and maps, Photogrammetry, CAD / CAE, Design and Modeling, Repair Development engineering, Reverse engineering, Application Software Development, Software Products Development, Consulting and Implementation. The company specializes in software services and solutions for the manufacturing, utilities, telecommunications, transportation & logistics, local government and financial services markets with over 3900 software professionals globally.

The company has its headquarters and development facilities in India and serves a global customer base through subsidiaries in the UK (Infotech Enterprises Europe), Germany (Advanced Graphics Software GmbH), USA (Infotech Software Solutions, Inc.), Noida, India (Tele Atlas). Infotech has also developed a strategic partner network to serve markets in Europe, Japan, Australia, the Middle East and the Asia-Pacific region.

Infotech Enterprises is an SEI CMMi Maturity Level 5 company and is also certified to ISO 9001:2000, AS 9100 & BS 7799 quality standards. It is a public listed company and has attracted globally reputed strategic investors like Pratt & Whitney & Tele Atlas.

Forward Looking Statements Disclaimer

Some of the statements contained within this report may be forward-looking in nature and may involve risks and uncertainties. Actual results and outcomes in future may vary materially from those discussed herein. Factors that may cause such variances include, but are not limited to, management of growth, market acceptance of Company's products and services, risks associated with new product versions, dependence on third party relationships and the activities of competitors.

If you have any questions or require further information please contact as below:

Nanda Kishore Bajaj
Infotech Enterprises Limited
Tel.: +91-40-2311 0357 Ext : 698
Mobile: +91 98490 74799
Fax: +91-40-5562 4368
Email: nandakishoreb@infotechsw.com

Shiv Muttoo
Citigate Dewe Rogerson
Tel.: +91-22-4007 5036
Fax: +91-22-2284 4561
Email: shiv@cdr-india.com