



PRESS RELEASE

- Revenue growth of 49.7%, at Rs.5425 million (\$120 million), revenues from engineering services up 69%
- Net Profits before Associate Income up by 84.9%.
- Inauguration of new facility at Manikonda, Hyderabad, new development centers established at Kakinada, Sydney & Auckland

Hyderabad, India / Wednesday, April 18, 2007: Infotech Enterprises Limited (BSE: INFOTECENT, NSE: INFOTECENT) has announced that its audited financial results for the quarter ended and year ended March 31, 2007 were taken on record by the Board at its meeting held today.

Note: All discussions in the announcement cover consolidated financial performance of Infotech Enterprises Limited and its subsidiaries.

Commenting on the fourth quarter and annual results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, "I am extremely delighted to bring out the annual results of Infotech Enterprises Limited. This financial year, we have been successful in achieving the targets. I believe we are entering into FY 08 with renewed confidence and on the backdrop of growing demand for the services we offer coupled with our leadership position in the areas that we operate, our confidence level in repeating a similar level of performance in FY 08 high.

For the FY 2006-07, Infotechs' group reported revenues of Rs.5425.4 million (\$120 Mil), growth of 49.7% over FY 2005-06. Net profit margins improved to 15.2% as against 13.8%.

Our Engineering services business grew at 69% and Geospatial Services grew at 27% along the lines we have shared at the beginning of the year. While we have witnessed growth in all regions, Europe region growth has been higher than the North American region growth on the back drop of some key wins we had in the last two years.

In FY 08, we would focus further on taking solutions-oriented service offerings, investing to build skills in new practices/verticals and pursue several strategic initiatives which would further strengthen our leadership position both in Engineering Services and Geospatial Services.”

Key Performance Highlights: Infotech Group FY 2006-07 Vs. FY 2005-06

- Operating revenues grew by 49.7% to Rs. 5425.4 million as against Rs. 3625.0 million
- Operating profits higher by 72.4%, at Rs. 1133.7 million compared to Rs. 657.7 million. Operating margins higher at 20.9% as against 18.1%
- Net Profit after tax (before share of Joint Venture profits) up 84.9%, at Rs. 744.1 million as compared to Rs. 402.5 million.
- Net Profit after tax (after share of Joint Venture profits) at Rs. 836.6 million as against Rs. 503.2 million, representing growth of 66.3%.

Quarter 4 FY 2006-07 Vs. Quarter 3 FY 2006-07

- Operating Revenues higher by 5.7% sequentially, at Rs.1511.9 million as against Rs. 1430.4 million
- Operating Margins at 20.4% as against 22.5%. Operating Profits lower at Rs. 308.2 million as against Rs. 322.6 million, impacted due to increase in rent on leased premises
- Net Profit after tax (before share of JV profits) up 3.6%, at Rs. 207.3 million as against Rs. 200.0 million
- Net Profit after tax including share of profits from Joint Venture at Rs. 248.7 million as against Rs. 187.7 million, up by 32.5%

Quarter 4 FY 2006-07 Vs. Quarter 4 FY 2005-06

- Growth of 40.2% in operating revenues, at Rs. 1511.9 million as against Rs. 1078.0 million.
- Operating margins higher at 20.4% as against 18.4% in the corresponding quarter of last year. Operating Profits higher by 55.2%, at Rs. 308.2 million as against Rs. 198.6 million.
- Net Profit after tax (before share of Joint Venture profits) up 69.2%, at Rs. 207.3 million as compared to Rs. 122.6 million.
- Net Profit after tax (after share of Joint Venture profits) at Rs. 248.7 million as against Rs. 166.0 million, an increase of 49.8%.

Key Business / Operating Highlights for FY 2006-07

- Infotech Enterprises Europe Ltd and Infotech Enterprises GmbH have paid dividends during FY 07 to the tune of Rs. 50.6 Million.
- Infotech established local development center at Kakinada, Hyderabad and two global development centers at Sydney, Australia and in Auckland, New Zealand.
- The Company has inaugurated its new facility at Hyderabad. This facility will house more than 1500 associates.
- Construction of new premises at Bangalore is in progress. This facility will result in vacation of all the leased premises in Bangalore.
- Participated in the Aero India at Bangalore and in Map World Forum in Hyderabad. At the Map World Forum, Editor-in-Chief of Directions Magazine rated Infotech as one of the largest GIS solutions provider during his visit to Map World Forum.
- The Company also participated in other global conferences during the year viz., the International Aero show, the AGI conference etc..
- 1153 associates were added during the year under review, 477 in GSD vertical, 661 in EMI and 15 in support functions.
- Strong Business traction in the European market as compared to USA in both the GSD and EMI verticals. Current geographical revenue split places company in a strong position to mitigate economy related risks.
- Direct business relationships with Aircraft manufacturers Boeing and Airbus established during the year.
- Existing customers emerge as key growth drivers while new customers look for larger engagements in the forthcoming financial.
- Successful rolling out of Global Delivery model for GSD vertical across all its geographies.
- Associate Company IASI opened a new facility to cater to the increasing demand, achieves revenues of US\$ 25 million for FY 2006.
- 31 new clients added during the year.
- Management proposes to declare dividend of 22.5% for the FY 2006-07.

Financial Performance Review

(Rs. In Lakhs)

Sl. No.	Particulars	Three Months Ended 31-Mar-07 (Audited)	Three Months Ended 31-Mar-06 (Audited)	Nine Months Ended 31-Dec-06 (Unaudited)	Year Ended 31-Mar-07 (Audited)	Year Ended 31-Mar-06 (Audited)
1	Sales	15,119	10,780	39,135	54,254	36,250
2	Other Income	188	140	484	672	335
3	Total Income	15,307	10,920	39,618	54,926	36,585
4	Total Expenditure (a+b+c+d)	12,026	8,794	30,880	42,906	29,673
a	Staff Cost	8,010	4,945	18,459	26,469	17,006
b	Travel Expenses	1,249	981	3,450	4,699	3,283
c	Purchase for resale	403	1,608	4,713	5,116	4,634
d	Operating & Administrative Expenses	2,363	1,260	4,259	6,622	4,751
5	Profit before interest, depreciation & tax (PBIDI)	3,281	2,127	8,738	12,020	6,912
6	Financial Expenses	33	62	115	148	89
7	Depreciation & Amortization	741	481	1,825	2,566	1,856
8	Profit before Taxation	2,507	1,584	6,798	9,306	4,967
9	Provision for Taxation	500	365	1,346	1,846	774
10	Fringe Benefit Tax	29	38	104	133	111
11	Deffered Taxation	(94)	(44)	(21)	(114)	57
12	Profit after Taxation	2,073	1,225	5,368	7,441	4,025
13	Share of Profit from JV (IASI)	414	434	511	925	1,007
14	Profit After Share of Profits	2,487	1,659	5,879	8,366	5,032
15	EPS - Basic*	5.37	3.66	12.86	18.22	11.11
	EPS - Diluted*	5.34	3.58	12.48	18.00	10.87

*On par value of Rs. 5 per share

Notes

1. The above audited results were taken on record by the Board of Directors at their meeting held on April 18, 2007.
2. The above Consolidated Financial Results have been prepared in accordance with Accounting Standard 21 issued by The Institute of Chartered Accountants of India
3. The consolidated Financial Results represent those of Infotech Enterprises Limited and its wholly owned subsidiaries viz. M/s Infotech Enterprises Europe Limited, UK; Infotech Enterprises America Inc., USA and Infotech Enterprises GmbH, Germany and associate company viz. Infotech Aerospace Services Inc.
4. Corresponding previous period's figures have been regrouped/ reclassified wherever necessary.

About Infotech Enterprises

Infotech Enterprises is a 5000+ employee software services company with core competencies in the areas of Geospatial Data & Technology services, engineering design and IT services. The company specializes in providing services and solutions for manufacturing, utilities, telecommunications, transportation, retail, financial services, geotechnical and local government markets.

The company has its headquarters and development facilities in India and serves a global customer base through subsidiaries in the UK (Infotech Enterprises Europe Limited), Germany (Infotech Enterprises GmbH) and USA (Infotech Enterprises America, Inc.). 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 Level 5 company and is also 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 Pratt & Whitney and Tele Atlas.

[For more information, please visit www.infotechsw.com](http://www.infotechsw.com)

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