



PRESS RELEASE*

- Revenues up 43% to Rs. 941 million
 - Infotech's net profit increase 87% to Rs. 133 million
 - Nine Months Revenues at Rs. 2547 million, up 32.7% YoY
 - EPS for the quarter at Rs. 8.77, up 81%
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Hyderabad, India / Thursday, January 19, 2006: Infotech Enterprises Limited (BSE: INFOTECENT, NSE: INFOTECENT) has announced that its unaudited financial results for the quarter ended December 31, 2005 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 third quarter results Mr. BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said, "The various initiatives undertaken over the last two years are now resulting in the achievement of significant growth at Infotech Enterprises. During the third quarter, both our vertical businesses – UTG and EMI – delivered double digit growth across North America and Europe. Contribution from our largest client Pratt & Whitney also showed expansion and we initiated Centers of Excellence for several of our key customers. The cost base was higher as we hired aggressively with the objective of addressing currently visible revenues and potential growth opportunities. Greater onsite traction has also increased costs. Going forward, we expect to continue delivering significant growth on the back of increased order intake and visibility in both the verticals."

Key Performance Highlights

Infotech Group: Consolidated Performance

Sequential period analysis (October – December 2005 vs. July – September 2005)

- Operating revenues for the quarter increase by 14.2% to Rs. 940.9 million compared to Rs. 823.9 million.
- Operating profit higher by 11.0% at Rs. 178.0 million compared to Rs. 160.3 million. Operating margin at 18.9% during the quarter under review.
- Net Profit after tax up 22.2% at Rs. 133.0 million as compared to Rs. 108.8 million.
- EPS for the quarter at Rs. 8.77, up 21.6%

Corresponding period analysis (October – December 2005 vs. October – December 2004)

- Operating revenues higher by 43.4%, at Rs. 940.9 million compared to Rs. 656.1 million.
- Operating profit higher by 29.2% at Rs. 178.0 million compared to Rs. 137.7 million.
- Net profit after tax higher by 86.7% at Rs. 133.0 million compared to Rs. 71.2 million.
- EPS up 80.8% at Rs. 8.77 compared to Rs. 4.85.

Year-to-date analysis (April – December 2005 vs, April – December 2004)

- Operating revenues increase by 32.7% at Rs. 2,547.0 million compared to Rs. 1,919.6 million in the corresponding period last year.
- Operating profit higher by 39.4% at Rs. 474.5 million compared to Rs. 340.3 million. Operating margins higher at 18.6% compared to 17.7%.
- Net profit after tax higher by 83.6% at Rs. 339.1 million compared to Rs. 184.7 million.

Key business / operating highlights for Q3 FY2006

- Infotech inaugurated a 10,000-sq.ft hi-tech Center of Excellence in Engineering Design and Technical Publications for Airbus Platforms.
- SP AusNet, a wholly owned subsidiary of Singapore Power, chose Infotech to provide geospatial data maintenance services for their gas and electricity network assets under a two-year contract.
- Infotech hired over 500 people in its offshore conversion services operations to deliver on contracts awarded by KPN Telecom and a leading U.K.-based environmental risk consultancy.
- Infotech has started participating in the design and development of Pratt & Whitney's new aircraft engines and has also continued to deliver on some key ongoing projects such as component design for Boeing's 787 'Dreamliner' project.
- Infotech launched several new service offerings in both UTG and EMI verticals. It also initiated its marine vertical practice within its engineering services domain and a piping and instrumentation design practice for GIS customers.
- 9 new customers were added during the quarter, 2 in UTG and 7 in EMI

Infotech Enterprises Limited: Standalone Performance

Sequential period analysis (October – December 2005 vs. July – September 2005)

- Operating revenues for the quarter up 13.0% at Rs. 521.5 million compared to Rs. 461.3 million in the previous sequential quarter.
- Net Profit after tax at Rs. 71.3 million compared to Rs. 61.9 million.

Corresponding period analysis (October – December 2005 vs. October – December 2004)

- Operating revenues for the quarter up 32.7% at Rs. 521.5 million.
- Net profit after tax higher by 44.6% at Rs. 71.3 million.

Group Financial Performance Review

INFOTECH ENTERPRISES LIMITED						
Group Financial Performance Review						
Particulars	Q3 FY 2006	Q2 FY 2006	Q-on-Q Variance	Q3 FY 2005	Y-on-Y Variance	FY 2005
Operating Revenues	940.9	823.9	14.2%	656.1	43.4%	2571.3
Operating Expenditure	762.9	663.6	15.0%	518.4	47.2%	2104.7
- Employee cost	442.9	394.4	12.3%	283.2	56.4%	1,212.7
- Travel expenses	87.7	73.0	20.2%	54.9	59.9%	230.3
- Purchases- Services/Products	110.3	79.1	39.3%	91.7	20.3%	289.5
- Oprtng & admin exp	122.0	117.1	4.2%	88.6	37.8%	362.3
Operating Profit	178.0	160.3	11.0%	137.7	29.2%	466.5
<i>Operating Margins</i>	<i>18.9%</i>	<i>19.5%</i>		<i>21.0%</i>		<i>18.1%</i>
Financial Expenses	1.8	1.4	23.3%	0.3	540.4%	2.5
Dep. & Amortization	48.9	43.7	12.0%	38.1	28.3%	167.3
Other Income	12.1	6.9		(8.9)		42.6
Profit before Tax	139.3	122.0	14.2%	90.4	54.1%	339.3
Provision for Taxation	21.1	25.4	(17.0%)	31.0	(31.8%)	90.1
Profit after Tax	118.2	96.6	22.4%	59.4	99.0%	249.1
Share of IASI profit	14.8	12.2	21.3%	11.8	25.4%	24.6
PAT incl. share of profits from IASI	133.0	108.8	22.3%	71.2	86.7%	273.7
<i>Net Margins</i>	<i>14.0%</i>	<i>13.1%</i>		<i>11.0%</i>		<i>10.5%</i>
Basic EPS	8.77	7.21		4.85		18.69

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 3800 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 & BS 7799 quality standards. It is a public listed company and has attracted globally reputed strategic investors like Pratt & Whitney & Tele Atlas.

For more information, please do visit us at: www.infotechsw.com

For further information please contact:

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.: +91-22-5007 5000
Fax: +91-22-2284 4561
Email: shiv@cdr-india.com