



INFOTECH ENTERPRISES LIMITED Q4 RESULTS - FY 2011-2012

PRESS RELEASE

Key Highlights

Annual performance -

- ✓ Revenue for the year at ₹ 15,531 million, Y-o-Y growth of 30.7%. Y-o-Y growth in \$ terms at 24%.
- ✓ Operating profit at ₹ 2,704 million, an increase of 50% Y-o-Y.
- ✓ Operating margin at 17.4% for the year, increase of 220 bps over last year.
- ✓ Profit after tax at ₹ 1,614 million for the year, an increase of 15.5% over last year.
- ✓ Board of Directors declare 25% final dividend.

Quarterly performance -

- ✓ Revenue for the quarter at ₹ 4,173 million, Y-o-Y growth of 28%, Q-o-Q growth of 0.2%. Q-o-Q growth in \$ terms at 1.6%.
- ✓ Operating profit at ₹ 827 million.
- ✓ Company sustained the improved Operating margin. During Q4, OPM (at 19.8%) further improved by 20 bps over Q3 in real terms, due to operational excellence initiatives. There was adverse exchange impact of 100 bps in Q4 compared to Q3.
- ✓ Profit after tax at ₹ 698 million for the quarter, an increase of 106% over previous quarter.

Message from the Chairman & Managing Director

Commenting on the results, Mr. BVR Mohan Reddy, Chairman and Managing Director, said, "In spite of the macro economic uncertainty around the globe, we had a very good year in line with our expectations. We posted robust growth and higher profits because of customer centricity and long term growth strategy.

Towards developing the next generation leadership, we have promoted Krishna Bodanapu as President and Chief Operating Officer of the Company. The company has been re-organized into 4 business units to ensure better focus on target markets and accelerated growth. This re-organization has created leadership opportunities for several senior associates leading to more entrepreneurial ownership, career development and greater motivation. This re-organization will bring momentum to growth plans and will help achieve our future goals sooner.

We have also rolled out organization wide initiatives for strengthening our execution processes, sales processes and information systems. These initiatives have ensured that we build a scalable and sustainable organization for the future.

We started FY13 with a strong order pipeline and a large order back log. We are confident of an equally good FY 13"

(In ₹ Million, except % data)

Performance Highlights

Particulars	Q4 FY 12	Q3 FY 12	Q4 FY 11		FY 12	FY 11
Operating Revenue	4,173.5	4,165.2	3,258.3		15,531.3	11,880.0
Operating Profit	827.1	856.7	467.2		2,704.4	1,803.5
Operating Margin	19.8%	20.6%	14.3%		17.4%	15.2%
PAT	698.3	339.6	369.8		1,613.8	1,396.9

(In \$ Million, except % data)

Particulars	Q4 FY 12	Q3 FY 12	Q4 FY 11		FY 12	FY 11
Operating Revenue	83.0	81.7	71.99		323.8	260.7
Operating Profit	16.4	16.8	10.3		56.4	39.6
Operating Margin	19.8%	20.6%	14.3%		17.4%	15.2%
PAT	13.9	6.7	8.2		33.6	30.7

Rupee Dollar exchange rate

(In ₹)

Particulars	Q4 FY 12	Q3 FY 12	Q4 FY 11		FY 12	FY 11
Period average rate	50.31	51.01	45.26		47.96	45.57

Business and Operational Highlights

✓ Organisation development –

- **Krishna Bodanapu** promoted as President and Chief Operating Officer (COO).
- **John Renard** will provide the leadership for two business Units – UT & C.
- **Rajendra Velagapudi** will head the newly created aerospace business unit.
- **Anand Parameswaran** will head the newly created HTH business unit.

✓ Reorganisation –

- Company has been re-aligned into four business units (BU) effective 1st Apr'2012, which reflect the markets we address, and the solutions we provide. These BUs are:
 1. **Aerospace (AERO)**– Providing product engineering solutions to aerospace customers
 2. **Heavy Equipment, Transportation & HiTech (HTH)** – Providing product and process engineering solutions to non-Aerospace customers in manufacturing, HiTech and process engineering industries
 3. **Utilities Telecom (UT)** – Providing network engineering and related solutions to Telecom and Utility customers and their suppliers
 4. **Content (C)** – Providing end-to-end content engineering solutions to a range of industries including mining, energy and content publishing.

✓ New Business, Pursuits & Services Offerings –

- **16 customers added** during the quarter, 7 in N&CE and 9 in ENGG.
- **Record quarter for order intake in N&CE**
- **Key wins** in Telecom, Utilities and Content Engineering
- Commenced work with **two high potential "must have customers"**
- **Increased traction** and growth in our top 2 customers

- Good traction in Peoria Center (Daxcon acquisition). Unit is making expected OPM and driving offshore business.
- Opened an office in Gothenburg (Sweden) to increase our focus on Scandinavia and the oil and gas market
- Increased traction in Asia Pacific regions especially around transportation and heavy engineering areas

✓ **Awards and recognitions –**

- Received **"HR Excellence Award for Innovation"** at the Star News: HR and leadership Awards ceremony at Mumbai.
- Received award by NHRD INSIPRE HR Award in the category of **Talent Engagement and Retention**. Our HR initiatives were judged to be creative and innovative with a human touch.
- Signed an MOU with HAPPi (Health Awareness Promotion Project India initiative) under Prevent Non Communicable Diseases foundation.
- Honored at the **2nd Asia's Best Employer Brand Awards 2011** held at Suntec, Singapore in the category : Innovation in Retention Strategy.
- Recognized at the **Global HR Excellence Awards 2011** in the 10th Asia Pacific HRM Congress 2011, and we received an award for the category : 'Organization with innovative HR practices'.

✓ **New facilities -**

- **New SEZ facility** taken on lease in Hyderabad.

✓ **HR highlights –**

- **Strong engagement with Academic Institutes** through our Campus Connect Program.
- Sponsored M Tech program in Avionics at JNTU Kakinada. Offered internships and scholarships to various reputed engineering colleges.
- Increase in Associate Engagement score.
- Ashok Reddy, President, Human Resources & Corporate Affairs, elected as Vice-Chairman, CII A.P Council for the year 2012-13.

✓ **Corporate Governance –**

- Vikas Sehgal inducted as Independent Director.
- Strong internal processes, policies and systems to strengthen corporate governance practices.

✓ **Corporate Social Responsibility -**

- Supporting 5400 children in improving the quality of education, health, hygiene & wellbeing and physical infrastructure in 10 of the Infotech Enterprises Charitable Trust (IECT) adopted government schools through its **Corporate Social Responsibility** (CSR) activities
- Broadbased involvement in CSR activities – 600+ associates are volunteers; Customers are key contributors; good support from society and government.

✓ **Other highlights -**

- Cash balances, including liquid investments, at ₹ 479 crores. Capex for the quarter at ₹ 14.3 crores.
- Received \$ 8.33 million (₹ 40.8 crores) as dividend from IASI, our associate company.

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in Lakhs)

SL No	Particulars	Quarter Ended 31-Mar-12 (Unaudited)	Quarter Ended 31-Dec-11 (Unaudited)	Quarter Ended 31-Mar-11 (Unaudited)	Year Ended 31-Mar-12 (Audited)	Year Ended 31-Mar-11 (Audited)
1	Income from operations					
a	Net Sales/income from operations	41,718	41,652	32,583	155,297	118,801
b	Other operating income	16	-	-	16	30
	Total income from operations (net)	41,734	41,652	32,583	155,313	118,831
2	Expenses					
a	Employee benefits expense	24,870	24,798	20,507	95,257	74,131
b	Travel expenses	2,485	2,313	2,148	9,484	7,624
c	Depreciation and amortisation expense	1,134	1,423	1,226	4,941	4,859
d	Other expenses	6,187	5,968	5,266	23,662	19,090
	Total expenses	34,676	34,502	29,147	133,344	105,704
3	Profit from operations before other income, finance costs & exceptional items (1-2)	7,058	7,150	3,436	21,969	13,127
4	Other income	3,563	1,442	509	1,753	2,717
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	10,621	8,592	3,945	23,722	15,844
6	Finance costs	28	34	62	73	96
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	10,593	8,558	3,883	23,649	15,748
8	Exceptional items (Refer Note No.11)	159	3,751	-	159	(229)
9	Profit from ordinary activities before tax (7-8)	10,434	4,807	3,883	23,490	15,977
10	Tax expense	3,836	1,715	396	8,353	2,698
11	Net Profit from ordinary activities after tax (9-10)	6,598	3,092	3,487	15,137	13,279
12	Extraordinary Item (net of tax expenses)	-	-	-	-	-
13	Net Profit for the period (11-12)	6,598	3,092	3,487	15,137	13,279
14	Share of Profit of associates	385	297	216	1,001	700
14	Minority Interest	-	7	(5)	-	(10)
16	Net Profit after taxes, minority interest and share of profit of associates (13+14+15)	6,983	3,396	3,698	16,138	13,969
17	Paid-up equity share capital (Face Value ₹ 5 per share)	5,571	5,570	5,564	5,571	5,564
18	Reserves excluding revaluation reserves				113,667	97,367
19	Earning Per Share (Face Value of ₹ 5 per share)(not annualised)					
a)	Basic	6.27	3.05	3.33	14.49	12.56
b)	Diluted	6.27	3.05	3.32	14.49	12.54
A	Particulars of shareholding					
1	Public Shareholding					
a)	Number of Shares	85,988,400	85,913,770	85,669,043	85,988,400	85,669,043
b)	Percentage of shareholding	77.18%	77.12%	76.99%	77.18%	76.99%
2	Promoters and Promoter Group Shareholding					
a)	Pledged / Encumbered					
-	Number of Shares	358,082	418,082	510,146	358,082	510,146
-	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	1.41%	1.64%	1.99%	1.41%	1.99%
-	Percentage of Shares (as a % of the total share capital of the company)	0.32%	0.38%	0.46%	0.32%	0.46%
b)	Non-encumbered					
-	Number of Shares	25,068,780	25,067,280	25,097,080	25,068,780	25,097,080
-	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	98.59%	98.36%	98.01%	98.59%	98.01%
-	Percentage of Shares (as a % of the total share capital of the company)	22.50%	22.50%	22.55%	22.50%	22.55%

Company Overview

Infotech Enterprises Limited (IEL) is a global Engineering Services company. Over the last 20+ years Infotech has excelled in gaining expertise in Engineering Services in – Aerospace, Locomotives, Marine, Automobiles and other Industrial products, Network & Content engineering solutions for Telecommunication, Utilities and Government and Software Services.

Over +9100 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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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); Infotech Enterprises Japan KK; Infotech Geospatial (India) Ltd (IGIL); Joint Venture Infotech HAL Ltd (HAL JV) and Associate company Infotech Aerospace Services Inc. (IASI).

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. Previous period numbers are regrouped / reclassified, wherever necessary.