



PRESS RELEASE

Key Highlights

- ✓ Revenue for Q-3 crosses Rs. 300 crores for the first time, a significant milestone in the history of the company.
- ✓ Revenue for the quarter Rs. 3,138.2 million, Y-o-Y growth of 31.2%, Q-o-Q growth of 6.2%.
- ✓ Operating margin, at 15.1% for the quarter, is Rs. 475 million, up by 3.8% over sequential quarter.
- ✓ Profit before tax at Rs. 450.1 million, up 14.3% over sequential quarter.
- ✓ Rebranded Utilities, Telecom & Government (UTG) vertical as Network & Content Engineering (N&CE).
- ✓ N&CE revenue for the quarter crosses Rs. 100 crores for the first time.
- ✓ Further strengthened leadership position in Rail domain by entering into a long term agreement with a leading Rail Signalling company in UK.
- ✓ Business momentum and environment continues to be in line with expectations in – Manufacturing, Telecom and Hitech verticals.



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 Q3 results for FY 2010-11, indicate robust quarter on quarter revenue growth of 6.2%, addition of 15 new customers, renewal of contract by our second largest customer, strengthening of our Rail Practice with one more long term contract and growth of business outside our Top 10 customers. Both our verticals (Engineering and N&CE) showed quarter on quarter volume growth of 5.2% and 14.1%. Our cost structure remains steady, but the operating margins were impacted on account of foreign exchange head-winds and our continued investments for future growth. US \$ depreciated by 3.5% and the operating margins were at 15.1%.

Our order pipeline is strong and as such we feel confident to grow the company further in coming quarters. While we will continue to make investments for future growth, we will focus on some more operating levers such as utilization and productivity, organizational re-sizing, on-shore off-shore mix, etc., to improve on our operating margins."



Performance Highlights - Q3 FY11

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

Particulars	Q3 FY 11	Q2 FY 11	Q-o-Q	Q3 FY 10	Y-o-Y
Operating Revenue	3,138.2	2,954.7	6.2%	2,390.7	31.2%
Operating Profit	475.0	457.3	3.8%	517.9	-8.3%
Operating Margin	15.1%	15.5%		21.6%	
PAT	368.4	329.9	11.7%	379.1	-2.8%

(All numbers in **US\$ Million**, except % data)

Particulars	Q3 FY 11	Q2 FY 11	Q-o-Q	Q3 FY 10	Y-o-Y
Operating Revenue	69.9	63.5	10.1%	51.3	36.3%
Operating Profit	10.6	9.8	8.2%	11.1	-4.5%
Operating Margin	15.1%	15.5%		21.6%	
PAT	8.2	7.1	15.5%	8.1	1.2%
Average Exchange Rate (USD)	44.86	46.50		46.64	

Business and Operational Highlights - Q3 FY11

✓ **New Business & Services Offerings –**

- **Key wins in Engineering, Utilities and Telecom.**
- **15 customers were added** during the quarter, 7 in N&CE and 8 in ENGG.
- **Renewed contract with Tom Tom** for three years. The contract envisages price increases starting January 2011.
- Expanded our service portfolio by winning multi-year contract to provide **Dial-Before-You-Dig** services to an **Australian utility**.
- Entered into a **long term agreement with a Rail Signaling company in UK** to provide signaling and inter-locking services.
- We started billing on a **rail customer in South Africa**.
- **CATERPILLAR EDCI has selected us as one of its engineering partners** to support their ongoing & new product development activities.



✓ **Investments and Cash –**

- **Cash balance** stood at Rs. 3,808 million as against Rs. 3,620 million as at end of Q-2.
- **Capital Expenditure** of Rs. 59 million during the quarter.

✓ **HR Initiatives -**

- **I-Evolve** : a focused Four-layer structured approach to develop leadership competencies amongst our emerging leaders.
- **Sparsh** : enhancing the psychological wellbeing of our associates enabling them to reach their full potential.
- **Infotouch** : encompasses all aspects of an associate work life.

✓ **Certifications –**

- IEE, UK, our subsidiary received ISO 9001 and ISO 27001 certification.



UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2010

(Rupees in Lakhs)

SL No.	Particulars	Quarter Ended 31-Dec-10 (Unaudited)	Quarter Ended 31-Dec-09 (Unaudited)	Nine months Ended 31-Dec-10 (Unaudited)	Nine months Ended 31-Dec-09 (Unaudited)	Year Ended 31-Mar-10 (Audited)
1	Net Sales	31,382	23,906	86,218	70,906	95,312
2	Expenditure					
a	Employees Cost	19,674	13,077	54,014	39,801	54,272
b	Travel Expenses	1,952	1,480	5,461	3,979	5,510
c	Purchases - Services/Products	1,318	1,125	3,203	2,667	3,224
d	Depreciation and Amortisation	1,223	1,111	3,633	3,428	4,357
e	Other expenditure	3,660	3,046	10,187	8,894	11,479
f	Total	27,827	19,839	76,498	58,769	78,842
3	Profit from Operations before Other Income and Interest expense	3,555	4,067	9,720	12,137	16,470
4	Other Income	963	775	2,217	2,853	4,637
5	Profit before Interest and exceptional item	4,518	4,842	11,937	14,990	21,107
6	Interest expense	17	15	72	63	312
7	Profit after Interest but before exceptional item	4,501	4,827	11,865	14,927	20,795
8	Exceptional item (Refer Note 9)	-	-	229	-	-
9	Profit before tax	4,501	4,827	12,094	14,927	20,795
10	Tax expense					
	- Current year	1,248	891	2,989	2,983	4,143
	- Earlier years	-	-	-	-	453
	- MAT credit	(473)	-	(904)	-	(1,099)
	- Fringe Benefit Tax	-	-	-	-	(1)
	- Deferred Tax	(10)	398	217	1,039	1,555
11	Net Profit after tax before Minority Interest and Share of Associate	3,736	3,538	9,792	10,905	15,744
12	Minority Interest	(6)	-	(5)	48	48
13	Share of (Loss)/Profit from Associate Company	(46)	253	484	997	1,292
14	Net Profit for the period	3,684	3,791	10,271	11,950	17,084
15	Paid-up equity share capital (Face value of Rs.5 per share)	5,564	2,772	5,564	2,772	2,775
16	Reserves excluding revaluation reserves					87,859
17	EPS - Basic* in Rupees (not annualised)	3.31	3.43	9.24	10.81	15.44
	EPS - Diluted* in Rupees (not annualised)	3.27	3.42	9.12	10.76	15.38
18	Aggregate of Public Shareholding					
	Number of Shares	85,663,493	42,569,029	85,663,493	42,569,029	42,639,544
	Percentage of Shareholding	76.99%	76.78%	76.99%	76.78%	76.83%
19	Promoters and Promoter Group Shareholding					
a)	Pledged / Encumbered					
	- Number of Shares	510,146	331,941	510,146	331,941	286,900
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	1.99%	2.58%	1.99%	2.58%	2.23%
	- Percentage of Shares (as a % of the total share capital of the Company)	0.46%	0.60%	0.46%	0.60%	0.52%
b)	Non-encumbered					
	- Number of Shares	25,099,080	12,539,861	25,099,080	12,539,861	12,573,080
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	98.01%	97.42%	98.01%	97.42%	97.77%
	- Percentage of Shares (as a % of the total share capital of the Company)	22.55%	22.62%	22.55%	22.62%	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

Infotech Enterprises Limited (IEL) is a global Engineering Design and Geospatial Information Services company. Over the last 18+ years Infotech has excelled in gaining expertise in Engineering Design Services in – Aerospace, Locomotives, Marine, Automobiles and other Industrial products. Geospatial Solutions for Telecommunication, Utilities and Government and Software Services.

Over +8000 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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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.

