

3i Infotech's Revenue grows by 45% in fiscal 2006

Consolidated PAT at Rs 577 million up 80%

Mumbai, April 19, 2006: 3i Infotech Limited, a global provider of IT solutions and services, today announced its operating results for the quarter and year ended March 2006.

FINANCIAL HIGHLIGHTS

Consolidated results for the year ended March 31, 2006

- Revenue for the year was Rs. 4240 million, representing a YoY growth of 45%.
- Profit before interest depreciation & tax (PBIDT) grew by 81% to Rs. 920 million, representing a PBIDT margin of 21.7%, as against 17.4% for the previous year. Profit after tax, at Rs. 577 million, represents a net margin of 13.6%, as against 11% in the previous year.
- Earnings per share (EPS) increased to Rs. 9.51 from Rs. 6.59 in the previous year, representing a growth of 44%.

Consolidated results for the quarter ended March 31, 2006

- Revenue for the quarter was Rs. 1216 million, a growth of 49% from the corresponding quarter of the previous year.
- Profit before interest depreciation & tax (PBIDT) grew by 79% to Rs. 271 million, representing a PBIDT margin of 22.3% as against 18.5% for the corresponding quarter of the previous year. Profit after tax at Rs. 176 million represents a net margin of 14.5%, as against 9.2% in the corresponding quarter of the previous year.
- Earnings per share (EPS) increased to Rs. 3.0 from Rs. 1.6 in the same quarter of the previous year.

The Board of Directors recommended a dividend of Rs. 2.00 per share (20% on par value of Rs. 10 per share) for fiscal 2006.

Commenting on the results, **Mr. V. Srinivasan, Managing Director & CEO**, 3i Infotech Limited said, "The growth that we have achieved during the year and the quarter is a result of a two-pronged strategy comprising aggressive sales & marketing, and keeping an eye on cost of operations. This has ensured that while we have grown substantially, our costs have been maintained at reasonable levels. This performance gives us the ability to look to the year ahead with growing confidence."

OUTLOOK

Guidance for FY07: The Company anticipates a growth of 25% to 30% in revenues in FY07 with earnings per share of between Rs. 13.00 and Rs. 13.50.



BUSINESS HIGHLIGHTS

- Software products contributed 46% of the revenues for the year and 48% in the quarter. The company made good inroads in the USA with its insurance product and into Central Asia and the Far East markets with banking products. The ERP product of the company continued to penetrate further in all the markets that the company is operating in.
- Services contributed 54% to the revenues for the year and 52% for the quarter. During the year the company increased its penetration in the areas of business intelligence, system integration, enterprise application integration and security consulting.
- The Company also successfully launched and priced an offering of Foreign Currency Convertible Bonds of \$50 million. The bonds are listed on the Singapore Stock Exchange and are convertible over a five year period.
- During the fiscal 3i Infotech successfully launched AMLOCK™, an Anti Money Laundering (AML) and Fraud Detection software that will cut across various segments in the financial services space, including Insurance, Banking and Capital Market intermediaries like Brokerages, Mutual funds and Registrars.
- In order to consolidate its various erstwhile banking products, the Company has re-branded these under the single brand name – Kastle. With this transition, 3i Infotech's Kastle brand of banking products will be known as Kastle - Core Banking, Kastle - Universal Lending, Kastle - Treasury, Kastle - Asset Liability Management, Kastle - Factoring, Kastle - Wealth Management, Kastle – Risk Management and Kastle - Anti Money Laundering.
- The period saw the company making inroads in the capital markets and the anti money laundering space. These areas along with the growth that the company anticipates through penetration in the Mutual Fund industry are expected to contribute significantly to the company's growth for the coming year.

ACQUISITIONS

- SDG Software Technologies (SDG), a Hyderabad based software product company to foray into the capital markets and the anti money laundering segments.
- Innovative Business Solutions Inc., a US based specialty IT solutions company providing niche consulting services in key growth segments including Enterprise Application Integration, Business Intelligence and IT consulting services.
- FormulaWare, a US-based software company which provides a robust Enterprise Resource Planning (ERP) solution for the process manufacturing industry.
- Datacons, a Bangalore based software products company offering niche products for the Mutual Funds segment.



AWARDS AND RECOGNITIONS

3i Infotech received the following awards and recognition in the fiscal:

- Asia Insurance's Service Provider of the Year Award 2005
- Dubai Quality and Appreciation Program award for excellence
- Frost & Sullivan Growth Strategy Leadership Award for ERP in the SMB segment
- An IDC report has ranked 3i Infotech among the Top 3 ERP solution providers in the Middle East and North Africa (MENA) region
- 3i Infotech is one of the top five Indian Software Product Companies as per Dataquest *

Commenting on the occasion, **Mr. Hari Padmanabhan, Deputy Managing Director** stated, "Satisfied customers are one of our most important assets. While achieving growth we have tried to ensure that we have a satisfied client community, which will help us in building credibility and thereby fuelling further growth."

About 3i Infotech Limited

3i Infotech Limited (www.3i-infotech.com) provides information technology solutions through its range of solutions for banking, insurance, capital markets, mutual funds, e-Governance, manufacturing, retail and distribution. Its software business is SEI CMM Level 5 compliant and is ISO 9001:2000 certified for its Infrastructure Services.

Using its domain knowledge and through continuous investment in technologies, 3i Infotech Limited helps corporations in their businesses through its expertise in enterprise-class software solutions, software services, information security consulting, IT infrastructure and disaster recovery solutions. **3i Infotech is one of the top 5 Indian Software Product Companies* with a presence across 5 continents and servicing customers in 45 countries. It is the fastest growing Indian Software Product Company in 2004-05, with respect to both domestic and overseas software product sales*.**

* - Dataquest July 2005 issue

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Disclaimer:

Except for the historical information contained herein, statements in this release, which contain words or phrases such as "will", "would", "expect", "believe", and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of our principal international markets, the performance of the industry sectors in which our clients are based, the performance of the information technology industry sector world-wide, competition, our ability to obtain statutory and regulatory approvals and to successfully implement our strategy, future levels of our growth and expansion in business, technological implementation, changes, advancements, and redundancies, the actual demand for software products and services, or the future potential or feasibility thereof, changes in revenue, income or cash flows, our market preferences and our exposure to market risks, as well as other risks. 3i Infotech undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.