



Press Release

Aftek Q3 net profit up 23%

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Mumbai, January 19: Aftek Limited, (formerly known as “Aftek Infosys Limited”) today reported a 29.2% rise in net sales for the quarter ending December 31, 2006 over the corresponding quarter last year. Net sales were Rs. 82.47 crores as against Rs. 63.83 crore for the corresponding quarter for the last year.

Software Development Cost including Staff Cost, Software Development, Support, Installation, Testing and Commission charges Rs.51.66 crores (Rs. 36.09 crores) and Other Expenditure was Rs. 3.83 crore (Rs. 3.81 crore). Earnings before Interest, Taxation, Depreciation and Amortization (EBIDTA) was Rs. 28.14 crores (Rs. 25.08 crores), a rise of 12.16%.

After Depreciation of Rs. 2.87 crores (Rs. 4.47 crores) and nil interest, Profit Before Tax was Rs. 25.26 crores (Rs. 20.60 crores) a rise of 22.59%. Provision for taxation was Rs. 0.21 crore (Rs. 0.23 crore) and Net profit was Rs. 25.05 crores (Rs. 20.37 crores) an increase of 23%.

Inspite of resources being deployed for in-house development products viz “SEPA” & “Digihome”, the Company has achieved 4.77% growth in the third quarter as compared to second quarter of the current year.

For the nine months ended December 31, 2006, Net sales were Rs. 237.19 crores and Net Profit was Rs. 72.03 crores. Consolidated sales for the quarter ended December 31 2006, were Rs. 89.92 crores and Net Profit was Rs. 25.33 crores.

Highlights

- Exports constituted bulk of the revenues, with software services exports contributing Rs. 77.17 crores and software products exports contributing Rs. 4.52 crores. Domestic revenues from software products were Rs. 0.77 crore..
- The Board has, in principle, decided to increase the Company's stake in Digihome Solutions Pvt. Ltd. to 51% from its present stake of 25% based on the valuation that may be worked out by strategic investors in future.
- First version of SEPA is undergoing final performance checks and is ready for beta launch. Many potential customers have expressed their interest in signing up for beta phase, which will commence shortly. Full commercial launch of SEPA is targeted in the current quarter.
- Digihome has already signed up with builders in Bangalore, Mumbai and Pune. Installations of the first version of the product are underway in these cities with a



very healthy build up of prospective business. New versions of the product aimed towards enhanced security and increased configurability are under development and will be launched next year. Considering the first mover advantage strategic investors with global profile have shown interest in the company.

- The Board of Directors has in December, 2006 approved the Scheme of Amalgamation of C2 Silicon Solutions Pvt. Ltd. and Elven Micro Circuits Pvt. Ltd. with the Company. Elven has applied for a Japanese Patent for a key technology in VLSI. Elven also will be, in this quarter tapping out three IC's which use IPR belonging to Elven. These IC technologies will prowess a very significant exhibition of the skill sets that the company has.

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