



Press Release

AFTEK continues healthy revenue growth
Year-to-year Net Sales up by 13.93%;
Year-to-year Export Sales Turnover (in USD) up by 27.19%

BSE: 530707, NSE: AFTEK, Reuters: AFTEK.BO

Mumbai, 30th July'2007: Aftek Limited today declared its results for the quarter ended 30th June'2007, displaying healthy, top-line growth in tough business environment despite dramatical Rupee appreciation.

Performance Snapshot:

Total revenue for the Q1 FY 2007-08 was Rs. 86.88 crores.

Net Sales for Q1 FY 2007-08 were Rs. 86.60 crores.

Net profit for the Q1 FY 2007-08 was Rs. 23.12 crores.

EPS (basic) for the Q1 FY 2007-08 was Rs. 2.65. (Face Value Rs.2/-)

Financial Highlights:

Export Sales turnover grew by 27.19% as compared to Q1 FY 2006-07 in US\$ terms.

Net Sales grew by 13.93% as compared to Q1 FY 2006-07 in Rs. terms.

Export Sales turnover grew by 8.05% as compared to Q4 FY 2006-07 in US\$ terms.

Net Sales grew by 0.48% as compared Q4 FY 2006-07 in Rs. terms.

Net profit dropped by 1.03% as compared to Q1 FY 2006-07.

Net profit dropped by 1.12% as compared to Q4 FY 2006-07.

EPS (basic) dropped by 1.04% as compared to Q1 FY 2006-07. (Face Value Rs.2/-)

EPS (basic) dropped by 1.12% as compared to Q4 FY 2006-07. (Face Value Rs.2/-)

Business highlights:

A total of seven (07) new clients were added during Q1 FY 2007-08. Total number of active clients during FY 2007-08 was 46. Top 5 clients contributed to 28% of total revenues. 38 clients contributed more than US\$ or €1 million to the total revenues.

€ in FY 2007-08 has weakened by 4.85% with respect to Q1 FY 2007 and 4.83% with respect to Q4 FY 2007, whereas US\$ in FY 2007-08 has weakened by 10.95% with respect to Q1 FY 2007 and 7.05% with respect to Q4 FY 2007. European contribution to export sales turnover stands at 36.27% and is expected rise further to partially compensate for the weakening US Dollar.

A total of 42 new FTE employees were added during FY 2007-08, which included 13 trainees. The thrust is on maximizing utilization, sharpening focus and increasing reuse of Intellectual Properties, so as to maximize Average Revenue Per Person.

Business Updates:

The legal process of merger of Eleven Micro Circuits Private Limited and C2 Silicon Solutions Private Limited with Aftek Limited is in the final stages and is expected to be complete in Q2 FY 2007-08.

The strategic tie-up with ESG has started delivering significant business. Multiple projects in the areas of Telematics, Telecommunications and Automotive fields have already started for ESG and ESG's clients. Further increase and diversification is expected to occur in Q2 FY 2007-08.

Management Quotes:

Ranjit Dhuru, Chairman and CEO, Aftek Limited, said, "We have recorded excellent revenue growth from a US\$ and €perspective this quarter, however, our earnings have dropped due to pressures on US\$ and €as well as significant raise in wages. We have started renegotiating rates with existing clients and have also increased thrust on European business. And led by ESG, good results are expected in Q2 FY 2007-08."

Nitin Shukla, Director and CFO, Aftek Limited, said, "We are preparing to address continued weakening of US\$ and €with many other proactive measures like hedging, increasing utilization and offshore components, managed costing, etc."

Mahesh Vaidya, Director and CTO, Aftek Limited said, "Our technological depth, excellence and competency is helping us get better billing rates. Increased reuse of our Intellectual Properties will help us improve our earnings."

Future Guidance:

Based on the prevalent and expected trends in the performance of US\$ and € against Indian Rupee, proactive measures to address this situation, increased thrust and response from European business and expected completion of merger process, we issue following guidance for Q2 FY 2007-08 and FY 2007-08. Please read "Forward looking statements" carefully before reading the future guidance.

Expected revenues for Q2 FY 2007-08:

Export Sales turnover are ***expected to be*** between USD 22 million to USD 23 million.

Net Sales are ***expected to be*** between Rs. 89 crores to Rs. 93 crores.

Net profit is ***expected to be*** between Rs. 23 crores to Rs. 25 crores.

EPS (basic) is ***expected to be*** between Rs. 2.70 to Rs. 2.80 (Face Value Rs.2/-)

Expected revenues for FY 2007-08:

Export Sales turnover are ***expected to be*** between USD 95 to USD 100 million.

Net Sales are ***expected to be*** between Rs. 380 crores to Rs. 400 crores.

Net profit is *expected to be* between Rs. 94 crores to Rs. 105 crores.

EPS (basic) is *expected to be* between Rs. 11 and Rs. 12. (Face Value Rs.2/-)

Earnings call details:

An earnings call is scheduled from 1630 hrs to 1730 hrs on 30th July'2007, where Chairman and CEO, Ranjit Dhuru, will comment on company's performance for the first quarter ended 30th June'2007 and respond to queries from participants. Participants should dial either **2788 0405** or **2781 2290** to join the call. Please add 022 in case you are calling from outside Mumbai.

About Aftek Limited:

Established in 1986 as a privately held company, Aftek Limited went public and was listed on BSE and NSE in 1995. Aftek Limited is committed to deliver to its clients **AF**fordable **TEK**nology products, solutions and services based on Intellectual Properties. Driven by change, Aftek Limited has not only survived, but has grown significantly over a period of 20 years, quickly adapting to changing business environments. With core competency in communications, Aftek Limited is focused on various aspects and tiers of enterprise business management. Aftek Limited has strategic investments subsidiaries like Arexera Information Technologies GmbH and Arexera Information Technologies AG for content management, V-Soft, Inc. for marketing and sales in the USA and Digihome Solutions Private Limited for Intelligent Homes.

Forward looking statements:

Some of the statements in this release are forward-looking statements. These statements carry information about our future plans, growth, revenues, profits, strategies, performance, etc. Information contained in these statements is subject to perceived circumstance, risks and uncertainties, which can result from various factors within or outside our control like currency fluctuations, domestic and international law changes, market conditions, economic swings, our ability to retain and attract clients, business and employees, competitive scenarios, political conditions, etc. We do not undertake to update these statements and information contained therein as and when the perceived circumstances, risks and uncertainties change.

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