

i-flex® posts 37% revenue growth for the full year  
ended March 2007  
Annual revenues at Rs 2038 crore

Revenues for the quarter stand at 579.4 crore up  
27% YoY

### Financials at a glance for the quarter and year ending March 2007

<b>US GAAP</b>	<b>Quarter</b>	<b>Full Year</b>
<b>Revenues</b>	Rs. 579.4 crore up 27% YoY	Rs. 2038 crore up 37%
<b>Net Income</b>	Rs. 77.7 crore	Rs. 276.8 crore up 26%

#### HIGHLIGHTS OF THE QUARTER

- Strong growth momentum for all lines of business; added 30 new customers in the quarter taking the tally of customers serviced to 753 across 128 countries.
- FLEXCUBE, i-flex's flagship product, ranked once again as the world's number 1 selling core banking solution in the 2006 Annual IBS sales League Table, first product to achieve this distinction for the fifth year in a row.
- Strengthened presence in Europe; opened a subsidiary in Greece.
- Added a net of 522 employees in the quarter, taking the total strength of group for software and services business to 8034 (up from 6315 at end of March 06); KPO business staff strength stands at 1034 (up from 543 at end of March 06).

#### SOLUTIONS PORTFOLIO

##### Products Business

- Annual product revenues, driven by all round growth, post 45% increase to Rs 1,097 crore.
- Added 16 new product customers in the quarter, with all lines of business registering significant wins.
- The tank size stands at \$82.5 million – highest level reached till date - registering 12% QoQ and 27% YoY increase, as a result of strong license fee signings.
- FLEXCUBE continues its leadership in several new segments; wins two prestigious clients for its Islamic Banking offering; Allied Irish Bank signs up for replacing their core retail banking platform with FLEXCUBE.

- FLEXCUBE awarded SWIFTReady Silver Label for Payments for 2005 and 2006
- Reveleus continues to scale new heights; wins a large deal from a top-tier bank in US. Reveleus unveils the First Governance, Risk and Compliance Framework for the Financial Services Industry.
- Mantas wins two clients in the quarter.

#### **Services Business**

- Services business records 10% QoQ revenue growth for the quarter. Revenues for the full year post 28% increase.
- The payments line of business registers significant wins from a major global bank for a multi-million dollar project.
- Consulting business expands with the acquisition of Capco's Singapore operations.

#### **AWARDS AND ACCOLADES**

- i-flex® solutions and Syndicate Bank win the Best Core Banking Project Award for Large Banks at The Asian Banker IT Implementation Awards for 2006.
- i-flex received the EPCES Export Award for 2004-05 for Best SEZ (Non-SSI) (Electronic & Computer Software), and EPCES Export Award 2004-05 for SEZ (Non-SSI) from The Export Promotion Council, New Delhi, for EOUs & SEZ Units.
- The Black Book of Outsourcing ranked Equinox as the top outsourcing vendor to the Mortgage Banking Industry in 2006.
- i-flex wins the FIN TECH award at the BAI RDS event.

**Mumbai, India, May 1<sup>st</sup> 2007:** The Board of Directors of i-flex solutions limited, a leading provider of IT solutions to the global financial services industry, has approved the results for the quarter and financial year ended March 31, 2007.

Speaking on the occasion, **Rajesh Hukku, Chairman & Managing Director said,** "The last financial year has been a historic one for i-flex as we have seen a significant increase in our traction with top tier customers in the developed economies. i-flex enjoys a healthy sales pipeline as we continue to meet the growing requirements of the global financial services industry through sustained investments."

**R. Ravisankar, CEO, International Operations and Business Development** said, "The strategic investments that we have been making in creating a joint value proposition with Oracle offerings has begun to pay off even as it significantly enhances the combined foot-print solution for our customers."

Commenting on the performance **Deepak Ghaisas, CEO, India Operations & CFO said,** "Our capacity to address large and global customers is increasing, and to meet the growing market needs, we are continuing to make significant investments in growing our infrastructure and delivery capability in India and overseas."

## Consolidated Financial Results as per US GAAP for the quarter ending March 31, 2007

i-flex posted a top line growth of 27% with revenue for the quarter ended March 31, 2007 at Rs. 579.4 crore as compared to Rs. 457.7 crore for the corresponding quarter during the previous year. The net income for quarter stood at Rs. 77.7 crore.

The deferred revenue for the quarter stood at Rs. 339 crore as against Rs. 260 crore at end of December 2006.

The revenue for the full year ended March 31, 2007 stood at Rs. 2038 crore, up 37% as compared to the previous year. The net income for the same period stood at Rs. 276.8 crore up 26% as compared to the previous year.

### Consolidated Income Statement

i-flex solutions ltd and its subsidiaries Consolidated Income Statement	Full Year Ended		Quarter Ended		
	Mar-07	Mar-06	Mar-07	Dec-06	Mar-06
<b>Revenues</b>	<b>2038.1</b>	<b>1483.5</b>	<b>579.4</b>	<b>550.2</b>	<b>457.7</b>
Cost of revenues (excluding depreciation & amortization)	1164.0	814.7	320.8	309.2	227.8
<b>Gross Profit</b>	<b>874.1</b>	<b>668.8</b>	<b>258.6</b>	<b>241.0</b>	<b>229.9</b>
Selling & Marketing Expenses	270.1	206.6	74.7	73.7	59.5
General & Administrative Expenses	245.4	167.0	74.7	60.9	38.8
<b>EBITDA</b>	<b>358.6</b>	<b>295.2</b>	<b>109.2</b>	<b>106.4</b>	<b>131.6</b>
Depreciation & amortization	83.3	50.2	24.7	25.9	14.9
Provision for impairment of Goodwill	-	5.8	-	-	5.8
<b>Income from operations</b>	<b>275.3</b>	<b>239.2</b>	<b>84.5</b>	<b>80.5</b>	<b>110.9</b>
Loss on Equity investments	0.9	0.7	0.2	0.3	0.1
Interest Income and Other income/expense	34.9	30.6	2.7	(0.2)	13.7
<b>Income before provision for income taxes</b>	<b>311.1</b>	<b>270.5</b>	<b>87.4</b>	<b>80.6</b>	<b>124.7</b>
Provision for income taxes	34.2	51.5	9.7	3.3	7.8
<b>Net Income</b>	<b>276.9</b>	<b>219.0</b>	<b>77.7</b>	<b>77.3</b>	<b>116.9</b>

Any totaling differences due to rounding

In order to enhance shareholder value by conserving funds for reinvestment into the growth of the business, including the funding of future acquisitions, the board also decided to declare no dividend. i-flex recently announced a proposed investment to establish a subsidiary in Greece.

## About i-flex solutions

i-flex® solutions (Reuters: IFLX.BO & IFLX.NS) is a world leader in providing IT solutions to the financial services industry. i-flex group has serviced over 740 customers in more than 125 countries. i-flex's range of products and customized services enable financial institutions to cut costs, respond rapidly to market needs, enhance customer service levels and mitigate risk.

i-flex and FLEXCUBE are registered trademarks of i-flex solutions. Reveleus, Daybreak and PrimeSourcing are trademarks of i-flex solutions and are registered in several countries.

All company and product names are trademarks of the respective companies with which they are associated.

For information, please visit: [www.iflexsolutions.com](http://www.iflexsolutions.com)

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