

## For immediate release

i-flex Net Income for the Quarter Posts 22% QoQ increase;  
Revenues for Quarter Grow 8% QoQ  
Signs New Licenses of US\$ 23.3 Million  
(For the quarter ended December 2007 as per Consolidated Indian GAAP)

### Financials at a glance for the quarter ended December 2007

Revenues	Rs. 620 Crore (+8% QoQ)
EBIDTA	Rs. 133 Crore (+39% QoQ)
Operating Income	Rs. 114 Crore (+50% QoQ)
Net Income	Rs. 107 Crore (+22% QoQ)

#### Highlights of the Quarter

- 14 New customers signed for the group, includes 9 customers for the products business
- Strategic multi-country wins in this quarter include China Trust Commercial Bank, largest private bank in Taiwan, and a leading international banking group headquartered in Europe; reaffirms FLEXCUBE as the preferred platform for standardization and centralization of technology & operations.
- Deepens penetration in Russia market with a significant core banking rollout for one of the top ten provider of banking services.
- Record collection of US\$ 172 million for the quarter, DSO improve to 102 days from 110 days in the last quarter
- Launches FLEXCUBE Private Banking Suite: To focus on Asia, Europe and Latin America
- European business continues to grow impressively, contributing 34% to company's revenues this quarter.
- Signed license fee of US\$23.3 Million in the quarter.
- Three new wins for our consumer Lending solution in the US
- i-flex Process Framework for Banking (iPFB) notches initial wins in the current quarter.
- Five new customers added for the PrimeSourcing business, majority of them in the investment and capital markets area
- PrimeSourcing signs multi-year repeat orders with existing relationships
- New win for Reveleus Basel II solution in EMEA region.

### **Awards and Accolades**

- Business Week has ranked i-flex as one of the "Asia's Hot Growth Companies: 2007", i-flex was ranked second highest in terms of market capitalization, third highest in terms of sales and sixth highest in terms of profits.
- i-flex solutions ranked 30 in the annual FinTech 100 list of financial industry technology vendors by American Banker and Financial Insights.
- i-flex BPO wins the 'NASSCOM Excellence in Gender Inclusivity - Best Emerging Company' award.
- The All India Electronics and Computer Software Export Promotion Council (ECS) award for Excellence in Exports for the year 2006-07.

**Mumbai, January 22, 2008:** 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 ended December 31, 2007.

Speaking on the occasion, N.R.K. Raman, Managing Director and CEO, i-flex solutions said, "We are pleased to announce a strong sequential growth this quarter, with good margin gains. Our geographically well diversified business portfolio is yielding results with the European region contributing 34% of company revenues this quarter. Our joint traction with Oracle is expanding with a healthy sales pipeline as we continue to address the challenges faced by the financial services industry".

Commenting on the financial performance, Makarand Padalkar, CFO, i-flex solutions said, "Our focused initiatives to improve manpower utilization, operational efficiencies coupled with prudent cost management has enabled us to expand margins across the board. We have also seen accelerated collections which has reduced overall DSO from 110 to 102 days".

### **Financial Results for the quarter ending December 31, 2007**

#### **Consolidated Indian GAAP:**

i-flex posted a top line growth of 11% YoY with revenue for the quarter ended December 31, 2007 at Rs. 619.6 crores as compared to Rs. 557.4 crores for the corresponding quarter during the previous year. The revenue for the nine months ended December 31, 2007 stood at 1708.7 crores representing an increase of 17% over the corresponding nine month period in the last financial year. The net income for the quarter stood at Rs. 106.7 crores representing 22% growth compared to previous quarter.

## **Consolidated Income statement**

<i>Amounts in Rs Crores</i>	<b>Quarter Ended</b>			<b>Nine Months Ended</b>	
	<b>Dec-07</b>	<b>Sep-07</b>	<b>Dec-06</b>	<b>Dec-07</b>	<b>Dec-06</b>
<b>Revenues</b>	<b>619.6</b>	<b>575.8</b>	<b>557.4</b>	<b>1708.7</b>	<b>1459.8</b>
Cost of revenues	326.4	325.2	296.9	963.3	809.4
<b>Gross Profit</b>	<b>293.2</b>	<b>250.6</b>	<b>260.5</b>	<b>745.4</b>	<b>650.4</b>
Selling and Marketing Expenses	68.8	72.8	73.2	196.3	200.2
General and Administrative Expenses	91.4	82.4	61.3	251.5	162.5
Depreciation & amortization	19.1	19.5	16.3	55.0	47.1
<b>Income from operations</b>	<b>113.9</b>	<b>75.9</b>	<b>109.7</b>	<b>242.6</b>	<b>240.6</b>
Interest Income	10.3	12.1	8.1	34.0	28.0
Other Income /(expense)	(4.4)	8.6	(1.8)	(15.6)	0.2
<b>Income before provision for income taxes</b>	<b>119.8</b>	<b>96.6</b>	<b>116.0</b>	<b>261.0</b>	<b>268.8</b>
Provision for income taxes	12.9	9.4	5.0	30.1	29.7
Share of profit / (loss) of associate Company	(0.2)	0.2	0.2	(0.2)	0.7
<b>Net Income</b>	<b>106.7</b>	<b>87.4</b>	<b>111.2</b>	<b>230.7</b>	<b>239.8</b>

### **About i-flex solutions:**

**i-flex® solutions** (Reuters: IFLX.BO & IFLX.NS) majority owned by Oracle®, is a world leader in providing IT solutions to the financial services industry. With the experience of delivering value-based solutions to over 790 customers across 130 countries, i-flex comprehends the process approach thoroughly.

Together, Oracle and i-flex solutions offer financial services institutions the world's most comprehensive and contemporary banking applications and technology footprint that addresses their complex IT and business requirements.

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

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