



## **Blue Star Infotech Ltd. Q1 FY09 Revenue up by 21%**

**July 31, 2008**

Blue Star Infotech Limited, the global software services and solutions provider, has recorded consolidated Sales revenue of Rs. 40 crores for the quarter ended June 30, 2008, compared to Rs. 33 crores in Q1 of previous year posting a growth of 21%. The net profit also improved significantly, up from Rs. 38 lakhs for Q1 of last year to Rs. 152 lakhs this quarter.

The strengthening of the dollar resulted in mark to market provisioning of losses against hedge contracts booked for the next 12 months period. For the quarter ended June, 2008, the loss on account of foreign exchange, mainly due to this provision, amounted to Rs. 4.28 crores. This provisioning may get reversed during the latter part of the year if the rupee strengthens against the dollar.

The Company added 14 new customers this quarter. Its UK/Europe business gained further traction by adding 5 new customers. In the Indian market, where the Company is focused on providing solutions to the Manufacturing, Pharma, Media and Government segments, the Company has signed several large deals with medium to large enterprises. It won its first order for implementing NAV-Elixir, a solution built on the Microsoft Dynamics platform that comprehensively addresses the operational needs of pharmaceutical companies.

The Company was also named to the prestigious 2008 Microsoft Dynamics President's Club receiving recognition from Microsoft Corp. for its dedicated commitment to customers. The elite club recognizes the top 5 percent of Microsoft Business Solutions partners worldwide. This honor reflects Blue Star Infotech's success in extending the Microsoft Dynamics platform to drive business advantages in companies worldwide.

Commenting on the performance, Mr. A. T. Vijayakumar, President & COO, said, "I am pleased that the initiatives taken by us have started yielding results. Our travel & hospitality business has more than doubled its revenue during the first quarter of FY 2009. Our increasing business in GBP and European currencies helped in reducing the impact of a fluctuating dollar. Going forward, I am confident that our new business acquisition will continue to gain momentum."

### **About Blue Star Infotech**

Blue Star Infotech is a global provider of Product Engineering Services, Enterprise Services, Travel & Hospitality Services and Independent Testing Services. Headquartered in Mumbai, India, the Company has seven software development centers in Mumbai and Bangalore.

Blue Star Infotech serves its global clientele through offices in Santa Clara (CA) and Jersey City (NJ) in North America, London & Helsinki in Europe and Tokyo in Japan. The Company also has business associates in USA and Continental Europe.

With state-of-the-art development centers and infrastructure, and a growing list of Fortune 500 and medium-sized clients, the Company is well established within the global software services industry.

The Company is listed on the National Stock Exchange and the Bombay Stock Exchange in India.

**NSE – BLUESTINFO**  
**BSE - 532346**

## **Safe Harbour**

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

## **Investor Relations**

Blue Star Infotech Ltd is committed to create long-term sustainable shareholder value through successful implementation of its growth plans. The company's investor relations mission is to maintain an ongoing awareness of its performance among shareholders and financial community.

## **For more information, please contact:**

Hemant Kamat  
Blue Star Infotech Ltd.  
Registered Office - Band Box House,  
4th Floor, Dr. Annie Besant Road,  
Worli, Mumbai - 400 030  
Tel: 91-22-24901870  
Email: cosec@bsil.com  
Website: www.bsil.com