



Blue Star Infotech Q1 FY08 Revenue at a record high of US\$8.04 million

Mumbai, July 20, 2007

Blue Star Infotech Limited, the global software services provider, has recorded consolidated Sales revenue of Rs. 330.08 million for the quarter ended June 30, 2007, compared to Rs. 279.74 million in Q1FY07, representing growth of 18%. In dollar terms, the consolidated Sales revenue grew to a record \$8.04 million, representing a 28% increase over Q1FY07. Total Income grew 15% to Rs. 335.87 million from Rs. 283.62 million in Q1FY07. Consolidated Net Profit for the quarter stood at Rs. 3.77 million, compared to a corresponding figure of Rs. 24.37 million in the previous year.

Profitability was impacted primarily due to the sharp appreciation of the rupee against the dollar. Over the course of the quarter, the Company added 23 new customers which included leading brands in the Technology and Travel sectors. The Company added over 100 resources during this quarter.

The Company continues to focus on two key segments for growth in its chosen international markets: the Technology Sector and the Travel Sector. The Company has two decades of experience in the Technology Sector. With Product Development Outsourcing expected to grow exponentially (as per NASSCOM and McKinsey reports), the Company is well positioned to capitalize on this trend. In addition, the Company has been building its Travel & Hospitality Practice over the last three years. The Company intends to leverage the opportunities available in this relatively untapped segment of IT Services and will continue to invest in the specialized sales and delivery organizations related to this field.

In addition to these initiatives, the Company will continue its focus on the IT services market in India. It will continue to build capabilities in the Manufacturing, Pharma and Retail segments, all of which are significant buyers of IT services in the country.

Commenting on the performance, Mr. Suneel Advani, Chairman and Managing Director, said, "We achieved a record quarter of \$8.04 million in consolidated sales revenue. In order to counter the mounting exchange rate and staff cost pressure, we are committed to raising billing rates and utilization levels in the company. I am confident that with these initiatives, coupled with the expected volume growth, we will return to acceptable levels of profitability in the coming quarters."

About Blue Star Infotech

Blue Star Infotech is a global provider of Product Services, Enterprise Services, Travel & Hospitality Services and Independent Testing Services. Headquartered in Mumbai, India, the Company's software development centers in Mumbai and Bangalore have been assessed at SEI-CMMI Level 5/ ISO 9001:2000.

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, more than 1000 employees and a growing list of Fortune 500 and medium-sized enterprise 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.

The Group has business relationships and technology tie-ups with world renowned companies including Hewlett Packard, USA; Hitachi, Japan and York International (now a part of Johnson Controls), USA to name a few.

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