



Press Release Contact Information:

Pratheep Raj
Aztecsoft
Sr. Executive
No. 17/9C, 17/4C, Rupena Agrahara, Hosur Road,
Bangalore, Karnataka
India, 560068
Voice: 91.80.25738005
Fax: 91.80.41100587
E-Mail: [Email us Here](mailto:pratheep@aztecsoft.com)
Website: [Visit Our Website](http://www.aztecsoft.com)

Aztecsoft Financial Results Q4-08 Press Release

Aztecsoft Maintains Growth Momentum, Posts sequential revenue growth of 8.5% in INR terms

/24-7PressRelease/ - BANGALORE, INDIA, April 18, 2008 - Aztecsoft Limited (Aztecsoft) the leading provider of Global Software Engineering Services announced its audited financial results taken on record by the Board of Directors for the fourth quarter and financial year ended March 31, 2008. For the fourth quarter ended March 31, 2008, Aztecsoft has posted revenues of Rs. 68.71 crores and a net profit of Rs. 3.15crores on consolidated basis. Despite economic slowdown hitting the industry, Aztecsoft has been able to sustain growth momentum due to the strong fundamentals and processes in place. The Board also recommended a dividend of 10% subject to shareholders approval.

The Board also recommended a dividend of 10% subject to shareholders approval.

Key Highlights:

Strong Revenue Growth - Revenues grew sequentially (Q-o-Q sequential growth) by 8.5% in Rupee terms and 7.6% in US Dollar terms.

Improved Profitability - Improved sales mix, tight control on operations and expenses, better utilization has helped the Company to improve Gross Profits from 25% in Q III-08 to 30% in QIV-08 and EBITDA from 9% in Qtr III-08 to 14% in QIV-08.

Client base growth - During this quarter, Aztecsoft added 7 new clients with a good mix of mature players and emerging clients. The total active client count stands at 84 at the end of QIV-08. The client additions include business leaders in the data management, wireless domains, etc. The quarter saw a strong revenue growth coming from new clients added in the last quarters and existing clients.

Updated "Industry Focus" Marketing Strategy - Aztecsoft has revised its go-to-market strategy, and seeks to actively target technology companies that serve the following verticals: Application Software Companies, Infrastructure Software Companies, New Media & Internet, Online Commerce, Financial Services and Life Sciences.

Human capital growth - During the current quarter, the Aztecsoft's most important asset, namely its human capital stands at 2,132 as at March 31, 2008. Blended utilization is at 77% (excluding campus/trainees recruits) and at 72% after considering campus/trainees recruits for the quarter under review. Aztecsoft also announced the appointment of Mr. Satish Venkatachaliah as Senior Vice President, Global HR, and Recruiting.

Offshore focus continues - Aztecsoft's offshore focus continues and in this quarter, the offshore revenue was at 70%, with the onsite revenues at 30%.

Strong & Liquid balance Sheet - Cash and cash equivalents stand at Rs. 75.14 crores as on March 31, 2008 and account for 42% of asset base as on March 31, 2008.

Accolades:

Aztecsoft ranked among the Top 10 Global IT Companies in the \$30M-\$100M range
The Software 500 is a revenue-based ranking of the world's largest software and services suppliers.
<http://online.qmags.com/SWM0907/>

Aztecsoft Awarded for Creative Excellence in Recruitment Advertising
Winning the award for 'Best IT/Telecom Recruitment Advertisement' and 'Best use of Visuals in an Advertisement' at the

Pink Slip Awards 2008 - Aztecsoft's 'Techiela' ad was chosen from over 400 short listed nominations.

Aztecsoft in Global Services Top 100 - 2008 List

Aztecsoft has been ranked among world's most innovative service providers - has been recognized in the Global Services 100-2008 Listing. The Global Services 100 is an annual compilation of the world's most innovative service providers selected based on a research study conducted by Global Services and neIT, an outsourcing advisory firm. Hundreds of service providers from 17 countries, with delivery centers across 31 countries, comprised the list of participants across the IT and BPO industry, including IT application services, infrastructure, FAO, HRO and contact centers.

ISO 27001 certificates have been obtained for all Aztecsoft's Locations in India

Aztecsoft has implemented ISMS at all its five locations and these are certified on this global standard. Aztecsoft is one of very few companies that have all its locations ISO 27001 certified in India.

Financial Performance of Aztecsoft and its Subsidiaries

Sequential quarter review (QIV-08 Vs QIII-08)

Consolidated Revenues for QIV-08 were at Rs. 68.71 crores and grew by 8.5% over the previous quarter that was at Rs. 63.31 crores.

Consolidated EBITDA grew to 14% of revenues from 9% of revenues in Qtr III 08.

Consolidated Profit after Tax for QIV-08 was at Rs. 3.15 Crores and grew by 44% over the previous quarter that was at Rs. 2.19 crores.

On a stand-alone and amalgamated basis for QIV-08, Aztecsoft's Revenues and Profit after Tax were at 60.09 crores and Rs 3.36 Crores respectively.

Annual Performance for FY 2007-08

Consolidated Revenues for FY 2007-08 were at USD \$ 63.05 million (Rs. 253.10 crores), registering an annual growth of 9% in US\$ terms (21% without Dendrite).

Consolidated Profit after Tax was at Rs 17.38 Crores.

On a stand-alone and amalgamated basis for FY 2007-8, Aztecsoft's Revenues and Profit after Tax were at Rs. 225.52 crores and Rs 17.04 Crores respectively.

Management Comments

Announcing the financial results, Mr. K. B. Chandrasekhar, Chairman of Aztecsoft said, "The industry has faced a tough time during FY 07-08. However, we have been able to add strategic clients with good revenue potential and strengthened our existing client relationships. We have maintained our growth all through the year and have been able to meet guidance. We would be partnering many more clients across new sectors thus expanding our portfolio and delivering superior value to our clients."

Mr. Samir Bodas, CEO of Aztecsoft said, "We are delighted to report that QIV-08 was the best quarter this fiscal year, and we have delivered on every aspect of the operations. The year witnessed a complete strategic repositioning of the Company - we re-aligned our processes, updated our services, enhanced our technology offering, restructured the organization, upgraded our brand image, and delivered superior value to our customers. We are confident of taking the momentum forward, and deliver increased shareholder and customer value in the quarters ahead. "

About Aztecsoft Limited

Since 1995, Aztecsoft has built and tested over 1500 enterprise-class products. The software engineering specialist provides best-in-class development and testing services to software product companies, portals & software services providers and companies in Mobility & Wireless and financial domains full life-cycle development, enhancement, platform re-engineering, sustenance engineering, professional services, mobile enablement, SaaS enablement, full life-cycle testing, test automation and performance testing.

It offers its customers a unique, distributed model of software engineering that delivers speed, quality, efficiency and scalability to maximize customer's ROI.

With a client list that includes many of the largest global product companies and portals, and a wide range of emerging technology start-ups, Aztecsoft has the best combination of expertise, experience, and depth of services to make it the technology partner of choice.

Aztecsoft has won a number of industry awards for innovative HR practices from independent agencies, which is an external

validation of Aztecsoft's consistent growth momentum.

To learn more about Aztecsoft, please visit www.aztecsoft.com or email marketing@aztecsoft.com.

Rajesh S Narang

Tel: +91.80.25738005 Ext : 3185

Fax: +91.80.4110 0587

Email : rajeshs@aztecsoft.com

Sayan Dutta

Tel : +91.80.2525 3891 Extn : 103

Fax : +91.80.2525 3887

Email : sayan@corvoshandwick.co.in

Safe Harbor

Investors are cautioned that the above document may contain forward-looking statements that involve risks and uncertainties. Aztecsoft undertakes no obligation, to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performances, or achievements could materially differ from those expressed or implied in such forward-looking statements.