



Date:18.02.2012

Dear Sir / Madam,

Re: UPDATE ON BUSINESS

We at Cerebra convey Greetings to all our esteemed investors. This communication is aimed at sharing with you the latest update on the happenings at Cerebra.

E-Waste:

Cerebra having registered and taken possession of 12 acres of industrial land near Bangalore, allotted by the Government of Karnataka, near Bangalore, has started the construction works of its State of the Art facility for E Waste Recycling plant in consultation with the carefully selected Architect and Civil Contractors. In the vicinity of this location, others setting up their facilities include the likes of Honda Motors of Japan, Mahindra Aerospace etc. Meanwhile, the important development which gives this project tremendous fillip is that the E-Waste Disposal Rule has been passed by the Ministry of Environment and Forests making it mandatory from May 1st, 2012, for all to dispose of their e-waste through authorised E-waste recycler only. You will therefore concur with us that our Project is being encouraged fully by the Indian Government as well like those in developed countries. Lot of MNCs, large Indian Corporates have shown keen interest in tying up with us for their E-waste management and this has infused immense enthusiasm in Team Cerebra. We now feel more confident of achieving huge success of this initiative.

It will be our endeavor to strictly adhere to the 3R's (Reduce, Reuse and Recycle) and to promote this concept and message as also our initiatives to the Corporates, all Generators of E-Waste and of course, the public at large through various fora like roadshows, exhibitions, environment related seminars, radio shows, displays and slogans in shopping malls etc.

Team E-Waste is being expanded. License was obtained from the Karnataka State Pollution Control Board, with which Cerebra has become one of the few Enterprises to have this approval in the organized sector. Collections of E-Waste from various Generators including from cities like Delhi are being made for processing. The availability of the Shredder imported from Singapore has been effectively communicated to the potential customers. Aggressive marketing efforts are being infused to make this business a growing segment.

Needless to add, Cimelia, Singapore, is being consulted on this process and we propose to strengthen our relationship with Cimelia.

Enterprise Solutions Division: The Team is headed by qualified and experienced senior professional and consists of hard core sales and certified services professionals drawn from the industry. The services team consists of trained and certified core competent professionals to install, configure *and implement solutions across product categories*. We have special skillsets in Networking, Storage & Servers and implementation of various software products such VMware, Citrix, Microsoft, ERP, etc. Our aggressive sales team is extremely focused and competent with sound industry and product knowledge.

We have very ambitious plans for the financial year 2011-2012(Oct 11 to Sept 12) targeting especially the defense labs, BFSIs, PSBs, PSUs, Healthcare and Education in addition to the corporates. With our account managers focusing on different verticals to bring in new business opportunities, we anticipate a fairly large contribution to Cerebra's revenue this financial year. The market in Bangalore/Karnataka alone has a potential opportunity of close to INR 100 crores during the new financial year with demands for storage, networking and managed services expected to see a tremendous growth during this period.

Cerebra Software Division: This Division focusses on Mobility solutions as a niche and growth area. Realizing the potential of the industry segment and in-house expertise, the division has rapidly grown to a 23 member team and has acquired several long term strategic clients and partners. Starting from a couple of small *but niche proof of concepts the division has acquired a strategic client in the education sector to develop custom products and software solutions also involving hardware design, customization and potential manufacturing opportunities*. Overall the division is targeting a strong order book. We already have over 15 projects from about 6 clients which will bring in substantial business by early 2012.

Cerebra Middle East: This Subsidiary has become extremely client-centric and technology-neutral in providing full spectrum Data Storage Infrastructure solutions to customers in the SMB, SME & Large Enterprise domain, through a wide reseller channel network, consisting of Value Added Resellers and Systems Integrators. Cerebra ME has already bagged, executed very good orders and is expected to perform very well.

Cerebra LPO India Limited: The subsidiary has set up its USA operations to source clients and also be closer to its clients in the USA and has since appointed Mr. David T Kinneer as the Head of USA Operations and your Directors believe, his vast experience and expertise will help Cerebra LPO achieve this objective. Our Director Mr. Vishwamurthy is right now in New York, USA to solicit business for Software, BPO and LPO.

The Legal Support Services team now consists of experienced Legal Associates in practice areas such as Personal Injury, Bankruptcy & Foreclosure, Document & Contract Review, Intellectual Property Services and UK Conveyancing Services. All are well experienced in their respective practice areas and are training other Legal Associates to enhance the delivery capabilities. The Company has partners in the UK who are on the verge of acquiring clients in the Conveyancing services areas in the UK in the calendar year 2012. With the above and the new office in USA, 2012 should be a good year in terms of earnings and growth and the margins from this business will be very high.

The BPO services have grown at a steady pace. We are now looking at acquiring direct clients both in the USA and UK. The rates have become competitive and the attrition

levels are increasing due to shortage of skilled resources. Cerebra plans to start training and recruit these trained resources for in-house requirements as well as place them as Consultant's at client locations.

LPO is going to be the mainstay of our business in the coming years along with E waste.

With the above, the Company's objective to grow aggressively this year to achieve a growth rate of over 100% is fast becoming a reality. Our December quarter results enclosed is a starting step to achieving the same.

Thanking you,

Yours faithfully

For Cerebra Integrated Technologies Ltd.,

Shridhar S Hegde
Wholetime Director and Compliance officer