
Infosys[®]

31st

Annual
General
Meeting



Cloud



Consulting



Engagement



Global talent



Innovation



Integration



Intellectual property



Knowledge



Mobility



Optimization



Partnership



Platforms



Products



Solutions



Sustainability



Transformation

Financial Updates

Rajiv Bansal

Vice President and Head – Finance

Safe harbor

Certain statements made here concerning Infosys' 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, the success of the companies in which Infosys has made strategic investments, 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. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2012 and the Quarterly Reports on Form 6-K for the fiscal quarters ended June 30, 2011, September 30, 2011 and December 31, 2011. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

Highlights

- Achieved revenues of US \$6.99 billion and net profit of US \$1.72 billion in fiscal 2012
- Revenue guidance in US\$ terms for FY 12 was 18.0% to 20.0%, Actual achieved was 15.8%
- Added 172 new clients during the year
- Gross addition of 45,605 employees (net addition of 19,174)
- Our cash and cash equivalents stood at US \$4.12 billion as of Mar 31, 2012 (US \$3.77 billion as on Mar 31, 2011)
- Recommended a final dividend of ₹ 22 per share and a special dividend – 10 years of Infosys BPO operations of ₹ 10 per Equity Share. Including interim dividend of ₹ 15 per share, the total dividend recommended for the year is ₹ 47 per share amounting to ₹ 3,137 crore including dividend tax.

We had profitable growth during the year

(₹ crore)

Particulars	March 31,				Growth (%)
	2012		2011		
Revenues	33,734	100.0%	27,501	100.0%	22.7%
Cost of sales	19,808	58.7%	15,916	57.9%	24.5%
Gross Profit	13,926	41.3%	11,585	42.1%	20.2%
Operating Expenses:					
Selling and marketing expenses	1,757	5.2%	1,512	5.5%	16.2%
Administration expenses	2,390	7.1%	1,971	7.1%	21.3%
Total Operating Expenses	4,147	12.3%	3,483	12.6%	19.1%
Operating Profit	9,779	29.0%	8,102	29.5%	20.7%
Other Income, net	1,904	5.6%	1,211	4.4%	57.2%
Profit before income taxes	11,683	34.6%	9,313	33.9%	25.4%
Income tax expense	3,367	10.0%	2,490	9.1%	35.2%
Net Profit	8,316	24.6%	6,823	24.8%	21.9%
Earnings per equity share					
Basic (₹)	145.55		119.45		21.9%
Diluted (₹)	145.54		119.41		21.9%

Based on IFRS consolidated financials

Our revenue grew across all segments...

(₹ crore)

Industry Segment	FY 2012	Rev %	FY 2011	Rev %	Growth %
Financial Services and Insurance	11,830	35.1%	9,862	35.9%	20.0%
Manufacturing	6,933	20.6%	5,393	19.6%	28.6%
Energy, Utilities, Communication and Services	7,232	21.4%	6,614	24.0%	9.3%
Retail, Consumer Packaged Goods, Logistics and Life Sciences	7,739	22.9%	5,632	20.5%	37.4%
Total	33,734	100.0%	27,501	100.0%	22.7%

Based on IFRS consolidated financials

...and our revenue productivity increased

(in %)

	FY 2012	FY 2011
Onsite	2.2%	5.4%
Offshore	5.1%	(3.2%)
Blended	4.7%	1.8%
Blended in constant \$ terms	4.7%	1.5%

Revenue productivity for IT services only

We controlled our costs well

(₹ crore)

Cost of Sales	FY 2012		FY 2011	
Revenue	33,734		27,501	
Employee Benefit Costs	16,237	48.1%	12,971	47.2%
Depreciation and Amortization	937	2.8%	862	3.1%
Travelling Costs	789	2.3%	690	2.5%
Cost of Software Packages & third party items	654	1.9%	489	1.8%
Provision for Post Sales Client support	60	0.2%	5	0.0%
Operating Lease payments	123	0.4%	90	0.3%
Communication Costs	92	0.3%	82	0.3%
Cost of technical subcontractors	777	2.3%	603	2.2%
Repairs & Maintenance	64	0.2%	53	0.2%
Consumables	28	0.1%	27	0.1%
Other Expenses	47	0.1%	44	0.2%
Total expenses	19,808	58.7%	15,916	57.9%

Based on IFRS consolidated financials

We continued to invest in sales...

(₹ crore)

Selling and Marketing	FY 2012		FY 2011	
Revenue	33,734		27,501	
Employee Benefit Costs	1,360	4.0%	1,218	4.4%
Travelling Costs	176	0.5%	128	0.4%
Branding & Marketing	121	0.3%	97	0.3%
Operating Lease payments	24	0.1%	17	0.1%
Communication Costs	18	0.1%	17	0.1%
Commission	27	0.1%	15	0.1%
Consultancy & Professional Charges	26	0.1%	16	0.1%
Other Expenses	5	0.0%	4	0.0%
Total expenses	1,757	5.2%	1,512	5.5%

Based on IFRS consolidated financials

...while controlling our overheads

(₹ crore)

Administration expenses	FY 2012		FY 2011	
Revenue	33,734		27,501	
Employee Benefit Costs	743	2.2%	667	2.4%
Consultancy & Professional Charges	457	1.4%	328	1.2%
Repairs & Maintenance	367	1.1%	303	1.1%
Power & Fuel	184	0.5%	167	0.6%
Communication Costs	164	0.5%	138	0.5%
Travelling Costs	157	0.5%	136	0.5%
Provision for doubtful amounts	62	0.2%	2	0.0%
Rates & Taxes	64	0.2%	54	0.2%
Insurance	36	0.1%	33	0.1%
Operating Lease payments	43	0.1%	39	0.2%
Postage & Courier	13	0.0%	13	0.0%
Printing & Stationery	13	0.0%	13	0.0%
Other Expenses	87	0.3%	78	0.3%
Total expenses	2,390	7.1%	1,971	7.1%

Based on IFRS consolidated financials

The global currencies were highly volatile...

Average rate of USD against	2012	2011	Change %
AUD	1.05	0.94	11.7%
EURO	1.38	1.32	4.5%
GBP	1.60	1.55	3.2%

Revenues by currency (%)	2012	2011
AUD	7.6	6.5
EURO	7.7	6.9
GBP	6.8	7.2

...and the Indian Rupee depreciated sharply against the US Dollar

Average rupee dollar rate	2012	2011
This year	48.10	45.54
Previous year	45.54	47.44
% change	5.6%	(4.0%)

Period end rupee dollar rate	2012	2011
This year	50.88	44.60
Previous year	44.60	44.90
% change	14.1%	(0.7%)

We proactively managed our currency exposures...

INR / USD	Q1 12	Q2 12	Q3 12	Q4 12
Period closing rate	44.70	48.98	53.11	50.88
Period average rate	44.78	46.30	51.37	49.96
Consolidated hedge position (US\$ million)	745	742	848	889

...thereby minimizing the impact of currency movement on the margins

(US\$ million)

Impact	FY 2012	FY 2011
Operating income	92	(6)
% to revenue	1.3%	(0.1%)
Non-operating income	12	9
% to revenue	0.2%	0.1%
Translation	70	(3)
Hedging	(58)	12
Total	12	9
Net impact	104	3
% to revenue	1.5%	0.0%

Our effective tax rate went up further during the year

	FY 2012	FY 2011
	% of revenue	% of revenue
SEZ revenue	28.6%	22.2%
STPI revenue (tax free)	0.0%	4.3%
Others	71.4%	73.5%
Total revenue	100.0%	100.0%
Other income	5.6%	4.4%
Effective tax rate	28.8%	26.7%

We have a strong Balance Sheet...

	(₹ crore)			
	2012	%	2011	%
Assets				
Current assets				
Cash & cash equivalents ⁽¹⁾	20,968	55%	16,810	54%
Trade receivables	5,882	15%	4,653	15%
Unbilled revenues	1,873	5%	1,243	4%
Prepayments and other current assets	1,523	4%	983	3%
Total current assets	30,246	79%	23,689	76%
Non-current assets				
Property, plant and equipment	5,409	14%	4,844	15%
Goodwill	993	3%	825	3%
Intangible assets	173	–	48	–
Deferred income taxes	316	1%	378	1%
Income tax assets	1,037	3%	993	3%
Other non-current assets	174	–	486	2%
Total assets	38,348	100%	31,263	100%

⁽¹⁾ Including financial assets available for sale and Certificate of Deposits

Based on IFRS consolidated financials

Continued...

We have a strong Balance Sheet...

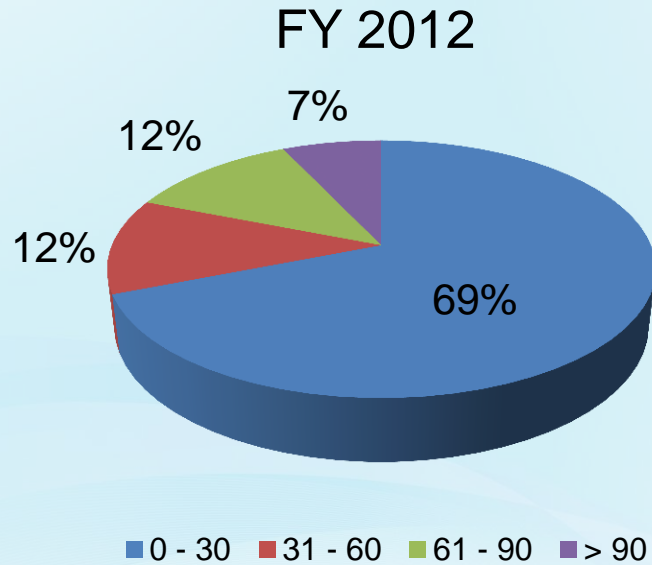
(₹ crore)

	2012	%	2011	%
Liabilities and stockholders equity				
Current liabilities				
Current income tax liabilities	1,054	3%	817	3%
Unearned revenue	545	1%	518	2%
Employee benefit obligations	498	1%	140	–
Other current liabilities	2,669	7%	2,166	7%
Total current liabilities	4,766	12%	3,641	12%
Non-current liabilities	121	–	319	1%
Stockholders equity				
Share capital	286	1%	286	1%
Share premium	3,089	8%	3,082	10%
Retained earnings	29,816	78%	23,826	76%
Other components of equity	270	1%	109	–
Total liabilities and equity	38,348	100%	31,263	100%

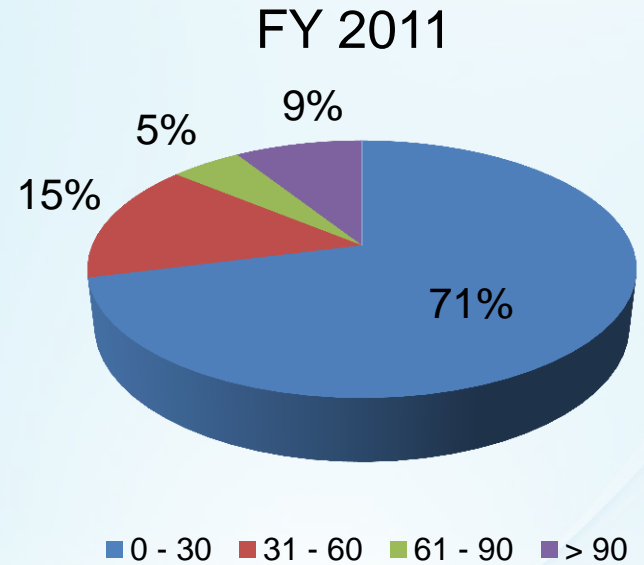
Based on IFRS consolidated financials

...while our receivables are under control

Ageing of trade receivables



Days of sales receivable – 60 days



Days of sales receivable – 63 days

We continue to balance between liquidity and returns

	Target	2012	2011	2010
ROCE (%)		40.9%	37.6%	37.3%
Times cost of capital	2.0	3.5	3.4	3.5
ROIC (%)		71.3%	67.7%	68.8%
Times cost of capital	3.0	6.2	6.0	6.5
Cash & cash equivalents / total assets ⁽¹⁾	40.0%	55.6%	53.0%	66.5%
Cash & cash equivalents / revenue ⁽¹⁾	25.0%	63.7%	60.2%	70.0%
Dividend % (% to net profits) ⁽²⁾	Up to 30%	29.7%	29.3%	26.9%

⁽¹⁾ Cash and cash equivalents include investments in liquid mutual funds and certificate of deposits

⁽²⁾ Calculated as a % of consolidated profits of the Infosys group

Based on standalone Indian GAAP financials



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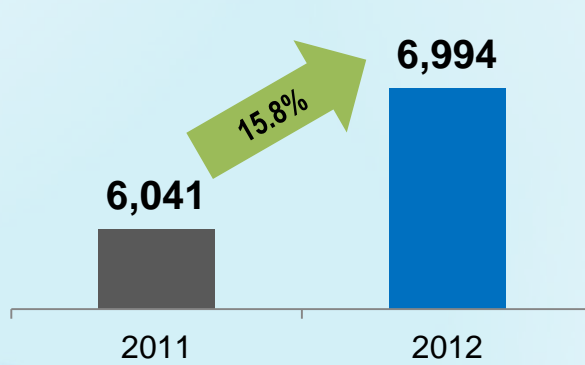


Transformation

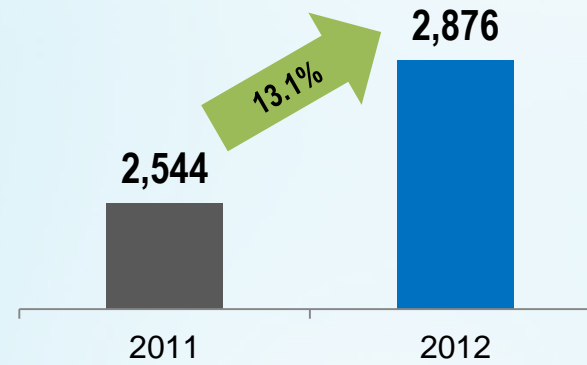
IFRS-USD

Financial highlights

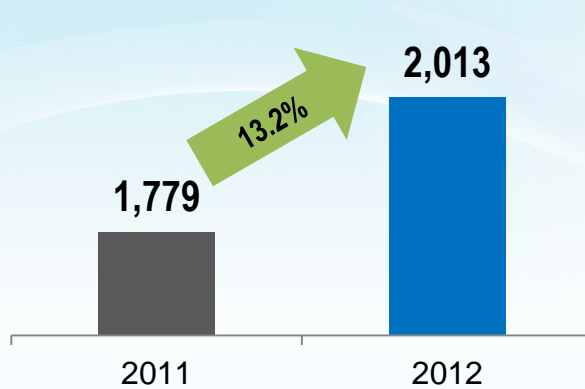
Revenues
(US\$ million)



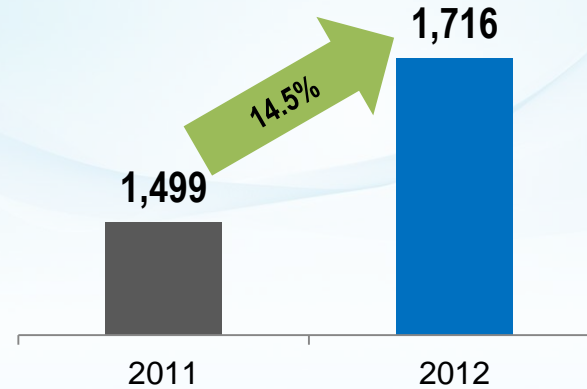
Gross profit
(US\$ million)



Operating income
(US\$ million)



Net profit
(US\$ million)





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Subsidiaries

Subsidiaries

Infosys BPO Limited ⁽¹⁾

	FY 12	FY 11	Growth (%)
Revenue (₹ crore)	1,769	1,472	20.2%
PAT (₹ crore)	321	209	53.6%
PAT / Revenue (%)	18.1%	14.2%	
No. of Employees	20,523	18,113	13.3%

⁽¹⁾ Infosys BPO consolidated

Infosys China

	FY 12	FY 11	Growth (%)
Revenue (₹ crore)	495	359	37.9%
PAT (₹ crore)	14	40	(65.0%)
PAT / Revenue (%)	2.8%	11.1%	
No. of Employees	3,092	2,765	11.8%

Infosys Australia

	FY 12	FY 11	Growth (%)
Revenue (₹ crore)	1,485	984	51.0%
PAT (₹ crore)	125	84	48.8%
PAT / Revenue (%)	8.4%	8.5%	
No. of Employees	674	514	31.1%

Infosys Mexico

	FY 12	FY 11	Growth (%)
Revenue (₹ crore)	125	99	26.3%
PAT (₹ crore)	11	(1)	1200.0%
PAT / Revenue (%)	8.8%	(1.0%)	
No. of Employees	631	521	21.1%

Continued...

Subsidiaries

Infosys Sweden

	FY 12	FY 11	Growth (%)
Revenue (₹ crore)	10	11	(9.1%)
PAT (₹ crore)	–	1	(100.0%)
No. of Employees	11	13	(15.4%)

Infosys Shanghai

	FY 12	FY 11	Growth (%)
Revenue (₹ crore)	–	–	–
PAT (₹ crore)	(5)	–	–
No. of Employees	31	–	–

Infosys Brasil

	FY 12	FY 11	Growth (%)
Revenue (₹ crore)	68	51	33.3%
PAT (₹ crore)	(18)	(8)	(125.0%)
No. of Employees	210	173	21.4%

Infosys Public Services

	FY 12	FY 11	Growth (%)
Revenue (₹ crore)	196	–	–
PAT (₹ crore)	(4)	(1)	(300.0%)
No. of Employees	33	–	–



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