

Report for the third quarter ended December 31, 2012



Infosys Limited

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Letter to the shareholder

Dear Shareholder,

I am pleased to inform you that we have performed well in Q3 FY13. Our consolidated revenues for the quarter ended December 31, 2012 stood at ₹10,424 crore, with a YoY growth of 12.1%. This quarter, we completed the acquisition of Lodestone Holding AG, a leading management consultancy based in Switzerland. Our revenue growth in dollar terms for the quarter was 6.3% including Lodestone and 4.2% excluding Lodestone.

The net profit after tax was unchanged at ₹2,369 crore for the quarter, and Earnings Per Share (EPS) was ₹41.47. In U.S. dollar terms, we had revenues of USD \$1.911 bn.

Our strategic direction of 'Building Tomorrow's Enterprise' continues to see good traction with our clients. Infosys and its subsidiaries added 89 new clients this quarter, taking the total client base to 776. Our growth this quarter has come largely from our non-top-10 clients and has been broad-based. Our million-dollar clients have gone up to 419.

This quarter, our revenues from the key geographies that we operate in stood as follows: North America contributed 61%, Europe contributed 24% and India and the Rest of the World contributed 2.2% and 12.8% respectively.

We had eight large deal wins in the Business and IT Operations outsourcing space amounting to USD \$731 million of total contract value.

We continue to see momentum in the Products, Platforms and Solutions space. This quarter we added 14 wins across industries and geographies. The Total Contract Value in this space is now more than USD \$600 mn, up from \$480 mn last quarter. Infosys products and platforms (excluding Finacle™) are now adopted by more than 70 global clients. Finacle™ continued its business momentum, adding 18 wins this quarter.

We added 7,499 employees (net addition of 977) this quarter, and the total employee strength for the quarter ended December 31, 2012 was 1, 55,629, for Infosys and its subsidiaries.

During the third quarter, we applied for seven patent applications in India and the U.S. With this, we have an aggregate of 525 patent applications in India, the U.S. and other jurisdictions. We have been granted 71 patents by the United States Patent and Trademark Office and two patents by the Luxembourg patent office so far.

Over the last quarter we were declared the winners of 2012 Asia's Most Admired Knowledge Enterprises (MAKE) study by Teleos, in association with The KNOW Network for the 10th time, for developing knowledge based products and services. Infosys BPO Ltd. has been awarded the prestigious 2012 Optimas Award for 'Managing Change', recognizing exemplary achievements in workforce management and for successfully integrating new employees from around the globe into the organization. Infosys BPO Ltd. won the Gold Award for Marketing Excellence in the category of 'Marketing with Social and Interactive Media' at the Information Technology Services Marketing Association (ITSMA) Awards 2012. We were awarded the National Energy Conservation Award 2012 for our energy conservation efforts at our campuses in Jaipur and Pune. We have been awarded the global No. 1 position for our corporate governance practices by IR Global Rankings (IRGR). Finacle™ has been ranked as a long-term leader in The Forrester Wave™: Global Banking Platforms, Q4 2012.

Our performance in Q3 has been a result of the execution of our strategies over the past few quarters. However, the world has not changed much and the business environment continues to be volatile. There are macro-economic challenges in the U.S. and European markets. This is delaying the decision making of our clients. It is also impacting their long-term investments and their ability to ramp up deals which are already closed.

Our guidance for the year (excluding Lodestone) remains at 5% as we continue to remain cautiously optimistic about our performance and the operating environment. We continue to seek the trust and support of our clients, employees, and you, our shareholders, to consistently raise the bar of our performance.

Bangalore
January 11, 2013

S. D. Shibulal
Chief Executive Officer and Managing Director

Select Financial Data – IFRS (Consolidated)

The Securities and Exchange Board of India (SEBI) had on November 9, 2009 issued a press release permitting listed entities having subsidiaries to voluntarily submit the consolidated financial statements as per IFRS. Further, the SEBI issued a circular, dated April 5, 2010, wherein the Listing Agreement has been modified to this effect from March 31, 2010. Consequent to this, the company has voluntarily prepared and published audited consolidated IFRS Financial Statements for the quarter ended December 31, 2012.

Statement of Comprehensive Income for the quarter ended

In ₹ crore, except per share data

	December 31, 2012	December 31, 2011	Year-on-year Growth (%)	September 30, 2012	Sequential Growth (%)
Revenues	10,424	9,298	12.1%	9,858	5.7%
Cost of sales	6,566	5,288	24.2%	6,102	7.6%
Gross profit	3,858	4,010	(3.8%)	3,756	2.7%
Operating expenses:					
Selling and marketing expenses	541	451	20.0%	506	6.9%
Administrative expenses	640	660	(3.0%)	653	(2.0%)
Total operating expenses	1,181	1,111	6.3%	1,159	1.9%
Operating profit	2,677	2,899	(7.7%)	2,597	3.1%
Other income, net	503	422	19.2%	706	(28.8%)
Profit before income taxes	3,180	3,321	(4.2%)	3,303	(3.7%)
Income tax expense	811	949	(14.5%)	934	(13.2%)
Net profit	2,369	2,372	(0.1%)	2,369	0.0%
Earnings per equity share					
Basic (₹)	41.47	41.51	(0.1%)	41.46	0.0%
Diluted (₹)	41.47	41.51	(0.1%)	41.46	0.0%

Balance Sheet data as at

in ₹ crore

	December 31, 2012	March 31, 2012
Cash and cash equivalents*	15,071	20,591
Available-for-sale financial assets	7,373	44
Investment in certificates of deposit	–	345
Investment in government bonds	65	–
Trade receivables	6,960	5,882
Property, plant and equipment	6,133	5,409
Other assets	8,148	6,077
Total assets	43,750	38,348
Total liabilities	6,281	4,887
Total equity	37,469	33,461
Total liabilities and equity	43,750	38,348

*Cash and cash equivalents include deposits with corporations.

Ratio analysis – IFRS (Consolidated)

	Quarter ended		
	December 31, 2012	December 31, 2011	September 30, 2012
Cost of sales / total revenue (%)	63.0%	56.9%	61.9%
Gross profit / total revenue (%)	37.0%	43.1%	38.1%
Operating expenses / total revenue (%)	11.3%	11.9%	11.8%
Operating profit / total revenue (%)	25.7%	31.2%	26.3%
Tax / PBT (%)	25.5%	28.6%	28.3%
Days sales outstanding (DSO) (LTM)	66	69	65
Cash and cash equivalents / total assets (%) *	51.4%	54.4%	54.2%
ROCE (PBIT / average capital employed) (%) (LTM)	37.7%	38.5%	39.9%
Return on average invested capital (%) (LTM)*	59.8%	64.0%	64.8%

*Current portion of Investments in available-for-sale financial assets, Certificates of deposit and Investment in government bonds have been considered as cash and cash equivalents for the above ratio analysis
LTM - Last Twelve Months

Select Financial Data – IFRS (Consolidated)

Income statement for the quarter ended

in United States Dollar millions, except per share data

	December 31, 2012	December 31, 2011	Year-on-year Growth (%)	September 30, 2012	Sequential Growth (%)
Revenues	\$1,911	\$1,806	5.8%	\$1,797	6.3%
Cost of sales	1,203	1,030	16.8%	1,114	8.0%
Gross profit	708	776	(8.8%)	683	3.7%
Operating expenses:					
Selling and marketing expenses	99	88	12.5%	92	7.6%
Administrative expenses	118	128	(7.8%)	119	(0.8%)
Total operating expenses	217	216	0.5%	211	2.8%
Operating profit	491	560	(12.3%)	472	4.0%
Other income, net	92	82	12.2%	129	(28.7%)
Profit before income taxes	583	642	(9.2%)	601	(3.0%)
Income tax expense	149	184	(19.0%)	170	(12.4%)
Net profit	\$434	\$458	(5.2%)	\$431	0.7%
Earnings per equity share					
Basic (\$)	0.76	0.80	(5.0%)	0.75	1.3%
Diluted (\$)	0.76	0.80	(5.0%)	0.75	1.3%

Balance Sheet data as at

in United States Dollar millions

	December 31, 2012	March 31, 2012
Cash and cash equivalents*	\$2,740	\$4,047
Available-for-sale financial assets	1,341	8
Investment in certificates of deposit	–	68
Investment in government bonds	12	–
Trade receivables	1,266	1,156
Property, plant and equipment	1,115	1,063
Other assets	1,481	1,195
Total assets	\$7,955	\$7,537
Total liabilities	1,142	961
Total equity	6,813	6,576
Total liabilities and equity	\$7,955	\$7,537

*Cash and cash equivalents include deposits with corporations.

Additional Information

The following information for the three months ended December 31, 2012 is available in the Investors' section of our website (www.infosys.com)

1. Audited Balance Sheet, Profit and Loss account, Cash Flow statement, Schedules, significant accounting policies and Notes on accounts for the three months ended December 31, 2012 and the related auditor's report: Indian GAAP standalone.
2. Audited IFRS Consolidated Interim Financial Statements (INR).
3. Unaudited condensed consolidated interim financial statements in USD prepared in compliance with International Financial Reporting Standards.

Infosys is concerned about the environment and utilizes natural resources in a sustainable way. In order to intensify our paper conservation drive, from the quarter ended June 30, 2010 onwards, we have hosted the quarterly report on the company's website so that it is easily accessible to the investors anytime. We request you to kindly update your email addresses with your depository participant. A physical copy of the report will be sent only on request. You can send the request to investors@infosys.com. Your cooperation will help conserve paper and minimize our impact on the environment.

This Report is furnished to investors for informational purposes only. Investors should continue to rely on the official filed versions of financial statements and related information and not rely on this Report while making investment decisions. Investors in our securities registered and traded in the United States of America should rely on official filings with the United States Securities and Exchange Commission.

Safe Harbor

Statements in connection with this release may include forward-looking statements within the meaning of U.S. Securities laws intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act. These forward-looking statements are subject to risks and uncertainties including those described in our SEC filings available at www.sec.gov including our Annual Report on Form 20-F for the year ended March 31, 2012, and our other recent filings, and actual results may differ materially from those projected by forward-looking statements. We may make additional written and oral forward-looking statements but do not undertake, and disclaim any obligation, to update them.