

Infosys (NYSE: INFY) Announces Results for the Quarter ended September 30, 2013

## Q2 revenues grew by 15.0% year-on-year; 3.8% quarter-on-quarter

Bangalore, India – October 11, 2013

### Financial Highlights

Consolidated results under International Financial Reporting Standards (IFRS) for the quarter ended September 30, 2013

- Revenues were \$2,066 million for the quarter ended September 30, 2013  
QoQ growth was 3.8%  
YoY growth was 15.0%
- Net profit was \$383 million for the quarter ended September 30, 2013  
QoQ decline was 8.4%  
YoY decline was 11.1%
- Earnings per American Depositary Share (EPADS) was \$0.67 for the quarter ended September 30, 2013  
QoQ decline was 8.2%  
YoY decline was 10.7%

EPADS for the quarter ended September 30, 2013 is \$0.73 per share, excluding the provision of \$35m for visa related matters. EPADS for the quarter is \$0.67 per share, including the provision of \$35m for visa related matters. The difference is \$0.06 per share.

- Liquid assets including cash and cash equivalents, available-for-sale financial assets, and government bonds were \$4.3 billion as on September 30, 2013 versus \$4.1 billion as on June 30, 2013

Other highlights:

- Infosys and its subsidiaries added 68 clients during the quarter
- Gross addition of 12,168 employees (net addition of 2,964) for the quarter by Infosys and its subsidiaries
- 160,227 employees as on September 30, 2013 for Infosys and its subsidiaries
- Declared an interim dividend of ₹20 per ADS (equivalent to an interim dividend of \$0.32 per ADS, at the prevailing exchange rate of ₹62.61 per US\$). The record date for the payment of dividend is October 18, 2013

"During the quarter we witnessed broad-based volume growth, robust client additions, five large deal wins and increased sales momentum of our big data and cloud offerings. This growth is a result of our focus on execution, which helps our clients achieve their objectives." **said S. D. Shibulal, CEO and Managing Director.** "We will continue with planned investments and initiatives to explore new avenues of growth. We remain watchful of the sustainability of improving global economic fundamentals", he added.

"The global currency market remains volatile with the Indian Rupee depreciating by 11% during the quarter. We have an active hedging program to minimize its impact on our margins. We will continue our focus on optimizing costs and enhancing the efficiency of our operations," **said Rajiv Bansal, Chief Financial Officer.**

## Outlook

The company's outlook (consolidated) for the fiscal year ending March 31, 2014, under IFRS is as follows:

- Revenues are expected to grow 9% to 10%;

## Business Highlights

- We are pursuing and winning large outsourcing deals. Service innovations like Global Agile, Virtual Operations and Integrated Application Management continue to provide high levels of differentiation for us in the marketplace and have enabled wins across industry verticals. We have recently entered into a four-year engagement with Toyota Motor Europe to manage its Pan-European application support. This contract covers key operational areas including core automotive processes and corporate functions, under a managed service model.
- On the Business Transformation front, we have enhanced our scale in emerging markets and our non-linear revenues by leveraging new business models and pricing structures. We continue to leverage our alliances and are driving innovation through industry leading intellectual property and solutions.
- We continue to strengthen our competencies in Oracle and SAP practices. We have been rated as a leader in Gartner's Magic Quadrant for Oracle Application Implementation and Application Management Services, and for SAP Application Management services.
- Our Products and Platforms business continues to grow at a steady pace with 15 wins this quarter (excluding Finacle™).
- Finacle™ had 18 new wins across South Asia, South East Asia, the Middle East, Europe, and Australia-New Zealand this quarter. We launched Finacle 11E, the enterprise edition of Finacle™ universal banking solution. Finacle 11E is designed to simplify banking transformation with enterprise-class components.
- We are building momentum in the market with our Cloud and Big Data offerings. Last quarter, we won over 15 new projects with clients in these segments. We are a leader in Cloud services with more than 4,500 Cloud experts, 200 engagements and 35 partners. This was validated by IDC's recognition of Infosys as a Major Player in its IDC MarketScape for Cloud Professional Services.
- We are engaging with clients to create innovative solutions around the mobile device. This quarter we began over 25 different engagements in various areas such as Mobile strategy consulting, Mobile field service, customer engagement, and enterprise productivity, among others.
- In the U.S., we are partnering with leading healthcare and public sector organizations through Infosys Public Services Inc., to help them deliver patient-centric care and mission outcomes. A Blue Cross Blue Shield Plan awarded us a three year managed services contract to support its IT operations and provide application maintenance and testing services. This will enable the client to optimize efficiency and cost while delivering enhanced care and services to members. We have also been selected by a multi-state Medicaid/Medicare Plan to implement a solution that meets shared member liability management requirements, as mandated for participation in health exchanges under the U.S. Affordable Care Act.
- During the second quarter, Infosys applied for 21 unique patent applications in India and the U.S. With this, we have 536 patent applications undergoing various stages of patent prosecution in India, the U.S. and other jurisdictions. We have been granted 119 patents by the United States Patent and Trademark Office and 3 patents by the Luxembourg patent office.

## Awards and Recognition

- Infosys topped the 2013 Institutional Investor Rankings among all Indian companies across sectors.
- Finacle™ won the prestigious Best Core Banking Technology award in the Innovation in Technology and Transaction Banking Awards 2013, organized by The Banker (a Financial Times publication).
- Infosys China was recognized among the '2013 Top 10 Global Services Providers' in China at the 5<sup>th</sup> Annual China Sourcing Summit.

- Infosys Public Services Inc. has been named in the 'Healthcare's Hottest Companies for 2013' list by Modern Healthcare, a leading healthcare publication for senior decision-makers.

### About Infosys Ltd

Infosys is a global leader in consulting, technology and outsourcing solutions. We enable clients, in more than 30 countries, to stay a step ahead of emerging business trends and outperform the competition. We help them transform and thrive in a changing world by co-creating breakthrough solutions that combine strategic insights and execution excellence.

Visit [www.infosys.com](http://www.infosys.com) to see how Infosys (NYSE: INFY), with US\$7.4 billion in annual revenues and 160,000+ employees, is Building Tomorrow's Enterprise® today.

### Safe Harbor

Certain statements in this release concerning our 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, fluctuations in foreign exchange rates, 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, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, 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 or expiration of governmental fiscal incentives, political instability and regional conflicts, 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, 2013 and on Form 6-K for the quarter ended June 30, 2013. These filings are available at [www.sec.gov](http://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 unless it is required by law.

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## Infosys Limited and subsidiaries

## Unaudited Condensed Consolidated Balance Sheets as of

(Dollars in millions except share data)

	September 30, 2013	March 31, 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$3,601	\$4,021
Available-for-sale financial assets	448	320
Investment in certificates of deposit	84	-
Trade receivables	1,333	1,305
Unbilled revenue	503	449
Derivative financial instruments	-	19
Prepayments and other current assets	389	391
<b>Total current assets</b>	<b>6,358</b>	<b>6,505</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,120	1,191
Goodwill	352	364
Intangible assets	62	68
Available-for-sale financial assets	165	72
Deferred income tax assets	88	94
Income tax assets	222	201
Other non-current assets	30	44
<b>Total non-current assets</b>	<b>2,039</b>	<b>2,034</b>
<b>Total assets</b>	<b>\$8,397</b>	<b>\$8,539</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Derivative financial instruments	\$72	-
Trade payables	16	35
Current income tax liabilities	305	245
Client deposits	3	6
Unearned revenue	135	152
Employee benefit obligations	142	113
Provisions	71	39
Other current liabilities	698	568
<b>Total current liabilities</b>	<b>1,442</b>	<b>1,158</b>
<b>Non-current liabilities</b>		
Deferred income tax liabilities	11	23
Other non-current liabilities	44	27
<b>Total liabilities</b>	<b>1,497</b>	<b>1,208</b>
<b>Equity</b>		
Share capital- ₹5 (\$0.16) par value 600,000,000 equity shares authorized, issued and outstanding 571,402,566 each, net of 2,833,600 treasury shares each as of September 30, 2013 and March 31, 2013, respectively	64	64
Share premium	704	704
Retained earnings	8,159	7,666
Other components of equity	(2,027)	(1,103)
<b>Total equity attributable to equity holders of the company</b>	<b>6,900</b>	<b>7,331</b>
<b>Non-controlling interests</b>		
<b>Total equity</b>	<b>6,900</b>	<b>7,331</b>
<b>Total liabilities and equity</b>	<b>\$8,397</b>	<b>\$8,539</b>

*Infosys Limited and subsidiaries**Unaudited Condensed Consolidated Statements of Comprehensive Income*

(Dollars in millions except share and per equity share data)

	Three months ended September 30, 2013	Three months ended September 30, 2012	Six months ended September 30, 2013	Six months ended September 30, 2012
<b>Revenues</b>	<b>\$2,066</b>	<b>\$1,797</b>	<b>\$4,057</b>	<b>\$3,549</b>
Cost of sales	1,337	1,114	2,633	2,173
<b>Gross profit</b>	<b>729</b>	<b>683</b>	<b>1,424</b>	<b>1,376</b>
Operating expenses:				
Selling and marketing expenses	120	92	223	178
Administrative expenses*	158	119	282	237
Total operating expenses	278	211	505	415
<b>Operating profit</b>	<b>451</b>	<b>472</b>	<b>919</b>	<b>961</b>
Other income, net	81	129	184	216
<b>Profit before income taxes</b>	<b>532</b>	<b>601</b>	<b>1,103</b>	<b>1,177</b>
Income tax expense	149	170	302	330
<b>Net profit</b>	<b>\$383</b>	<b>\$431</b>	<b>\$801</b>	<b>\$847</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurement of the net defined benefit liability/(asset)	\$5	-	\$6	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Fair value changes on available-for-sale financial asset, net of tax effect	(\$4)	\$1	(\$4)	-
Exchange differences on translating foreign operations	(316)	324	(935)	(228)
<b>Total other comprehensive income</b>	<b>(\$315)</b>	<b>\$325</b>	<b>(\$933)</b>	<b>(\$228)</b>
<b>Total comprehensive income</b>	<b>\$68</b>	<b>\$756</b>	<b>(\$132)</b>	<b>\$619</b>
<b>Profit attributable to:</b>				
Owners of the company	\$383	\$431	\$801	\$847
Non-controlling interests	-	-	-	-
	<b>\$383</b>	<b>\$431</b>	<b>\$801</b>	<b>\$847</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the company	\$68	\$756	(\$132)	\$619
Non-controlling interests	-	-	-	-
	<b>\$68</b>	<b>\$756</b>	<b>(\$132)</b>	<b>\$619</b>
<b>Earnings per equity share</b>				
<b>Basic (\$)</b>	0.67	0.75	1.40	1.48
<b>Diluted (\$)</b>	0.67	0.75	1.40	1.48

(\*) Administrative expenses for quarter and half year ended September 30, 2013 include a provision of \$ 35 million towards visa related matters.

## NOTE:

1. The unaudited **Condensed Consolidated Balance sheets and Condensed Consolidated Statements of Comprehensive Income** for the three months and six months ended September 30, 2013 has been taken on record at the Board meeting held on October 11, 2013
2. A Fact Sheet providing the operating metrics of the company can be downloaded from [www.infosys.com](http://www.infosys.com)