

Infosys (NSE, BSE: INFY) Announces Results for the Quarter ended December 31, 2015

**Q3 sequential revenue growth at 1.7% in INR terms**

**Q3 yoy revenue growth at 15.3% in INR terms**

**Q3 sequential revenue growth at 0.6% in USD terms and 1.1% in constant currency**

**Q3 yoy revenue growth at 8.5% in USD terms and 12.5% in constant currency**

**FY 16 revenue guidance increased to 12.8%-13.2% in constant currency and 16.2%-16.6% in INR terms on Dec 31<sup>st</sup>, 2015 exchange rates**

**Volume growth at 3.1% qoq**

**Attrition declined to 13.4% on standalone basis**

**Continued adoption of grassroots innovation and Aikido offerings**

Bangalore, India – January 14, 2016

## Financial Highlights

Consolidated results under International Financial Reporting Standards (IFRS) for the quarter ended December 31, 2015

Quarter ended December 31, 2015

- **Revenues were ₹15,902 crore for the quarter ended December 31, 2015**  
QoQ growth was 1.7%  
YoY growth was 15.3%
- **Operating profit was ₹ 3,959 crore for the quarter ended December 31, 2015**  
QoQ growth was (0.9%)  
YoY growth was 7.3%
- **Net profit was ₹ 3,465 crore for the quarter ended December 31, 2015**  
QoQ growth was 2.0%  
YoY growth was 6.6%
- **Earnings per share (EPS) was ₹15.16 for the quarter ended December 31, 2015**  
QoQ growth was 2.0%  
YoY growth was 6.6%

- Liquid assets including cash and cash equivalents, available-for-sale financial assets and government bonds were ₹31,526 crore as on December 31, 2015 as compared to ₹32,099 crore as on September 30, 2015

"We are starting to see creative confidence blossoming within Infosys - David Kelley's beautiful idea that innovation is not specific to one department but is an ability within all of us, waiting to unleash our full creative potential. We are seeing Infoscions becoming innovators, bringing innovation and client value to each individual project. This confidence can only come from a culture of learning and empowerment, and this is the kind of company we are endeavoring to create," **said Dr. Vishal Sikka, CEO and MD.** "Alongside grassroots innovation, we continue to see growing adoption of our Aikido services, bringing the power of intelligent systems, automation and software to amplify the skills and imaginations of our people. This combination helped us deliver encouraging results despite the traditional seasonality of the quarter and the additional headwinds, and will strengthen the execution of our strategy towards consistent profitable growth."

“The healthy volume growth this quarter has been encouraging. The lesser working days and our investments into additional trainees resulted in softer pricing and utilization for the quarter.” **said U B Pravin Rao, President & COO.** “Our continued focus on employee engagement is paying dividends resulting in lower attrition. We continue to simplify our policies and enable greater agility within the company, with the goal of boosting our productivity.”

“We have been able to navigate the quarter better than our earlier expectations”, **said M.D. Ranganath, CFO.** “We will continue to focus on enhancing operational efficiency through multiple levers in the coming quarters.”

## Outlook\*

The Company’s outlook (consolidated) for the fiscal year ending March 31, 2016, under IFRS is as follows:

- Revenue guidance increased to 12.8%-13.2% in constant currency;
- Revenue guidance increased to 16.2%-16.6% in INR terms based on the exchange rates as of Dec 31<sup>st</sup>, 2015\*

\*Conversion: 1 US\$ = ₹66.16

## Investments and Acquisitions

- Completed the acquisition of Noah Consulting, LLC, a leading provider of advanced information management consulting services for the oil and gas industry.
- Invested in WHOOP, an early stage company that offers a performance optimization system for elite professional sports teams, and invested in CloudEndure, a startup that provides Cloud Migration and Cloud-based Disaster Recovery (DR) software.

## Business Highlights

We continue to see a great opportunity to rethink the notion of services – bringing the best of human potential together with software and platforms, to drive the digital transformation of the world around us.

### Investing in Artificial Intelligence

In December, we announced our participation in OpenAI, a non-profit organization dedicated to developing and advancing Artificial Intelligence, bringing the best AI talent in the world together in the interest of all of us. This initiative adds an important new dimension to our ongoing efforts in AI.

### Increasing the Depth of Client Relationships

In Q3, we strengthened relationships with key clients, including renewing existing large scale contracts, opening new accounts and signing four large deals.

- ALSTOM, a global leader in rail transport, selected us for next-generation services in application engineering, development and maintenance, in addition to product lifecycle management to reduce IT costs, improve user experience, and increase the efficiency of the product design process.
- MRJ90, the flagship aircraft of the Mitsubishi Aircraft Corporation, Japan (MITAC) recently completed its maiden test flight. We helped MITAC in the mechanical design of fuselage structures, delivered continuous improvements through automation, and reduced both the cost and cycle time.
- Mercedes Benz Research and Development Center, India, has partnered with us to run their complete datacenter and network operations support in 15 countries across the APAC region, increasing agility and automation and reducing cost of operations.

## Delivering Grassroots Innovation through Zero Distance

Zero Distance, our program to drive innovation in every project, empowering all employees to be innovators, continued to grow in Q3. By the end of Q3, 90% of our delivery organization had done something innovative in an existing project, beyond the statement of work. As recognized in many client surveys the innovation quotient of the organization has improved and zero distance has been recognized in employee surveys as the most impactful and engaging movement in the company.

**Matthew Pegge, Head of Service Delivery, TNT**, said, *"In the 12 months since we partnered with Infosys, they have consistently met or exceeded expectations. A seamless transition of over 721 applications in our complex application landscape, delivered by Infosys across 8 countries through more than 5500 SME sessions has helped establish a solid foundation for the partnership. Then as part of their Zero Distance initiative, Infosys proactively identified numerous opportunities to deliver additional value to TNT. For example, the non-invasive automation created for monitoring our mainframe based messaging app is enabling earlier detection and automated resolution of incidents – thus giving higher business stability. There are a number of additional developments in progress based around creating an 'interactive visibility dashboard' which will provide the business with greater insight to enable them to drive further service improvements and operational efficiencies. We are confident that our partnership with Infosys will help us deliver even more value for our business."*

## Driving Innovation through Aikido Service Offerings

We are seeing continued adoption of our Aikido service offerings across all industries, as clients look to us to help renew their IT landscapes non-disruptively (Ki); leverage new platforms and technologies to open new opportunities (Ai); and bring the power of Design Thinking to find the great problems to solve (Dō).

- DNB Bank of Norway selected us to transform their application landscape. Applying AiKiDo, we will leverage knowledge-based non-disruptive renewal to evolve DNB Bank's entire data cluster, data warehousing services, regulatory reporting, and ERP functions. We will improve efficiencies in IT operations and data processing, and apply Design Thinking to development initiatives in the bank's data cluster.
- Commerzbank chose us for a multi-year application management program to develop a post trade utility for the bank, leveraging principles of Design Thinking and the AiKiDo framework to simplify application architecture, standardize and improve processes, and drive cost efficiency.

Infosys Information Platform (IIP) surpassed 200 engagements to date, with 30 in production.

- **Murray Swartzberg, Sr. VP IT and Digital Media, ATP**, said, "We're delighted with the technology leadership that Infosys has brought to our partnership. What Infosys demonstrated at the Barclays World Tour finals using their open data analytics platform - Infosys Information Platform (IIP) – made tennis so much more exciting for our fans and sport. Analyzing such huge volumes of data to find the right insights that helped deliver in-time foresight into the game was a first for ATP. We look forward to developing many such exciting initiatives, along with Infosys, to help reimagine the experience of tennis for us all."

Infosys Automation Platform (IAP) surpassed 121 engagements with 47 in production.

- **Eric Keimes, Operations Team Manager (Selling & Ordering), Proximus** said, "IAP helped us to automate bulk processing of data over multiple complex platforms in the ordering domain eg: Oracle, Unix, different GUI's. This has helped us reduce significant effort, it has also helped us perform massive corrections in cases of production issues in a shorter time compared to traditional scripting. We have realized a saving of €1 million with no additional cost to Proximus. It has helped us in better servicing towards our customers, improving our KPI's and resolution timeliness. I appreciate the Infosys team to have come up with this idea and collaborating with Proximus to have it implemented."

Panaya, Skava & Edge software products continue to see strong adoption.

- BNSF Railway, a leading North American freight railroad, leveraged Infosys Panaya's deep impact analysis capabilities to adopt risk-based testing, automated test evidence capture and test acceleration during weekly releases for its mission-critical SAP platform.

- Skava is seeing strong traction with clients across geographies, with a record Black Friday holiday weekend– traffic and m-commerce sales through the platform were up by 50% from last year.
- The EdgeVerve business sustained momentum with 24 wins and 25 go-lives for both the Finacle and Edge suite of solutions across various markets.

We have had more than 151 Design Thinking engagements with clients to date, and more than 69,000 employees have been trained in Design Thinking.

- **Jan-Pieter Lips, President, International Coalitions, Aimia**, said, “Infosys helped Aimia with a market strategy and roadmap leveraging Design Thinking. It was a powerful and effective method to bring convergent thinking across our cross functional team in just three days. The approach helped Aimia to evaluate the core needs of a market and its consumers and helped open the minds of our team to think of creative solutions rather than pushing predetermined ideas. We look forward to leveraging this methodology in other initiatives.”

## Awards and Recognition

- Awarded the ‘Corporate Citizen of the Year Award’ at the Economic Times (ET) Awards 2015.
- Positioned as a Leader in Gartner’s November 2015 MQ for Application Testing Services Worldwide.\*
- Inducted into the ‘Winner’s Circle’ in the HfS Research IoT Services Blueprint Report 2015.
- Named one of the most relevant brands for digital strategy in Everest Group survey.
- Named as a Leader by IDC in its Worldwide PLM Strategic Consulting 2015 report
- Finacle Mobile Banking solution named a leader by Forrester Research, Inc. in ‘The Forrester Wave™: Mobile Banking Solutions, Q4 2015’ report.

*\*Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner’s research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.*

## Board Changes

On January 14, 2016, the Board appointed Dr. Punita Kumar Sinha as an Independent Director with immediate effect

Ms. Carol M. Browner resigned as Member of the Board effective November 23, 2015. The Board placed on record its deep sense of appreciation for the services rendered by her during her tenure as a Director

The Board recommended the reappointment of Prof. Jeffrey S. Lehman, Independent Director of the Company for a term of two years with effect from April 14, 2016 to hold office upto April 13, 2018, and not be liable to retire by rotation. Prof. Lehman’s current term of office as an Independent Director expires on April 13, 2016. The appointment is subject to the approval of the shareholder

## Beyond Business

For this fiscal, Infosys has pledged ₹270 crore towards Corporate Social Responsibility (CSR) that is primarily being carried out through the Infosys Foundation, its philanthropic arm.

As of December 31, 2015, the Infosys Foundation has invested ₹171 crore on areas related to Education, Healthcare, Destitute Care, Arts & Culture and Rural Development.

In Q3, continuing on its mission, Infosys Foundation USA awarded several new grants that broaden access to Computer Science Education and coding across all US public schools so that students – especially women and those belonging to under-represented minorities – have equal access to acquire the digital skills needed by the workforce of tomorrow. To celebrate the Computer Science Education Week 2015, the Foundation awarded five new grants to non-profits across America and hosted 10+ computer science boot camps.

On November 13, 2015, The [Infosys Science Foundation](#) (ISF) announced the winners of the Infosys Prize 2015 across six categories: Engineering and Computer Science, Humanities, Life Sciences, Mathematical Sciences, Physical Sciences and Social Sciences.

### **About Infosys Ltd**

Infosys is a global leader in consulting, technology, outsourcing and next-generation services. We enable clients, in more than 50 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\$ 9.2 billion in LTM revenues and 193,000+ employees, is helping enterprises renew themselves while also creating new avenues to generate value.

### **Safe Harbor**

Certain statements in this press release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, 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, 2015. 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. In addition, please note that the date of this press release is January 14, 2016, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. 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.

### **Contact**

Investor Relations    Sandeep Mahindroo  
   +91 80 3980 1018  
   [Sandeep\\_Mahindroo@infosys.com](mailto:Sandeep_Mahindroo@infosys.com)

Media Relations        Sarah Vanita Gideon, India  
   +91 80 4156 3373  
   [Sarah\\_Gideon@infosys.com](mailto:Sarah_Gideon@infosys.com)

Pilar Elvira Wolfsteller  
   +1 510 944 4596  
   [Pilar.Wolfsteller@infosys.com](mailto:Pilar.Wolfsteller@infosys.com)

## Infosys Limited and subsidiaries

## Consolidated Balance Sheets as of

(In ₹ crore except share data)

	December 31, 2015	March 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	29,476	30,367
Available-for-sale financial assets	451	874
Trade receivables	10,857	9,713
Unbilled revenue	2,976	2,845
Prepayments and other current assets	4,939	3,296
Derivative financial instruments	54	101
<b>Total current assets</b>	<b>48,753</b>	<b>47,196</b>
<b>Non-current assets</b>		
Property, plant and equipment	10,039	9,125
Goodwill	3,705	3,091
Intangible assets	1,040	638
Investment in associate	104	93
Available-for-sale financial assets	1,683	1,345
Deferred income tax assets	519	537
Income tax assets	4,750	4,089
Other non-current assets	671	238
<b>Total non-current assets</b>	<b>22,511</b>	<b>19,156</b>
<b>Total assets</b>	<b>71,264</b>	<b>66,352</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade payables	131	140
Derivative financial instruments	8	3
Current income tax liabilities	2,967	2,818
Client deposits	36	27
Unearned revenue	1,393	1,052
Employee benefit obligations	1,268	1,069
Provisions	482	478
Other current liabilities	6,486	5,796
<b>Total current liabilities</b>	<b>12,771</b>	<b>11,383</b>
<b>Non-current liabilities</b>		
Deferred income tax liabilities	268	160
Other non-current liabilities	157	46
<b>Total liabilities</b>	<b>13,196</b>	<b>11,589</b>
<b>Equity</b>		
Share capital- ₹5 par value 240,00,00,000 (120,00,00,000) equity shares authorized, issued and outstanding 228,56,19,380 (114,28,05,132), net of 1,13,25,284 (56,67,200) treasury shares, as of December 31, 2015 (March 31, 2015), respectively	1,144	572
Share premium	2,239	2,806
Retained earnings	54,058	50,978
Other reserves	-	-
Cash flow hedge reserves	1	-
Other components of equity	626	407
<b>Total equity attributable to equity holders of the company</b>	<b>58,068</b>	<b>54,763</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>58,068</b>	<b>54,763</b>
<b>Total liabilities and equity</b>	<b>71,264</b>	<b>66,352</b>

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

(In ₹ crore except share and per equity share data)

	Three months ended December 31, 2015	Three months ended December 31, 2014	Nine months ended December 31, 2015	Nine months ended December 31, 2014
<b>Revenues</b>	<b>15,902</b>	<b>13,796</b>	<b>45,891</b>	<b>39,908</b>
Cost of sales	9,990	8,462	28,837	24,709
<b>Gross profit</b>	<b>5,912</b>	<b>5,334</b>	<b>17,054</b>	<b>15,199</b>
<b>Operating expenses:</b>				
Selling and marketing expenses	859	770	2,522	2,205
Administrative expenses	1,094	875	3,132	2,611
Total operating expenses	1,953	1,645	5,654	4,816
<b>Operating profit</b>	<b>3,959</b>	<b>3,689</b>	<b>11,400</b>	<b>10,383</b>
Other income, net	802	840	2,353	2,546
Share in associate's profit/(loss)	-	-	(2)	-
<b>Profit before income taxes</b>	<b>4,761</b>	<b>4,529</b>	<b>13,751</b>	<b>12,929</b>
Income tax expense	1,296	1,279	3,857	3,697
<b>Net profit</b>	<b>3,465</b>	<b>3,250</b>	<b>9,894</b>	<b>9,232</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
Re-measurement of the net defined benefit liability/(asset)	5	(12)	(9)	(35)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Fair value changes on available-for-sale financial asset	3	56	21	101
Exchange differences on translation of foreign operations	1	(30)	207	(106)
Fair value changes on cash flow hedges	1	-	1	-
<b>Total other comprehensive income, net of tax</b>	<b>10</b>	<b>14</b>	<b>220</b>	<b>(40)</b>
<b>Total comprehensive income</b>	<b>3,475</b>	<b>3,264</b>	<b>10,114</b>	<b>9,192</b>
<b>Profit attributable to:</b>				
Owners of the company	3,465	3,250	9,894	9,232
Non-controlling interests	-	-	-	-
	<b>3,465</b>	<b>3,250</b>	<b>9,894</b>	<b>9,232</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the company	3,475	3,264	10,114	9,192
Non-controlling interests	-	-	-	-
	<b>3,475</b>	<b>3,264</b>	<b>10,114</b>	<b>9,192</b>
<b>Earnings per equity share</b>				
<b>Basic (₹)</b>	15.16	14.22	43.29	40.39
<b>Diluted (₹)</b>	15.16	14.22	43.29	40.39
<b>Weighted average equity shares used in computing earnings per equity share</b>				
<b>Basic</b>	228,56,19,380	228,56,10,264	228,56,14,573	228,56,10,264
<b>Diluted</b>	228,57,32,052	228,56,54,792	228,57,15,960	228,56,30,846

**NOTE:**

1. The audited **Consolidated interim Balance sheets and Consolidated interim Statements of Comprehensive Income** for the three months and nine months ended December 31, 2015 have been taken on record at the Board meeting held on January 14, 2016
2. A Fact Sheet providing the operating metrics of the company can be downloaded from [www.infosys.com](http://www.infosys.com)
3. Previous period share count and EPS has been restated due to issue of bonus shares in Jun-15