

India's Infosys reports 0.6 pct rise in profit

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Infosys Technologies Ltd., India's bellwether information technology outsourcing company, raised its annual revenue and earnings forecasts Tuesday and said quarterly profit rose slightly as demand recovered in the U.S.

Net income for the October-December quarter was \$334 million, under international accounting standards, 0.6 percent higher than the same period last year and 5.4 percent higher than the prior quarter.

Revenue for the December quarter grew 5.2 percent over last year, to \$1.2 billion.

Chief executive S. Gopalakrishnan said a recovery in demand for the company's outsourcing services was being led by the U.S. and the financial services industry. "Even though IT budgets are expected to be flat in 2010, offshore outsourcing is expected to benefit from this recovery," he said in a statement.

The company said it expects revenue for the fiscal year ending March to be \$4.75 billion to \$4.76 billion, a yearly growth of 1.8 percent to 2.0 percent. In October, the company said it expected annual revenue to fall 1 percent.

Infosys said earnings per American Depositary share for the fiscal year would rise 0.4 percent, to \$2.26. In October, the company said it expected earnings per American Depositary share for the fiscal year of \$2.09 to \$2.10, some 6.7 percent to 7.1 percent less than last year.

Infosys gets nearly two-thirds of its revenue from North America and one-third from banking and financial services companies.

"What these results have done is confirm that recovery has well and truly set in," said Viju George, an analyst at Edelweiss Capital in Mumbai.

But he cautioned that for sustained growth, Infosys will have to see earnings recover in other sectors, like manufacturing and telecommunications, as well as in financial services.

Infosys shares shot up 3.3 percent in early trade on the Bombay Stock Exchange, to 2,570.4 rupees, while the benchmark Sensex index slipped 0.3 percent to 17,479.50.

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