

India's Infosys reports lower quarterly profit

The Associated Press

Infosys Technologies Ltd., India's second-largest software services company, suffered a fall in quarterly profit as a weak euro ate into overseas earnings, sending its shares down more than 3 percent.

Infosys said Tuesday its net profit for the April-June quarter was \$326 million — down 6.6 percent from the previous quarter. Compared with a year earlier, fiscal first quarter profit was up 4.8 percent.

"While the global economic environment remains uncertain, we continue to see greater demand for services from our clients," CEO S. Gopalakrishnan said in a statement.

"The challenge for the industry is to enhance the investment to grow the business, given the uncertainty in the environment," Gopalakrishnan said.

Infosys shares tumbled 3.5 percent to rupees 2,795.1 on the Bombay Stock Exchange.

The euro has dived in the past few months amid worries that some European countries that use the common currency could default on their swelling government debt loads. That has reduced revenue and earnings from Europe for India's software outsourcing firms.

The company said its quarterly revenue of \$1,358 million was up 4.8 percent from the previous quarter and up 21 percent from a year earlier when the industry was depressed by the global recession.

Infosys, which is also listed on the Nasdaq market in the U.S., said it expects consolidated revenue for the fiscal year ending March 31 to be in a range of \$5.72 billion to \$5.81 billion — equal to year-on-year growth of 19 percent to 21 percent. It expects earnings per American Depositary Share to be in a range of \$2.42 to \$ 2.52, equating to growth of between 5.2 percent and 9.6 percent.

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