

Shares in Indian outsourcer Infosys soar on outlook

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Indian IT outsourcer Infosys on Friday reported a stronger-than-expected quarterly profit and gave an improved outlook for annual revenues, sending its shares soaring.

Consolidated net profit for the [Nasdaq](#)-listed firm was flat at 23.69 billion rupees (\$430 million) in the October-to-December quarter, against 23.7 billion rupees a year earlier.

Analysts had expected Infosys to post a lower 21 billion rupee profit.

The firm's shares jumped 13.88 percent to 2,642.4 rupees after the firm raised its forecast for full-year revenues in the fiscal year to March 2013, to at least \$7.45 billion.

Rivals [Tata Consultancy Services](#) (TCS), [Wipro](#) and Mahindra [Satyam](#) also rose about three percent each on optimism over [earnings growth](#).

Analysts were surprised by the positive data from Infosys, which has been struggling to expand its business and has missed sales targets, lost market share and seen stocks slide as revenues from the United States lag.

"Infosys' results signal a turn in trajectory in revenue growth," said Bhuvnesh Singh of Barclays Capital.

He said the December figure and the full-year outlook "now implies a

narrowing of the growth gap versus TCS," Singh said.

Infosys top brass also expressed confidence. "We have done well in the quarter despite an uncertain environment," said chief executive S.D. Shibulal in a company statement.

"We continue to gain confidence from a strong pipeline of large deals. However, the broader [economic environment](#) remains difficult."

Revenues rose 12 percent to 104.2 billion rupees for the third quarter.

Infosys said it has completed the \$350 million acquisition of Zurich-based consulting firm Lodestone, which it announced in September.

Lodestone is likely to contribute \$104 million to its full-year revenues, Infosys said Friday. The Swiss firm would add more than 200 clients across industries to Infosys' client base.

In the last quarter, Infosys said it bagged eight new outsourcing deals, added 53 new clients and a net 977 employees to its staff.

Infosys, which last week denied a newspaper report that it was planning to sack nearly 5,000 "non-performing" employees, now has a total staff strength of 155,629.

Most of India's IT outsourcing firms have said the outlook for the industry remains difficult because of uncertainty in the key US and European markets.

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