

RESULTS

REVIEW

Infosys Ltd.

Revenue guidance status quo disappoints; puts pressure on seasonally weak H2 **ACCUMULATE**

Analyst

Pratik Gandhi

+91-22-4322 1367

pratik.gandhi@idbicapital.com

Nifty: 5,526; Sensex: 18,412

CMP	Rs2,794
Target Price	Rs3,190
Potential Upside/Downside	14%

Key Stock Data

Sector	IT Services
Bloomberg / Reuters	INFO IN / INFY.BO
Shares o/s (mn)	571.3
Market cap. (Rs mn)	1,596,439
Market cap. (US\$ mn)	35,731
3-m daily average vol.	104,141

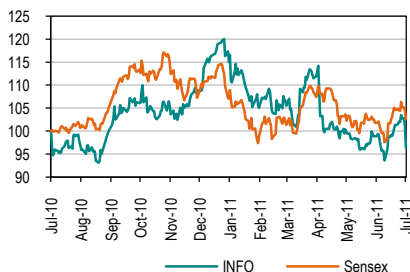
Price Performance

52-week high/low	Rs3,494/2,661
	-1m -3m -12m
Absolute (%)	2.1 (13.3) 3.7
Rel to Sensex (%)	2.7 (3.6) 6.5

Shareholding Pattern (%)

Promoters	16.0
FII/IRIs/OCBs/GDR	55.7
MFs/Banks/FIs	8.5
Non Promoter Corporate	6.0
Public & Others	13.8

Relative to Sensex



Source: Capitaline

Summary

Infosys's June quarter result was largely in-line with our/street estimates (refer table 1). Volume growth of 4% QoQ (impressive onsite volume growth of 6.8% QoQ) and blended pricing increase of 1.2% led to revenue of US\$1,671 mn, up 4.3% sequentially ahead of its guidance (2.6%-3.6%). EBITDA margin declined by 300bps (v/s 400bps as per guidance) in current quarter on the anticipated lines due to wage hike; however, decline was 100bps higher than our estimates. High other income during the quarter (18.5% of PBT) restricted net profit margin decline to 210bps QoQ to 23% in Q1FY12.

Unchanged full year revenue growth outlook (18-20% YoY), cautious management commentary on discretionary spending and higher dependency on back-ended growth (implied QoQ growth of 5.85% for Q3 and Q4) makes us uncomfortable with 23% dollar growth (FY12) estimates and therefore we tweak our revenue estimates marginally downwards by 2.4% and 1.8% and EPS estimates by 5.2% and 2.4% for FY12E and FY13E. **ACCUMULATE** stays with price target revised downwards to Rs3,190 from Rs3,300 earlier (Rs165 FY13E EPS).

- **Status quo on FY12 revenue guidance disappoints**

Infosys's Q2 guidance on revenue side at 3.5% to 5% is weak considering that Q2 has highest number of billable days among 4 quarters. Infosys maintained its full year revenue guidance of US\$7.13 bn to US\$7.25 bn. If we assume it achieves its upper end of guidance of US\$1.75 bn in Q2, it implies Q3 and Q4 guidance of 5.85% QoQ, which seems high considering that Q3 is seasonally weak quarter (typically 2-3 less working days leads to volume loss of 3-4.5%) and Q4 (sluggish quarter as clients take time for finalizing budgets) and management's cautious commentary on discretionary spending. Table 3 shows that Infosys has done its only twice in last decade of achieving higher revenue growth rate in Q3 and Q4 compared to Q2.

- **What we like and dislike during AMJ quarter?**

They key positives during the quarter were 1) Volume growth of 4% versus volume decline of 1.4% in Q4 (impressive onsite volume growth of 6.8% QoQ), 2) 1.2% blended price increase on reported terms, 3) Gross employee addition 9,900 (versus guidance of 6,500) and intact gross hiring target of 45k for FY12 (12k in Q2FY12) despite cautious commentary on discretionary spending, 4) Strong sequential growth in North America (up 5%), Top-5 clients (up 8%), Retail & CPG (up 16%), 5) 250bps margin decline guidance for FY12 versus earlier 300bps.

On the other hand, key negatives during the quarter were 1) EBITDA margin decline of 300bps sequentially versus our estimate of 200bps, 2) Weak guidance for Q2 (3.5% to 5%) considering that Q2 has highest billable days amongst 4 quarters, 3) flat discretionary spending and cautious outlook for the same which leads to back-ended growth story and 5.85% implied growth guidance for Q3 and Q4 at risk, 3) High attrition rate (22% quarterly annualized rate), 4) 2.6% decline in Europe on constant currency terms 5) weak performance by Communication & services (down 7%), Transportation & logistics (down 11%), Products (down 7%) and BPO (flat over Q4).

- **Outlook and Valuation**

Infosys' unchanged revenue guidance for FY12E and commentary on discretionary spending defers to its peers such as Accenture (upped its guidance from 11-14% to 14-15% in latest quarter) and Cognizant (guidance from at least 26% to at least 29%). We believe Infosys is losing its **"MUST OWN"** status in the investor's portfolio by coming up with negative surprises more regularly than ever before. We have tweaked our revenue estimates marginally downwards by 2.4% and 1.8% and EPS estimates by 5.2% and 2.4% for FY12E and FY13E. At CMP of Rs2,794, the stock is trading at 20.8x FY12E and 17.4x FY13E. **ACCUMULATE** stays with 14% upside from current levels.

Table: Financial snapshot

(Rs mn)

Year	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	P/E (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	227,420	78,520	34.5	62,190	109.0	25.6	19.0	30.1	33.5
FY11	275,010	89,640	32.6	68,230	119.4	23.4	16.1	27.8	33.1
FY12E	324,754	100,759	31.0	76,950	134.5	20.8	14.0	26.6	31.6
FY13E	384,030	120,557	31.4	92,133	161.0	17.4	11.2	25.8	30.7

Source: Company; IDBI Capital Research

Key Highlights

- Sequential revenue growth of 4.3%; in-line with expectation:** Infosys reported revenues of US\$1,671 mn (up 4.3% QoQ), below IDBI Caps/consensus estimate of US\$1,679 mn/US\$1,685 mn. The revenue growth came from sequential volume growth of 4% and 1.2% blended price increase (constant currency pricing was flat). On constant currency basis, sequential revenue growth in Q1 was 3.1%.

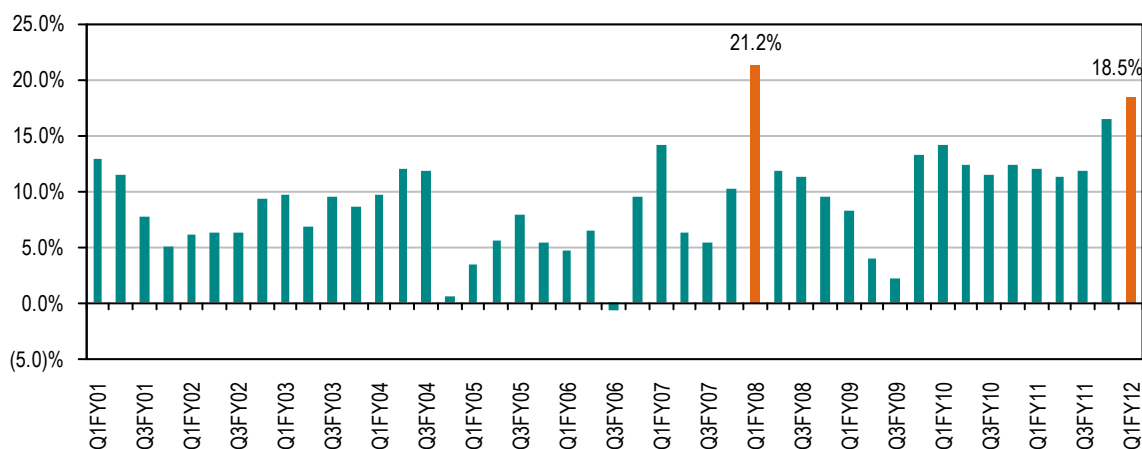
Table 1: Results in-line with our and street expectations (Rs mn)

	Consensus	IDBI Capital	Actual
Revenue (US\$)	1,685	1,679	1,671
Revenue	75,114	74,894	74,850
EBITDA	22,660	22,509	21,750
EBITDA margin (%)	30.2	30.1	29.1
Net Profit	17,392	17,580	17,220
Net margin (%)	23.2	23.5	23.0
EPS (Rs)	30.4	30.8	30.1

Source: Company, IDBI Capital Research

- Gross margin was down 280bps QoQ to 41.8%. The decline in margin is attributable to wage hike, sequential fall of 30bps in utilization excluding trainees and net addition of 2,740 employees during the quarter (Gross addition of 9,922).
- Operating profit (EBITDA) for the quarter was down 6.4% QoQ at Rs21.8 bn. EBITDA margin for the quarter stood at 29.1% versus 32.1% in previous quarter largely on account of flow through from gross margin and 4.6% QoQ increase in SG&A expense.
- Net profit was down 5.3% QoQ at Rs17.2 bn, largely on account of lower EBITDA margin and higher effective tax rate (28.1% in Q1FY12 vs. 27.8% in Q4FY11). However, fall in net profit was arrested by 6.7% QoQ increase in other income to Rs4.4 bn (18.5% of PBT, highest ever in recent quarters). Net margin for the quarter dipped 210bps QoQ to 23%. Other income as a % of PBT at 18.5% is highest in last 4 years.

Figure 1: Other income as % of PBT at 18.5% is highest in last 4 years



Source: Company, IDBI Capital Research

- Maintains revenue guidance of 18-20% for FY12:** The management expects demand environment to be normal for industry in FY12. Infosys expects FY12 revenue to be in the range of US\$7.13-7.25 bn, 18-20% YoY growth. In rupee terms, FY12 top-line growth expectation is 15.5%-17.5% over FY11 revenue of Rs275,010 mn. Unchanged revenue guidance was disappointing considering the company outperformed its upper-end of revenue guidance by 0.7% in current quarter, which raised expectation of similar translation to the full year top-line growth numbers. Also, EPS guidance of Rs128.2-130.08 implies 7.3-8.9% YoY growth. The company has revised its EPS estimates from Rs128 to Rs130 in anticipation that EBITDA margin fall will be 250bps (versus earlier expectation of 300bps), lower yield of cash (8.5% to 9% versus 9.5% accrued in Q1) and higher tax rate (earlier guidance of 27-28%, now tilted towards 28% mark).

Table 2: Requires 5.85% growth in Q3 and Q4 to achieve 20% top-line growth in FY12

	Q1FY12	Q2FY12	Q3FY12	Q4FY12	FY12E
Revenue (US\$ mn)	1,671	1,755	1,858	1,966	7,250.0
QoQ growth (%)		5.03	5.85	5.85	20.0

Source: Company, IDBI Capital Research

Table 3: In last decade only 2 times Q3 and Q4 revenue growth exceeded Q2's growth

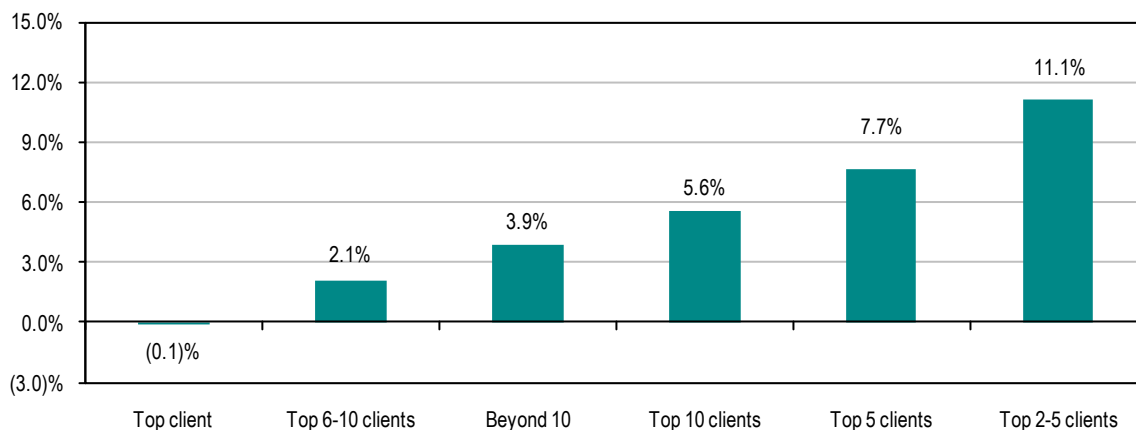
	Q1	Q2	Q3	Q4	Max
FY02	8.1%	5.2%	0.2%	1.5%	8.1%
FY03	11.9%	16.1%	10.2%	8.0%	16.1%
FY04	8.0%	7.5%	10.0%	9.7%	10.0%
FY05	10.5%	13.1%	11.7%	7.6%	13.1%
FY06	4.6%	10.1%	6.7%	6.1%	10.1%
FY07	11.3%	13.0%	10.1%	5.1%	13.0%
FY08	7.5%	10.1%	6.1%	5.4%	10.1%
FY09	1.1%	5.3%	(3.7)%	(4.3)%	5.3%
FY10	0.1%	2.9%	6.8%	5.2%	6.8%
FY11	4.8%	10.2%	5.9%	1.1%	10.2%

Source: Company, IDBI Capital Research

Benefited due to recovery post down turn (Lehman crisis)

- Q2FY12 guidance:** Infosys has guided next quarter's revenue to be at US\$1,730-1,755 mn, implying sequential growth of 3.5-5.0%. The company expects upper end of EPS to be Rs30.15, flat QoQ despite revenue growth of 5% (upper end) with no impact of wage hike, but utilization will be lower considering the fact that the company will add 12,000 gross employees and rupee appreciation (Rs.44.5 versus Rs44.79 in Q1FY12).
- Lowest client addition in last 8 years:** Infosys added 26 new clients during Q1FY12 compared to 34 added in Q4FY11. However, the active client count increases to 628 in Q1FY12 compared to 620 in Q4FY11. The company closed 3 big deals in the quarter.
- 11% sequential increase in top 2-5 accounts:** During Q1FY12, top 2-5 clients reported sequential increase of 11%, while top-10 clients grew by 6%. Top-5 client reported 8% QoQ growth whereas Beyond 10 clients reported moderate growth of 4%.

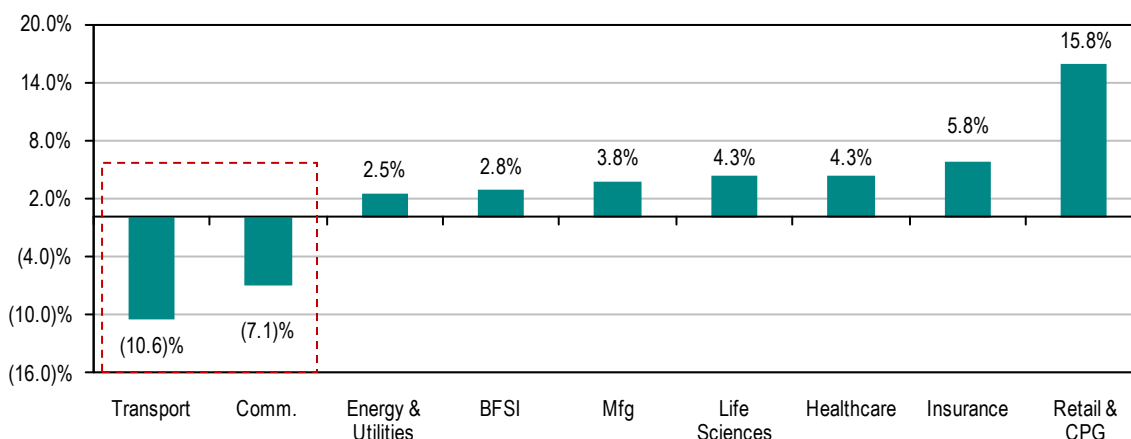
Figure 2: Impressive performance by Top-5 clients (up 8% sequentially)



Source: Company, IDBI Capital Research

- 1.2% blended price increase on reported basis:** The company reported onsite price increase of 0.8% and offshore pricing declined by 0.5% in current quarter, while on blended basis price increase was 1.2%. On constant currency basis, pricing was down for both onsite and offshore by 0.3% and 1.6% respectively.
- Vertical performance:** RCL, Manufacturing and FSI grew by 9.3%, 2.7% and 2.1% sequentially in constant currency basis while ECS declined by 1.4% in CC terms. Communication and services reported 7% sequential decline in current quarter largely on account of ramp down in couple of accounts. 53% of incremental revenue came from Retail & CPG in current quarter followed by 18% each in banking & financial service and manufacturing segment.

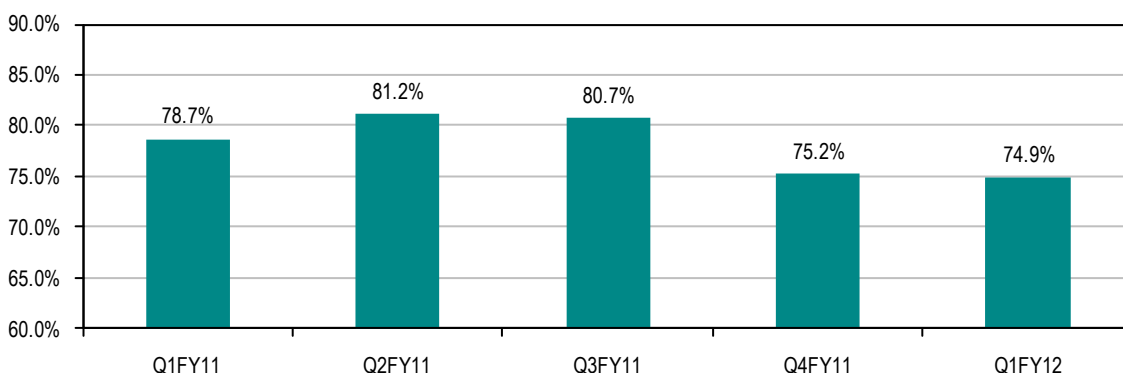
Figure 3: Retail & CPG shines while Communication and transportation laggards (on reported terms)



Source: Company; IDBI Capital Research

- Europe decline in constant currency terms:** During Q1FY12, Europe declined by 2.6% in constant currency terms whereas North America (up 5.1%) and ROW (up 2.4%) grew in constant currency terms.
- Products, Platforms and Solutions led growth during quarter:** According to new classification of service offering, Products, Platforms and Solutions which contributes 8.3% to total revenue grew 5.6% QoQ. Business operations comprising of Development, Maintenance and Testing services which contributes to 60% towards total revenue, grew by 4.3% QoQ, same as overall growth. However, Consulting & Systems Integration service offering dragged overall revenue growth (up 4% QoQ). The management is betting big on Consulting and Products & Platforms services and expects growth to come from these verticals in future.
- Utilisation rate:** During Q1FY12, utilisation including trainees improved by 120bps QoQ to 69.6%; however, utilisation excluding trainees was down to 30bps QoQ to 74.9%. During the quarter, the company hired 4,044 laterals out of 9,922 gross additions. Utilisation rate (ex-trainees) is at 74.9% way below its historical range of 78-79%, offering room for margin improvement.

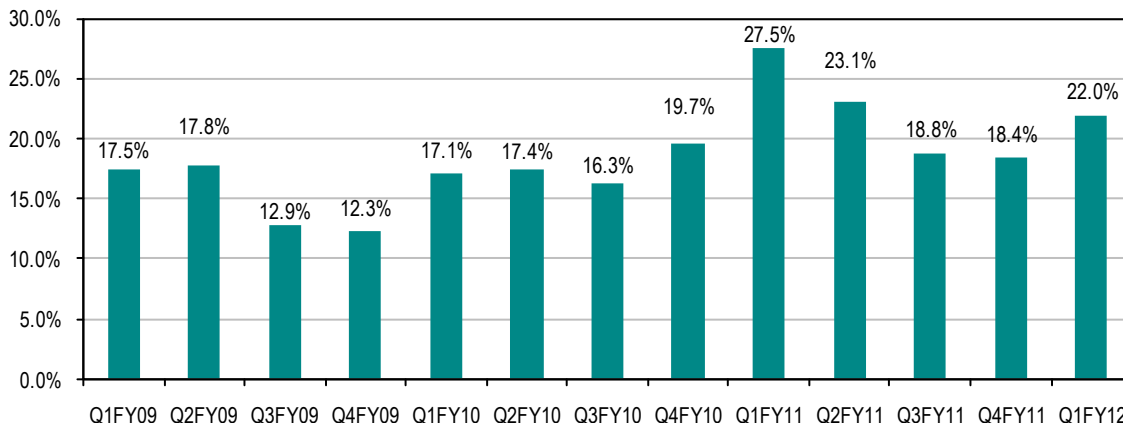
Figure 4: Utilisation rate (ex-trainees) at 74.9% below historical-levels (78-79%) offers room for margin improvement



Source: Company; IDBI Capital Research

- **High attrition rate during the quarter:** During AMJ quarter, the company lost ~7,000 employees with implied quarterly annualized rate of 22% which can be attributed to business restructuring and involuntary attrition was 2.5%. The attrition rate for the quarter stood at 15.8% in Q1FY12 compared to 17% in Q4FY11.

Figure 5: Quarterly annualized rate is 22%, highest in recent past



Source: Company; IDBI Capital Research

- **Hedge position:** Total outstanding hedge position has increased from US\$620 mn in the previous quarter to US\$745 mn.
- Total cash and equivalents in hand stands at US\$3.8 bn.
- DSO stood at 63 during the quarter unchanged compared to last quarter.

Table 4: Quarterly snapshot

(Rs mn)

Year to March	Q1FY12	Q4FY11	Growth %	Q1FY11	Growth %	FY10	FY11	FY12E	FY13E
Total revenue	74,850	72,500	3.2	61,980	20.8	227,420	275,010	324,754	384,030
Software dev expenses	43,540	40,120	8.5	34,410	26.5	120,780	150,540	183,269	215,441
Gross profit	31,310	32,380	(3.3)	27,570	13.6	106,640	124,470	141,485	168,589
Selling & marketing exp	3,980	4,000	(0.5)	3,390	17.4	11,840	15,120	17,340	20,258
General & admin exp	5,580	5,140	8.6	4,560	22.4	16,280	19,710	23,386	27,774
SG&A expense	9,560	9,140	4.6	7,950	20.3	28,120	34,830	40,726	48,032
EBITDA	21,750	23,240	(6.4)	19,620	10.9	78,520	89,640	100,759	120,557
Depreciation	2,230	2,220	0.5	2,070	7.7	9,420	8,620	9,345	10,887
EBIT	19,520	21,020	(7.1)	17,550	11.2	69,100	81,020	91,414	109,670
Other income	4,430	4,150	6.7	2,390	85.4	9,900	12,110	15,494	16,540
PBT	23,950	25,170	(4.8)	19,940	20.1	79,000	93,130	106,908	126,210
Tax	6,730	6,990	(3.7)	5,060	33.0	16,810	24,900	29,958	34,077
Adjusted net profit	17,220	18,180	(5.3)	14,880	15.7	62,190	68,230	76,950	92,133
Reported net profit	17,220	18,180	(5.3)	14,880	15.7	62,190	68,230	76,950	92,133
Diluted EPS (Rs)	30.1	31.8	(5.3)	26.1	15.7	108.9	119.4	134.5	161.0
As % of net revenue									
Gross profit	41.8	44.7		44.5		46.9	45.3	43.6	43.9
Selling & marketing exp	5.3	5.5		5.5		5.2	5.5	5.3	5.3
Admin exp	7.5	7.1		7.4		7.2	7.2	7.2	7.2
EBITDA	29.1	32.1		31.7		34.5	32.6	31.0	31.4
EBIT	26.1	29.0		28.3		30.4	29.5	28.1	28.6
Reported net profit	23.0	25.1		24.0		27.3	24.8	23.7	24.0
Tax rate	28.1	27.8		25.4		21.3	26.7	28.0	27.0

Source: Company; IDBI Capital Research

Financial Summary

Profit & Loss Account

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net sales	227,420	275,010	324,754	384,030
Growth (%)	4.8	20.9	18.1	18.3
Operating expenses	(148,900)	(185,370)	(223,995)	(263,473)
EBITDA	78,520	89,640	100,759	120,557
Growth (%)	9.1	14.2	12.4	19.6
Depreciation	(9,420)	(8,620)	(9,345)	(10,887)
EBIT	69,100	81,020	91,414	109,670
Other income	9,900	12,110	15,494	16,540
Pre-tax profit	79,000	93,130	106,908	126,210
Tax	(16,810)	(24,900)	(29,958)	(34,077)
Effective tax rate (%)	21.3	26.7	28.0	27.0
Net profit	62,190	68,230	76,950	92,133
Adjusted net profit	62,190	68,230	76,950	92,133
Growth (%)	3.9	9.7	12.8	19.7
Shares o/s (mn nos)	571	571	572	572

Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	53,550	57,600	68,005	73,118
Investments	37,120	1,440	1,872	2,434
Other non-curr assets	2,000	3,210	3,210	3,210
Current assets	182,370	250,680	308,260	388,618
Sundry Debtors	34,940	46,530	55,773	66,005
Cash and Bank	105,560	150,950	191,307	252,256
Loans and advances	41,870	53,200	61,180	70,357
Total assets	275,040	312,930	381,347	467,379
Shareholders' funds	230,490	259,760	319,142	394,598
Share capital	2,860	2,860	2,860	2,860
Reserves & surplus	227,630	256,900	316,282	391,738
Curr Liab & prov	65,670	79,570	93,357	109,540
Current liabilities	44,550	53,170	62,205	72,781
Provisions	21,120	26,400	31,152	36,759
Total liabilities	44,550	53,170	62,205	72,781
Total equity & liabilities	275,040	312,930	381,347	467,379
Book Value (Rs)	404	455	558	690

Cash Flow Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Pre-tax profit	79,000	93,130	106,908	126,210
Depreciation	4,770	3,730	9,345	10,887
Tax paid	(17,550)	(26,110)	(29,958)	(34,077)
Chg in working capital	(1,470)	(14,300)	(8,188)	(8,832)
Other operating activities	(1,310)	(11,300)	(14,934)	(16,420)
Cash flow from operations (a)	63,440	45,150	63,173	77,768
Capital expenditure	(4,780)	(7,780)	(19,750)	(16,000)
Chg in investments	(37,120)	35,680	(432)	(562)
Other investing activities	5,700	6,080	14,934	16,420
Cash flow from investing (b)	(36,200)	33,980	(5,248)	(141)
Equity raised/(repaid)	1,020	350	777	(0)
Dividend (incl. tax)	(16,740)	(40,130)	(18,345)	(16,677)
Other financing activities	1,060	3,830	-	-
Cash flow from financing (c)	(14,660)	(35,950)	(17,568)	(16,677)
Net chg in cash (a+b+c)	12,580	43,180	40,357	60,949

Financial Ratios

Year-end: March	FY10	FY11	FY12E	FY13E
Adj EPS (Rs)	109.0	119.4	134.5	161.0
Adj EPS growth (%)	4.2	9.6	12.6	19.7
EBITDA margin (%)	34.5	32.6	31.0	31.4
Pre-tax margin (%)	34.7	33.9	32.9	32.9
ROE (%)	30.1	27.8	26.6	25.8
ROCE (%)	33.5	33.1	31.6	30.7
Turnover & Leverage ratios (x)				
Asset turnover (x)	0.9	0.9	0.9	0.9
Leverage factor (x)	1.2	1.2	1.2	1.2
Net margin (%)	27.3	24.8	23.7	24.0
Working Capital & Liquidity ratio				
Receivable days	56	62	63	63
Payable days	57	53	51	50

Valuation

Year-end: March	FY10	FY11	FY12E	FY13E
P/E (x)	25.6	23.4	20.8	17.4
Price / Book value (x)	6.9	6.1	5.0	4.1
PCE (x)	22.3	20.8	18.5	15.5
EV / Net sales (x)	6.6	5.3	4.3	3.5
EV / EBITDA (x)	19.0	16.1	14.0	11.2
Dividend Yield (%)	0.9	2.2	1.0	0.9



Notes

Vikrant Oak – Head Institutional Equities	(91-22) 4322 1385	vikrant.oak@idbicapital.com
Sonam H. Udasi – Head Research	(91-22) 4322 1375	sonam.udasi@idbicapital.com
Dealing	(91-22) 4322 1150	dealing@idbicapital.com

Key to Ratings

Stocks:

BUY: Absolute return of 15% and above; **ACCUMULATE:** 5% to 15%; **HOLD:** Upto $\pm 5\%$; **REDUCE:** -5% to -15%; **SELL:** -15% and below.

IDBI Capital Market Services Ltd. (A wholly owned subsidiary of IDBI Ltd.)

Registered Office: 2nd Floor, Mittal Court, "C" Wing, Nariman Point, Mumbai – 400 021. Phones: (91-22) 4322 1212 Fax: (91-22) 2285 0785 Email: info@idbicapital.com

Disclaimer

This document has been prepared by IDBI Capital Market Services Ltd (IDBI Capital) and is meant for the recipient only for use as intended and not for circulation. This document should not be reproduced or copied or made available to others. No person associated with IDBI Capital is obligated to call or initiate contact with you for the purposes of elaborating or following up on the information contained in this document.

Recipients may not receive this report at the same time as other recipients. IDBI Capital will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from the public domain or sources believed to be reliable. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. In so far as this report includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Opinions expressed are current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis, the information discussed in this material, IDBI Capital, its directors, employees are under no obligation to update or keep the information current. Further there may be regulatory, compliance, or other reasons that prevent us from doing so.

Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

IDBI Capital, its directors and employees and any person connected with it, will not in any way be responsible for the contents of this report or for any losses, costs, expenses, charges, including notional losses/lost opportunities incurred by a recipient as a result of acting or non acting on any information/material contained in the report.

This is not an offer to sell or a solicitation to buy any securities or an attempt to influence the opinion or behaviour of investors or recipients or provide any investment/tax advice.

This report is for information only and has not been prepared based on specific investment objectives. The securities discussed in this report may not be suitable for all investors. Investors must make their own investment decision based on their own investment objectives, goals and financial position and based on their own analysis.

Trading in stocks, stock derivatives, and other securities is inherently risky and the recipient agrees to assume complete and full responsibility for the outcomes of all trading decisions that the recipient makes, including but not limited to loss of capital.

Opinions, projections and estimates in this report solely constitute the current judgment of the author of this report as of the date of this report and do not in any way reflect the views of IDBI Capital, its directors, officers, or employees.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IDBI Capital and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

IDBI Capital, its directors or employees or affiliates, may from time to time, have positions in, or options on, and buy and sell securities referred to herein. IDBI Capital or its affiliates, during the normal course of business, from time to time, may solicit from or perform investment banking or other services for any company mentioned in this document or their connected persons or be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or their affiliate companies or act as advisor or lender / borrower to such company(ies)/affiliate companies or have other potential conflict of interest.

This report may provide hyperlinks to other websites. Except to the extent to which the report refers to the website of IDBI Capital, IDBI Capital states that it has not reviewed the linked site and takes no responsibility for the content contained in such other websites. Accessing such websites shall be at recipient's own risk.

E-mail is not a secure method of communication. IDBI Capital Market Services Limited cannot accept responsibility for the accuracy or completeness of any e-mail message or any attachment(s). This transmission could contain viruses, be corrupted, destroyed, incomplete, intercepted, lost or arrive late. IDBI Capital, its directors or employees or affiliates accept no liability for any damage caused, directly or indirectly, by this email.