

15 April 2011

## Infosys

*Disappointing results, guidance; maintain Hold*Rating: **Hold**

Target Price: ₹3,250

Share Price: ₹2,989

Infosys's 4QFY11 revenue stood at US\$1,602m (up 1.1% qoq; 2% in constant currency terms). Volume growth in IT Services was down 1.4% qoq, while pricing increased 250bps (up 210bps in constant currency). Margin was down 120qoq due to higher SG&A costs. Revenue from the US and BFSI verticals was down 0.5% and 0.7% respectively (in constant currency). We maintain Hold.

- **Healthy outlook in terms of revenue visibility.** Infosys guided for an 18-20% rise in FY12e US dollar revenue. Management commented that IT budgets for most clients have been finalized and expect the budgets to be 2-3% higher.
- **FY12 EPS guidance – A big miss.** Infosys' FY12e EPS guidance was below our expectations, at ₹126.1-128.2 and accounts for a 250bps drop in operating margin due to currency movement, lower utilization and wage hikes. For 1QFY12e, management has guided for 2.6-3.6% qoq increase in revenue.
- **Management change.** Mohandas Pai has resigned from the Board, effective Jun '11 and has stated that this is not on account of opinion differences in the company's succession planning.
- **Change in estimates and risks.** We lower our FY12e/FY13e EPS by 7%/8.6% to ₹136.4/₹157.2, mainly due to lower volume growth and margins. We cut our target price to ₹3,250 (24x Mar '12e EPS, 24x maintained) from ₹3,520. Key upside/downside risks: New services may provide growth impetus/pressurize margins.

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Key data	INFO IN / INFY.BO
52-week high/low	₹3,494/ ₹2,510
Sensex/Nifty	19387/5825
3-m average volume	US\$80.8m
Market cap	₹1,716bn / US\$38.6bn
Shares outstanding	574m
Free float	84.0%
Promoters	16.0%
Foreign Institutions	54.9%
Domestic Institutions	8.4%
Public	20.6%

### Quarterly results

Year end 31 Mar	4QFY10	4QFY11	% yoy	FY10	FY11	% yoy
Sales (₹m)	59,440	72,500	22.0	227,420	275,010	20.9
EBITDA (₹m)	20,220	23,240	14.9	78,610	89,640	14.0
EBITDA margin (%)	34.0	32.1	-196bps	34.6	32.6	-197bps
Interest (₹m)	-	-	-	-	-	-
Depreciation (₹m)	2,200	2,220	0.9	9,050	8,620	-4.8
Other income (₹m)	1,980	4,150	109.6	9,340	12,110	29.7
PBT (₹m)	20,000	25,170	25.9	78,900	93,130	18.0
Tax (₹m)	4,410	6,990	58.5	16,810	24,900	48.1
Tax rate (%)	22.1	27.8	572bps	21.3	26.7	543bps
PAT (₹m)	15,590	18,180	16.6	62,090	68,230	9.9

Source: Company

### Financials

Year end 31 Mar	FY12e	FY13e
Sales (₹m)	326,042	384,211
Net profit (₹m)	78,454	90,517
EPS (₹)	136.4	157.2
Growth (%)	14.8	15.3
PE (x)	21.9	19.0
PBV (x)	5.5	4.6
RoE (%)	27.4	26.2
RoCE (%)	37.6	35.9
Dividend yield (%)	1.2	1.3
Net gearing (%)	(66.0)	(68.2)

Source: Anand Rathi Research

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## Quick Glance – Financials and Valuations

**Fig 1 – Income statement (₹m)**

Year end 31 Mar	FY09	FY10	FY11	FY12e	FY13e
Net sales	216,930	227,420	275,010	326,042	384,211
Sales growth (%)	30.0	4.8	20.9	18.6	17.8
- Op. expenses	144,980	148,810	185,370	223,832	264,211
EBITDA	71,950	78,610	89,640	102,210	120,000
EBITDA margins (%)	33.2	34.6	32.6	31.3	31.2
- Interest	-	-	-	-	-
- Depreciation	7,610	9,050	8,620	9,648	10,523
+ Other income	4,730	9,340	12,110	14,909	14,519
- Tax	9,190	16,810	24,900	29,017	33,479
PAT	59,880	62,090	68,230	78,454	90,517
PAT growth (%)	28.5	3.7	9.9	15.0	15.4
Consolidated PAT	59,880	62,090	68,230	78,454	90,517
FDEPS (₹/share)	104.5	108.2	118.8	136.4	157.2
CEPS (₹/share)	117.8	124.0	133.8	153.2	175.5
DPS (₹/share)	23.5	25.0	60.0	35.0	40.0

Source: Company, Anand Rathi Research

**Fig 2 – Balance sheet (₹m)**

Year end 31 Mar	FY09	FY10	FY11	FY12e	FY13e
Share capital	2,860	2,860	2,860	2,860	2,860
Reserves & surplus	178,420	225,630	251,720	306,635	370,211
Shareholders' fund	181,280	228,490	254,580	309,495	373,071
Debt	-	-	-	-	-
Minority interests	-	-	-	-	-
Capital employed	181,280	228,490	254,580	309,495	373,071
Fixed assets	53,540	53,550	48,440	51,292	53,268
Investments	-	37,120	10,170	10,170	10,170
Working capital	30,790	32,260	43,750	53,898	65,263
Cash	96,950	105,560	152,220	194,134	244,369
Capital deployed	181,280	228,490	254,580	309,495	373,071
No. of shares (m)	573	574	574	575	576
Net Debt/Equity (%)	(53.5)	(62.4)	(60.4)	(66.0)	(68.2)
W C turn (days)	51.8	51.8	58.1	60.3	62.0

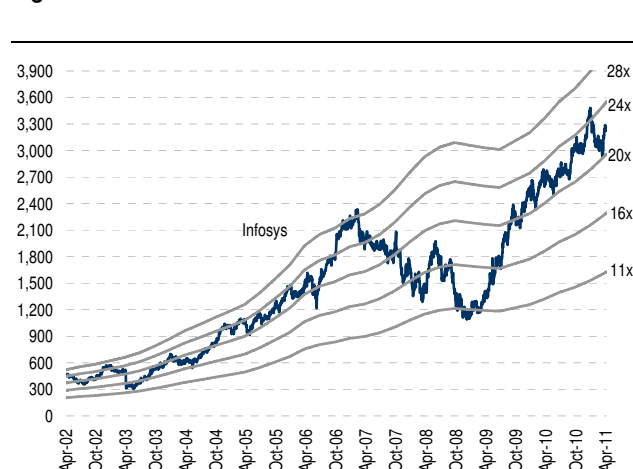
Source: Company, Anand Rathi Research

**Fig 3 – Cash-flow statement (₹m)**

Year end 31 Mar	FY09	FY10	FY11	FY12e	FY13e
Consolidated PAT	59,880	62,090	68,230	78,454	90,517
+ Depreciation	7,540	8,310	6,610	9,648	10,523
Cash profit	67,420	70,400	74,840	88,102	101,040
- Incr/(Decr) in WC	12,020	1,470	11,490	10,148	11,365
Operating cash flow	55,400	68,930	63,350	77,954	89,675
- Capex	13,380	9,060	3,510	12,500	12,500
Free cash flow	42,020	59,870	59,840	65,454	77,175
- Dividend	15,740	16,740	40,130	23,540	26,940
+ Equity raised	450	2,030	-	0	-
+ Debt raised	-	-	-	-	-
- Investments	(720)	37,120	(26,950)	-	-
- Misc. items	-	(570)	-	-	-
Net cash flow	27,450	8,610	46,660	41,914	50,235
+ Opening cash	69,500	96,950	105,560	152,220	194,134
Closing cash	96,950	105,560	152,220	194,134	244,369

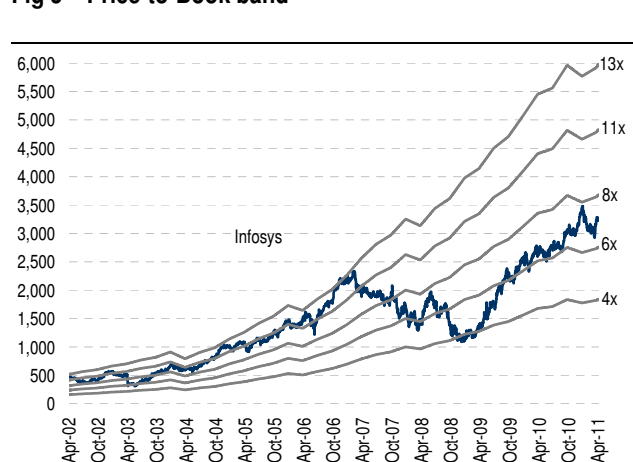
Source: Company, Anand Rathi Research

**Fig 4 – PE Band**



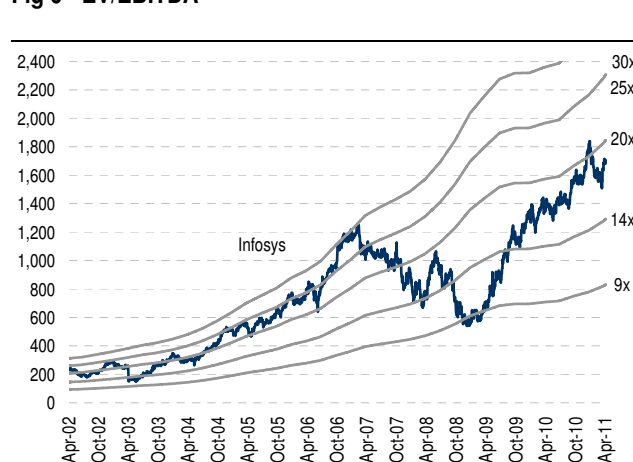
Source: Bloomberg, Anand Rathi Research

**Fig 5 – Price-to-Book band**



Source: Bloomberg, Anand Rathi Research

**Fig 6 - EV/EBITDA**



Source: Bloomberg, Anand Rathi Research

## Results review

Infosys' 4QFY11 revenue grew only 2% qoq (in rupee terms) and 1.1% (in US dollar terms). Its margin was down 120bps sequentially, mainly owing to higher SG&A costs. Net profit rose 2.1% qoq mainly aided by higher other income. Management guidance was disappointing, at FY12 EPS of ₹128. 4QFY11 results belied our expectation.

### Revenue analysis

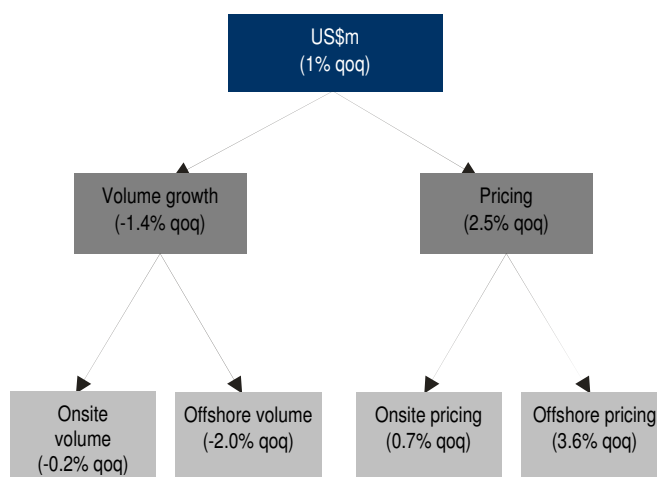
Revenue for 4QFY11 stood at ₹72.5bn, which is 2.8% lower than our estimates (in rupee terms). The average rupee-dollar rate realized for 4QFY11 was 45.3, in line with our expectations.

In US dollar terms, revenue stood at US\$1,602m, at only a 1.1% qoq rise (on constant currency reporting, it was US\$1,597m), which is 2.8% less than our estimate. Revenue was contributed by IT Services, BPO and other subsidiaries (Fig 7).

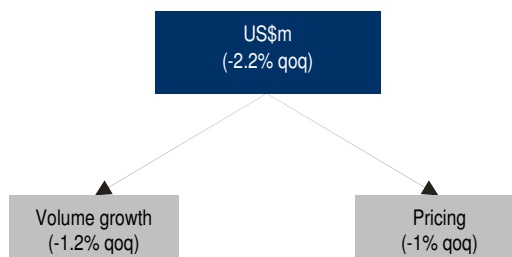
*Revenue was dampened by a blended volume decline of 0.9% qoq, but helped by a blended pricing increase of 2.1% in constant currency terms*

Fig 7 – Revenue breakdown (US dollars)

#### IT Services



#### BPO Services



#### Subsidiaries

(US\$ m)	Mar '11	qoq (%)
Infosys (Australia)	57.9	(8.3)
Infosys Consulting	47.1	(12.8)
Infosys (China)	22.1	1.1
Infosys (Mexico)	5.7	(8.7)
Infosys (Sweden)	0.6	3.6
Infosys (Brazil)	5.1	133.6
<b>Total</b>	<b>133.2</b>	<b>(8.5)</b>

Source: Company, Anand Rathi Research

- Volume growth was much lower than we expected, with volume declining 0.9% qoq vis-à-vis our expectations of 4%. Pricing rose 1.5% sequentially in dollar terms (vis-à-vis our estimate of stable pricing). This led to the divergence in dollar revenue in 4QFY11.
- IT Services' revenue was lower than we estimated, by 3.3% in dollar terms.
- BPO performance was lower than we anticipated, while other subsidiaries' performance, in terms of revenue growth, was as per our expectation.

### EBITDA margin

EBITDA margin fell by 120bps qoq. Travel costs, office costs and communication charges were higher than estimated. This was partly offset by lower wage costs, consumables costs, marketing costs and provisions.

### Non-operating items

**Other income** – Other income was higher than our estimate. Foreign exchange profit for 4QFY11 stood at ₹410m vis-à-vis our estimate of a ₹33m loss.

**Effective tax rate** – The tax rate was 27.8% vis-à-vis our assumed 27%.

### Net profit growth

Net profit was 2.2% lower than our estimates, mainly owing to lower revenue and margin, but helped by higher other income.

**Fig 8 – Quarterly details**

(₹m)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
<b>Sales</b>	<b>54,720</b>	<b>55,850</b>	<b>57,410</b>	<b>59,440</b>	<b>61,980</b>	<b>69,470</b>	<b>71,060</b>	<b>72,500</b>
Growth % (yoy)	12.7	3.1	(0.8)	5.5	13.3	24.4	23.8	22.0
Growth % (qoq)	(2.9)	2.1	2.8	3.5	4.3	12.1	2.3	2.0
<b>EBITDA</b>	<b>18,680</b>	<b>19,330</b>	<b>20,380</b>	<b>20,220</b>	<b>19,620</b>	<b>23,150</b>	<b>23,630</b>	<b>23,240</b>
EBITDA margin (%)	34.1	34.6	35.5	34.0	31.7	33.3	33.3	32.1
Growth % (yoy)	26.3	7.7	0.3	6.9	5.0	19.8	15.9	14.9
Growth % (qoq)	(1.2)	3.5	5.4	(0.8)	(3.0)	18.0	2.1	(1.7)
Depreciation	2,220	2,320	2,310	2,200	2,070	2,170	2,160	2,220
Other income	2,690	2,360	2,300	1,980	2,390	2,670	2,900	4,150
<b>PBT</b>	<b>19,150</b>	<b>19,370</b>	<b>20,370</b>	<b>20,000</b>	<b>19,940</b>	<b>23,650</b>	<b>24,370</b>	<b>25,170</b>
Taxes	3,880	3,970	4,550	4,410	5,060	6,280	6,570	6,990
<b>PAT</b>	<b>15,270</b>	<b>15,400</b>	<b>15,820</b>	<b>15,590</b>	<b>14,880</b>	<b>17,370</b>	<b>17,800</b>	<b>18,180</b>
Growth % (yoy)	17.3	7.5	(3.7)	(3.3)	(2.6)	12.8	12.4	16.6
Growth % (qoq)	(5.3)	0.9	2.8	(1.5)	(4.6)	16.7	2.5	2.1
<b>EPS (₹)</b>	<b>26.7</b>	<b>26.9</b>	<b>27.6</b>	<b>27.2</b>	<b>25.9</b>	<b>30.3</b>	<b>31.0</b>	<b>31.7</b>

Source: Company

### Guidance

Infosys has guided for FY12 revenue growth of 18-20% in dollar terms, which implies 5.5-5.9% CQGR (after considering the 1QFY12 guidance). For FY12, similar pricing (4QFY11 level) has been assumed for the purpose of the guidance. For 1QFY12, management has guided for 2.6-3.6% sequential revenue growth in dollar terms, less than we anticipated.

The rupee-based EPS guidance for FY11 implies 5.7-7.5% growth over the FY11 EPS after assuming a 250bps drop in the operating margin, primarily due to currency movements, lower utilization and wage hikes.

**Fig 9 – Guidance**

	1QFY12	FY12
Rupee assumption (INR/USD)	44.5	44.5
<b>Indian GAAP</b>		
Revenue guidance (upper) (₹m)	73,820	322,700
Revenue guidance (lower) (₹m)	73,110	317,270
EPS guidance (₹)	27.6-28.0	126.1-128.2
<b>IFRS</b>		
Revenue guidance (upper) (US\$m)	1,659	7,250
Revenue guidance (lower) (US\$m)	1,643	7,130
EPS guidance US\$	0.62-0.63	2.83-2.88

Source: Company

*EPS guidance for FY12 assumes a 250bps drop in operating margins*

### Client performance

Growth largely came from the top client and the top 2-5 clients, at 7.7% qoq and 4.4% qoq respectively. In the quarter, Infosys added 34 clients (gross, and 8 net), expanding the active-client list to 620.

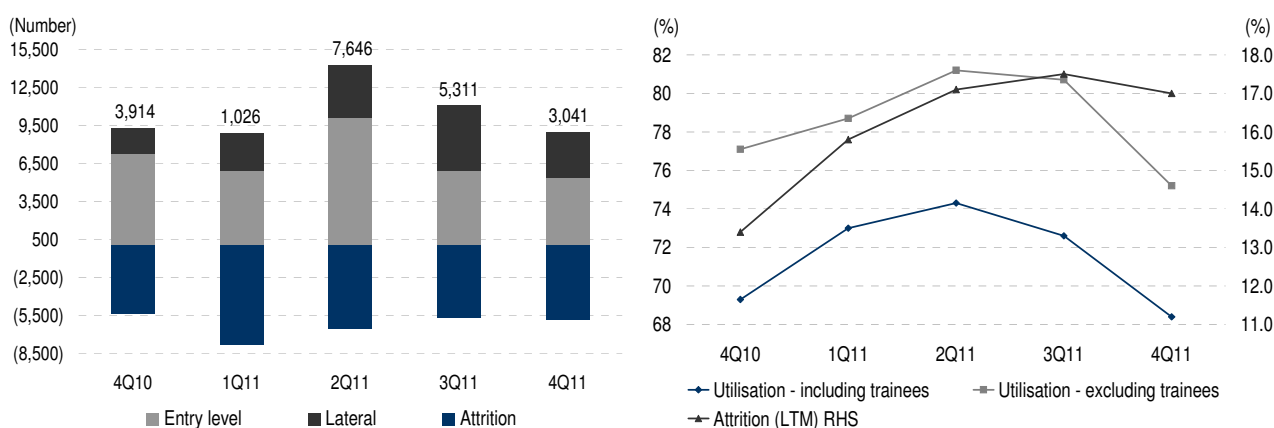
*Billed volumes have reached 64.7%, showing a sequential decline*

### Volume declines

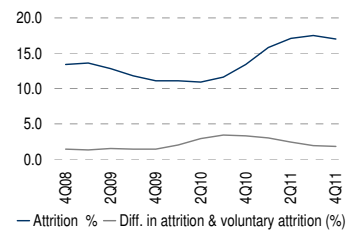
Billable volume has dropped to 64.7% of total volume.

### Verticals breakdown

In terms of geography, India grew the fastest, at 25.5% qoq; Europe was up 3.4% and RoW 4.2%. In terms of industry, manufacturing was up 6.3% qoq, and financial services up 0.5% qoq.

**Fig 10 – Operational parameters: Attrition and Utilization**

Source: Company

**Fig 11 – Attrition details**

Source: Company

### Operational parameters

Attrition (LTM) decreased 50bps to 17%.

### Guidance for gross hiring

Gross hiring for FY12 was guided at 45,000, post-4QFY11 results, indicating robust revenue visibility. In 4QFY11, 8,930 joined (gross), though the net increase was only 3,041.

### Other key points

- In constant currency terms, BFSI was down 0.7% qoq, Manufacturing up 5.0%, and Retail was up 1%.
- In constant currency terms, North America was down 0.5%, RoW was up 3.3%, and Europe was up 2.4%.
- Cash balance at end-quarter was US\$3.7bn, while DSO stood at 63 days.
- The proportion of fixed-price in 4QFY11 was 41% compared with 41.2% in 3QFY11. Proportion of offshore revenue stood at 50.7%, similar to previous quarter's.
- The hedges at end-Dec stood at US\$620m, translating to 0.35x 1QFY12e revenue.

## Change in estimates

We lower our FY12e and FY13e EPS by 7% and 8.6% to ₹136.4 and ₹157.2 respectively, mainly to factor in lower volume growth and lower margin. We cut our target price to ₹3,250/share from ₹3,520 earlier and maintain our Hold rating on the stock.

Fig 12 – Change in estimate

(₹m)	FY12e			FY13e		
	Previous	Revised	% chg	Previous	Revised	% chg
Revenue (US\$m)	7,772	7,410	(4.7)	9,216	8,732	(5.3)
Revenue	341	326	(4.7)	405	384	(5.3)
Volume growth	25.1	22.7	(240)bps	18.6	17.8	(120)bps
Price growth	2.8	3.1	30bps	0	0	0
EBITDA margin	32.7	31.3	(140)bps	32.5	31.2	(125)bps
EPS	146.7	136.4	(7.0)	172.0	157.2	(8.6)

Source: Company, Anand Rathi Research

### Major estimate changes

1. We have lowered volume growth for FY12e/13e on account of management's commentary regarding FY12 guidance and a decline in volume in 4QFY11.
2. Margins have been lowered on account of the 10-12% offshore hike and 2-3% onsite hike given to the employees effective 1 Apr '11, lower utilization and unfavorable currency movements

### Valuation

We lower our target price for Infosys to ₹3,250 (from ₹3,520 earlier), based on target PE of 24x Mar '12e EPS of ₹136.4 (maintained 24x). We maintain our Hold rating on the stock.

### Risks

- New services could provide growth impetus and ease pricing pressure.
- Infosys focuses on its top accounts. Repeat revenue for 4QFY11 was 97%; any traction among new clients' accounts could pose a risk to our call.

**Fig 13 – Income statement**

Year-end 31 Mar (₹ m)	FY09	FY10	FY11	FY12e	FY13e
Revenues	216,930	227,420	275,010	326,042	384,211
Growth (%)	30.0	4.8	20.9	18.6	17.8
Avg. currency rate (₹/US\$)	46.5	47.4	45.5	44.0	44.0
Depreciation (%)	16.3	1.9	(4.0)	(3.4)	-
Employees	104,850	113,796	130,820	157,615	181,257
Growth (%)	15.0	8.5	15.0	16.0	15.0
Software engineers	88,655	97,984	115,246	137,913	160,412
% of total employees (%)	84.6	86.1	88.1	87.5	88.5
Revenue/software engineer (US\$ '000)	54.8	51.4	56.6	58.5	58.5
Growth (%)	(4.5)	(6.2)	10.3	3.3	-
Expenses	144,980	148,810	185,370	223,832	264,211
As % of revenue (%)	66.8	65.4	67.4	68.7	68.8
Employee cost	112,660	119,360	148,560	182,392	218,571
As % of revenue (%)	51.9	52.5	54.0	55.9	56.9
Cost / Employee (₹ '000)	1,149.4	1,091.8	1,214.6	1,264.7	1,290.0
Wage inflation (%)	5.9	(5.0)	11.2	4.1	2.0
Other costs	32,320	29,450	36,810	41,440	45,640
As % of revenue (%)	14.9	12.9	13.4	12.7	11.9
EBITDA	71,950	78,610	89,640	102,210	120,000
EBITDA margin (%)	33.2	34.6	32.6	31.3	31.2
Interest	-	-	-	-	-
Depreciation	7,610	9,050	8,620	9,648	10,523
Other income	4,730	9,340	12,110	14,909	14,519
PBT	69,070	78,900	93,130	107,471	123,996
Tax	9,190	16,810	24,900	29,017	33,479
Effective tax rate (%)	13.3	21.3	26.7	27.0	27.0
PAT	59,880	62,090	68,230	78,454	90,517
Minority interest	-	-	-	-	-
Consolidated PAT	59,880	62,090	68,230	78,454	90,517
Extra-ordinary expense	-	(570)	-	-	-
Reported PAT	59,880	62,660	68,230	78,454	90,517

Source : Company, Anand Rathi Research

**Fig 14 – Balance sheet**

Year-end 31 Mar (₹ m)	FY09	FY10	FY11	FY12e	FY13e
Equity	2,860	2,860	2,860	2,860	2,860
Reserves	179,680	227,630	255,730	310,645	374,221
Shareholders' funds	182,540	230,490	258,590	313,505	377,081
Debt	-	-	-	-	-
Capital employed	182,540	230,490	258,590	313,505	377,081
Fixed assets	53,540	53,550	48,440	51,292	53,268
Investments	-	37,120	10,170	10,170	10,170
Deferred tax assets	1,260	2,000	4,010	4,010	4,010
Cash	96,950	105,560	152,220	194,134	244,369
Working capital	30,790	32,260	43,750	53,898	65,263
Capital employed	182,540	230,490	258,590	313,505	377,081

Source : Company, Anand Rathi Research



**Fig 15 – Cash-flow statement**

Year-end 31 Mar (₹ m)	FY09	FY10	FY11	FY12e	FY13e
PAT	59,880	62,090	68,230	78,454	90,517
+ non-cash expense	7,540	8,310	6,610	9,648	10,523
Cash profit	67,420	70,400	74,840	88,102	101,040
- Increase/(decrease) in working capital	12,020	1,470	11,490	10,148	11,365
Operating cash flow	55,400	68,930	63,350	77,954	89,675
- Capex	13,380	9,060	3,510	12,500	12,500
Free cash flow	42,020	59,870	59,840	65,454	77,175
+ Equity raised	450	2,030	-	0	-
+ Debt raised	-	-	-	-	-
- Investments	(720)	37,120	(26,950)	-	-
- Dividend paid	15,740	16,740	40,130	23,540	26,940
- Misc. expense	-	(570)	-	-	-
Net change in cash	27,450	8,610	46,660	41,914	50,235
Opening cash	69,500	96,950	105,560	152,220	194,134
Closing cash	96,950	105,560	152,220	194,134	244,369

Source : Company, Anand Rathi Research

**Fig 16 – RoE, RoCE analysis**

Year-end 31 Mar	FY09	FY10	FY11	FY12e	FY13e
EBIT/Sales (%)	31.8	34.7	33.9	33.0	32.3
Sales/Average CE (x)	1.4	1.1	1.1	1.1	1.1
EBIT/Average CE (RoCE) (%)	43.1	38.2	38.1	37.6	35.9
Avg. CE/ Average Equity (x)	1.0	1.0	1.0	1.0	1.0
PBT/EBIT (x)	1.0	1.0	1.0	1.0	1.0
PAT/PBT (x)	0.9	0.8	0.7	0.7	0.7
Consolidated PAT/PAT (x)	1.0	1.0	1.0	1.0	1.0
PAT/Average Equity (RoE) (%)	37.4	30.1	27.9	27.4	26.2

Source : Company, Anand Rathi Research

**Fig 17 – Key ratios @ ₹2,989**

Year-end 31 Mar	FY09	FY10	FY11	FY12e	FY13e
Diluted shares (m)	573	574	574	575	576
FDEPS (₹)	104.5	108.2	118.8	136.4	157.2
CEPS (₹)	117.8	124.0	133.8	153.2	175.5
BV (₹)	318.7	401.7	450.4	545.1	655.1
P/E (x)	28.6	27.6	25.2	21.9	19.0
P/C (x)	25.4	24.1	22.3	19.5	17.0
P/B (x)	9.4	7.4	6.6	5.5	4.6
EV/Sales (x)	7.4	7.1	5.7	4.7	3.8
EV/EBITDA (x)	22.4	20.4	17.4	14.8	12.2
Net gearing (%)	(53.1)	(62.4)	(60.4)	(66.0)	(68.2)
Working capital turnover (days)	51.8	51.8	58.1	60.3	62.0
DPS (₹)	23.5	25.0	60.0	35.0	40.0
Dividend payout (%)	26.3	27.0	58.8	30.0	29.8
Dividend yield (%)	0.8	0.8	2.0	1.2	1.3

Source : Company, Anand Rathi Research

**Infosys fact sheet**

<b>Employee details</b>	<b>3Q10</b>	<b>4Q10</b>	<b>1Q11</b>	<b>2Q11</b>	<b>3Q11</b>	<b>4Q11</b>
IT and BPO professionals	103,476	106,864	108,495	115,972	121,779	123,811
- Billable	89,086	93,254	95,863	99,667	103,617	109,026
- Banking Business Unit	4,345	4,730	5,029	5,178	5,721	6,220
- Trainees	10,045	8,880	7,603	11,127	11,806	8,565
Sales & support	6,406	6,932	6,327	6,496	6,635	7,009
Total employees	109,882	113,796	114,822	122,468	127,779	130,820
Gross addition	8,719	9,313	8,859	14,264	11,067	8,930
Net addition	4,429	3,914	1,026	7,646	5,311	3,041
Attrition % (TTM)	11.6	13.4	15.8	17.1	17.5	17.0
<b>Utilization (%)</b>						
- including trainees	68.8	69.3	73.0	74.3	72.6	68.4
- excluding trainees	76.2	77.1	78.7	81.2	80.7	75.2
<b>Geographic wise (%)</b>						
North America	66.6	66.1	67.3	65.8	64.7	63.7
Europe	21.9	22.5	20.3	21.8	21.8	22.1
India	1.2	1.4	1.7	2.1	2.2	2.7
RoW	10.3	10.0	10.7	10.3	11.3	11.5
<b>Vertical wise (%)</b>						
Insurance	8.5	7.7	8.4	8.5	8.4	7.2
Banking & FS	26.1	27.1	27.7	26.9	27.8	28.5
Manufacturing	19.3	20.2	19.5	18.9	19.6	20.4
Retail	13.1	13.0	13.2	14.4	14.5	14.5
Telecom	16.2	15.3	14.1	13.3	12.5	11.9
Energy & Utilities	6.1	5.8	6.0	6.3	6.1	5.8
Transportation & Logistics	1.8	1.8	1.8	1.8	1.8	2.1
Services	5.1	4.9	4.8	5.2	5.0	5.2
Others	3.8	4.2	4.5	4.7	4.3	4.4
<b>Client Metrics</b>						
Active Clients	568	575	590	592	612	620
Added during the period	32	47	38	27	40	34
+US\$1m	336	338	341	337	350	366
+US\$5m	152	159	170	173	180	187
+US\$10m	93	97	103	113	121	126
+US\$20m	60	59	60	66	68	73
+US\$30m	41	41	43	48	47	53
+US\$40m	33	33	34	37	39	41
+US\$50m	22	26	26	27	29	28
+US\$60m	14	16	17	18	22	24
+US\$70m	12	12	13	15	17	19
+US\$80m	9	10	11	12	12	15
+US\$90m	7	8	10	11	11	11
+US\$100m	6	6	8	10	11	11
+US\$200m	2	1	1	2	2	2
+US\$300m	0	0	0	0	0	0
Clients > 5% of revenue	0	0	0	0	0	0
Revenue - top client (%)	4.7	4.6	4.9	4.7	4.6	4.7
Revenue - top 5 clients (%)	17.6	15.8	15.4	15.8	15.4	15.4
Revenue - top 10 clients (%)	27.5	25.8	26.1	26.7	25.7	24.9
Repeat Business (%)	97.0	95.4	99.4	98.4	97.6	97.0
DSO - TTM (in days)	57	59	60	63	62	63

Source: Company Reports

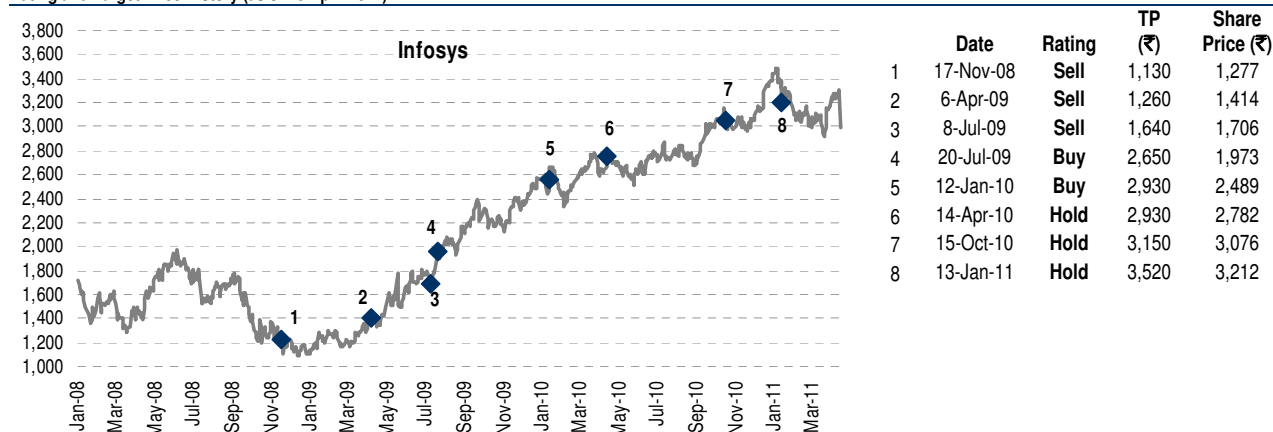
## Appendix 1

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