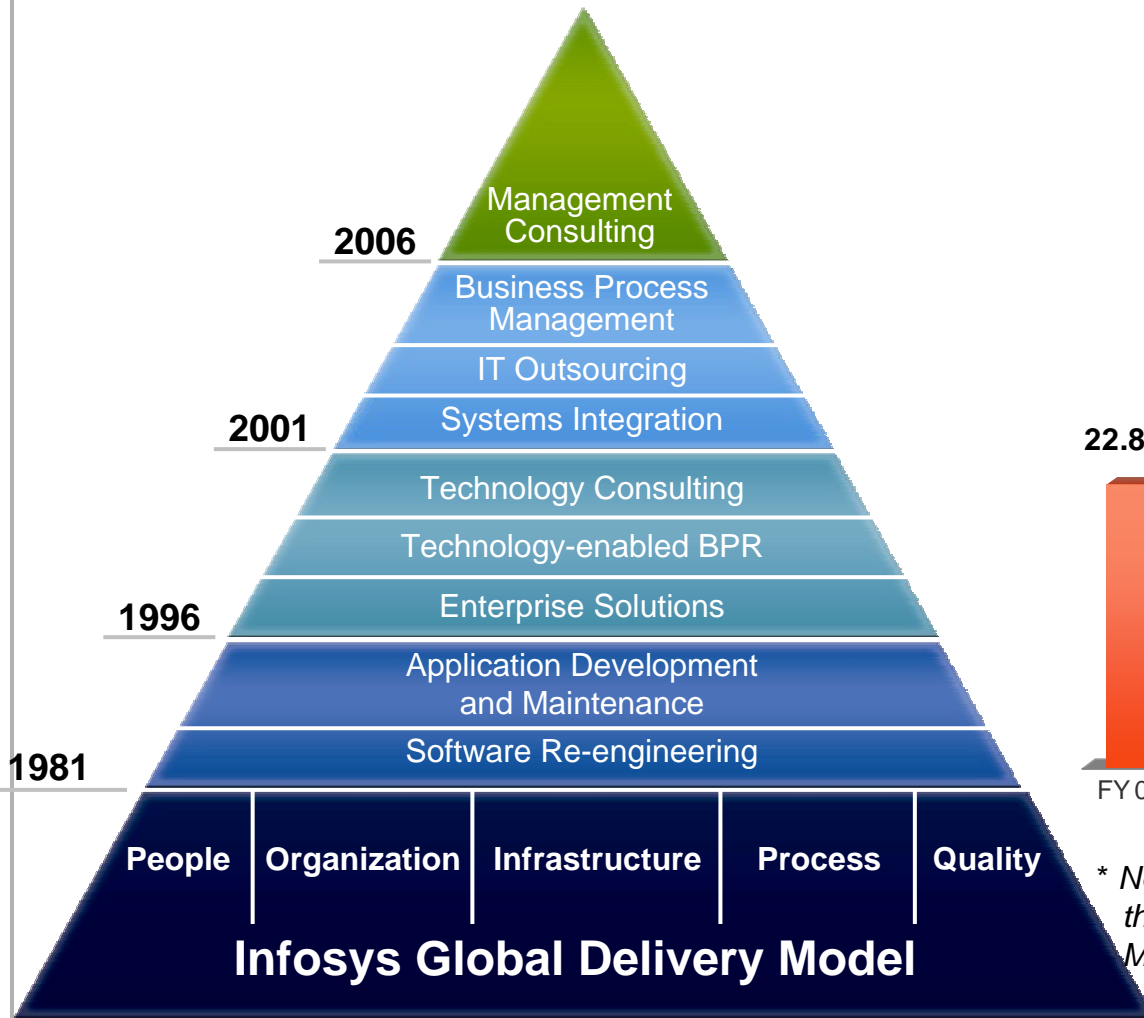


Win in the flat world

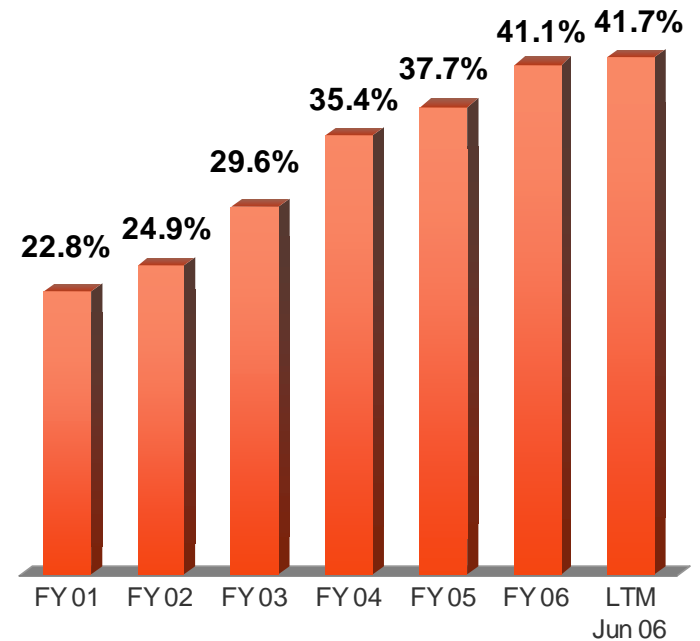
Business Update

- S. Gopalakrishnan (Co-Founder, Director & COO, Infosys)

We have a competitive business model

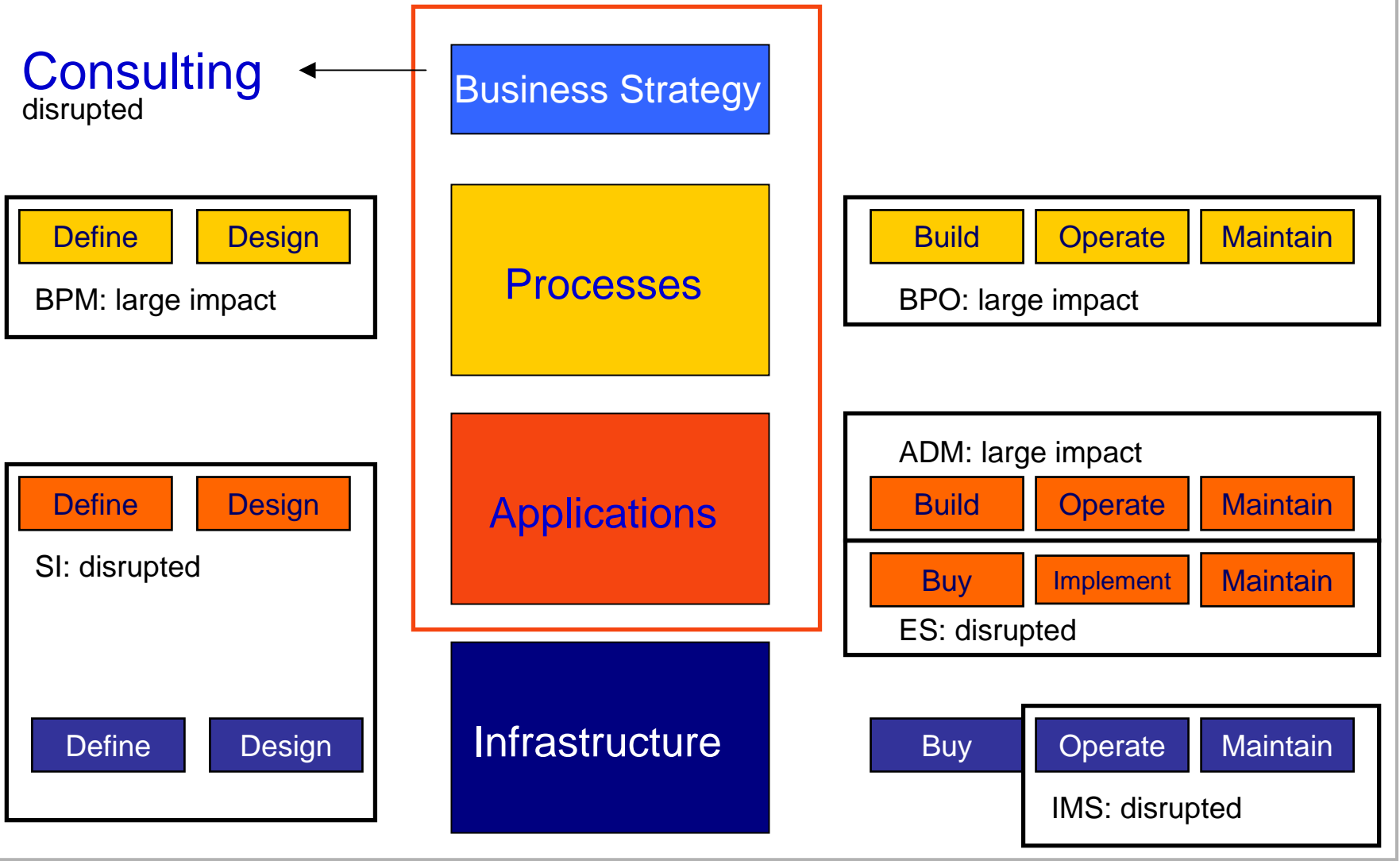


New services* as % of revenue

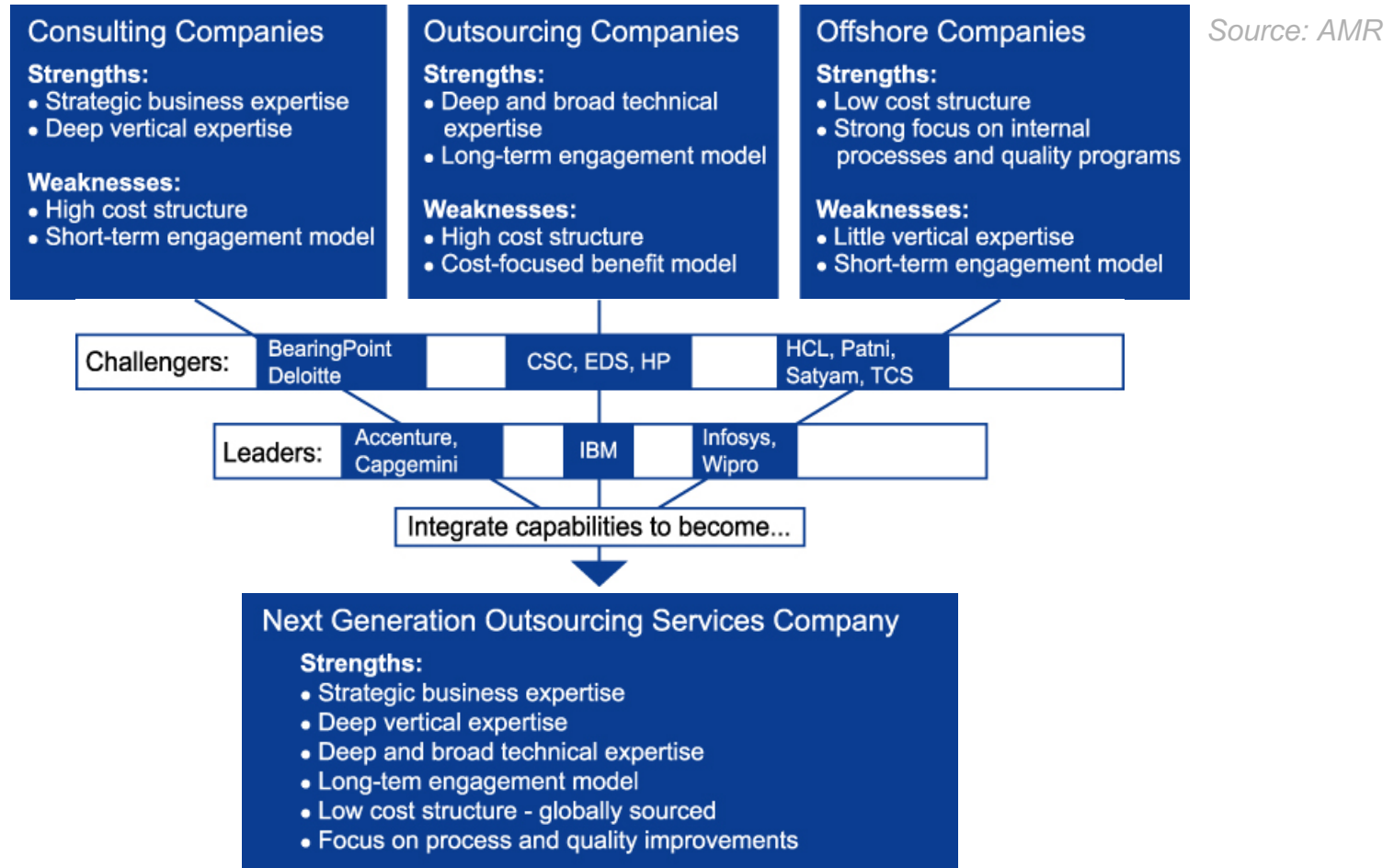


* New services is defined as services other than Application Development, Maintenance, Re-engineering and Products

Our GDM is a disruptive model in the IT services Industry



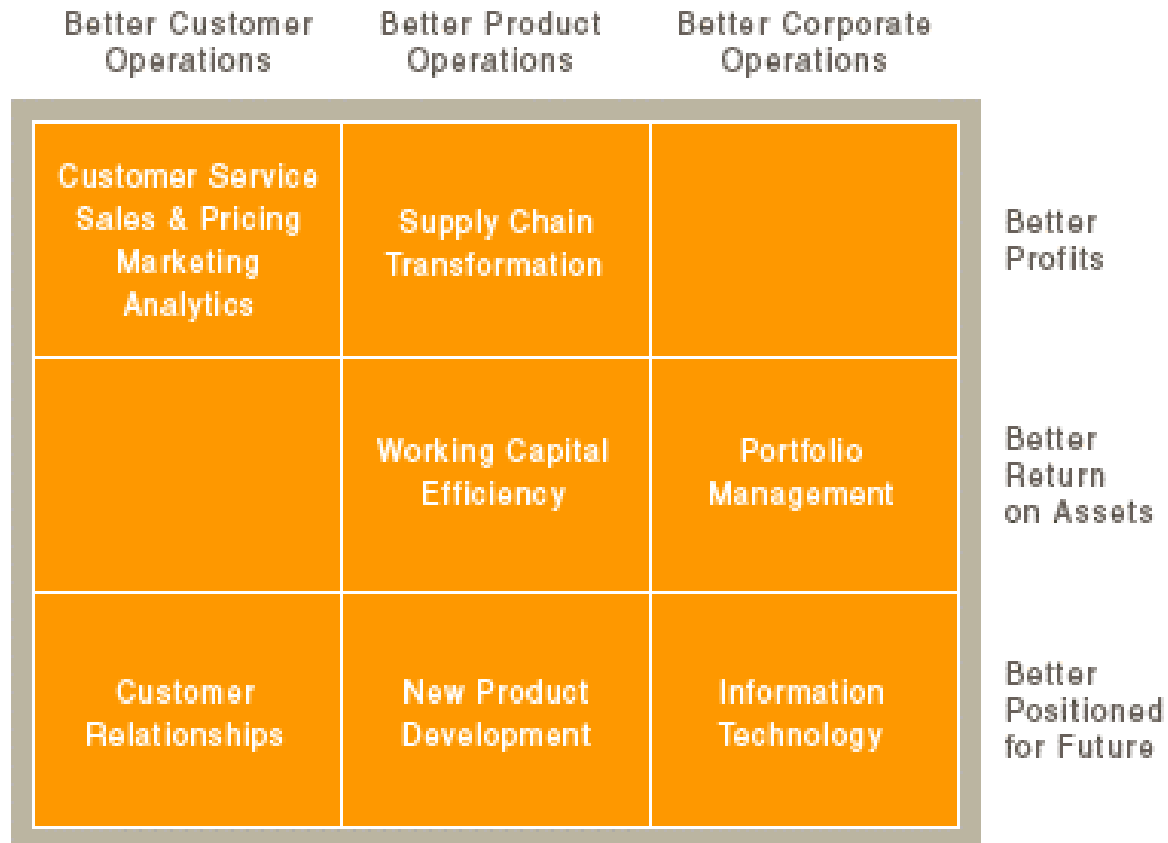
Current flux in the IT services vendor market



We provide End-to-End Services

Competitive framework	Business Process Management		
Sourcing Strategy	Vertical & Functional best practices	Integrated Program management	
Functional Strategy	World Class Benchmarks	Change management	Process Sourcing
Stakeholder Returns			Shared Services
Operational strategy	Operational Design & development	Process, people implementation	Process operations
Technology strategy	Technology Design	Technology implementation	Technology Operations
IS Strategy	Architecture Models	Application development	Application maintenance
Portfolio Assessment	Product evaluation	Package implementation	Technology enhancements
Technology Evaluation	Application and Infrastructure Design	Advanced Validations	Infrastructure maintenance
Sourcing Strategy	Security Design		

Our value proposition: making our clients more competitive



Backed by the scaleable execution machine

Operational highlights

Expand addressable markets

Geographical
Footprint

Vertical
Footprint

Services
Footprint

Build relationships and trust

Client
Relationships

Trusted
Brand

Operational
Excellence

Develop competencies and capabilities

Best-in-class
People

Intellectual
Property

World-class
Infrastructure

Geographical footprint

Geographies	FY 2005	FY 2006	Q1 FY 2007
North America	65.2%	64.8%	64.0%
Europe	22.3%	24.5%	26.2%
India	1.9%	1.7%	1.4%
Rest of the World	10.6%	9.0%	8.4%
Total	100.0%	100.0%	100.0%

- Geographical diversification
 - European business increased its share to 26.2% of Infosys revenues
 - China servicing 32 clients with 525 employees. Certified on BS 7799 standards
 - Australian operations added multiple new clients, thereby enabling rapid growth
- Operating through 38 marketing offices in 17 countries and 39 Global Development Centers of which 19 are outside India
- Finacle™, the universal banking solution, further expanded its global footprint, including Australia, Nigeria, Switzerland and Panama

Vertical footprint

Industries	FY 2005	FY 2006	Q1 FY 2007
Manufacturing	14.4%	13.9%	14.5%
Insurance, Banking & Financial Services	34.6%	36.0%	36.4%
<i>Banking & Financial Services</i>	25.2%	28.5%	29.4%
<i>Insurance</i>	9.4%	7.5%	7.0%
Telecom	18.5%	16.5%	17.7%
Retail	9.8%	10.1%	9.7%
Energy & Utilities	3.2%	4.7%	5.4%
Transportation	7.6%	5.1%	3.3%
Others	11.9%	13.7%	13.0%
Total	100.0%	100.0%	100.0%

- Integrated Business Units (reorganized in Nov. 2003) strengthened focus on growing key verticals and developing business solutions, which yielded results
- Experts in Enterprise Capability Units, such as Enterprise Solutions, have developed innovative frameworks to analyze business issues and develop solutions
- Domain Competency Group (DCG) accelerated domain enablement of employees. Over the last fiscal, 4,460 domain certifications were granted by external / internal agencies

Services footprint

Service offerings	FY 2005	FY 2006	Q1 FY 2007
Development	23.2%	20.2%	21.3%
Maintenance	29.9%	30.2%	29.9%
Package Implementation	15.2%	16.2%	16.5%
Testing	5.8%	5.9%	6.2%
Re-engineering	6.2%	4.7%	2.6%
Consulting	3.6%	3.5%	3.0%
Business Process Management	2.7%	4.0%	4.2%
Engineering Services	2.0%	1.8%	1.8%
Other services	8.4%	9.7%	10.8%
Products	3.0%	3.8%	3.7%
Total	100.0%	100.0%	100.0%

- Package implementation scaled to 16.5% of Infosys revenues, strengthening our competitive position and profitability
- Infrastructure Management Services recommended for ISO 20000-1;2002 worldwide certification, aimed at IT Service Management. Once certified, Infosys will be among the first few
- Independent Validation Services continues to demonstrate sustained growth and value differentiation
- Progeon saw strong growth in Business Process Management services, with a 48% increase in revenue over the last fiscal. Progeon added 6 clients

Client relationships

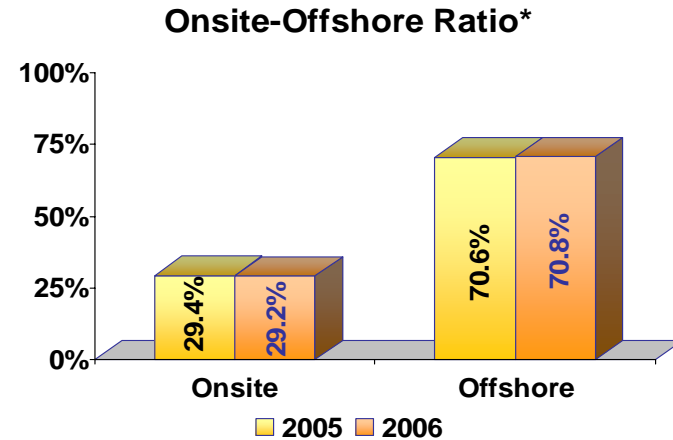
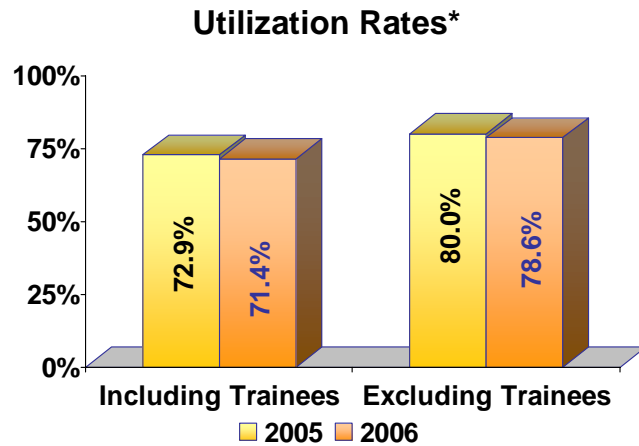
	FY 2005	FY 2006	Q1 FY 2007
Clients	438	460	469
Clients added during the year	136	144	38
No. of million dollar+ clients	166	221	221
No. of 5 million dollar+ clients	71	81	94
No. of 10 million dollar+ clients	42	54	56
No. of 20 million dollar+ clients	19	26	28
No. of 30 million dollar+ clients	11	19	19
No. of 40 million dollar+ clients	8	14	15
No. of 50 million dollar+ clients	5	9	11
No. of 70 million dollar+ clients	1	4	3
No. of 90 million dollar+ clients	-	1	2
No of 100 million dollar+ clients	-	-	2

- Top 10 clients represent 31.0% of revenues, providing high predictability to our business model with 92.1% repeat business
- 'One Infy' service offerings, synergizing multiple strengths of our delivery units. Won a large 5-year deal with ABN AMRO
- ITRAC (Infoscion as Trusted Advisor to Clients) initiative implemented across key clients to enable account leadership as trusted advisors to clients' senior executives

Trusted brand

- Sustained top-of-mind recall with leading offshore outsourcing and industry analysts. Positioned as one of the six in the Leaders Quadrant of Gartner's Magic Quadrant for Offshore Application Services
- Highest ranked IT services company in the world and No.10 overall in the annual Business Week InfoTech100. We continue to gain recognition for solutions for industry verticals and technologies
- Continued coverage on leading global media, including TV, print and online: *Fortune*, *Newsweek*, *BusinessWeek*, *Wall Street Journal*, *Forbes*, *CNBC*, *New York Times*, *Information Week*
- Participated or held over 50 events across the globe to reach out to a large cross-section of Global 2000 companies. One of the pillars of the "India Everywhere" theme at the World Economic Forum
- Wharton Infosys Business Transformation Award, CEO event in Japan, and Confluence (our annual customer forum in the US and Europe) improved significantly in attendance and quality of coverage
- InStep, global internship program with ~70 global institutions, Genesis, student empowerment program, and Campus Connect, nation-wide industry-academe partnership program
- Clients and analysts commended Infosys Consulting Inc., for its highly competitive consulting business model. Clients reported that it has delivered more than the expected business value

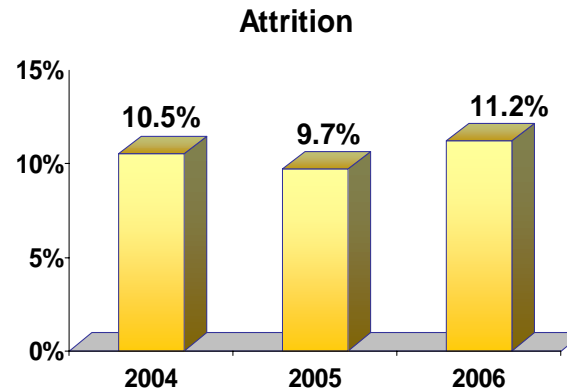
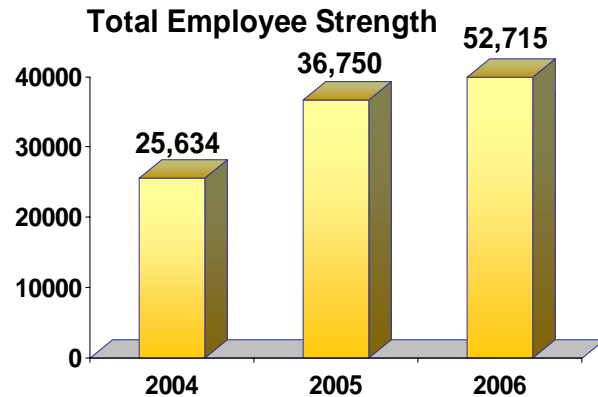
Operational excellence



* stand-alone

- PRidE: Process Repository @ Infosys for Driving Excellence, integrated with tools and knowledge base that optimizes execution across the globe
- Improving quality and productivity through standardization of engineering processes for key technologies with tools, methodologies, and reusable components and framework
- Six Sigma for enhanced customer focus and improved service delivery in maintenance, production support and engineering design
- Focused accreditation programs such as CSQA, PMI, CSTE, CFPE, quantitative project management, statistics for decision making and integrated requirements analysis
- STRIDE: Account-oriented CMMi implementation added with tools and new processes to increase client value, improve estimation accuracy, and enhance quality and productivity

Best-in-class people



- Sustained focus on recruiting the top 20% from best schools. 14,23,600 applications processed of which 48,750 were interviewed and 21,600 (gross) hired
- Trained 13,978 trainees as part of our Foundation Program. Aggregate training imparted exceeded 7,90,000 of trainee consumed days
- Conceived and implemented a competency framework for certifications across all roles on technology and domain. 22,618 technical certifications granted
- Established a world-class Global Education Center in Mysore, which can simultaneously train 4,500 employees in various streams of technology
- Expanded global footprint with employees of 59 nationalities. Multiple initiatives to synergize cultures and deepen employee engagement across countries

Intellectual property

- Actively engaged in software services and solutions research and development for the various business domains and technologies
- The Software Engineering and Technology Labs (SETLabs) generated over 82 invention disclosures and filed over 20 patents this year
- In partnership with two global engineering giants, Infosys set up global engineering centers (GEC) in Bangalore:
 - The R&D centre in partnership with ALSTOM, a global leader in power generation and rail transport infrastructure, to jointly create next-generation solutions for the power sector
 - GEC with Spirit AeroSystems, the world's largest independent supplier of structures for commercial aircraft, focused on high-end engineering services

World-class infrastructure



- 39 Global Development Centers – 20 in India and 19 overseas (North America, Europe and Asia Pacific)
- 10 million sq. ft. space, with a capacity to accommodate 48,656 professionals (as of June 30, 2006)*. Additional 4.6 million sq. ft. under construction with 16,250 seats
- 28,000 sq. ft. of space for the disaster recovery and business continuity facility in Mauritius

* stand-alone

Key awards and recognitions

- Ranked first in SAFA (South Asian Federation of Accountants) Best Presented Accounts Award 2004 in the Communication and Information Technology sector based on evaluation of the Annual Report
- *Business 2.0* ranked Infosys at No. 8 among fastest growing technology companies. *Wired* magazine ranked Infosys at No. 9 on The Wired 40
- “India’s Best Managed Company” based on a study conducted by *Business Today* and A. T. Kearney. National Award for Excellence in Corporate Governance from Institute of Companies Secretaries of India
- Infosys topped the regional rankings for Corporate Governance in a Corporate Governance Poll by *Asiamoney*
- Best annual report award from the Institute of Chartered Accountants of India for the 10th successive year
- Ranked among the world’s Most Admired Knowledge Enterprises (MAKE). First company from India to be inducted into the Global MAKE Hall of Fame
- Study by *Business Today*, Mercer and TNS rated Infosys the best company to work for in India. Among world’s top 100 companies in *Computerworld* magazine’s “Best Places to Work in IT” listing

Thank You