



Analyst
Meet 2007

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MEET 2007

Infosys BPO Limited

Amitabh Chaudhry

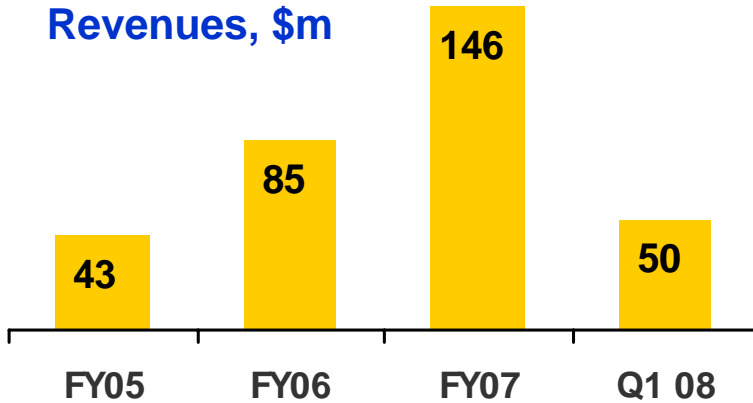
Chief Executive Officer and Managing Director – Infosys BPO

Safe Harbor

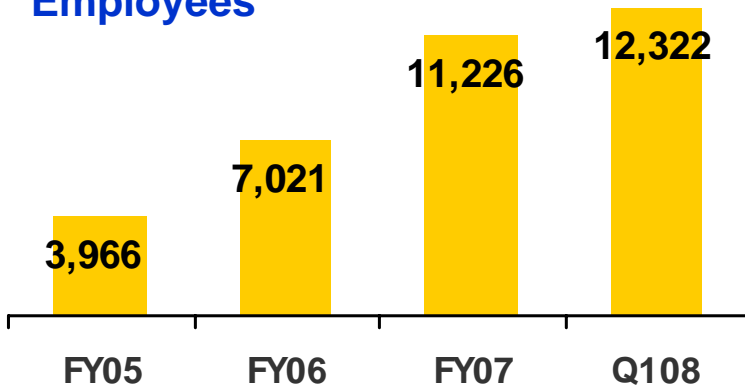
Certain statements made in this Analyst Meet concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2007 and quarterly report on Form 6-K for the quarter ended June 30, 2007. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

Infosys BPO snapshot

Revenues, \$m



Employees



- Grown over double the rate of Industry
- Fastest organic growth and amongst most profitable Tier 1 players
- 32 Annuity Customers. Additional 10 with non-annuity revenue (Knowledge Services, Discovery, transition). 60% clients common with Infosys.
- 82% from transactions, 18% from voice
- Employee growth ~20% lower than revenue growth
- Reduced attrition: Q1 08 - 36.7% (Q1 07 - 41.8%)

All Industry Verticals and Product horizontals scaling

Industry leadership

High growth verticals

Industry verticals	% of Rev	No. of Employees
Communication Service Providers	38%	4,700
High Tech & Discrete Manufacturing	23%	2,300
Banking and Capital Markets	24%	2,200
Emerging Markets	11%	700
Insurance Healthcare Lifesciences	4%	300

Product leadership

High growth horizontals

Product horizontals	% of Rev	No. of Employees
Vertical Specific Industry Solutions	39%	4,000
Order Management	17%	2,100
Customer Service	23%	2,300
Finance Accounting/Procurement	10%	1,100
Knowledge Services	8%	400
Human Resources Outsourcing	3%	300

De-risked Revenue

Customer geographies	% of Revenue
North America	61%
EMEA	39%

of employees does not include overheads and support staff

Key Trends

- **Market:**
 - Strong demand for BPO from US and Europe
 - Growing opportunity for Knowledge Services
- **Clients:**
 - Increased expectation of year on year benefits and transformational savings
 - Willingness to shift capex to opex from technology standpoint – Managed services over platforms, fees paid as a percentage of financial transaction
- **Competitors:**
 - To gain scale, competitors relying on pricing instead of differentiation
 - Inorganic growth for scale, KPO & International Centers

Strategic Focus Areas of Infosys BPO

- **Develop platforms and solutions**
 - Key Platforms and Strategic Solution group formed
 - Jointly developing technology platforms with Infosys business units
- **Grow Knowledge Process Outsourcing**
 - High Revenue Productivity offering
 - Focus on Financial Planning and Analysis, Research, Analytics and Publishing
 - Significant number of client wins over last 2 quarters
- **Scale International Center**
 - China, Brno centers gaining scale
 - Invest in Manila and Latam
 - Capability addition from Philips win
- **Innovate on pricing models: Transaction and Value Based**
 - Intended towards non-linear growth
 - Enhances productivity and innovation

Challenges and Mitigation Strategy

Attrition

- Competitive salaries
- Focus & investment on growing Middle Level leaders: manager toolkits, leadership programs
- Career Enablement with client partnership – career week, career councilors, training tied to career
- Employee engagement – high touch point, mentorship programs, strategy communication

Impact of Rupee Appreciation

- Moving up the value chain
- Gains from internal efficiencies
- Hedging for short-term

Awards and Recognition in FY07

- **Company Awards & Recognition**

- Achieved eSCM Level 4 certification highest that can be conferred at the first capability determination
 - First pure play BPO in the world among the non consortium members of eSCM at level 4
 - First company globally to be evaluated at across multiple centers & geographies including Czech
- Ranked 2nd (from 4th) among most respected BPO companies in India, Business World, Mar 07
- Ranked among the top 35 rising BPO stars by International Association of Outsourcing professionals
- Ranked 4th by FAO Research among the top 5 F&A BPO service providers
- Rated as 1st among full service Banking BPO by Black Book of Outsourcing, for 2006

- **Human Resources Best Practice Awards**

- Helen Keller Award for Diversity Hiring for 2006
- “High Performance Work Culture” by the Institute of HRD for the year 2006
- “Innovation in Career Development Initiatives”, World HRD Congress, January 2007
- "Innovation in Recruitment Practices“, World HRD Congress, January 2007
- “Global HR Excellence Award” for Innovative HR Practices, RASBIC APAC HRM, January 2007

About Royal Philips Electronics Deal

- **Financials**

- \$250 million over 7 year with several opportunities to expand further. Takes effect on Oct 01, 2007
- Margins to be similar to BPO average over life of the deal. Proactive measures towards margin management: deployment of tools and automation, increasing offshore work and providing services to other existing customers etc
- \$ 28 m paid for taking over assets and people

- **Centers and Assets that we are taking over**

- Lodz, Poland (services Western Europe): 765 employees
- Bangkok, Thailand (services Asia Pacific): 445 employees
- Chennai, India (services North America and India): 190 employees

- **Services provided for Philips business worldwide**

- **Finance & Accounting**
 - Accounts Payable: 627 employees
 - Accounts Receivables: 135 employees
 - General Accounting and General Ledger: 367 employees
- Procurement services: 89 employees

- **Besides annuity business, this deal provides us following strategic advantages:**

- Places Infosys BPO among the top five global majors in Finance and Accounting
- Provides scale and opportunity in Procurement space
- Addition of skilled employees
- Enhances capabilities to better serve clients around the globe
- Enhances share of revenue from Europe for Infosys BPO



Thank You

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