

ANALYST MEET US

State of the Business

Most Admired Company for the Sixth Time – Asia Wall Street Journal, 2006.
Most Respected Company – Businessworld Survey, 2006. **Best Outsourcing Partner** – Waters Readers' Survey, 2007. **Best Company to Work for in India** – Business Today-Mercer-TNS Survey, 2006. **Leader in Global IT Infrastructure Outsourcing** – Forrester, 2007. **Among the World's Top 3 IT Services Companies** – BusinessWeek, 2004. **Among the Top 10 Companies for Leaders** – Fortune Magazine, Hewitt Associates and the RBL Group Survey, 2007. **Among the 200 Most Respected Companies in the World** – The Reputation Institute, 2007. **NASSCOM - India Today Woman Corporate Award for Excellence in Gender Inclusivity**, 2007. **Global MAKE Award**, 2003-05 and 2007. **Helen Keller Award for Diversity Hiring for Infosys BPO**, 2006-07. **Balanced Scorecard Hall of Fame for Executing Strategy** – Palladium Group, Inc., 2008. **One of the World's Most Innovative Companies in APAC** – BusinessWeek, 2006. **CNBC - TV18 Viewers Choice** – New Age Employer of Choice Award, 2007. **One of the World's Most**

Financial Highlights

V. Balakrishnan
Chief Financial Officer

Safe Harbor

Certain statements made here concerning Infosys' 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, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, 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, 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, 2008 and the Quarterly Reports on Form 6-K for the fiscal quarters ended June 30, 2007, September 30, 2007 and December 31, 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.

Highlights – FY 08

- Revenues crossed US \$4 billion in FY 08
 - Revenue growth of 35.1% in US dollar terms as against our guidance of 28-30% in April 2007
- Net Profit crossed US \$1 billion in FY 08
- Maintained operating margins despite 11% rupee appreciation
- Blended revenue productivity increased by 5.2% in FY 08

FY 09 – A challenging start

- Client budgets got finalized in end March/beginning April
- Concerns about US slowdown and its impact on the IT spending by customers
- Concerns about the financial services vertical due to sub-prime issues and large write downs by financial institutions globally
- Strengthening of rupee
- Expiry of tax holiday
- Wage increases and its impact on profitability

Guidance provided in April 2008

| | Q1 09 | FY 09 |
|-----------------------------------|---------------|---------------|
| Revenue (US \$ mn) | 1,142 – 1,145 | 4,970 – 5,050 |
| Revenue growth | 23.1% – 23.4% | 19.0% – 21.0% |
| EPADS (\$) | 0.52 | 2.31 – 2.35 |
| EPADS growth* | 18.2% | 16.7% – 18.7% |
| Employee Additions (Gross) | 6,000 | 25,000 |

* adjusted for tax reversals of US \$ 12 mn and US \$ 30 mn for Q1 08 and FY 08

Highlights – Q1 09

| Q1 09 | Guidance | Actual |
|------------------------------------|---------------|--------|
| Revenue (US \$ mn) | 1,142 – 1,145 | 1,155 |
| Revenue growth | 23.1% – 23.4% | 24.5% |
| Qoq operating margin decline (bps) | Over 300 | 210 |
| EPADS (\$) | 0.52 | 0.53* |
| EPADS growth | 18.2% | 20.5%* |
| Employee Additions (Gross) | 6,000 | 7,182 |

* adjusted for tax reversal of US \$ 7 mn during Q1 09

** adjusted for tax reversals of US \$ 7 mn and US \$ 13 mn during Q1 09 and Q1 08 respectively

Highlights – Q1 09

- 1.1% sequential revenue growth
- Top 10 clients growth (excluding the top client) grew by 3.8% sequentially
- Non-top 10 clients grew 3.9% sequentially
- Financial services vertical grew 4% sequentially
- Offshore wages increased by 11-13% while onsite wages increased by 4-5%
- Operating margins decreased by 210 basis points due to wage increases, visa costs and lower utilization offset by currency benefit
- 7,182 gross employees hired. Net hiring of 3,192 employees
- 49 customers added on a gross basis, 29 net additions

Guidance provided in July 2008

| | Q2 09 | FY 09 |
|-----------------------------------|---------------|-----------------|
| Revenue (US \$ mn) | 1,215 – 1,225 | 4,970 – 5,050 |
| Revenue growth | 18.9% – 19.9% | 19.0% – 21.0% |
| EPADS (\$) | 0.55 – 0.56 | 2.31 – 2.35* |
| EPADS growth | 14.6% - 16.7% | 16.7% – 18.7%** |
| Employee Additions (Gross) | 10,000 | 25,000 |

* adjusted for tax reversals of US \$ 7 mn in Q1 09

** adjusted for tax reversals of US \$ 7 mn and US \$ 30 mn for FY 09 and FY 08

- Q2 guidance of 5.2 - 6.1% sequential growth
- Reiterating annual dollar guidance in a worsening environment
- No change in hiring plans

Key market challenges

- Challenging macro economic environment globally
- Strengthening the domain competencies and front-end capabilities
- Currency
- Wage inflation and its impact on margins
- Resource availability and attrition
- Tax rates
- Larger, complex, multi-service projects/engagements

Our operating margins have remained stable in the last 4 years

| | FY 04 | FY 05 | FY 06 | FY 07 | FY 08 |
|----------------------------------|-------|-------|--------|--------|--------|
| Operating margins (%) | 27.6 | 28.6 | 27.9 | 27.6 | 27.5 |
| Average rupee dollar rate | 45.78 | 44.87 | 44.21 | 45.06 | 40.00 |
| Salary hikes: | | | | | |
| Onsite | 2-3% | 3-4% | 3% | 3% | 5-6% |
| Offshore | 15% | 17% | 14-15% | 14-15% | 12-15% |

“We aim to get the best margins in the industry”

We have effectively used some of the levers to maintain margins

- Revenue growth
- Pricing
- Shift in business mix
- Scale benefits
- Onsite offshore shift
- Better performance of subsidiaries
- Utilization
- Employee pyramid
- Portfolio of customers and geographies
- Variable compensation
- Discretionary costs

“All the levers are never optimized simultaneously”

Strong balance sheet with focus on enhancing shareholders returns

- Zero-debt company
- Cash and cash equivalents as on June 30, 2008 were US\$ 1.8 bn
- High quality receivables (79.1% of receivables are less than 30 days)
- Return on capital employed is 40% and return on invested capital is 61%
- Dividend policy is to pay up to 30% of net profits as dividend every year

Conclusion

**We focus on having a quality growth
with superior margins**

Thank you

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