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Performance for the Fourth Quarter and Year ended March 31, 2006

Nandan M. Nilekani

Chief Executive Officer, President and Managing Director

S. Gopalakrishnan

Chief Operating Officer and Deputy Managing Director

Certain statements in this release concerning our future growth prospects are forward-looking statements, within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended – 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 the success of our investments, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT, business process outsourcing and consulting 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, 2005 and quarters ended June 30, 2005, September 30, 2005 and December 31, 2005. These filings are available at www.sec.gov. We 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. We do not undertake to update any forward-looking statements that may be made from time to time by or on our behalf.

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celebrating
25 years

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- Revenues cross \$ 2 billion
- Employee headcount crosses 50,000
- Cash and cash equivalents exceeded \$ 1 billion
- The Board of Directors recommended a 1:1 bonus issue for all shareholders including ADR holders
- The Board of Directors recommended a Silver Jubilee special dividend of Rs. 30 per share (600% on par value of Rs. 5 per share)
- The Board of Directors also recommended a final dividend of Rs. 8.50 per share (170% on par value of Rs. 5 per share) for fiscal 2006



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Financial Performance

| | Q4 FY 06 | Q3 FY 06 | FY 06 |
|-------------------------------|----------|----------|--------|
| Indian GAAP YOY Growth | | | |
| Income | 32.1% | 35.0% | 33.5% |
| Net profit | 20.6% | 30.6% | 30.0% |
| US GAAP YOY Growth | | | |
| Revenues | 30.3% | 32.2% | 35.2% |
| Net income | 19.7% | 27.7% | 32.5% |
| New clients added | 38 | 36 | 144 |
| Repeat business | 92.1% | 93.2% | 95.0% |
| Employees | | | |
| Period end headcount | 52,715 | 49,422 | 52,715 |
| Gross addition | 5,170 | 5,135 | 22,868 |
| Net addition | 3,293 | 3,226 | 15,965 |

Highlights (Indian GAAP- Quarterly)

(Rs. crore)

| | FY2006 Q4 | FY2006 Q3 | FY2005 Q4 | % growth over | |
|--|--------------|--------------|--------------|---------------|-------|
| | | | | Q3 06 | Q4 05 |
| Income | 2,624 | 2,532 | 1,987 | 3.6 | 32.1 |
| S/w development expenses | 1,422 | 1,327 | 1,041 | 7.2 | 36.6 |
| Gross profit | 1,202 | 1,205 | 946 | -0.2 | 27.1 |
| S,G&A expenses | 369 | 344 | 280 | 7.3 | 31.8 |
| Operating profit | 833 | 861 | 666 | -3.3 | 25.1 |
| Depreciation | 144 | 117 | 100 | 23.1 | 44.0 |
| Operating profit after depreciation | 689 | 744 | 566 | -7.4 | 21.7 |
| Other income | 72 | (5) | 32 | - | 125.0 |
| Provision for investments | - | - | - | - | - |
| Profit Before Tax | 761 | 739 | 598 | 3.0 | 27.3 |
| Provision for tax | 81 | 83 | 85 | -2.4 | -4.7 |
| Profit After Tax | 680 | 656 | 513 | 3.7 | 32.6 |
| Exceptional item* | - | - | 45 | - | - |
| PAT after exceptional item | 680 | 656 | 558 | 3.7 | 21.9 |
| Minority Interest | 7 | 7 | - | - | - |
| PAT after exceptional item, minority interest | 673 | 649 | 558 | 3.7 | 20.6 |

*Profit on sale of investment in Yantra Corporation, net of taxes

Highlights (Indian GAAP - Annual)

(Rs. crore)

| | FY2006 | % | FY2005 | % | Growth% |
|--|--------------|--------------|--------|-------|---------|
| Income | 9,521 | 100.0 | 7,130 | 100.0 | 33.5 |
| S/w development expenses | 5,066 | 53.2 | 3,765 | 52.8 | 34.6 |
| Gross profit | 4,455 | 46.8 | 3,365 | 47.2 | 32.4 |
| S,G&A expenses | 1,364 | 14.3 | 1,030 | 14.4 | 32.4 |
| Operating profit | 3,091 | 32.5 | 2,335 | 32.7 | 32.4 |
| Depreciation | 437 | 4.6 | 287 | 4.0 | 52.3 |
| Operating profit after depreciation | 2,654 | 27.9 | 2,048 | 28.7 | 29.6 |
| Other income | 139 | 1.5 | 124 | 1.7 | 12.1 |
| Provision for investments | 1 | - | - | - | - |
| Profit Before Tax | 2,792 | 29.3 | 2,172 | 30.5 | 28.5 |
| Provision for tax | 313 | 3.3 | 326 | 4.6 | -4.0 |
| Profit After Tax | 2,479 | 26.0 | 1,846 | 25.9 | 34.3 |
| Exceptional item* | - | - | 45 | 0.6 | - |
| PAT after exceptional item | 2,479 | 26.0 | 1,891 | 26.5 | 31.1 |
| Minority interest | 21 | 0.2 | - | - | - |
| PAT after exceptional item, minority interest | 2,458 | 25.8 | 1,891 | 26.5 | 30.0 |

*Profit on sale of investment in Yantra Corporation, net of taxes

Balance Sheet Summary

(Rs. crore)

| | Mar 31, 2006 | % | Mar 31, 2005 | % |
|---|--------------|------------|--------------|------------|
| LIABILITIES | | | | |
| Shareholders' funds | 7,034 | 100 | 5,319 | 100 |
| Total liabilities | 7,034 | 100 | 5,319 | 100 |
| ASSETS | | | | |
| Fixed assets | 2,226 | 32 | 1,574 | 29 |
| Investments | 2 | 0 | 2 | 0 |
| Deferred tax assets | 65 | 1 | 45 | 1 |
| Current assets | | | | |
| Cash & equivalents* | 4,709 | 66 | 2,998 | 57 |
| Accounts receivables | 1,608 | 23 | 1,322 | 25 |
| Other current assets | 770 | 11 | 811 | 15 |
| Less: Current liabilities and provisions | (2,346) | (33) | (1,433) | (27) |
| Net current assets | 4,741 | 67 | 3,698 | 70 |
| Total assets | 7,034 | 100 | 5,319 | 100 |

*Includes investment in liquid Mutual Funds



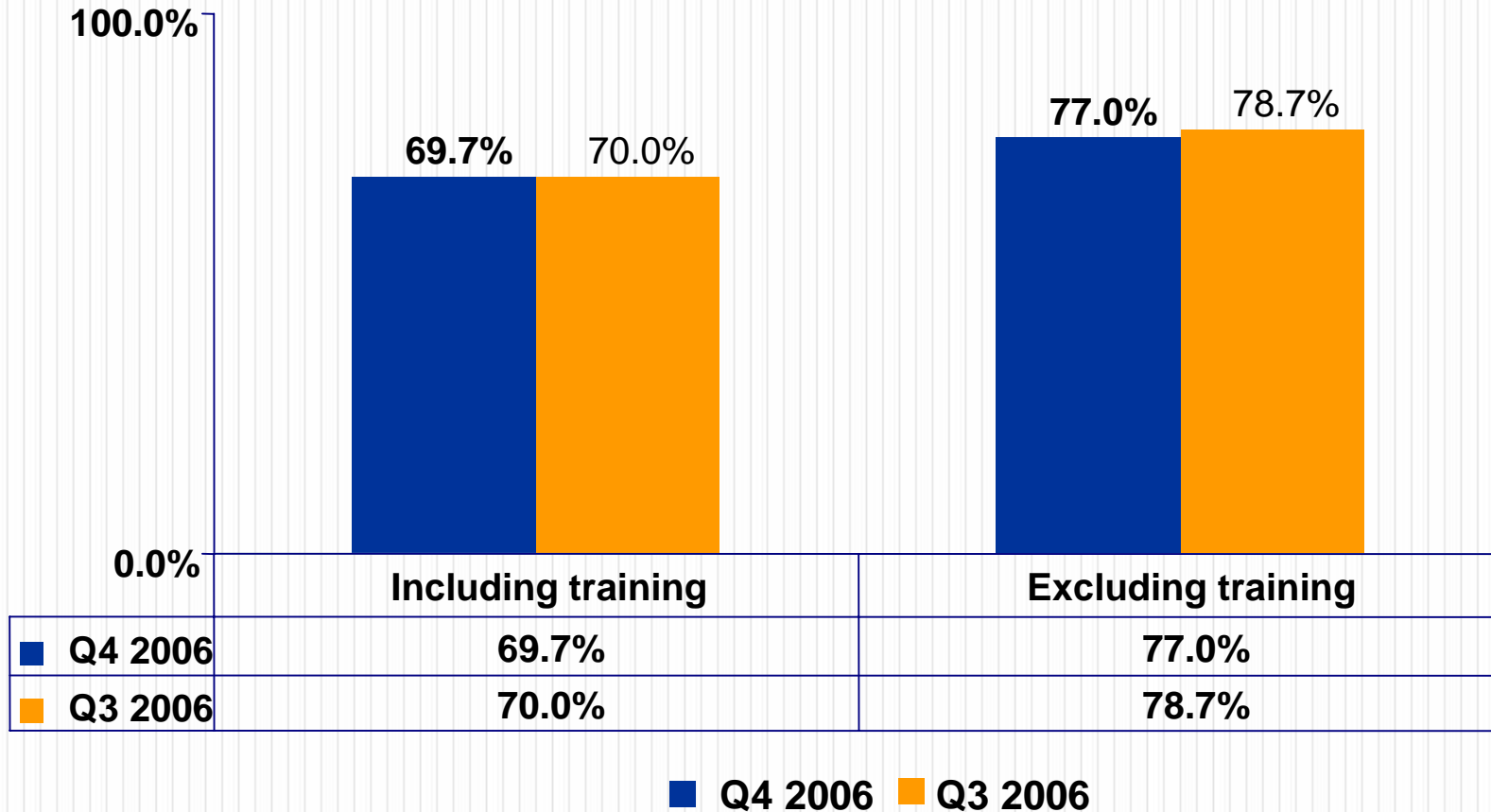
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Operational Performance

Region-wise Revenue

| | | | | | % |
|-------------------|----------------|---------|---------|----------------|---------|
| | Q4 2006 | Q3 2006 | Q4 2005 | FY 2006 | FY 2005 |
| North America | 65.0 | 65.0 | 63.9 | 64.8 | 65.2 |
| Europe | 25.5 | 24.9 | 23.3 | 24.5 | 22.3 |
| India | 1.8 | 1.4 | 2.0 | 1.7 | 1.9 |
| Rest of the World | 7.7 | 8.7 | 10.8 | 9.0 | 10.6 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |



Revenues by Project type

%

| | Q4 2006 | Q3 2006 | Q4 2005 | FY 2006 | FY 2005 |
|------------------|----------------|---------|---------|----------------|---------|
| Fixed Price | 27.0 | 28.4 | 29.4 | 28.1 | 30.0 |
| Time & Materials | 73.0 | 71.6 | 70.6 | 71.9 | 70.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

%

| | Q4 2006 | Q3 2006 | Q4 2005 |
|--------------|----------------|---------|---------|
| Onsite | 49.3 | 48.6 | 48.1 |
| Offshore | 50.7 | 51.4 | 51.9 |
| Total | 100.0 | 100.0 | 100.0 |

| | Q4 2006 | Q3 2006 | Q4 2005 |
|--|---------|---------|---------|
| Client contribution to revenues (%) | | | |
| Top client | 4.7 | 4.5 | 6.3 |
| Top 5 clients | 18.6 | 17.6 | 21.2 |
| Top 10 clients | 31.0 | 29.9 | 33.8 |
| No. of clients* | | | |
| Million dollar | 221 | 206 | 166 |
| 5 million+ | 81 | 78 | 71 |
| 10 million+ | 54 | 51 | 42 |
| 20 million+ | 26 | 25 | 19 |
| 30 million+ | 19 | 18 | 11 |
| 40 million+ | 14 | 14 | 8 |
| 50 million+ | 9 | 7 | 5 |
| 70 million+ | 4 | 2 | 1 |
| 90 million+ | 1 | 1 | - |
| Clients accounting for >5% of revenue | - | - | 1 |

*Last Twelve Month in US dollars



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Client Acquisition & Expansion of Services

- Client acquisitions during the quarter were 38
- 9 clients contributed more than \$ 50 million each in annual revenues
- Infosys along with Progeon began a large, long-term business process outsourcing engagement in the master data management, customer data integration and product information management for a leading global consumer electronics brand
- Infosys commenced a consulting engagement on Customer Data Integration for a leading hi-tech company and developed a scalable, high performance system for a leading software vendor in line with its product licensing and pricing strategy

- Infosys successfully re-defined the business intelligence landscape for a consumer electronics major on SAP Business Warehouse platform. The engagement was executed using Infosys' Global Delivery Model and deployed a range of Infosys services including technical architecture, consulting, change management, development and validation services
- Infosys is working with **a large private big-box general merchandise retailer in the US**, developing and maintaining IT systems for its core functions such as corporate finance and HR, payroll, retail inventory and store operations
- Infosys is partnering with **a leading US hardware co-operative** with international operations in 70 countries. The long-term IT partnership spans consulting, business application and system integration services and will enable the company to compete more effectively

- **One of the oldest and largest American private wealth management organizations** has engaged Infosys to build a core enterprise data warehouse to gain a unified view of its customers for improved reporting and business intelligence
- Infosys is working with **a large auto finance major** to develop a loans origination platform, which will help the client achieve a high degree of business process configurability for increased customer satisfaction
- Europe
 - Infosys expanded its footprint in Europe, securing new client engagements in a variety of industries
 - Infosys worked closely with companies in the manufacturing industry including **a global provider of specialized products and engineering solutions** and **a global leader in security inks for banknotes and value documents**

- Finacle™, Infosys' universal banking solution, continued to forge ahead in Asia, Europe and Latin America
- **Banco Continental De Panama (BCP)**, headquartered in Panama and ranked among the global top 1000 banks, selected Finacle™ universal banking solution, CRM, e-banking and alert solutions



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Human Resources

| | Q4 2006 | Q3 2006 |
|-------------------------|----------------|---------|
| Total employee strength | 52,715 | 49,422 |
| Software professionals | 49,495 | 46,484 |
| Gross addition | 5,170 | 5,135 |
| Laterals | 1,620 | 927 |
| Net addition | 3,293 | 3,226 |



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Capex and Infrastructure

- Capital expenditure of Rs. 275 crore was incurred during the quarter, total for the year Rs. 1,090 crore
- As on March 31, 2006, the company had 90,26,428* sq. ft of space capable of accommodating 41,666 professionals; and 53,43,603 sq. ft under completion capable of accommodating 20,200 professionals

*Excluding subsidiaries



Senior Management changes

- Mr. T. V. Mohandas Pai, Member of the Board and CFO, will be giving up his position as CFO from April 30, 2006
- Mr. V. Balakrishnan, currently Senior Vice President - Finance and Company Secretary, will take over as CFO from May 1, 2006
- Mr. Pai will continue to be a member of the Board and will be responsible for Human Resources Development (HRD), Education & Research (E&R), and Administration



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Outlook for the Future

- Quarter ending June 30, 2006
 - Income from ordinary activities is expected to be between Rs. 2,793 crore and Rs. 2,816 crore; YOY growth of 35% - 36%
 - Earnings per share from ordinary activities is expected to be Rs. 24.76 - Rs. 25.20; YOY growth of 26% - 28%

- Fiscal year ending March 31, 2007
 - Income from ordinary activities is expected to be between Rs. 12,254 crore and Rs. 12,446 crore; growth of 29% - 31%
 - Earnings per share from ordinary activities is expected to be Rs. 113.9 - Rs.115.6; growth of 26% - 28%



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Summary

- Global IT services industry is showing signs of stronger growth. Infosys is well poised to take advantage
- Clients have responded enthusiastically to our 'One Infy' service offering
- Our focus on enhancing skills and domain expertise across the organisation is yielding results
- Our risk management policies along with our strong financial controls and investments in the business have supported a high quality growth engine
- Continue to invest substantially in systems and processes to leverage our capabilities and provide superior services
- Our robust financial model has consistently enabled us to meet the challenges of growth & profitability while also meeting stakeholder expectations



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Thank You