Infosys Technologies (NASDAQ: INFY) Announces Results for the Quarter ended September 30, 2006

## Q2 revenues grew sequentially by 13%

# Guidance revised upwards. Revenues expected to cross \$ 3 billion in fiscal 2007 - To grow between 40.6% – 41.1%

Bangalore, India – October 11, 2006

## Highlights

Consolidated results for the quarter ended September 30, 2006

- Second quarter revenues at \$ 746 million, up 42.4% from the corresponding quarter last fiscal
- Earnings per American Depositary Share (ADS)\* increased to \$0.36 from \$0.25 in the corresponding quarter last fiscal
- 45 new clients were added during the quarter
- Gross addition of 10,795 employees (net 7,741) for the quarter
- 66,150 employees as on September 30, 2006

#### Outlook for the quarter ending December 31, 2006 and the fiscal year ending March 31, 2007

- Consolidated revenues expected to be between \$790 million and \$795 million for the quarter ending December 31, 2006 (YoY growth of 41.3% 42.2%) and between \$3.03 billion and \$3.04 billion for the fiscal year ending March 31, 2007 (YoY growth of 40.6% 41.1%)
- Consolidated earnings per ADS\* expected to be \$ 0.37 for the quarter ending December 31, 2006; (YoY growth of 42.3%) and \$ 1.44 for the fiscal year ending March 31, 2007; (YoY growth of 41.1%)

Infosys Technologies Limited ("Infosys" or "the company") today announced financial results for its second quarter ended September 30, 2006. Revenues for the quarter aggregated \$746 million, up 42.4% from \$524 million for the quarter ended September 30, 2005.

"Our business model provides a compelling value proposition to clients in a flat world," said Nandan M. Nilekani, CEO and Managing Director. "Our robust organic growth coupled with investments in various strategic areas helped us to grow faster in this environment. We have revised our guidance to cross \$ 3 billion in revenues this fiscal."

Infosys is enabling **a leading US cable provider** offering cable TV, Internet, telephony and wireless services to launch and test time-critical services with a focus on creating new revenue streams.

Enterprise services are enabling companies to become nimbler and more competitive. In a longterm engagement with **a large US airline company**, Infosys is implementing organization-wide Oracle Financials to transform its finance function in addition to incorporating best practices and operating procedures for enhanced effectiveness.

\* Adjusted for stock split

Infosys' Independent Validation Services (IVS) are gaining traction with clients across industry verticals. Infosys is establishing a Testing Center of Excellence (TCoE) to streamline Quality Assurance (QA) for a North American brokerage firm and developing enterprise QA strategy for a leading global insurance company. Infosys is also engaged in assessment and redesign of QA and testing processes, and performance validation for another insurance firm with global operations.

Infosys Consulting Inc. added nine new clients including an asset maintenance & servicing company in Australia and a recognized market leader in smartphones, handhelds, software and accessory solutions.

"The rupee depreciated marginally during the quarter with consequent benefit to us," said V. Balakrishnan, Chief Financial Officer. "Our operating margins also improved despite absorbing wage increases and other strategic investments."

## About the company

Infosys (NASDAQ: INFY) defines, designs and delivers IT-enabled business solutions. These provide our clients with strategic differentiation and operational superiority, thereby increasing their competitiveness. Each solution we provide is delivered with the industry-benchmark "Infosys Predictability" that gives our clients peace of mind. With Infosys, they are assured of a transparent business partner, business-IT alignment with flexibility, world-class processes, speed of execution and the power to stretch their IT budget by leveraging the Global Delivery Model that Infosys pioneered. Infosys has over 66,000 employees in over 39 offices worldwide. For more information, visit <u>www.infosys.com</u>

# Safe Harbor

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, 2006 and our quarterly report on Form 6-K for the quarter ended June 30, 2006. 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.

# Contact

Investor Relations	Shekar Narayanan, India +91 (80) 4116 7744 shekarn@infosys.com	Sandeep Mahindroo, USA +1 (646) 254 3133 sandeep_mahindroo@infosys.com
Media Relations	Bani Paintal Dhawan, India +91 (80) 2852 2408 Bani_Dhawan@infosys.com	Peter Mclaughlin, USA +1 (213) 268 9363 Peter_Mclaughlin@infosys.com

# Infosys Technologies Limited and subsidiaries

# **Consolidated Balance Sheets**

March 31, 2006September 30, 2006ASSETS(1)(Unaudited)Cash and cash equivalents\$ 889\$ 328Investments in liquid mutual fund units170615Trade accounts receivable, net of allowances361454Unbilled revenue4874Prepaid expenses and other current assets4049Deferred tax assets12Total current assets1,5091,522Property, plant and equipment, net491540Goodwill891Intrangible assets, net-18Deferred tax assets2731Other assets2731Current Liabilities22Income taxes payable-2Client deposits22Unearned revenue4467Other assets160183Total current liabilities55Non-current liabilities55Mority interests152Stockholders' Equity3162March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,3871,465Total stockholders' equity52,066\$2,220Total tastockholders' equity52,066\$2,220Total assets16018362March 31, 2006 and September 30, 2006, respectively410477 </th <th></th> <th colspan="3">(Dollars in millions except per share data) As of</th>		(Dollars in millions except per share data) As of		
ASSETS Current Assets(1)(Unaudited)Cash and cash equivalents\$ 889\$ 328Investments in liquid mutual fund units170615Trade accounts receivable, net of allowances361454Unbilled revenue4874Prepaid expenses and other current assets4049Deferred tax assets12Total current assets1540Goodwill891Intangible assets, net18Deferred tax assets1313Advance income taxes185Other assets2731Total Assets2731Client deposits22LiABILITIES AND STOCKHOLDERS' EQUITY209258Non-current liabilities55Non-current liabilities55Minority interests152Stockholders' Equity3162Minority interests152Accounts payable55Other non-current liabilities55Minority interests152Stockholders' Equity410477Additional paid-in capital410477Additional paid-in capital410477Additional paid-in capital410477Additional paid-in capital410477Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465<		March 31, 2006	September 30, 2006	
Current AssetsCash and cash equivalents\$ 889\$ 328Investments in liquid mutual fund units170615Trade accounts receivable, net of allowances361454Unbilled revenue4874Prepaid expenses and other current assets4049Deferred tax assets12Property plant and equipment, net491540Goodwill891Intangible assets, net-18Deferred tax assets1313Advance income taxes185Other assets2731Total Assets\$ 2,066\$ 2,220LIABILITIES AND STOCKHOLDERS' EQUITY\$ 3\$ 4Current Liabilities22Accounts payable-2Client deposits22Unearned revenue4467Other anon-current liabilities55Minority interests152Stockholders' Equity3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477410477Accumulated other comprehensive income9(49)410477Accurulated other comprehensive income9(49)1,3371,465Total stockholders' equity1,3371,4651,465				
Cash and cash equivalents         \$ 889         \$ 328           Investments in liquid mutual fund units         170         615           Trade accounts receivable, net of allowances         361         454           Unbilled revenue         48         74           Prepaid expenses and other current assets         40         49           Deferred tax assets         1         2           Total current assets         1,509         1,522           Property, plant and equipment, net         491         540           Goodwill         8         91           Intangible assets, net         -         18           Deferred tax assets         13         13           Advance income taxes         18         5           Other assets         27         31           Total Assets         2,2066         \$2,220           LIABILITIES AND STOCKHOLDERS' EQUITY         -         2           Current Liabilities         2         2           Accounts payable         -         2           Income taxes payable         -         2           Unearned revenue         44         67           Other accrued liabilities         5         5           Non-curre	ASSETS			
Investments in liquid mutual fund units         170         615           Trade accounts receivable, net of allowances         361         448           Prepaid expenses and other current assets         40         49           Deferred tax assets         1         2           Total current assets         40         49           Property, plant and equipment, net         491         540           Goodwill         8         91           Intangible assets, net         -         18           Deferred tax assets         13         13           Advance income taxes         18         5           Other assets         27         31           Income taxes payable         -         2           LIABILITIES AND STOCKHOLDERS' EQUITY         2         2           Unearned revenue         44         67           Other assets         2         2           Unearned revenue         44         67           Other accrued liabilities         5         5           Non-current liabilities         5         5           Mon-current liabilities         5         5           Mon-current liabilities         5         5           Other non-current liabil				
Trade accounts receivable, net of allowances       361       454         Unbilled revenue       48       74         Prepaid expenses and other current assets       40       49         Deferred tax assets       1       2         Total current assets       491       540         Goodwill       8       91         Intangible assets, net       -       18         Deferred tax assets       13       13         Advance income taxes       18       5         Other assets       27       31         Total Assets       27       31         Current Liabilities       \$2,066       \$2,220         LIABILITIES AND STOCKHOLDERS' EQUITY       2       2         Current Liabilities       2       2         Accounts payable       -       2         Client deposits       209       258         Non-current liabilities       5       5         Non-current liabilities       5       5         Other non-current liabilities       5       5         Other accrued liabilities       5       5         Other non-current liabilities       5       5         Other non-current liabilities       5       5<		\$ 889	\$ 328	
Unbilled revenue4874Prepaid expenses and other current assets4049Deferred tax assets12Total current assets1,5091,522Property, plant and equipment, net491540Goodwill891Intangible assets, net18Deferred tax assets1313Advance income taxes185Other assets2731Total Assets2731ILABILITIES AND STOCKHOLDERS' EQUITY\$2,066\$2,200LIABILITIES AND STOCKHOLDERS' EQUITY22Current Liabilities22Accounts payable2Income taxes payable2Unearned revenue4467Other accrued liabilities160183Total current liabilities55Monorturent liabilities55Other non-current liabilities55Monorty interests152Stockholders' Equity3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively4104777Additional paid-in capital4104777404Additional paid-in capital4104777Accumulated other comprehensive income9(49)Retained earnings1,3871,485				
Prepaid expenses and other current assets4049Deferred tax assets12Total current assets1,5091,522Property, plant and equipment, net491540Goodwill891Intangible assets, net-18Deferred tax assets1313Advance income taxes185Other assets2731Total Assets2731LIABILITIES AND STOCKHOLDERS' EQUITY\$2,066\$2,220LIABILITIES AND STOCKHOLDERS' EQUITY22Unearned revenue4467Other acrued liabilities160183Total current liabilities55Non-current liabilities55Mority interests152Common stock, \$0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477410477Accumulated other comprehensive income9(49)1,8371,485Total stockholder's 'equity1,8371,4951,9551,955	Trade accounts receivable, net of allowances	361	454	
Deferred tax assets         1         2           Total current assets         1,509         1,522           Property, plant and equipment, net         491         540           Goodwill         8         91           Intangible assets, net         -         18           Deferred tax assets         13         13           Advance income taxes         18         5           Other assets         27         31           Total Assets         277         31           Income taxes payable         -         2           Income taxes payable         -         2           Unearned revenue         44         67           Other accrued liabilities         209         258           Non-current liabilities         5         5           Non-current liabilities         5         5           Other non-current liabilities         5         5           Non-current liabilities         5         5           Non-current liabilities         5         5           Non-current liabilities         5         5           Other non-current liabilities         5         5           Other on-current liabilities         5         5				
Total current assets1,5091,522Property, plant and equipment, net491540Goodwill891Intangible assets, net-18Deferred tax assets1313Advance income taxes185Other assets2731Total Assets2731LIABILITIES AND STOCKHOLDERS' EQUITY\$2,066\$2,220LIABILITIES AND STOCKHOLDERS' EQUITY-2Current Liabilities22Accounts payable\$3\$4Income taxes payable-2Unearned revenue44467Other accrued liabilities209258Non-current liabilities55Mon-current liabilities55Mon-current liabilities152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding - 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accurulated other comprehensive income9(49)410Additional paid-in capital410477Accurulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,465		40		
Property, plant and equipment, net491540Goodwill891Intangible assets, net-Intangible assets, net-Beferred tax assets13Advance income taxes18Other assets27Softer assets27ItABILITIES AND STOCKHOLDERS' EQUITYCurrent LiabilitiesAccounts payable-Accounts payable2Client deposits222Unearned revenue4460Other accrued liabilities160Total current liabilities15Other non-current liabilities5Minority interests15Stockholders' Equity31Common stock, \$ 0.16 par value31600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectivelyAdditional paid-in capital4104104777Accumulated other comprehensive income99(49)Retained earnings1,337Total stockholders' equity1,8371,4851,955	Deferred tax assets	1		
Goodwill         8         91           Intangible assets, net         -         18           Deferred tax assets         13         13           Advance income taxes         18         5           Other assets         27         31           Total Assets         27         31           LIABILITIES AND STOCKHOLDERS' EQUITY         \$2,066         \$2,220           LIABILITIES AND STOCKHOLDERS' EQUITY         -         2           Current Liabilities         2         2           Accounts payable         -         2           Income taxes payable         -         2           Unearned revenue         44         67           Other accrued liabilities         209         258           Non-current liabilities         209         258           Non-current liabilities         5         5           Other non-current liabilities         5         5           Minority interests         15         2           Stockholders' Equity         31         62           Common stock, \$ 0.16 par value         31         62           600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as         5         5		1,509	1,522	
Intangible assets, net18Deferred tax assets1313Advance income taxes185Other assets2731Total Assets\$2,066\$2,200LIABILITIES AND STOCKHOLDERS' EQUITY\$3\$4Income taxes payable2Client deposits22Unearned revenue4467Other accrued liabilities160183Non-current liabilities209258Non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value600,000,000 equity shares authorized, Issued and outstanding - 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively4104777Accumulated other comprehensive income9(49)410Retained earnings1,3871,465Total stockholders' equity1,8371,955		491		
Deferred tax assets1313Advance income taxes185Other assets2731Total Assets $27$ 31LIABILITIES AND STOCKHOLDERS' EQUITY\$2,066\$2,220LIABILITIES AND STOCKHOLDERS' EQUITYCurrent LiabilitiesAccounts payable $$ 2Income taxes payable $$ 2Unearned revenue4467Other accrued liabilities160183Total durrent liabilities209258Non-current liabilities55Minority interests152Comon stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Goodwill	8	91	
Advance income taxes185Other assets2731Total Assets\$2,066\$2,220LIABILITIES AND STOCKHOLDERS' EQUITY\$3\$4Income taxes payable2Client deposits22Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)410477Actined earnings1,3871,4651,955Total stockholders' equity1,8371,955	Intangible assets, net	_	18	
Other assets2731Total Assets\$2,066\$2,220LIABILITIES AND STOCKHOLDERS' EQUITY\$3\$4Current Liabilities\$3\$4Income taxes payable2Client deposits22Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Deferred tax assets	13	13	
Total Assets\$ 2,066\$ 2,220LIABILITIES AND STOCKHOLDERS' EQUITYCurrent LiabilitiesAccounts payable\$ 3\$ 4Income taxes payable2Client deposits22Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities55Minority interests55Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955			5	
LIABILITIES AND STOCKHOLDERS' EQUITYCurrent LiabilitiesAccounts payable\$ 3\$ 4Income taxes payable2Client deposits22Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)410477Actained earnings1,3871,4651,8371,955	Other assets		31	
Current LiabilitiesAccounts payable\$3\$4Income taxes payable2Client deposits22Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding - 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Total Assets	\$ 2,066	\$ 2,220	
Accounts payable\$ 3\$ 4Income taxes payable2Client deposits22Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000 equity shares authorized, Issued and outstanding - 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)4371,465Total stockholders' equity1,8371,9551,955	LIABILITIES AND STOCKHOLDERS' EQUITY			
Income taxes payable2Client deposits22Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities209258Non-current liabilities55Minority interests152Stockholders' Equity152Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)410477Accumulated other comprehensive income9(49)1,3871,465Total stockholders' equity1,8371,9551,955	Current Liabilities			
Client deposits22Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities209258Other non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Accounts payable	\$ 3	\$ 4	
Unearned revenue4467Other accrued liabilities160183Total current liabilities209258Non-current liabilities55Other non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)410477Accumulated other comprehensive income9(49)1,3871,465Total stockholders' equity1,8371,9551,9551,955	Income taxes payable	—	2	
Other accrued liabilities160183Total current liabilities209258Non-current liabilities209258Other non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)410Retained earnings1,3871,465Total stockholders' equity1,8371,955	Client deposits	2	2	
Total current liabilities209258Non-current liabilities55Other non-current liabilities55Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Unearned revenue	44	67	
Non-current liabilities5Other non-current liabilities5Minority interests15Stockholders' Equity15Common stock, \$ 0.16 par value31600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410Additional paid-in capital410Accumulated other comprehensive income99(49)Retained earnings1,387Total stockholders' equity1,837	Other accrued liabilities	160	183	
Other non-current liabilities55Minority interests152Stockholders' Equity152Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Total current liabilities	209	258	
Minority interests152Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Non-current liabilities			
Stockholders' Equity3162Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized,155Issued and outstanding – 551,109,960 and 555,785,001 as66of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Other non-current liabilities	5	5	
Common stock, \$ 0.16 par value3162600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Minority interests	15	2	
600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Stockholders' Equity			
600,000,000 equity shares authorized, Issued and outstanding – 551,109,960 and 555,785,001 as of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Common stock, \$ 0.16 par value	31	62	
of March 31, 2006 and September 30, 2006, respectively410477Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955				
Additional paid-in capital410477Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Issued and outstanding – 551,109,960 and 555,785,001 as			
Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955				
Accumulated other comprehensive income9(49)Retained earnings1,3871,465Total stockholders' equity1,8371,955	Additional paid-in capital	410	477	
Retained earnings1,3871,465Total stockholders' equity1,8371,955		9	(49)	
Total stockholders' equity 1,837 1,955		1,387		
	-	1,837	1,955	
		\$ 2,066	\$ 2,220	

(1) March 31, 2006 balances were obtained from audited financial statements

## Infosys Technologies Limited and subsidiaries

### **Unaudited Consolidated Statements of Income**

	(Dollars in m. Three months ended September 30,		illions except per share data) Six months ended September 30	
	2005	2006	2005 (audited)	2006
Revenues	\$ 524	\$ 746	(audited) \$ 1,000	\$ 1,406
Cost of revenues	<b>5 324</b> 297	<b>5 740</b> 423	<b>5</b> 71	<b>۹۱٫400</b> 812
	297	323	429	<u> </u>
Gross profit	221	323	429	394
Operating Expenses:	35	48	67	93
Selling and marketing expenses General and administrative expenses	35 46	40 63	83	93 119
Amortization of intangible assets	40	1	03	119
	81	112	150	213
Total operating expenses	<u> </u>	211	<b>279</b>	381
Operating income	140	211	219	
Gain on sale of long-term investment Other income, net	- 9	- 14	- 16	1 42
Income before income taxes and	155	225	295	42
minority interest	155	225	295	424
Provision for income taxes	16	26	34	49
Income before minority interest	139	199	261	375
Minority interest	155	199	201	2
Net income	\$ 138	\$ 199	\$ 260	\$ 373
Earnings per equity share*	\$ 1 <b>3</b> 0	φ 1 <del>3</del> 3	φ 200	\$ 313
Basic	\$ 0.25	\$ 0.36	\$ 0.48	\$ 0.68
Diluted	\$ 0.25 \$ 0.25	\$ 0.35	\$ 0.40	\$ 0.66
Weighted average equity shares used	ψ 0.25	φ 0.55	ψ 0.47	φ 0.00
in computing earnings per equity				
share*				
Basic	541,375,238	551,938,696	540,269,462	550,964,911
Diluted	556,608,116	564,858,570	555,390,222	563,832,673
	200,000,110	231,000,070	230,000,222	000,002,010

\* Adjusted for stock split