

Audited financial results for the quarter and year ended March 31, 2007

(in Rs. crore, except per share data)

Our		Nine w	(In Rs. crore, except per share date					
				March 31,				
					200			
					9,02			
					4,88			
					4,14			
					49			
					65			
1,148	804	3,077	2,184	4,225	2,98			
-								
					40			
1,015	670	2,741	1,910	3,756	2,58			
			73	375	14			
			-	2				
					2,72			
					30			
1,124	664	2,653	1,757	3,777	2,4			
-	-	6	-	6				
1,124	664	2,659	1,757	3,783	2,42			
286	138	279	137	286	1:			
10,876	6,759	9,363	7,113	10,876	6,7			
19.96	12.06	47.82	32.27	67.82	44.:			
19.61	11.75	46.70	31.35	66.33	43.1			
19.96	12.06	47.93	32.27	67.93	44.3			
19.61	11.75	46.81	31.35	66.44	43.1			
-	-	5.00	3.25	5.00	3.2			
6.50	4.25	-	-	6.50	4.:			
-	15.00	-	-	-	15.0			
6.50	19.25	5.00	3.25	11.50	22.			
		100.00			450.0			
36.75.70.027	36.67.83.082	35.54.77.282	36.49.80.096	36.75.70.027	36,67,83,08			
					66.5			
	Marc 2007 3,555 1,979 1,576 189 239 1,148 133 1,015 120 (1) 1,136 12 1,124 286 10,876 19.96 19.61	3,555 2,493 1,979 1,380 1,576 1,113 189 126 239 183 1,148 804	March 31, Deceme 2007 2006 2006 3,555 2,493 9,594 1,979 1,380 5,299 1,576 1,113 4,295 189 126 530 239 183 688 1,148 804 3,077 - - - 133 134 336 1,015 670 2,741 120 70 255 (1) (1) 3 1,136 741 2,993 12 77 340 1,124 664 2,653 - - 6 1,124 664 2,653 10,876 6,759 9,363 19.96 12.06 47.82 19.61 11.75 46.70 19.96 12.06 47.82 19.61 11.75 46.81 - - 5.00 6.50	March 31, December 31, 2007 2006 2006 2005 3,555 2,493 9,594 6,535 1,979 1,380 5,299 3,508 1,576 1,113 4,295 3,027 189 126 530 374 239 183 688 469 1,148 804 3,077 2,184 - - - - 133 134 336 274 1,015 670 2,741 1,910 120 70 255 73 (1) (1) 3 - 1,136 741 2,993 1,983 12 77 340 226 1,124 664 2,659 1,757 286 138 279 137 10,876 6,759 9,363 7,113 19,96 12.06 47.82 32.27 19,61 11.75	Quarter ended March 31, Nine months ended December 31, Year of March 31, 2007 2006 2006 2005 2007 3,555 2,493 9,594 6,535 13,149 1,979 1,380 5,299 3,508 7,278 1,576 1,113 4,295 3,027 5,871 189 126 530 374 719 239 183 688 469 927 1,148 804 3,077 2,184 4,225 1,015 670 2,741 1,910 3,756 120 70 255 73 3,75 (1) (1) 3 - 2 1,136 741 2,993 1,983 4,129 12 77 340 226 352 1,124 664 2,653 1,757 3,783 286 138 279 137 286 10,876 6,759 9,363 7,113			

* Adjusted for the issue of bonus shares in the ratio of 1:1 allotted on July 15, 2006 as per Accounting Standard 20 (AS 20) on Earnings Per Share # Total public shareholding as defined under clause 40A of the listing agree

Other information:

		Quarter ended N March 31,		ths ended	Year ended	
	March			December 31,		h 31,
	2007	2006	2006	2005	2007	2006
Staff costs	1,708	1,212	4,608	3,061	6,314	4,273
Items exceeding 10% of aggregate expenditure	-	-	-	-	-	-
Details of other income:						
Interest on deposits with banks and others	82	59	100	73	182	132
Dividend on investments in liquid mutual funds	33	16	83	54	116	71
Miscellaneous income	8	8	28	10	35	18
Exchange differences	(3)	(13)	44	(64)	42	(77)
Total	120	`7Ó	255	73	375	144

Audited consolidated financial results of Infosys Technologies Limited and its subsidiaries

(in Rs. crore, except per share data)

					(in Rs. crore, exce	
	Quarter ended		Nine months ended		Year ended	
	March 31,		December 31,		Marc	h 31,
	2007	2006	2006	2005	2007	2006
Income from software services, products and	3,772	2,624	10,121	6,897	13,893	9,521
business process management						
Software development and business process	2,021	1,422	5,437	3,644	7,458	5,066
management expenses						
Gross profit	1,751	1,202	4,684	3,253	6,435	4,455
Selling and marketing expenses	268	152	661	448	929	600
General and administration expenses	286	217	829	547	1,115	764
Operating profit before interest, depreciation	1,197	833	3,194	2,258	4,391	3,09
and minority interest	· ·		ĺ	,	· ·	,
Interest	-	-	-	-	-	
Depreciation	145	144	369	293	514	437
Operating profit before tax, minority interest	1,052	689	2,825	1,965	3,877	2,654
and exceptional items	1,000		_,	1,000		_,
Other income (net)	119	72	253	68	372	139
Provision for investments	(1)		3	1	2	
Net profit before tax, minority interest and	1,172	761	3,075	2,032	4,247	2,792
exceptional items	',		,,,,,	_,,~~_	.,	_,
Provision for taxation (refer to note 5)	27	81	359	233	386	313
Net profit after tax, before minority interest	1,145	680	2,716	1,799	3,861	2,479
and exceptional items	1,140			1,100	0,001	_,,
Income from sale of investments	_	_	6	_	6	
Net profit after tax, exceptional items and	1,145	680	2,722	1,799	3,867	2,479
before minority interest	1,140			1,100	0,001	_,,
Minority interest	1	7	10	13	11	2
Net profit after tax, exceptional items and	1.144	673	2.712	1.786	3.856	2.458
minority interest	1,144	0,0	2,712	1,700	0,000	2,400
Paid-up equity share capital (par value Rs. 5/-	286	138	279	137	286	138
each, fully paid) (refer to note 2)	200	100	213	107	200	100
Reserves & surplus	10,969	6,828	9,436	7,175	10,969	6,828
Earnings per share (par value Rs. 5/- each)*	10,303	0,020	3,430	7,175	10,303	0,020
Before Exceptional items						
Basic*	20.30	12.23	48.75	32.80	69.11	45.03
Diluted*	19.95	11.92	47.61	31.87	67.59	43.78
After Exceptional items	19.95	11.92	47.01	31.01	07.59	43.70
Basic*	20.30	12.23	48.88	32.80	69.22	45.03
Diluted*	19.95	12.23	47.73	32.60 31.87	67.70	43.78
	19.95	11.92	47.73	31.07	67.70	43.70
Dividend per share (par value Rs. 5/- each) Interim dividend*			5.00	3.25	5.00	3.25
	6.50	4.05	5.00	3.23		
Final dividend*	6.50	4.25 15.00	_	-	6.50	4.25
Silver Jubilee special dividend*	6.50		F 00	2.05	14.50	15.00
Total dividend	6.50	19.25	5.00	3.25	11.50	22.50
Total dividend percentage (%)*	130.00	385.00	100.00	65.00	230.00	450.00
Total Public Shareholding (unaudited)#	20.75.70.007	20 07 02 020	05 54 77 000	20 40 00 000	20 75 70 007	00 07 00 000
Number of shares*	36,75,70,027	36,67,83,082	35,54,77,282	36,49,80,096	36,75,70,027	36,67,83,082
Percentage of shareholding	64.35	66.55	63.72	66.47	64.35	66.55

- Adjusted for the issue of bonus shares in the ratio of 1:1 allotted on July 15, 2006 as per Accounting Standard 20 (AS 20) on Earnings Per Share * Total public shareholding as defined under clause 40A of the listing agreement (excludes shares held by founders and American Dej
- Principles of consolidation: The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as set out in the Accounting Standard on Consolidated Financial Statements prescribed by the Institute of Chartered Accountants of India. The financial statements of the parent company and its subsidiaries have been combined on a line-byline basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions and resulting unrealized gains / losses. The consolidated financial statements are prepared by applying uniform accounting policies.

- 1. The audited financial statements have been taken on record by the Board of Directors at its meeting held on April 13, 2007. There are no qualifications in the auditors' reports for these periods. The information presented above is extracted from the audited financial statements as
- During the years ended March 31, 2007 and 2006 the company issued 2,00,99,902; 99,68,862 equity shares respectively, pursuant to the exercise of stock options by certain employees under the 1998 and 1999 stock option plans. The company has accelerated the vesting of 5,72,000 outstanding unvested options, which were due to be vested in the normal course by October 2007
- Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended March 31, 2007 Nature of complaints received Opening balance Additions Disposal
- Dividend / Bonus shares related 4. The Board of Directors recommended a final dividend of Rs. 6.50 per share (130% on an equity share of par value of Rs. 5/-) for fiscal 2007. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the company. Including the interim dividend of Rs. 5.00 per share (100% on an equity share of par value of Rs. 5/-) declared at the Board meeting held on October 11, 2006, the total dividend recommendation for the year is Rs. 11.50 per share (230% on an equity share of par value of Rs. 5/-).
- The tax provision for the quarter and year ending March 31, 2007 includes a reversal of Rs. 124 and Rs. 125 crore respectively for liability no longer required for taxes payable in various overseas jurisdictions consequent to expiry of limitation period and completion of assessment by
- Effective April 1, 2006 the company adopted the revised accounting standard on employee benefits. Pursuant to the adoption, the additional obligations of the company amounted to Rs. 9 crore. As required by the standard, the obligation has been recorded with the transfer of Rs. 9 crore to general reserves.
- Infosys was liable to pay Aeronautical Development Agency (ADA) a maximum amount of Rs. 20 crore (US\$ 4.4 million) by June 12, 2012 through a revenue sharing arrangement towards acquisition of Intellectual Property Rights in AUTOLAY, a commercial software application product used in designing high performance structural systems. During the year Infosys foreclosed the arrangement by paying the net present value of the future revenue share amounting to Rs. 13.5 crore (US\$ 3 million). The remainder of the liability in books amounts to Rs. 6.5 crore (US\$ 1.4 million) has been written back and disclosed in Other Income.

Matters relating to subsidiaries: Infosys BPO:

- In January 2007, the company initiated the purchase of all the share and outstanding options in Infosys BPO from its shareholders and option holders comprising current and former employees of Infosys BPO. The shareholders were given a choice to sell their shares at fair market value and the option-holders were given the choice to sell their options and/or swap Infosys BPO options for Infosys options at a swap ratio based on fair market value. Consequent to this proposal, Infosys has paid an aggregate of Rs. 71 crore for the purchase of shares and options and granted 1,51,933 Infosys options under the 1999 plan valued at Rs. 12 crore. Accordingly, the investment in Infosys BPO has increased by Rs. 83 crore and reserves have increased by Rs. 12 crore. Additionally, the company has committed to a deferred share purchase with the shareholders of Infosys BPO. As per the agreement, Infosys will purchase 3,60,417 Infosys BPO shares for Rs. 22 crore by February 2008. The same will be accounted as investment on conclusion of the agreement along with the transfer of title in the shares. Upon conclusion, Infosys' holding in Infosys BPO would be 99.98%.
- On December 8, 2006, the shareholders of Infosys BPO approved a buy-back of up to 12,79,963 equity shares at a fair market value of Rs. 604/- per equity share. Pursuant to the buy-back offer, Infosys BPO bought back 11,39,469 equity shares, which were subsequently cancelled on December 29, 2006
- 10. On August 29, 2006, Progeon Limited was renamed Infosys BPO Ltd., and on February 19, 2007, Progeon s.r.o. was renamed Infosys BPO s.r.o.
- 11. On June 30, 2006, the company completed the acquisition of the entire holdings (87,50,000 shares) of Citicorp International Finance Corporation ("CIFC") in Infosys BPO Limited ("Infosys BPO") for a consideration amounting to Rs. 530 crore (US\$ 115 million). The net consideration of Rs. 309 crore, after withholding taxes of Rs. 221 crore, was remitted to CIFC on the same date Other Subsidiaries
- 12. On July 21, 2006, Infosys Technologies (Shanghai) Co. Limited was renamed Infosys Technologies (China) Co. Limited.
- 13. During the year ended March 31, 2007, the company invested US\$ 5 million (Rs. 23 crore) as capital and disbursed a loan of US\$ 2 million (Rs. 8 crore) to its wholly owned subsidiary, Infosys Technologies (China) Co. Limited. The loan is repayable within five years from the date of disbursement at the discretion of the subsidiary. As of March 31, 2007 the company has invested US\$ 10 million (Rs. 46 crore) as equity capital and US\$ 5 million (Rs. 22 crore) as loan in the subsidiary.
- 14. During the year ended March 31, 2007, the company invested US\$ 3 million (Rs. 14 crore) in its wholly owned subsidiary, Infosys Consulting Inc. As of March 31, 2007 the company has invested an aggregate of US\$ 20 million (Rs. 90 crore) in the subsidiary. Changes to Board of Directors:
- 15. The Board of Directors in its meeting held on April 13, 2007 approved the following changes in the senior management of the company that will become effective from June 22, 2007:
 - Mr. Nandan M. Nilekani becomes the Co-Chairman of the Board
 - Mr. S. Gopalakrishnan assumes the role of Chief Executive Officer and Managing Director
- Mr. S. D. Shibulal assumes the role of Chief Operating Officer
- 16. Sen. Larry Pressler retired by rotation as a director of the company at the Annual General Meeting held on June 10, 2006 and did not seek
- 17. Mr. Jeffrey Lehman was appointed as an additional director of the company effective April 14, 2006. The appointment was approved by the shareholders of the company at the Annual General Meeting held on June 10, 2006. 18. Mr. N. R. Narayana Murthy, Chairman and Chief Mentor, turned 60 on August 20, 2006 and as per the service rules of the company, he retired
- from the services of the company on that date. In this connection the Board, at its meeting held on July 12, 2006, appointed Mr. Murthy as an Additional Director of the company. Further the Board also appointed Mr. Murthy as the Non-Executive Chairman of the Board and Chief Mentor with effect from August 21, 2006.
- 19. The Board, at its meeting held on July 12, 2006 re-designated Mr. Nandan M. Nilekani as the Chief Executive Officer and Managing Director and Mr. S. Gopalakrishnan as President, Chief Operating Officer and Joint Managing Director with effect from August 21, 2006.
- 20. During the year ended March 31, 2007, the company received an amount of US\$ 1 million (Rs. 5 crore) being the balance held in escrow account released on fulfillment of the escrow obligations on account of sale of investment in Yantra Corporation. The income is disclosed separately as an exceptional item in the profit and loss account.
- 21. During the year ended March 31, 2007, the company received Rs. 1 crore from CiDRA Corporation towards redemption of shares on recapitalization. The remainder of investment was written off against the provision made earlie Corporate actions:

22. At the Annual General Meeting held on June 10, 2006, the shareholders approved 1:1 bonus issue (stock dividend) for all shareholders including the ADR holders, i.e., one additional equity share for every one existing share held by the members by capitalizing a part of the reserves. The bonus shares were subsequently issued.

- 23. The final dividend of Rs. 4.25/- per share for fiscal 2006 and the Silver Jubilee Special dividend of Rs. 15/- per share was approved by the shareholders at the Annual General Meeting held on June 10, 2006 and the same was paid subsequently. Others:
- 24. During the year, Infosys completed a sponsored secondary offering of 3,00,00,000 American Depositary Shares (ADSs), representing 3,00,00,000 equity shares (one equity share represents one ADS) at a price of US\$ 53.50 per ADS excluding underwriting discounts and commissions. The aggregate size of the offering exceeded US\$ 1.6 billion, which is the largest international equity offering from India.
- 25. Infosys was added to the NASDAQ-100 Index effective with the market opening on December 18, 2006. The NASDAQ-100 Index is composed of the 100 largest non-financial stocks on the NASDAQ Stock Market in terms of market capitalization. Infosvs is the first Indian company to be added to the NASDAQ-100 Index and is the only Indian company to be part of any of the major global indices.

Segment reporting (Consolidated - Audited)

(in Rs. crore)

	Quarter ended March 31,		Nine months ended December 31,		Year ended March 31,	
	2007	2006	2006	2005	2007	2006
Revenue by industry segment						
Financial services	1,396	946	3,813	2,481	5,209	3,427
Manufacturing	487	382	1,390	942	1,877	1,324
Telecom	826	427	1,853	1,139	2,679	1,566
Retail	406	267	988	701	1,394	968
Others	657	602	2,077	1,634	2,734	2,236
Total	3,772	2,624	10,121	6,897	13,893	9,521
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	3,772	2,624	10,121	6,897	13,893	9,521
Segment profit before tax, interest, depreciation and minority						
interest:						
Financial services	421	280	1,142	794	1,564	1,074
Manufacturing	157	116	420	286	577	402
Telecom	290	165	633	436	923	601
Retail	128	87	314	224	442	311
Others	201	185	685	518	885	703
Total	1,197	833	3,194	2,258	4,391	3,091
Less: Interest	-	-	-	-	-	-
Other un-allocable expenditure	145	144	369	293	514	437
(excluding un-allocable income)						
Operating profit before tax, minority interest and exceptional	1,052	689	2,825	1,965	3,877	2,654
items						

Notes on segment information

Principal seaments

Closing balance

The company's operations predominantly relate to providing technology services, delivered to clients globally, operating in various industry segments. Accordingly, revenues represented along industry verticals comprise the primary basis of the segmental information set out above

Segmental capital employed

Fixed assets used in the company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities has been made

By order of the Board for Infosys Technologies Limited Nandan M. Nilekan

S. Gopalakrishnar April 13, 2007 President, Chief Operating Officer

Chief Executive Officer and Managing Director

The Board has also taken on record the unaudited consolidated results of Infosys Technologies Limited and its subsidiaries for the year ended March 31, 2007, prepared as per US GAAP. A summary of the financial statements is as follows:

(in US\$ million, except per ADS data)

	Quarter ende	ed March 31,	Year ended March 31,		
	2007 2006		2007	2006	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Revenues	863	593	3,090	2,152	
Cost of revenues	497	354	1,777	1,244	
Gross profit	366	239	1,313	908	
Net income	259	152	850	555	
Earnings per American Depositary Share (ADS)					
Basic	0.46	0.28	1.53	1.02	
Diluted	0.45	0.27	1.50	0.99	
Total assets	3,073	2,066	3,073	2,066	
Cash and cash equivalents	1,403	889	1,403	889	
Liquid mutual funds	6	170	6	170	

The reconciliation of net income as per Indian GAAP (audited) and US GAAP is as follows:

				(III OOQ IIIIIIOII)	
	Quarter ende	ed March 31,	Year ended March 31,		
	2007 2006		2007	2006	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Consolidated net profit as per Indian GAAP	261	152	858	555	
Stock compensation expenses (SFAS 123R)	(1)	-	(5)		
Amortization of intangible assets	(1)	-	(3)	-	
Consolidated net income as per US GAAP	259	152	850	555	

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 regarding the success of our investments 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, our Quarterly Reports on Form 6-K for the quarters ended June 30, 2006, September 30, 2006 and December 31, 2006 and our other recent filings. 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