Safe Harbor

This presentation includes statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although Infosys believes that the expectations contained in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove correct. These statements may involve risks and uncertainties that could cause actual results to differ materially from the expected results. Such risks include, but are not limited to, the risk factors described in Infosys' Registration Statement on Form F-3, a prospectus supplement to such Registration Statement and in other reports and periodic filings made from time to time with the Securities and Exchange Commission.
## Infosys Overview

| **Global Presence:** | 43 Sales Offices  
44 Global Development Centers  
Operating in 22 countries |
<table>
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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Employees (Dec 06):</strong></td>
<td>Approximately 69,400</td>
</tr>
<tr>
<td><strong>LTM Dec 06 Revenue / 5-year CAGR:</strong></td>
<td>$2.8 billion / 40%</td>
</tr>
<tr>
<td><strong>LTM Dec 06 Net Income / 5-year CAGR:</strong></td>
<td>$743 million / 36%</td>
</tr>
<tr>
<td><strong>Business Model:</strong></td>
<td>Next Generation business model combining best of Consulting &amp; Global Delivery</td>
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Win in the Flat World

Global Mega Trends
- Asia – New “center of gravity” for the world
- “Geography becomes History” with reduced telecommunication costs
- Technology – the supreme enabler

Infosys – Transformation Partner
- Differentiated access to highly educated, cost-competitive human capital
- Leading the Next-Generation Business Model and investing in innovations and business solutions
- Redefining scalability with modular global infrastructure
Investment Highlights

Large, Expanding Addressable Market

Next Generation Business Model

Scalable Execution

Exceptional Financial Performance
Offshore Outsourcing is a Global Mega Trend

Outsourcing Benefits
- Convert fixed costs to variable
- Reduce TCO
- Improve competitiveness
- Improve time-to-market
- Enhance ROI

Offshore Benefits
- Deliver high quality at great value
- Highly scalable with a large resource pool available
- Proven track record

Global 500 and Fortune 1000 IT Spending
- Trend setters for the rest of the business world
- Combined IT spend represents 40% of global IT spending
- IT budget constitutes 2.3% of $20 trillion combined revenues

Source: IDC 2005, 2006; Deutsche Bank Securities
The India Advantage

- **High Quality Delivery and Offerings**
  - Established track record of exceptional quality
  - Expanded offerings that encompass the entire value chain

- **Established Industry**
  - Services exports (including BPO) estimated at $23 billion in 2006, to grow to $60 billion by 2010
  - Offshore ‘home’ for virtually all the leading technology companies

- **Abundant Skilled Resources**
  - 2.5 million English speaking graduate pool
  - 1,478 engineering colleges with a capacity to produce over 500,000 engineering graduates annually

- **Strong Government Support**
  - “Tax Holiday” schemes
  - Supportive Government policy environment

- **Significant Benefits**
  - Substantial cost savings associated with moving offshore
  - Large intangible benefits such as reduced time to market

Source:
1. NASSCOM Strategic Review 2006 (includes engineering services and software products)
2. NASSCOM Strategic Review 2004
3. Annual report 2005-06, HRD Ministry, Government of India
Investment Highlights

Large, Expanding Addressable Market

Next Generation Business Model

Scalable Execution

Exceptional Financial Performance
Disruptive Force in Global Services

Next Generation Business Model:
- Consulting + solution mindset
- Continue to strengthen brand
- Strengthen Board-level relationships
- Thought Leadership

Need to:
- Replace resources
- Overcome “offshore-is-cost-center” mindset
- Combat revenue cannibalization
- Provide seamless sales and delivery
- Reduce SG&A
Next Generation Business Model

Applying GDM + Consulting Across the Services Spectrum

New Services* as % of Revenue

* New services defined as services other than Application Development, Maintenance, Re-engineering and Products
Resulting in New Clients and Increasing Penetration

Large, Growing Client Relationships

Execution excellence resulted in high share of repeat business (95.8% in YTD Dec 06)
Investment Highlights

- Large, Expanding Addressable Market
- Next Generation Business Model
- Scalable Execution
- Exceptional Financial Performance
Superior Talent Management: Hiring the Best

- **Industry wide preferred employer**
  - Best company to work for in India (TNS-Mercer, 2006)

- **Able to simultaneously evaluate 10,000+ people across 7 cities in India**

- **Expanding talent base through global hiring**
  - United States, China and Eastern Europe
  - Currently employing people from 63 nationalities
  - Supplementing with experienced local hires

- **Tapping non-traditional labor pool**
  - Employing non-engineers for infrastructure management, testing and BPO
  - Proactive assistance provided to India’s educational system to produce engineers with high quality software skills

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**Number of Employees**

- **Applied** (including laterals): 1,300,900
- **Tested**: 189,500
- **Offers Made** (2.7% of applicants): 35,500

*Excluding subsidiaries

**CAGR: 48%**

- **Mar 02**: 10,700
- **Mar 03**: 15,900
- **Mar 04**: 25,600
- **Mar 05**: 36,700
- **Mar 06**: 52,700
- **Dec 06**: 69,400
Developing and Retaining the Best

- Learning Support to employees towards development and career progression, which improves long-term retention and solidifies culture
- Currently able to train 4,500 entry-level recruits at the Mysore campus simultaneously

- 3-tier leadership development program
- Specialized technical & domain training
- Rigorous 14 week entry-level training program (planned spend of $150mm towards training in fiscal 07)
World Class Processes and Systems

Quality par Excellence

- Benchmarked to Global Standards

- Deployment of improvement techniques

Award-winning Knowledge Management Processes

- PRIDE: Infosys process repository

- 2006 Asian Most Admired Knowledge Enterprise (MAKE) award

Technology-driven Scalable Business Processes

Among the leaders in 2005 Business Week’s list of “Top 100 InfoTech Companies”

Note: EFQM – European Foundation for Quality Management
PRIDE – Process Repository at Infosys for Driving Excellence
CMMI – Capability Maturity Model
Robust, Flexible, Modular Global Infrastructure

- 44 Global Development Centers (“GDC”)*
  - 24 in India
  - 20 in North America, Europe and Asia-Pacific
  - 11.5 million sq. feet* of total area to house 58,500 employees
  - 9.3 million* sq. feet under construction to house 23,200 employees

- Ability to rapidly scale new engagements
- Flexibility to distribute engagements and capacity across centers worldwide
- Disaster recovery / business continuity capabilities

* As of Dec 31, 2006
Investment Highlights

- Large, Expanding Addressable Market
- Next Generation Business Model
- Scalable Execution
- Exceptional Financial Performance
Superior Revenue Growth

Revenue Progression

FY 02 – FY 06 Revenue CAGR: 41%

Strong Revenue Acceleration

FY 02 FY 03 FY 04 FY 05 FY 06 FY 07

Quarterly Revenue (US$mm)

Annual Revenue (US$bn)

23 years

23 months
Sustained, Industry-leading Profitability

- Flexible cost model helps Infosys deliver industry-leading margins

FY 02 – FY 06 Net Income CAGR: 36%

Operating Margin (%)

Quarterly Net Income (US$mm)
Diversified Revenue Base

Revenue by Industry Vertical

- **FY 00**
  - Insurance, Banking & Financial Services: 30%
  - Manufacturing: 15%
  - Telecom: 11%
  - Retail: 15%
  - Others: 23%

- **LTM Dec 06**
  - Insurance, Banking & Financial Services: 37%
  - Manufacturing: 14%
  - Telecom: 10%
  - Retail: 18%
  - Others: 14%

Revenue by Geography

- **FY 00**
  - North America: 78%
  - Europe: 15%
  - India: 1%
  - Rest of the World: 6%

- **LTM Dec 06**
  - North America: 64%
  - Europe: 26%
  - India: 8%
  - Rest of the World: 2%
Strong Balance Sheet

- Highly liquid (Cash & Investments stand at $1,087 mm)*
- Zero debt company
- High quality receivables (86.5% aging less than 60 days)*
- Superior Return on Invested Capital (CY 06 Return on Invested Capital at 83.5%)

* As of December 31, 2006
Addressing Key Market Challenges

**Challenges**

- Resource availability and attrition
- Ability to get into new services
- Wage inflation
- US$ / Rupee exchange rate

**Infosys Strategy**

- Industry-wide preferred employer
- Expanding talent base through global hiring and tapping non-traditional labor pools
- Good work environment, open culture, performance-based variable pay and long-term retention plan for senior employees
- Stellar management track record in entering new services
- Pyramid employee structure
- Ability to lever cost advantages to counter wage inflation
- Variable salary structure and role-based compensation
- Proactively hedge currency exposure
Consistently Met or Exceeded Guidance

Revenue

- Guidance
- Actual

Earnings per ADS

- Quarterly
- Annually*

* Guidance provided at the beginning of the fiscal year
Investment Highlights

Large, Expanding Addressable Market

Next Generation Business Model

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Exceptional Financial Performance
Thank You