

Profit and Loss Account summary for the Quarter ended

(As per Indian GAAP)

In Rs. crore, except per share data

| Particulars | December 31, | | Growth (%) | September 30, 2007 | Growth % in Q3 FY 2007 over Q2 FY 2007 |
|--|--------------|--------------|-------------|--------------------|--|
| | 2007 | 2006 | | | |
| Income from software services, products and business process management | 4,271 | 3,655 | 16.9 | 4,106 | 4.0 |
| Software development and business process management expenses | 2,325 | 1,938 | 20.0 | 2,231 | 4.2 |
| GROSS PROFIT | 1,946 | 1,717 | 13.3 | 1,875 | 13.3 |
| Selling and marketing expenses | 205 | 236 | (13.1) | 283 | (27.6) |
| General and administration expenses | 349 | 285 | 22.5 | 308 | 13.3 |
| | 554 | 521 | 6.3 | 591 | (6.2) |
| OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND MINORITY INTEREST | 1,392 | 1,196 | 16.4 | 1,284 | 8.4 |
| Interest | - | - | - | - | - |
| Depreciation | 153 | 141 | 8.5 | 144 | 6.3 |
| OPERATING PROFIT BEFORE TAX, MINORITY INTEREST AND EXCEPTIONAL ITEMS | 1,239 | 1,055 | 17.4 | 1,140 | 8.7 |
| Other income, net | 158 | 59 | 167.8 | 154 | 2.6 |
| Provision for investments | - | - | - | - | - |
| NET PROFIT BEFORE TAX, MINORITY INTEREST AND EXCEPTIONAL ITEMS | 1,397 | 1,114 | 25.4 | 1,294 | 8.0 |
| Provision for taxation | 166 | 130 | 27.7 | 194 | (14.4) |
| NET PROFIT AFTER TAX AND BEFORE MINORITY INTEREST AND EXCEPTIONAL ITEMS | 1,231 | 984 | 25.1 | 1,100 | 8.0 |
| Income on sale of investments (net of taxes) | - | - | - | - | - |
| NET PROFIT AFTER TAX, EXCEPTIONAL ITEMS AND BEFORE MINORITY INTEREST | 1,231 | 984 | 25.1 | 1,100 | 12.0 |
| Minority interest | - | 1 | - | - | - |
| NET PROFIT AFTER TAX, EXCEPTIONAL ITEMS AND MINORITY INTEREST | 1,231 | 983 | 25.2 | 1,100 | 12.0 |
| EARNINGS PER SHARE* (Equity shares of par value Rs. 5/- each) | | | | | |
| Before exceptional items | | | | | |
| Basic | 21.54 | 17.64 | 22.1 | 19.26 | 11.8 |
| Diluted | 21.47 | 17.24 | 24.5 | 19.19 | 11.9 |
| After exceptional items | | | | | |
| Basic | 21.54 | 17.64 | 22.1 | 19.26 | 11.8 |
| Diluted | 21.47 | 17.24 | 24.5 | 19.19 | 11.9 |

* Adjusted for the issue of bonus shares in the ratio of 1:1 allotted on July 15, 2006

Profit and Loss Account summary for the Nine months ended
(As per Indian GAAP)
In Rs. crore, except per share data

| Particulars | December 31, | | Growth (%) | Year ended March 31, 2007 |
|--|--------------|--------------|-------------|---------------------------|
| | 2007 | 2006 | | |
| Income from software services, products and business process management | 12,150 | 10,121 | 20.0 | 13,893 |
| Software development and business process management expenses | 6,725 | 5,437 | 23.7 | 7,458 |
| GROSS PROFIT | 5,425 | 4,684 | 15.8 | 6,435 |
| Selling and marketing expenses | 693 | 661 | 4.8 | 929 |
| General and administration expenses | 972 | 829 | 17.2 | 1,115 |
| | 1,665 | 1,490 | 11.7 | 2,044 |
| OPERATING PROFIT BEFORE INTEREST, DEPRECIATION AND MINORITY INTEREST | 3,760 | 3,194 | 17.7 | 4,391 |
| Interest | | - | | - |
| Depreciation | 441 | 369 | 19.5 | 514 |
| OPERATING PROFIT BEFORE TAX, MINORITY INTEREST AND EXCEPTIONAL ITEMS | 3,319 | 2,825 | 17.5 | 3,877 |
| Other income, net | 565 | 253 | 123.3 | 372 |
| Provision for investments | | 3 | | 2 |
| NET PROFIT BEFORE TAX, MINORITY INTEREST AND EXCEPTIONAL ITEMS | 3,884 | 3,075 | 26.3 | 4,247 |
| Provision for taxation | 474 | 359 | 32.0 | 386 |
| NET PROFIT AFTER TAX AND BEFORE MINORITY INTEREST AND EXCEPTIONAL ITEMS | 3,410 | 2,716 | 25.6 | 3,861 |
| Income on sale of investments (net of taxes) | | 6 | | 6 |
| NET PROFIT AFTER TAX, EXCEPTIONAL ITEMS AND BEFORE MINORITY INTEREST | 3,410 | 2,722 | 25.3 | 3,867 |
| Minority interest | - | 10 | - | 11 |
| NET PROFIT AFTER TAX, EXCEPTIONAL ITEMS AND MINORITY INTEREST | 3,410 | 2,712 | 25.7 | 3,856 |
| EARNINGS PER SHARE* (Equity shares of par value Rs. 5/- each) | | | | |
| Before exceptional items | | | | |
| Basic | 59.70 | 48.75 | 22.5 | 69.11 |
| Diluted | 59.49 | 47.61 | 25.0 | 67.59 |
| After exceptional items | | | | |
| Basic | 59.70 | 48.88 | 22.1 | 69.22 |
| Diluted | 59.49 | 47.73 | 24.6 | 67.70 |

* Adjusted for the issue of bonus shares in the ratio of 1:1 allotted on July 15, 2006

REVENUE BY GEOGRAPHICAL SEGMENT

| | Quarter ended | | | LTM | LTM |
|-------------------|---------------|--------------|--------------|--------------|--------------|
| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 | Dec 31, 2007 | Dec 31, 2006 |
| | % | % | % | % | % |
| North America | 62.3 | 62.6 | 63.2 | 62.5 | 63.9 |
| Europe | 28.6 | 27.4 | 26.8 | 27.4 | 26.2 |
| India | 1.2 | 1.0 | 1.8 | 1.4 | 1.6 |
| Rest of the world | 7.9 | 9.0 | 8.2 | 8.7 | 8.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

REVENUE BY SERVICE OFFERING

| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 | LTM | LTM |
|--|--------------|--------------|--------------|--------------|--------------|
| | % | % | % | Dec 31, 2007 | Dec 31, 2006 |
| | % | % | % | % | % |
| Services | | | | | |
| Application Development and Maintenance | 46.3 | 44.2 | 47.7 | 45.7 | 49.2 |
| <i>Application Development</i> | 21.5 | 21.8 | 22.3 | 21.9 | 23.5 |
| <i>Application Maintenance</i> | 24.8 | 22.4 | 25.4 | 23.8 | 25.7 |
| Business Process Management | 5.9 | 5.2 | 4.9 | 5.4 | 4.4 |
| Consulting Services and Package Implementation | 24.0 | 23.6 | 21.2 | 23.4 | 20.5 |
| Infrastructure Management | 4.5 | 5.5 | 4.4 | 5.0 | 4.2 |
| Product Engineering Services | 1.7 | 1.6 | 1.5 | 1.6 | 1.7 |
| System Integration | 2.7 | 2.8 | 2.7 | 2.7 | 2.2 |
| Testing Services | 7.4 | 7.8 | 7.0 | 7.5 | 6.5 |
| Others | 3.8 | 5.6 | 6.3 | 5.1 | 7.5 |
| Total Services | 96.3 | 96.3 | 95.7 | 96.4 | 96.2 |
| Products | 3.7 | 3.7 | 4.3 | 3.6 | 3.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Note:

We have reclassified the segment information relating to service offerings starting this quarter. The major changes effected are as follows:

1. Package Implementation and consulting services are reported together.
2. Infrastructure Management and System Integration revenues were carved out from Application Development & Maintenance and other services
3. Re-engineering, which was shown separately earlier, has been included in Application Development & Maintenance Services
4. The re-classified data for the past quarters is given overleaf.

| | Q1 FY 07 | Q2 FY 07 | Q3 FY 07 | Q4 FY 07 | Q1 FY 08 |
|--|--------------|--------------|--------------|--------------|--------------|
| | % | % | % | % | % |
| Services | | | | | |
| Application Development and Maintenance | 49.8 | 48.6 | 47.7 | 46.3 | 46.0 |
| <i>Application Development</i> | 24.0 | 23.6 | 22.3 | 22.7 | 21.6 |
| <i>Application Maintenance</i> | 25.8 | 25.0 | 25.4 | 23.6 | 24.4 |
| Business Process Management | 4.2 | 4.5 | 4.9 | 5.2 | 5.4 |
| Consulting Services and Package Implementation | 19.6 | 20.6 | 21.2 | 22.7 | 23.3 |
| Infrastructure Management | 4.1 | 4.2 | 4.4 | 4.8 | 5.1 |
| Product Engineering Services | 1.8 | 1.6 | 1.5 | 1.6 | 1.4 |
| System Integration | 2.0 | 2.3 | 2.7 | 2.2 | 2.9 |
| Testing Services | 6.2 | 6.9 | 7.0 | 7.3 | 7.5 |
| Others | 8.6 | 7.6 | 6.3 | 6.1 | 5.1 |
| Total Services | 96.3 | 96.3 | 95.7 | 96.2 | 96.7 |
| Products | 3.7 | 3.7 | 4.3 | 3.8 | 3.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

5. Going forward the services segment revenues will be provided as per the new classification.

| REVENUE BY PROJECT TYPE * | | | | | |
|---------------------------|--------------|--------------|--------------|------------------|------------------|
| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 | LTM Dec 31, 2007 | LTM Dec 31, 2006 |
| | % | % | % | % | % |
| Fixed Price | 32.8 | 29.8 | 27.7 | 29.2 | 27.0 |
| Time & Materials | 67.2 | 70.2 | 72.3 | 70.8 | 73.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

"LTM" – Last Twelve Months

* Excluding products

REVENUE BY INDUSTRY

| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 | LTM Dec 31, 2007 | LTM Dec 31, 2006 |
|---|--------------|--------------|--------------|---------------------|---------------------|
| | % | % | % | % | % |
| Insurance, banking & financial | 36.8 | 36.5 | 38.6 | 36.6 | 37.3 |
| <i>Insurance</i> | 7.3 | 7.7 | 7.6 | 7.3 | 7.1 |
| <i>Banking & financial services</i> | 29.5 | 28.8 | 31.0 | 29.3 | 30.2 |
| Manufacturing | 14.6 | 13.9 | 12.8 | 13.8 | 13.9 |
| Retail | 12.0 | 12.5 | 10.5 | 11.6 | 9.9 |
| Telecom | 21.1 | 20.6 | 18.3 | 21.4 | 17.9 |
| Energy & Utilities | 5.2 | 5.3 | 5.4 | 5.1 | 5.4 |
| Transportation & logistics | 2.4 | 2.3 | 2.0 | 2.2 | 2.8 |
| Services | 6.0 | 7.7 | 8.3 | 7.2 | 8.5 |
| Others | 1.9 | 1.2 | 4.1 | 2.1 | 4.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

CLIENT DATA

| | Quarter ended | | |
|-------------------------------------|---------------|--------------|--------------|
| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 |
| Number of Clients | | | |
| Active | 530 | 520 | 488 |
| Added during the quarter | 47 | 48 | 43 |
| Accounting for > 5% of revenue | 1 | 1 | 1 |
| Number of million* dollar clients | | | |
| 1 Million dollar + | 305 | 295 | 256 |
| 5 Million dollar + | 128 | 122 | 108 |
| 10 Million dollar + | 81 | 77 | 67 |
| 20 Million dollar + | 45 | 44 | 35 |
| 30 Million dollar + | 30 | 30 | 22 |
| 40 Million dollar + | 22 | 22 | 17 |
| 50 Million dollar + | 17 | 16 | 11 |
| 60 Million dollar + | 12 | 11 | 10 |
| 70 Million dollar + | 12 | 9 | 8 |
| 80 Million dollar + | 9 | 9 | 4 |
| 90 Million dollar + | 6 | 5 | 2 |
| 100 Million dollar + | 4 | 3 | 2 |
| 200 Million dollar + | 1 | 1 | |
| Client contribution to revenue | | | |
| Top client | 9.5% | 7.9% | 6.9% |
| Top 5 clients | 21.6% | 19.5% | 18.9% |
| Top 10 clients | 32.5% | 29.9% | 31.0% |
| Repeat business | 96.3% | 97.7% | 94.7% |
| Account receivables – LTM (in days) | 60 | 61 | 63 |

“LTM” – Last Twelve Months

* LTM Revenues

| EFFORT AND UTILIZATION | | | |
|------------------------|---------------|--------------|--------------|
| | Quarter ended | | |
| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 |
| | % | % | % |
| Effort | | | |
| Onsite | 25.2 | 25.7 | 26.5 |
| Offshore | 74.8 | 74.3 | 73.5 |
| Revenue | | | |
| Onsite | 47.8 | 48.8 | 49.2 |
| Offshore | 52.2 | 51.2 | 50.8 |
| Utilization | | | |
| Including trainees | 69.4 | 70.3 | 67.5 |
| Excluding trainees | 76.3 | 77.8 | 75.8 |

| PERSON MONTHS DATA | | | |
|--------------------|-----------------|-----------------|-----------------|
| | Quarter ended | | |
| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 |
| Billed – Onsite | 42,190 | 40,936 | 35,368 |
| – Offshore | 1,25,191 | 1,18,267 | 98,343 |
| TOTAL | 1,67,381 | 1,59,203 | 1,33,711 |
| Non Billable | 52,022 | 45,370 | 42,616 |
| Trainees | 21,625 | 21,902 | 21,748 |
| Sales & Support | 11,496 | 11,277 | 10,255 |
| TOTAL | 2,52,524 | 2,37,752 | 2,08,330 |

| EMPLOYEE METRICS | | | |
|------------------------------|---------------|---------------|---------------|
| | Quarter ended | | |
| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 |
| Total Employees | 88,601 | 80,501 | 69,432 |
| Software Professionals | 83,011 | 75,313 | 65,393 |
| <i>Billable</i> | <i>75,345</i> | <i>66,743</i> | <i>58,073</i> |
| <i>Banking Product Group</i> | <i>2,053</i> | <i>2,053</i> | <i>1,967</i> |
| <i>Trainees</i> | <i>5,613</i> | <i>6,517</i> | <i>5,353</i> |
| Sales & Support | 5,590 | 5,188 | 4,039 |
| Gross Addition | 11,683 | 8,543 | 6,062 |
| Net Addition | 8,100 | 4,530 | 3,282 |
| Lateral Employees | 2,570 | 1,754 | 1,676 |
| Attrition % (LTM)* | 13.7% | 14.2% | 13.5% |

"LTM" – Last Twelve Months

* Excluding subsidiaries

INFRASTRUCTURE (as on December 31, 2007)

| | Completed | | Work in Progress | | Land acquired during the Qtr (acres) |
|-------------------------|-------------------------|---------------|-------------------------|---------------|--------------------------------------|
| | Built-Up Area (Sq. Ft.) | No. of Seats | Built-Up Area (Sq. Ft.) | No. of Seats | |
| Bangalore | 34,95,676 | 21,293 | 4,54,702 | 3,787 | - |
| Bhubaneswar | 5,44,400 | 3,300 | 3,29,230 | 636 | - |
| Chandigarh | 7,88,914 | 3,900 | 3,89,588 | 2,216 | - |
| Chennai | 12,30,406 | 8,966 | 12,73,500 | 5,000 | - |
| Gurgaon | 21,000 | 195 | 75,000 | 1,000 | - |
| Hyderabad | 18,22,523 | 9,430 | - | - | 447 |
| Jaipur | 78,000 | 890 | 260,000 | 3,200 | - |
| Mangalore | 4,64,209 | 3,275 | 2,17,000 | 1,600 | - |
| Mauritius | 28,000 | 400 | - | - | - |
| Mysore (including ILI)* | 38,62,099 | 5,434 | 37,13,676 | 350 | - |
| Pune | 23,93,474 | 11,901 | 18,91,262 | 11,782 | - |
| Thiruvananthapuram | 1,13,000 | 1,337 | 15,060 | 220 | - |
| Total | 1,48,41,701 | 70,321 | 86,19,018 | 29,791 | 447 |

* Infosys Leadership Institute

CONSOLIDATED IT SERVICES

| | Quarter ended | | | | | |
|--|-----------------|--------------------|-----------------|--------------------|----------------|--------------------|
| | Dec 31, 2007 | Sequential growth% | Sep 30, 2007 | Sequential growth% | Dec 31, 2006 | Sequential growth% |
| Effort – Services (Person Months) | | | | | | |
| Onsite | 41,974 | 3.03 | 40,740 | 4.77 | 35,175 | 6.12 |
| Offshore | 92,234 | 5.15 | 87,717 | 9.04 | 72,504 | 7.98 |
| Total | 1,34,207 | 4.48 | 1,28,457 | 7.66 | 107,679 | 7.36 |
| Revenue – Services (\$ million) | | | | | | |
| Onsite | 516.07 | 4.13 | 495.62 | 7.87 | 402.80 | 8.17 |
| Offshore | 464.47 | 6.54 | 435.90 | 11.91 | 342.74 | 9.81 |
| Total | 980.54 | 5.26 | 931.52 | 9.72 | 745.54 | 8.91 |

RUPEE - US DOLLAR RATE

| | Dec 31, 2007 | Sep 30, 2007 | Dec 31, 2006 |
|----------------------------|--------------|--------------|--------------|
| Period end rate | 39.41 | 39.75 | 44.11 |
| Period average rate | 39.40 | 40.19 | 44.53 |

| PERFORMANCE AS AGAINST GUIDANCE | | | |
|---------------------------------|-------------------------|-------------|---------|
| For Quarter ending December' 07 | | Guidance | Actuals |
| Indian GAAP | Revenue (Rs. crore) | 4,238-4,258 | 4,271 |
| | EPS (Rs.)* | 20.11 | 20.66 |
| US GAAP | Revenue (US \$ Million) | 1,073-1,078 | 1,084 |
| | Basic EPADS (US \$)* | 0.51 | 0.52 |

* Excluding Tax reversal of Rs. 51 crore (US \$ 13 million)

| SUBSIDIARIES PERFORMANCE | | |
|---|---------------------|------------------------|
| For Quarter ending December' 07 | Revenue (US \$ Mln) | Net Income (US \$ Mln) |
| Infosys BPO Limited | 64 | 7 |
| Infosys Technologies (Australia) Pty. Limited | 33 | 5 |
| Infosys Consulting, Inc. | 17 | - |
| Infosys Technologies (China) Company Limited | 5 | - |
| Infosys Technologies, S.De R.L. De C V., Mexico | - | (1) |

Reconciliation of accounts as per Indian GAAP and US GAAP

in Rs. crore

| | Quarter ended | | Year ended |
|---|-------------------|-------------------|----------------|
| | December 31, 2007 | December 31, 2006 | March 31, 2007 |
| Consolidated Net Profit as per Indian GAAP | 1,231 | 983 | 3,856 |
| Stock compensation expenses (SFAS 123R) | (3) | (6) | (24) |
| Amortization of Intangibles | (8) | (6) | (17) |
| Consolidated Net income as per US GAAP | 1,220 | 971 | 3,815 |

Reasons for differences in net income as per Indian GAAP and US GAAP

Stock compensation expenses (SFAS 123R)

From April 1, 2006, the company adopted FASB Statement No.123 (revised 2004), *Share-Based Payment* using the modified prospective approach. The company recorded stock compensation expense of Rs. 3 crore during the three months ended December 31, 2007, using the fair value recognition provisions.

Amortization of Intangibles

US GAAP requires the purchase price in business combination transactions to be allocated to identifiable assets and liabilities, including intangibles assets. Intangible assets are to be amortized over the estimated useful life.