

**Profit and Loss Account summary for the Quarter ended
(Consolidated as per Indian GAAP)***In Rs. crore, except per share data*

Particulars	September 30,		Growth (%)	June 30, 2005	Growth % in Q2 FY 2006 over Q1 FY 2006
	2005	2004			
Income from software services, products and business process management	2,294	1,749	31.2	2,072	10.7
Software development and business process management expenses	1,212	927	30.7	1,105	9.7
Gross profit	1,082	822	31.6	967	11.9
Selling and marketing expenses	149	122	22.1	141	5.7
General and administration expenses	199	139	43.2	162	22.8
	348	261	33.3	303	14.9
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION, AMORTIZATION, MINORITY INTEREST	734	561	30.8	664	10.5
Interest	-	-	-	-	-
Depreciation and amortization	96	61	57.4	80	20.0
OPERATING PROFIT AFTER INTEREST, DEPRECIATION, AMORTIZATION AND BEFORE MINORITY INTEREST	638	500	27.6	584	9.2
Other income	44	30	46.7	28	57.1
Provision for investments	1	-	-	-	-
NET PROFIT BEFORE TAX, MINORITY INTEREST	681	530	28.5	612	11.3
Provision for taxation	69	83	-16.9	80	-13.8
NET PROFIT AFTER TAX AND BEFORE MINORITY INTEREST	612	447	36.9	532	15.0
Minority interest	6	-	-	-	-
NET PROFIT AFTER TAX AND MINORITY INTEREST	606	447	35.6	532	13.9
Earnings per share Equity shares of par value Rs. 5/- each					
Basic	22.26	16.71	33.2	19.63	13.4
Diluted	21.63	16.34	32.4	19.08	13.4

**Profit and Loss Account summary for the Half-year ended
(Consolidated as per Indian GAAP)**

In Rs. crore, except per share data

Particulars	September 30,		Growth (%)	Year ended March 31, 2005
	2005	2004		
Income from software services, products and business process management	4,366	3,267	33.6	7,130
Software development and business process management expenses	2,316	1,732	33.7	3,765
Gross profit	2,050	1,535	33.6	3,365
Selling and marketing expenses	291	228	27.6	461
General and administration expenses	361	257	40.5	569
	652	485	34.4	1,030
OPERATING PROFIT BEFORE INTEREST, DEPRECIATION, AMORTIZATION, EXCEPTIONAL ITEM, MINORITY INTEREST	1,398	1,050	33.1	2,335
Interest	-	-	-	-
Depreciation and amortization	176	113	55.8	287
OPERATING PROFIT AFTER INTEREST, DEPRECIATION, AMORTIZATION AND BEFORE EXCEPTIONAL ITEM, MINORITY INTEREST	1,222	937	30.4	2,048
Other income	72	45	60.0	124
Provision for investments	1	-	-	-
NET PROFIT BEFORE TAX, EXCEPTIONAL ITEM, MINORITY INTEREST	1,293	982	31.7	2,172
Provision for taxation on the above	150	147	2.0	325
NET PROFIT AFTER TAX AND BEFORE EXCEPTIONAL ITEM, MINORITY INTEREST	1,143	835	36.9	1,847
Exceptional Item – net of taxes	-	-	-	45
NET PROFIT AFTER TAX AND EXCEPTIONAL ITEM AND BEFORE MINORITY INTEREST	1,143	835	36.9	1,892
Minority interest	6	-	-	-
NET PROFIT AFTER TAX, EXCEPTIONAL ITEM AND MINORITY INTEREST	1,137	835	36.2	1,892
Earnings per share Equity shares, par value Rs. 5/- each				
Before exceptional item				
Basic	41.87	31.25	34.0	68.79
Diluted	40.69	30.64	32.8	67.00
After exceptional item				
Basic	41.87	31.25	34.0	70.48
Diluted	40.69	30.64	32.8	68.64

REVENUE BY GEOGRAPHICAL SEGMENT

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004	LTM Sep 30, 2005	LTM Sep 30, 2004
	%	%	%	%	%
North America	65.4	63.6	65.2	64.8	66.8
Europe	23.7	23.9	21.4	23.3	21.2
India	1.5	2.4	1.7	2.0	1.3
Rest of the world	9.4	10.1	11.7	9.9	10.7
Total	100.0	100.0	100.0	100.0	100.0

REVENUE BY SERVICE OFFERING

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004	LTM Sep 30, 2005	LTM Sep 30, 2004
	%	%	%	%	%
Development	19.9	19.4	25.1	20.5	25.3
Maintenance	30.1	30.4	29.2	30.4	29.7
Re-engineering	4.7	5.1	6.5	5.5	6.1
Package implementation	15.8	15.2	15.1	15.4	15.3
Consulting	3.8	4.2	3.0	4.0	3.3
Testing	6.2	6.5	5.7	6.2	5.4
Engineering services	1.9	1.8	2.0	1.9	2.0
Business process management	3.9	3.8	2.4	3.5	2.1
Other services	10.1	8.9	8.1	8.9	8.2
Total services	96.4	95.3	97.1	96.3	97.4
Products	3.6	4.7	2.9	3.7	2.6
Total revenues	100.0	100.0	100.0	100.0	100.0

REVENUE BY PROJECT TYPE *

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004	LTM Sep 30, 2005	LTM Sep 30, 2004
	%	%	%	%	%
Fixed Price	28.7	28.6	29.7	29.4	30.9
Time & Materials	71.3	71.4	70.3	70.6	69.1
Total	100.0	100.0	100.0	100.0	100.0

"LTM" - Last Twelve Months

* Excluding products

REVENUE BY INDUSTRY

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004	LTM Sep 30, 2005	LTM Sep 30, 2004
	%	%	%	%	%
Insurance, banking & financial	35.7	36.3	35.1	35.3	35.0
<i>Insurance</i>	7.9	8.4	9.8	8.6	10.5
<i>Banking & financial services</i>	27.8	27.9	25.3	26.7	24.5
Manufacturing	13.5	13.3	14.7	13.7	14.6
Retail	10.5	9.6	9.5	9.7	11.0
Telecom	16.7	17.2	18.5	17.8	18.0
Energy & Utilities	4.3	3.7	2.9	3.7	2.8
Transportation & logistics	5.6	7.0	7.5	6.9	7.3
Services	9.9	9.4	8.1	9.3	6.5
Others	3.8	3.5	3.7	3.6	4.8
Total	100.0	100.0	100.0	100.0	100.0

CLIENT DATA

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004
Number of Clients			
Active	450	443	431
Added during the quarter	34	36	32
Accounting for > 5% of revenue	-	1	1
Number of Million Dollar Clients			
1 Million dollar +*	191	172	146
5 million dollar +*	76	73	60
10 million dollar +*	48	43	31
20 million dollar +*	23	22	16
30 million dollar +*	16	14	10
40 million dollar +*	11	8	7
50 million dollar +*	6	5	3
60 million dollar +*	4	4	1
70 million dollar +*	2	3	-
80 million dollar +*	1	1	-
90 million dollar +*	1	1	-
Client Contribution to Revenue			
Top client	4.4%	5.2%	5.5%
Top 5 clients	17.8%	19.1%	21.6%
Top 10 clients	30.6%	31.8%	34.7%
Repeat business	96.5%	98.7%	96.3%
Account receivables – LTM (in days)	59	59	58

"LTM" - Last Twelve Months

* LTM Revenues

EFFORT AND UTILIZATION

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004
	%	%	%
Effort			
Onsite	26.4	26.3	27.7
Offshore	73.6	73.7	72.3
Revenue			
Onsite	48.8	47.9	49.8
Offshore	51.2	52.1	50.2
Utilization			
Including trainees	72.9	74.1	71.4
Excluding trainees	79.1	77.5	81.0

PERSON MONTHS DATA

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004
Billed – Onsite	23,486	21,165	17,358
– Offshore	65,334	59,306	45,375
Total	88,820	80,471	62,733
Non Billable	23,508	23,373	14,755
Trainees	9,518	4,683	10,389
Sales & Support	7,284	6,839	4,964
Total	129,130	1,15,366	92,841

EMPLOYEE METRICS

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004
Total Employees	46,196	39,806	32,949
S/W professionals	43,441	37,146	30,922
<i>Billable</i>	<i>38,541</i>	<i>34,611</i>	<i>24,977</i>
<i>Banking Product Group</i>	<i>1,351</i>	<i>1,328</i>	<i>838</i>
<i>Trainees</i>	<i>3,549</i>	<i>1,207</i>	<i>5,107</i>
Sales & Support	2,755	2,660	2,027
Gross Addition	8,026	4,537	6,078
Net Addition	6,390	3,056	5,010
Lateral Employees	1,166	1,129	1,052
Attrition % (LTM)*	10.0%	9.8%	10.8%

"LTM" - Last Twelve Months

* Excluding subsidiaries

INFRASTRUCTURE (as on September 30, 2005)**

	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	24,14,836	14,465	8,98,189	5,900	-
Pune	8,98,647	5,931	3,90,513	3,064	-
Chennai	6,79,317	4,176	2,65,000	2,350	-
Hyderabad	9,30,000	4,080	3,25,000	2,500	-
Bhubaneshwar	3,84,000	2,000	1,59,000	1,300	-
Mangalore	1,98,000	1,400	-	-	-
Mysore (including ILI)*	25,23,550	2,934	4,56,000	2,500	-
Mohali	21,000	200	6,84,054	3,000	-
Trivandrum	88,000	880	-	-	-
Mauritius	28,000	400	-	-	-
Total	81,65,350	36,466	31,77,756	20,614	-

* Infosys Leadership Institute

** Excluding subsidiaries

CONSOLIDATED IT SERVICES

	Sep 30, 2005	Jun 30, 2005	Sep 30, 2004
Effort – Services (Person Months)			
Onsite	23,311	20,997	17,267
Offshore	50,465	45,908	37,574
Total	73,776	66,905	54,841
Revenue – Services (\$ million)			
Onsite	254.06	226.58	188.03
Offshore	230.54	209.14	170.29
Total	484.60	435.72	358.32

Reconciliation of accounts as per Indian GAAP and US GAAP*in Rs. Crore*

	Quarter ended September 30, 2005	Quarter ended September 30, 2004	Year ended March 31, 2005
Consolidated Net Profit as per Indian GAAP	606	447	1,892
Deferred Taxes on GAAP differences	-	-	8
Loss on forward foreign exchange contracts	-	-	(18)
Amortization of Intangibles	-	(1)	(8)
Consolidated Net income as per US GAAP	606	446	1,874

Reasons for differences in net income as per Indian GAAP and US GAAP**Loss on forward exchange contracts**

Until April 1, 2004, Indian GAAP required the premium/discount on forward contract to be recognized as income or expenditure over the life of the related contract. Under US GAAP, the same is marked-to-market as on the reporting date. The resultant gain / loss is recognized immediately in the income statement. Effective April 1, 2004, the company changed its accounting policy in India in line with the revised Accounting Standard 11 on forward contracts and hence the company has decided to account for the forward exchange contracts based on their designation as 'effective hedges' or 'not effective'.

Amortization of Intangibles

US GAAP requires the purchase price in business combination transactions to be allocated to identifiable assets and liabilities, including intangible assets. Intangible assets are to be amortized over the estimated useful life. The amortization relates to that of an intangible asset identified in allocation of the purchase price of Expert Information Services Pty Limited, Australia.

Deferred Taxes on GAAP differences

The accounting treatments for forward exchange contracts and amortization of intangibles have a deferred tax impact.