



## Reuters ProVestor Plus Company Report

22 December 2006

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# Infosys Technologies Limited (ADR) (NASD:INFY)

### Table of Contents

Overview	2	Industry Returns	7
Stock Price Performance	3	Industry Profitability	8
Industry Overview	4	Annual Financial Statements	9 - 14
Quarterly Trends	5	Quarterly Financial Statements	15 - 18
Industry Valuation	6		

## Overview

Fiscal Year ends March 31. All data are on a fiscal year basis except where noted. All financials are reported to conform to the current year presentation and may reflect certain reclassifications made in prior years. TTM = Trailing Twelve Month. MRQ = Most Recent Quarter.

## Business Summary

Infosys Technologies Limited (Infosys) is a global technology services firm that defines, designs and delivers information technology (IT)-enabled business solutions to its clients. The Company provides end-to-end business solutions that leverage technology for its clients, including consulting, design, development, software re-engineering, maintenance, systems integration, package evaluation, and implementation and infrastructure management services. Infosys also provides software products to the banking industry. Through its majority-owned subsidiary, Progeon Limited (Progeon), the Company provides business process management services. Infosys' wholly owned subsidiaries are Infosys Technologies (Australia) Pty. Limited, Infosys Technologies (Shanghai) Co. Limited and Infosys Consulting Inc. The Company's primary geographic markets are North America, Europe and the Asia-Pacific region.

## Financial Summary

BRIEF: For the six months ended 30 September 2006, Infosys Technologies Limited's revenues increased 41% to \$1.41B. Net income increased 43% to \$373M. Revenues reflect an increase in sales from all segments. Net income also reflects an increase in operating profit margins, the presence of gain on sale of long-term investment and an increase in net other income. Infosys Technologies Limited defines, designs and delivers IT-enabled business solutions.

### Share Price Summary

Close Price on 12/22/06	\$52.93
Absolute Price Change on 12/22/06	(0.59)
Percent Change	(1.10%)
52-Week High	\$56.89
52-Week Low	\$31.96
Beta	1.294

### Percent Price Change

<b>Time Period</b>	
Year to Date	
One Year	
Two Years	
Three Years	
Five Years	

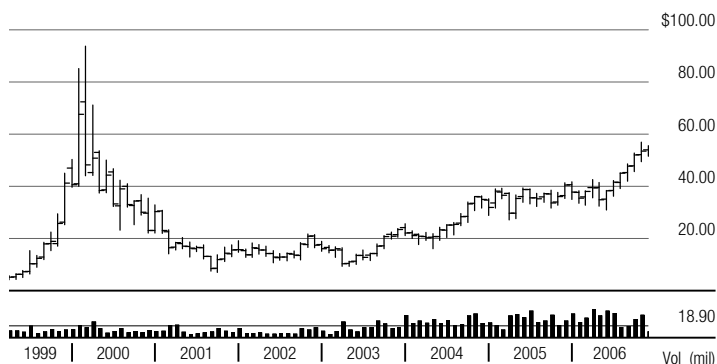
<b>INFY</b>	
30.92	
28.27	
55.68	
146.42	
228.25	

<b>S&amp;P 500</b>	
13.02	
11.25	
16.63	
29.08	
23.22	

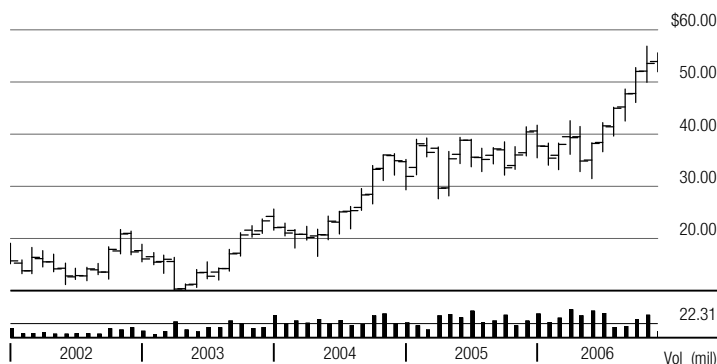
### Overview

Float (mil)	462,200
10 Day Average Volume (mil)	2,006
1 Day Volume Change on 12/22/06	(74.52%)
Market Capitalization (mil)	\$29,472
TTM Price/Earnings	44.56
Price/Earnings Current Fiscal Year Estimate	37.39

### Price Chart (Monthly)



### 5 Year Price Chart (Monthly)



### Price History

Calendar Year	1999	2000	2001	2002	2003	2004	2005	Qtr. to Date	Yr. to Date
High Price	45.00	93.75	32.84	21.71	24.17	36.23	41.38	56.89	56.89
Low Price	4.67	22.52	7.65	11.64	9.63	17.07	28.12	46.59	31.96
Year End Price	41.25	23.06	15.50	17.39	23.85	34.66	40.43	NA	NA
High P/E	NM	NM	128.28	69.78	NA	NA	54.44	NM	54.85
Low P/E	NM	NM	25.36	37.41	NA	NA	36.68	NM	44.35
Year End P/E	NM	NM	49.62	55.89	NA	NA	53.19	NA	NA
Dividend Yield (%)	0.21	0.03	0.11	0.27	0.42	0.39	1.02	NA	NA

### Per Share Statistics and Current Price Multiples

	Per Share	Multiple
Earnings (TTM)	\$1.19	44.6
Book Value (MRQ)	\$3.52	15.0
Cash Flow (TTM)	\$1.40	37.9
Revenues (TTM)	\$4.55	11.6

### Employees

Employee Count	66,550
Sales Per Employee (TTM)	\$48,539
Net Income Per Employee (TTM)	\$12,789

## Stock Price Performance

TTM = Trailing Twelve Month. YTD = Year to Date.

### 52 Week Price History



### Price Performance

Time Period	Actual Change	Percent Change	vs. S&P 500	vs. Industry	Rank in Industry	Industry Rank
4 Week	(0.63)	(1.2%)	(1.9%)	1.6%	48	25
13 Week	6.84	14.8%	7.0%	7.0%	71	35
26 Week	17.05	47.5%	30.1%	17.3%	87	90
52 Week	11.99	29.3%	16.3%	10.8%	74	59
Year To Date	12.50	30.9%	15.8%	10.5%	74	61

Bar Chart Key  
YTD → 4 Wk.



Rank Key  
Worst → Best 1 → 100

### Analyst Footnotes

All financials reflect U.S. GAAP. Convertible Preferred Stock \$2 Par, 4,375,000 auth./issd. FY'01-02 fincl. are reclassified. FY'03 Qs are reclass. FY'04 Qs being reclass.

### Insider Trading

In the last 6 months, there have been no insider purchases, and there have been no insider sales.

Net Change (6 months) 0.0  
6 Month Net Transactions 0

### Equity Information

Common Stock \$.08 Par, 11/06, 600M auth., 556,810,440 issd. Insiders control approx. 17%. IPO 3/11/99, 1.8M ADSs @ \$34 by NationsBanc Montgomery Sec., LLC. 10/98, The Co. decons ltd. the Yantra subsid. through sale of Pref. Stock to a 3rd party. 7/06, 2/00, 2-for-1 stock splits. 7/04, ADR ratio chg from 2:1 to 1:1 to reflect a 2-for-1 stock split.

### Officers

Nandan M. Nilekani Chief Executive Officer, Joint Managing Director  
S. . Gopalakrishnan President, Chief Operating Officer, Joint Managing Director  
V. . Balakrishnan Chief Financial Officer, Senior Vice President - Finance  
K. . Parvathesam Secretary, Compliance Officer  
T. V. Mohandas . Pai Director of Human Resources, Director

### Institutional Ownership

334 institutions own 13.2% of the 556.81 million common shares outstanding. This is lower than the average institutional ownership of the Software & Programming Industry at 49.7%, and lower than the average of the S&P 500 as a whole which is 68.5%.

Net Change (3 month) 4.2%  
Net Purchases (3 month) 3.16 mil  
Shares Purchased (3 month) 8.13 mil  
Shares Sold (3 month) 4.97 mil

### Headquarters

6607 Kaiser Drive  
Fremont, CA 94555  
United States

Telephone: (510) 742-3000  
Facsimile: (510) 742-3090

## Industry Overview

Infosys Technologies Limited (ADR) is in the Software & Programming Industry of the Technology Sector. Below is a list of companies most similar to the market capitalization of Infosys Technologies Limited (ADR) in the Software & Programming Industry and listed in descending order. There are 496 companies in this industry. TTM = Trailing Twelve Months.

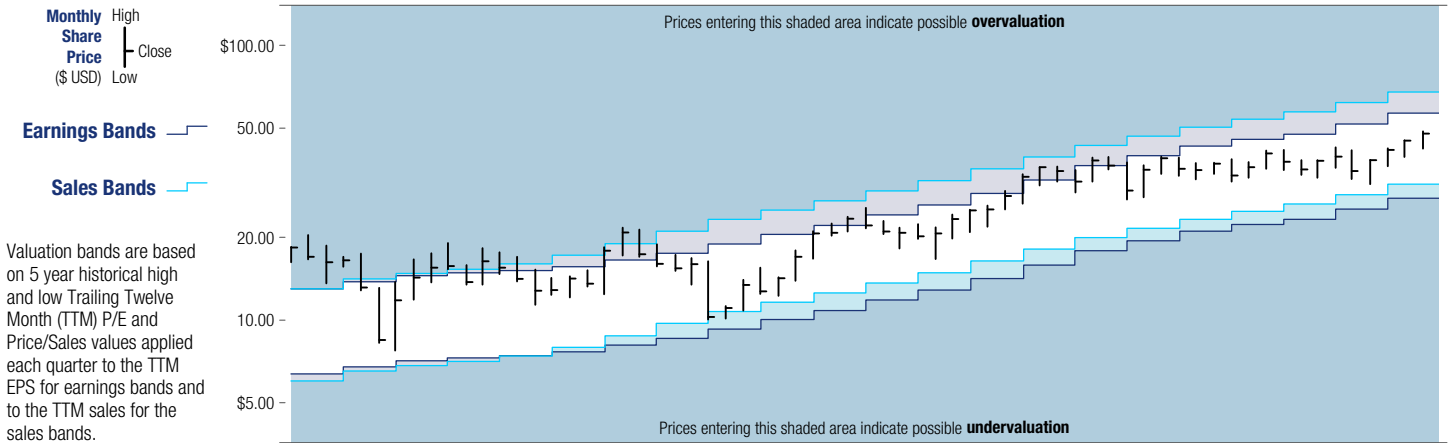
### Peer Comparisons

Company Name (Ticker Symbol)	Market Cap. (Millions)	TTM Revenue (Millions)	Net Margin	P/E 12/22/06	Price 12/22/06	52-Week High	52-Week Low
Microsoft Corporation (MSFT)	\$291,374.80	\$45,352.00	28.5%	23.7x	\$29.64	\$30.26	\$21.46
Oracle Corporation (ORCL)	\$88,667.29	\$16,074.00	23.0%	24.6x	\$17.11	\$19.75	\$12.06
SAP AG (ADR) (SAP)	\$64,357.62	\$12,148.33	18.5%	28.8x	\$52.17	\$57.71	\$43.30
<b>Infosys Technologies Limited (ADR) (INFY)</b>	<b>\$29,471.98</b>	<b>\$2,558.00</b>	<b>26.3%</b>	<b>44.6x</b>	<b>\$52.93</b>	<b>\$56.89</b>	<b>\$31.96</b>
Adobe Systems Incorporated (ADBE)	\$23,771.26	\$2,575.30	19.6%	49.2x	\$40.75	\$43.22	\$25.98
SOFTBANK CORP. (USA) (SFTBF)	\$21,417.63	\$14,361.30	6.4%	34.4x	\$20.30	\$110.00	\$16.15
Symantec Corporation (SYMC)	\$19,538.91	\$4,908.75	8.7%	51.3x	\$20.83	\$22.19	\$14.78
Electronic Arts Inc. (ERTS)	\$15,751.76	\$3,108.00	6.0%	87.2x	\$51.06	\$59.85	\$39.99
CA, Inc. (CA)	\$11,968.16	\$3,871.00	2.6%	132.7x	\$22.73	\$29.50	\$18.97
Cognizant Technology Solutions Corp. (CTSH)	\$10,784.75	\$1,256.74	17.6%	51.5x	\$76.06	\$82.49	\$48.51
Intuit Inc. (INTU)	\$10,564.27	\$2,400.30	15.7%	29.1x	\$30.30	\$35.98	\$23.99
Autodesk, Inc. (ADSK)	\$9,246.00	\$1,604.08	18.8%	32.8x	\$40.04	\$45.55	\$29.56
Amdocs Limited (DOX)	\$7,808.49	\$2,480.05	12.8%	25.6x	\$37.76	\$41.01	\$27.00
Satyam Computer (ADR) (SAY)	\$7,286.50	\$1,256.91	23.6%	25.2x	\$22.33	\$24.50	\$13.98
BMC Software, Inc. (BMC)	\$6,669.51	\$1,536.40	12.3%	36.8x	\$32.52	\$33.67	\$19.90
VeriSign, Inc. (VRSN)	\$5,880.37	\$1,529.13	27.3%	14.4x	\$24.21	\$26.77	\$15.95
Check Point Software Technologies Ltd. (CHKP)	\$5,173.05	\$571.10	50.4%	18.2x	\$21.69	\$23.21	\$16.27
Cadence Design Systems (CDNS)	\$4,974.55	\$1,431.24	8.4%	46.6x	\$17.93	\$19.65	\$14.93
BEA Systems, Inc. (BEAS)	\$4,943.15	\$1,295.82	11.1%	35.0x	\$12.61	\$16.77	\$9.30
Citrix Systems, Inc. (CTXS)	\$4,873.99	\$1,081.97	18.2%	25.4x	\$26.99	\$45.50	\$26.84
Activision, Inc. (ATVI)	\$4,732.67	\$1,414.98	2.0%	207.4x	\$16.88	\$18.19	\$10.47
McAfee, Inc. (MFE)	\$4,512.94	\$1,090.39	12.9%	33.3x	\$28.29	\$30.50	\$19.52
Red Hat, Inc. (RHT)	\$4,293.70	\$368.22	18.1%	69.6x	\$22.46	\$32.48	\$13.70
salesforce.com, inc. (CRM)	\$4,091.68	\$443.94	1.7%	740.2x	\$36.05	\$44.58	\$21.64
Trend Micro Incorporated (ADR) (TMIC)	\$4,024.79	\$692.29	21.3%	NA	\$29.90	\$41.75	\$28.01
Konami Corporation (ADR) (KNM)	\$3,895.94	\$2,271.70	6.3%	21.1x	\$28.40	\$29.47	\$20.42
Business Objects S.A. (ADR) (BOBJ)	\$3,766.80	\$1,187.78	6.3%	49.5x	\$38.88	\$43.57	\$19.01
Synopsys, Inc. (SNPS)	\$3,722.24	\$1,095.56	2.2%	158.6x	\$26.48	\$27.16	\$17.07
Cognos Incorporated (USA) (COGN)	\$3,639.05	\$947.86	10.4%	37.7x	\$40.97	\$44.19	\$25.10
Compuware Corporation (CPWR)	\$2,976.39	\$1,200.21	12.4%	21.6x	\$8.45	\$9.55	\$6.02
Digital River, Inc. (DRIV)	\$2,253.90	\$286.19	21.7%	37.8x	\$56.08	\$60.99	\$29.22
Sybase, Inc. (SY)	\$2,213.20	\$842.75	11.5%	23.1x	\$24.29	\$26.10	\$19.17
Hyperion Solutions Corp. (HYSL)	\$2,111.21	\$793.51	7.8%	35.1x	\$36.08	\$39.11	\$26.65
Novell, Inc. (NOVL)	\$2,081.53	\$967.28	2.2%	117.6x	\$6.14	\$9.83	\$5.70
Parametric Technology (PMTC)	\$2,067.66	\$854.92	7.1%	33.9x	\$18.15	\$20.27	\$11.66
THQ Inc. (THQI)	\$2,037.63	\$884.93	4.5%	53.0x	\$31.68	\$34.43	\$18.96
MICROS Systems, Inc. (MCRS)	\$2,034.69	\$700.65	9.6%	31.6x	\$51.44	\$55.35	\$36.07
Tibco Software Inc. (TIBX)	\$1,953.67	\$517.28	14.1%	27.7x	\$9.25	\$10.45	\$6.44
Nuance Communications Inc. (NUAN)	\$1,913.29	\$388.51	(5.7%)	NA	\$11.19	\$13.48	\$6.94
ANSYS, Inc. (ANSS)	\$1,827.12	\$222.11	6.8%	98.8x	\$43.61	\$58.24	\$35.77
RealNetworks, Inc. (RNWK)	\$1,748.47	\$353.26	113.7%	4.9x	\$10.82	\$12.08	\$7.20
SAIC, Inc. (SAI)	\$1,549.38	\$8,117.00	5.3%	3.9x	\$17.85	\$21.10	\$16.90
Mentor Graphics Corporation (MENT)	\$1,484.68	\$766.66	1.7%	108.8x	\$17.92	\$18.21	\$9.49
MicroStrategy Incorporated (MSTR)	\$1,451.68	\$298.70	22.6%	23.8x	\$114.80	\$129.88	\$75.00
Macrovision Corporation (MVSN)	\$1,438.57	\$234.48	8.9%	70.5x	\$28.07	\$29.20	\$15.60
SRA International, Inc. (SRX)	\$1,437.73	\$1,202.61	5.3%	23.4x	\$25.57	\$38.28	\$23.31
Allscripts Healthcare Solutions, Inc. (MDRX)	\$1,433.80	\$198.61	5.4%	129.6x	\$27.37	\$29.18	\$13.31
Quest Software, Inc. (QSFT)	\$1,423.48	\$500.55	7.9%	36.2x	\$14.02	\$18.20	\$11.17
Lawson Software, Inc. (LWSN)	\$1,357.21	\$464.70	(0.9%)	207.4x	\$7.24	\$8.25	\$5.39
Take-Two Interactive Software, Inc. (TTWO)	\$1,339.98	\$1,008.16	(8.8%)	NA	\$18.47	\$20.57	\$9.06
Patni Computer Systems Limited (ADR) (PTI)	\$1,328.10	\$548.48	8.8%	27.2x	\$19.26	\$25.50	\$11.71
ManTech International Corporation (MANT)	\$1,229.07	\$1,107.46	5.1%	21.9x	\$36.45	\$38.75	\$25.75
Transaction Systems Arch. (TSAI)	\$1,221.58	\$348.14	16.0%	22.4x	\$32.75	\$43.00	\$28.06
Kanbay International, Inc. (KBAY)	\$1,163.91	\$355.45	9.5%	34.0x	\$28.72	\$28.85	\$13.36
Blackbaud, Inc. (BLKB)	\$1,157.46	\$185.34	15.2%	41.9x	\$26.33	\$27.96	\$16.09
Kronos Incorporated (KRON)	\$1,153.88	\$578.20	7.2%	28.3x	\$36.37	\$48.19	\$26.59
DealerTrack Holdings, Inc. (TRAK)	\$1,150.42	\$160.99	8.9%	108.8x	\$29.38	\$29.87	\$18.51
Progress Software Corporation (PRGS)	\$1,145.97	\$447.06	6.6%	40.9x	\$27.81	\$30.62	\$20.36
Per-Se Technologies, Inc. (PSTI)	\$1,090.53	\$541.17	3.0%	79.4x	\$27.80	\$29.48	\$19.50
Eclipsys Corporation (ECLP)	\$1,087.06	\$416.80	0.8%	388.2x	\$20.77	\$26.27	\$13.71
Verint Systems Inc. (VRNT)	\$1,074.94	\$294.02	9.4%	40.3x	\$33.70	\$38.21	\$25.02
Informatica Corporation (INFA)	\$1,061.86	\$312.64	11.5%	31.9x	\$12.28	\$17.11	\$11.37
Websense Inc. (WBSN)	\$1,035.12	\$172.78	21.0%	30.9x	\$23.16	\$34.87	\$17.85
Open Text Corporation (USA) (OTEX)	\$987.01	\$418.09	6.1%	40.0x	\$20.10	\$20.58	\$12.86
Quality Systems, Inc. (QSII)	\$983.51	\$135.85	20.9%	35.3x	\$36.51	\$45.97	\$28.30
Advent Software, Inc. (ADVS)	\$962.31	\$178.69	5.5%	114.1x	\$34.77	\$38.45	\$25.90
Opware Inc. (OPSW)	\$888.93	\$90.76	(19.5%)	NA	\$8.77	\$9.90	\$6.25
Wind River Systems, Inc. (WIND)	\$886.61	\$269.54	9.4%	37.0x	\$10.33	\$16.00	\$7.85

### Quarterly Trends

Years are Fiscal Years. Current Fiscal Year End is March 31.  
TTM = Trailing Twelve Month.

#### Price/Earnings and Price/Sales Bands



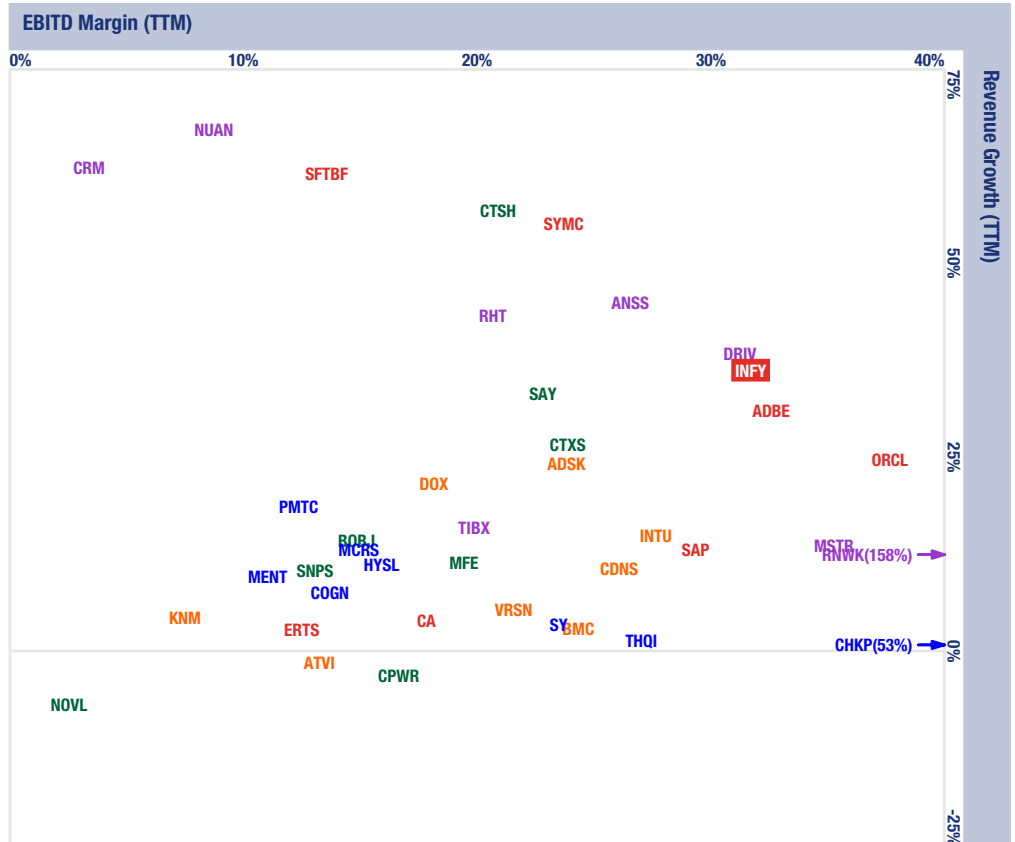
Quarterly EPS	0.075	0.078	0.079	0.080	0.081	0.088	0.098	0.099	0.11	0.12	0.13	0.14	0.15	0.18	0.20	0.23	0.22	0.25	0.26	0.27	0.31	0.35					
\$ USD Diluted																											
2002	Q1: 130.5	Q2: 137.3	Q3: 137.6	Q4: 139.7	2003	Q1: 156.3	Q2: 181.4	Q3: 200.0	Q4: 216.0	2004	Q1: 233.3	Q2: 250.8	Q3: 275.9	Q4: 302.7	2005	Q1: 335.0	Q2: 379.0	Q3: 423.0	Q4: 455.0	2006	Q1: 476.0	Q2: 524.0	Q3: 559.0	Q4: 593.0	2007	Q1: 660.0	Q2: 746.0
Quarterly Sales																											
\$ USD Millions																											

#### Industry Comparison of Revenue Growth and EBITD Margin\*

Companies with higher than average EBITD margin and revenue growth are doing well. Companies with a low EBITD margin and revenue growth are suffering.

Companies for this scatter plot have a market capitalization between \$1 billion and \$291 billion. Companies with NA or NM values do not appear.

\*EBITD – Earnings Before Interest, Taxes and Depreciation.



### Industry Valuation

This page compares selected valuation measures for Infosys Technologies Limited (ADR) with other companies in the Software & Programming Industry as well as the S&P 500. TTM = Trailing Twelve Month. MRQ = Most Recent Quarter.

#### Valuation Ratios

	INFY	Industry	Sector	S&P 500	Company Rank in Industry
Price/Earnings for Trailing Twelve Months	44.6	31.3	29.5	20.4	66
High Price/Earnings for the Last 5 Years	63.5	54.5	61.7	37.7	48
Low Price/Earnings for the Last 5 Years	29.6	19.7	18.6	14.7	96
Beta 5 Year Monthly Average	1.3	1.3	1.7	1.0	38
Price/Sales for Trailing Twelve Months	11.5	6.3	4.9	2.9	94
Price/Book for Most Recent Quarter	15.0	6.8	5.5	3.9	96
Price/Cash Flow for Trailing Twelve Months	37.6	24.7	23.1	14.5	81
Price/Tangible Book for Most Recent Quarter	16.0	10.1	8.2	7.2	90
Price/Free Cash Flow for Trailing Twelve Months	291.8	30.0	30.8	32.6	97

Worst → Best

Ratios for Infosys Technologies Limited (ADR) use the December 22 closing price of \$52.93. Infosys Technologies Limited (ADR) trades at a higher multiple of trailing earnings than the average for the Software & Programming Industry and at a higher multiple of sales than the industry average.

#### Dividend Comparisons

The indicated Annual Dividend Rate is \$0.22 a share giving Infosys Technologies Limited (ADR) a current yield of 0.4%. The last dividend of \$0.11 a share was paid 11/3/06. The stock went Ex-Dividend 10/17/06.

	INFY	Industry	Sector	S&P 500
Dividend Yield	0.4%	1.2%	1.2%	2.1%
5 Year Average Yield	0.0%	1.5%	0.7%	1.8%
5 Year Dividend Growth Rate	52.6%	(14.3%)	0.8%	9.6%
Payout Ratio for Trailing Twelve Months	21.1	14.8	10.6	28.4

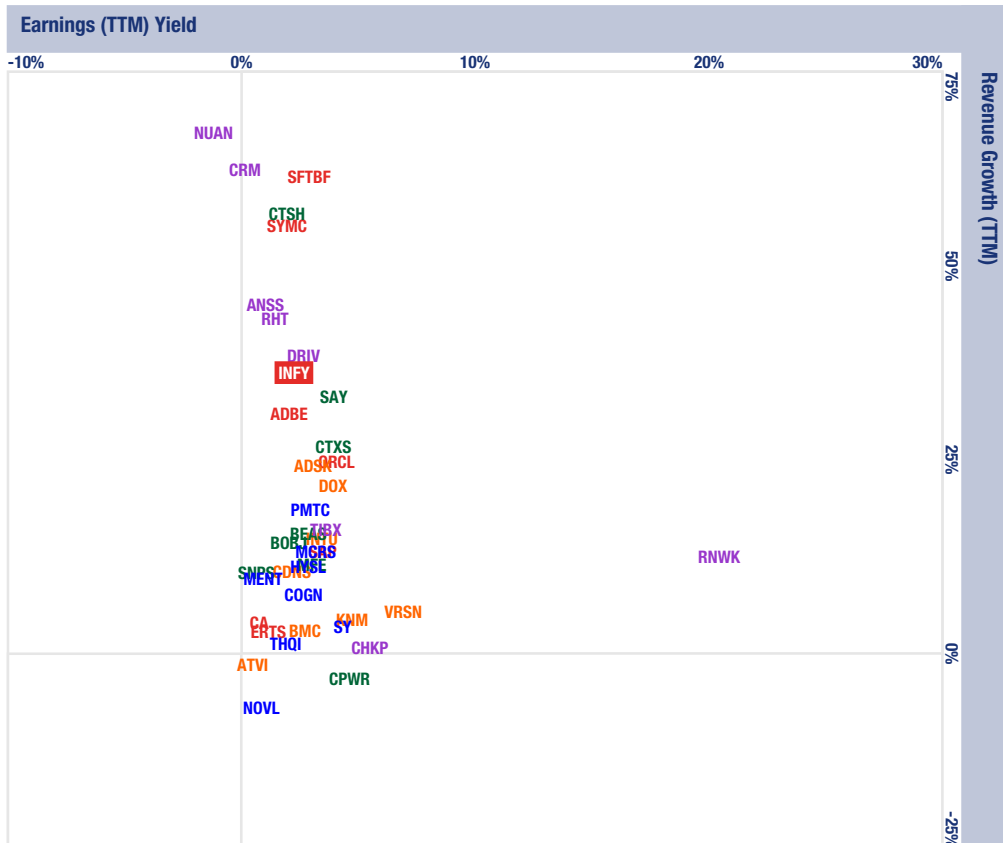
#### Dividend Trends

Fiscal Year	Dividends Per Share	Dividend Yield (%)
2005Q4	\$0.375	1.0%
2005Q3	\$0.000	0.0%
2005Q2	\$0.000	0.0%
2005Q1	\$0.000	0.0%
2005	\$0.375	1.0%

### Industry Comparison of Revenue Growth and Earnings Yield

Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield.

Companies for this scatter plot have a market capitalization between \$1 billion and \$291 billion. Companies with NA or NM values do not appear.



### Industry Returns

TTM = Trailing Twelve Month.

#### Company Quality

Profitability Ratios (%)	INFY	Industry	Sector	S&P 500	Company Rank in Industry
Gross Margin for Trailing Twelve Months	41.9	74.8	53.2	45.1	30
Gross Margin for Past 5 Years	43.3	74.8	52.0	44.9	28
Operating Margin for Trailing Twelve Months	27.4	26.2	18.4	20.3	98
Operating Margin for Past 5 Years	28.6	23.1	13.6	19.1	98
EBITD Margin for Trailing Twelve Months	31.7	29.2	21.7	23.0	97
EBITD Margin for Past 5 Years	33.3	26.6	17.2	20.8	98
Pretax Margin for Trailing Twelve Months	29.7	29.2	20.4	18.9	96
Pretax Margin for Past 5 Years	30.6	25.6	14.8	17.2	98
Net Margin for Trailing Twelve Months	26.3	20.5	14.6	13.7	97
Net Margin for Past 5 Years	26.3	17.7	9.7	11.7	100
Effective Tax Rate for Trailing Twelve Months	11.2	29.7	28.2	30.5	22
Effective Tax Rate for Past 5 Years	14.0	29.9	28.9	31.8	13

The trailing twelve month gross margin for Infosys Technologies Limited (ADR) is lower than the average for the industry.

Efficiency Ratios (TTM)	INFY	Industry	Sector	S&P 500	Company Rank in Industry
Asset Turnover	1.3	0.7	0.9	1.0	76
Receivables Turnover	6.7	6.6	8.0	10.4	65
Inventory Turnover	NA	9.6	12.1	12.1	NA
Revenue/Employee	\$48,539	\$428,084	\$533,500	\$907,140	13
Net Income/Employee	\$12,789	\$104,284	\$96,422	\$116,079	41

The revenue per employee for Infosys Technologies Limited (ADR) is lower than the industry average.

Management Effectiveness Ratios (%)	INFY	Industry	Sector	S&P 500	Company Rank in Industry
Return on Assets for TTM	34.1	14.4	11.2	8.2	99
Return on Assets for Past 5 Years	32.4	10.7	7.1	6.5	100
Return on Investment for TTM	38.6	19.6	15.4	12.3	96
Return on Investment for Past 5 Years	36.4	14.7	10.0	10.1	100
Return on Equity for TTM	38.4	23.0	19.5	20.2	96
Return on Equity for Past 5 Years	36.9	16.1	13.1	17.9	100

Worst → Best

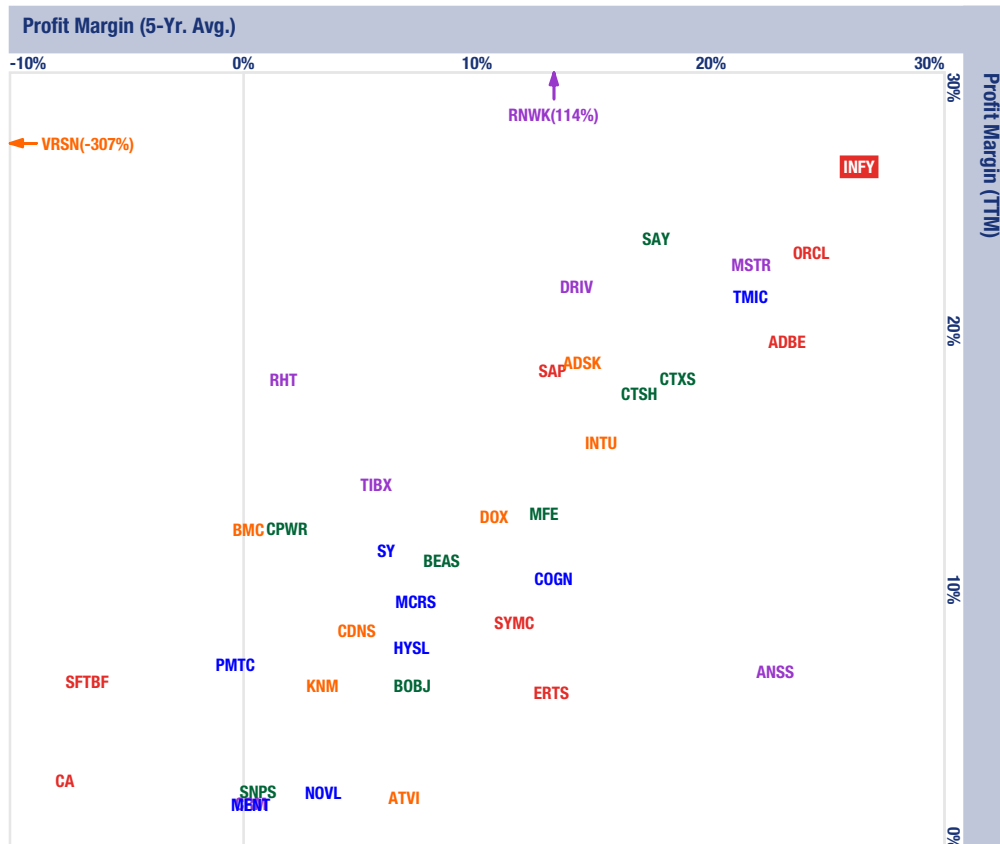
The trailing twelve month return on assets for Infosys Technologies Limited (ADR) is higher than the industry average.

#### Industry Comparison of Profit Margin (TTM) and Profit Margin (5-Yr. Avg.)

Companies with trailing twelve month profit margins above their 5-year average are improving their profitability.

Companies for this scatter plot have a market capitalization between \$1 billion and \$291 billion. Companies with NA or NM values do not appear.

CHKP has been excluded because of 5-year average profit margin greater than 30% and trailing twelve month profit margin greater than 30%.



### Industry Profitability

TTM = Trailing Twelve Month. MRQ = Most Recent Quarter.

#### Financial Strength

	INFY	Industry	Sector	S&P 500	Company Rank in Industry
Quick Ratio	5.9	2.1	2.5	1.2	95
Current Ratio	5.9	2.4	3.0	1.7	95
Total Debt to Equity	0.0	0.1	0.2	0.7	NA
Long Term Debt to Equity	0.0	0.1	0.2	0.6	NA
Interest Coverage for Trailing Twelve Months	NA	14.2	18.9	14.7	NA

Worst → Best

Values are for Most Recent Quarter unless noted otherwise. Infosys Technologies Limited (ADR) is less leveraged than the average for the Software & Programming industry.

#### Growth Rates (%)

% Growth Rate	INFY	Industry	Sector	S&P 500	Company Rank in Industry
Sales Growth For Most Recent Quarter	42.4	18.8	21.2	15.9	79
Sales Growth For Trailing 12 Months	36.2	18.9	19.8	16.6	79
Sales Growth For Past 5 Years	39.1	14.7	10.3	9.9	89
Capital Spending Growth for Past 5 Years	19.4	6.0	6.3	6.1	84
EPS Growth for Most Recent Quarter	42.1	14.9	17.1	24.0	61
EPS Growth for Trailing Twelve Months	31.8	6.1	22.2	23.3	59
EPS Growth for Past 5 Years	32.1	15.1	22.2	15.6	82

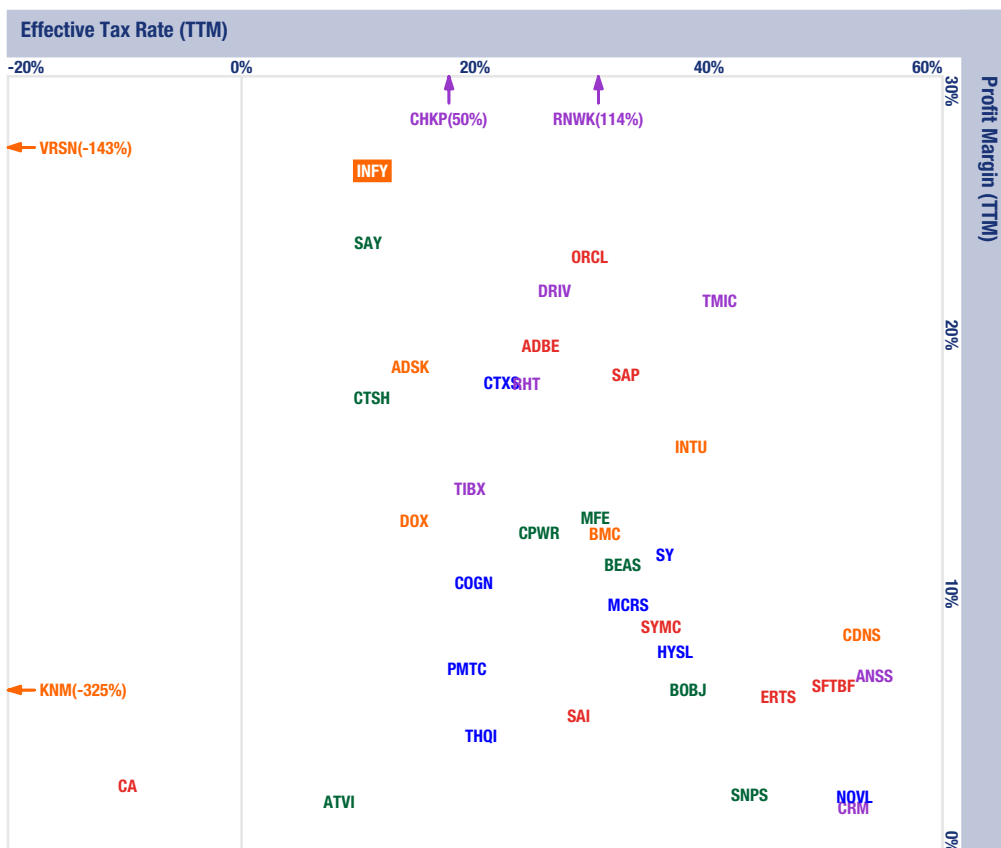
Worst → Best

The 5 year revenue growth for Infosys Technologies Limited (ADR) is faster than the industry average. The 5 year earnings growth rate is faster than the industry average.

#### Industry Comparison of Profit Margin and Effective Tax Rate

Earnings of companies with below average tax rates might erode if the tax rate increases.

Companies for this scatter plot have a market capitalization between \$2 billion and \$291 billion. Companies with NA or NM values do not appear.





## Annual Financial Statements

Years are Fiscal Years.  
Currency in Thousands of U.S. Dollars (except per share values). Shares in Thousands.

### Annual Income Statement

	1999 12 Months Mar. 31, 1999	2000 12 Months Mar. 31, 2000	2001 12 Months Mar. 31, 2001 Reclassified as of Mar. 31, 2003	2002 12 Months Mar. 31, 2002 Reclassified as of Mar. 31, 2003	2003 12 Months Mar. 31, 2003	2004 12 Months Mar. 31, 2004	2005 12 Months Mar. 31, 2005	2006 12 Months Mar. 31, 2006
Revenues	\$120,955	\$203,444	\$413,851	\$545,051	\$753,807	\$1,062,585	\$1,592,000	\$2,152,000
<b>Total Revenue</b>	<b>\$120,955</b>	<b>\$203,444</b>	<b>\$413,851</b>	<b>\$545,051</b>	<b>\$753,807</b>	<b>\$1,062,585</b>	<b>\$1,592,000</b>	<b>\$2,152,000</b>
Costs of Revenues	\$65,331	\$111,081	\$216,776	\$293,032	\$417,359	\$602,289	\$904,000	\$1,244,000
Selling/Marketing	4,944	9,644	20,683	27,113	55,650	76,811	103,000	136,000
Selling/Gen./Admin.	11,255	17,103	36,958	44,348	57,808	82,224	127,000	173,000
Amort. Deferred Comp	3,646	5,118	1,920	2,010	1,985	1,164	0	NA
Acceleration of Comp	12,907	0	NA	NA	NA	NA	NA	NA
Amort. Intangible	NA	NA	0	0	2,361	6,980	2,000	0
<b>Total Operating Expense</b>	<b>\$98,083</b>	<b>\$142,946</b>	<b>\$276,337</b>	<b>\$366,503</b>	<b>\$535,163</b>	<b>\$769,468</b>	<b>\$1,136,000</b>	<b>\$1,553,000</b>
Interest Income	NA	NA	NA	NA	NA	NA	\$17,000	\$31,000
Income from Mutual Fund Investments	NA	NA	NA	NA	NA	NA	9,000	17,000
Sale of Investment	NA	NA	NA	NA	NA	NA	11,000	0
Exchange Gains/(Losses), Net	NA	NA	NA	NA	NA	NA	(2,000)	(18,000)
Others	NA	NA	NA	NA	NA	NA	0	1,000
Other Income, Net	1,537	9,039	9,505	13,865	18,048	27,950	NA	NA
Deconsol. Subsid.	(2,086)	0	0	NA	NA	NA	NA	NA
<b>Net Income Before Taxes</b>	<b>\$22,323</b>	<b>\$69,537</b>	<b>\$147,019</b>	<b>\$192,413</b>	<b>\$236,692</b>	<b>\$321,067</b>	<b>\$491,000</b>	<b>\$630,000</b>
Provision for Income Taxes	4,878	8,193	15,072	27,947	41,822	50,776	72,000	70,000
<b>Net Income After Taxes</b>	<b>\$17,445</b>	<b>\$61,344</b>	<b>\$131,947</b>	<b>\$164,466</b>	<b>\$194,870</b>	<b>\$270,291</b>	<b>\$419,000</b>	<b>\$560,000</b>
Minority Interests	NA	NA	NA	NA	NA	NA	\$0	(\$5,000)
<b>Net Income Before Extra. Items</b>	<b>\$17,445</b>	<b>\$61,344</b>	<b>\$131,947</b>	<b>\$164,466</b>	<b>\$194,870</b>	<b>\$270,291</b>	<b>\$419,000</b>	<b>\$555,000</b>
<b>Net Income</b>	<b>\$17,445</b>	<b>\$61,344</b>	<b>\$131,947</b>	<b>\$164,466</b>	<b>\$194,870</b>	<b>\$270,291</b>	<b>\$419,000</b>	<b>\$555,000</b>
DPS-Common Stock	\$0.01	\$0.01	\$0.02	\$0.04	\$0.06	\$0.08	\$0.38	\$0.14
Gross Dividends - Common Stock	NA	2,527	9,359	23,064	34,013	47,267	222,000	91,000

### EPS Reconciliation

	1999	2000	2001	2002	2003	2004	2005	2006
<b>Income Available to Com Excl ExtraOrd</b>	<b>\$17,445</b>	<b>\$61,344</b>	<b>\$131,947</b>	<b>\$164,466</b>	<b>\$194,870</b>	<b>\$270,291</b>	<b>\$419,000</b>	<b>\$555,000</b>
<b>Income Available to Com Incl ExtraOrd</b>	<b>\$17,445</b>	<b>\$61,344</b>	<b>\$131,947</b>	<b>\$164,466</b>	<b>\$194,870</b>	<b>\$270,291</b>	<b>\$419,000</b>	<b>\$555,000</b>
Basic Weighted Average Shares	491,031	525,277	526,170	524,453	524,568	525,561	533,802	543,160
Basic EPS Excluding ExtraOrdinary Items	\$0.04	\$0.12	\$0.25	\$0.31	\$0.37	\$0.51	\$0.78	\$1.02
Basic EPS Including ExtraOrdinary Item	\$0.04	\$0.12	\$0.25	\$0.31	\$0.37	\$0.51	\$0.78	\$1.02
Dilution Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,100)	\$0
<b>Diluted Net Income</b>	<b>\$17,445</b>	<b>\$61,344</b>	<b>\$131,947</b>	<b>\$164,466</b>	<b>\$194,870</b>	<b>\$270,291</b>	<b>\$415,900</b>	<b>\$555,000</b>
Diluted Weighted Average Shares	492,059	526,912	533,718	528,679	531,832	534,332	547,181	557,968
Diluted EPS Excluding ExtraOrd Items	\$0.04	\$0.12	\$0.25	\$0.31	\$0.37	\$0.51	\$0.76	\$0.99
Diluted EPS Including ExtraOrd Items	\$0.04	\$0.12	\$0.25	\$0.31	\$0.37	\$0.51	\$0.76	\$0.99
<b>Normalized Income Before Taxes</b>	<b>\$22,323</b>	<b>\$69,537</b>	<b>\$147,019</b>	<b>\$192,413</b>	<b>\$236,692</b>	<b>\$321,067</b>	<b>\$491,000</b>	<b>\$630,000</b>
Inc Tax Ex Impact of Sp Items	4,878	8,193	15,072	27,947	41,822	50,776	72,000	70,000
<b>Normalized Income After Taxes</b>	<b>\$17,445</b>	<b>\$61,344</b>	<b>\$131,947</b>	<b>\$164,466</b>	<b>\$194,870</b>	<b>\$270,291</b>	<b>\$419,000</b>	<b>\$560,000</b>
<b>Normalized Inc. Avail to Com.</b>	<b>\$17,445</b>	<b>\$61,344</b>	<b>\$131,947</b>	<b>\$164,466</b>	<b>\$194,870</b>	<b>\$270,291</b>	<b>\$419,000</b>	<b>\$555,000</b>

Continued on next page

## Annual Financial Statements

Years are Fiscal Years.  
 Currency in Thousands of U.S. Dollars (except per share values). Shares in Thousands.

### EPS Reconciliation, continued

	1999 12 Months Mar. 31, 1999	2000 12 Months Mar. 31, 2000	2001 12 Months Mar. 31, 2001 Reclassified as of Mar. 31, 2003	2002 12 Months Mar. 31, 2002 Reclassified as of Mar. 31, 2003	2003 12 Months Mar. 31, 2003	2004 12 Months Mar. 31, 2004	2005 12 Months Mar. 31, 2005	2006 12 Months Mar. 31, 2006
Basic Normalized EPS	\$0.04	\$0.12	\$0.25	\$0.31	\$0.37	\$0.51	\$0.78	\$1.02
Diluted Normalized EPS	\$0.04	\$0.12	\$0.25	\$0.31	\$0.37	\$0.51	\$0.76	\$0.99

### Income Statement Trend Graphs

Bar graphs of specific Income Statement items can be used to help in identifying volatility.

	Annual EBITD Margin (%)	EPS Diluted (Excl. Extraord.)	Net Annual Revenue	Annual Gross Margin (%)
Fiscal Year 2006	32.4	\$0.99	\$2,152,000	42.2
Fiscal Year 2005	32.7	\$0.76	\$1,592,000	43.2
Fiscal Year 2004	31.8	\$0.51	\$1,062,585	43.3
Fiscal Year 2003	33.9	\$0.37	\$753,807	44.6
Fiscal Year 2002	38.9	\$0.31	\$545,051	46.2
Fiscal Year 2001	39.2	\$0.25	\$413,851	47.6
Fiscal Year 2000	35.8	\$0.12	\$203,444	45.4
Fiscal Year 1999	26.0	\$0.04	\$120,955	46.0

## Annual Financial Statements

Years are Fiscal Years.  
Currency in Thousands of U.S. Dollars. Shares in Thousands.

### Annual Balance Sheet

	1999	2000	2001	2002	2003	2004	2005	2006
	As of	As of	As of	As of	As of	As of	As of	As of
	Mar. 31, 1999	Mar. 31, 2000	Mar. 31, 2001	Mar. 31, 2002	Mar. 31, 2003	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006
<b>Assets</b>								
Cash/Equivalents	\$98,875	\$116,599	\$124,084	\$210,486	\$354,363	\$444,553	\$410,000	\$889,000
Investment	NA	NA	NA	NA	NA	217,605	278,000	170,000
Accounts Rcvbl.	20,359	31,741	68,845	72,958	112,131	153,182	307,000	NA
Doubtful Rcvbls.	(302)	(507)	(3,903)	(3,941)	(3,011)	(3,079)	(4,000)	NA
Accounts Rcvbl.	NA	NA	NA	NA	NA	NA	NA	361,000
Unbilled Revenue	NA	NA	NA	3,636	19,702	23,725	32,000	48,000
Prepays/Other	5,735	11,256	16,453	15,240	24,384	35,872	35,000	40,000
Deferred Taxes	NA	NA	1,265	774	289	0	2,000	1,000
<b>Total Current Assets</b>	<b>\$124,667</b>	<b>\$159,089</b>	<b>\$206,744</b>	<b>\$299,153</b>	<b>\$507,858</b>	<b>\$871,858</b>	<b>\$1,060,000</b>	<b>\$1,509,000</b>
Buildings	\$6,831	\$13,509	\$33,871	\$58,481	\$81,114	\$105,903	\$168,000	\$231,000
Land	2,581	4,834	7,865	8,956	9,948	20,797	27,000	31,000
Furn./Fixtures	4,967	9,156	21,580	32,683	43,970	59,075	79,000	101,000
Computers	18,290	25,743	48,098	59,006	77,299	107,248	141,000	171,000
Plant Equipment	7,376	11,871	24,065	37,685	47,833	65,425	91,000	128,000
Vehicles	42	31	76	72	74	98	73,000	128,000
Constr. in Prog.	3,532	13,064	36,652	30,882	16,282	47,938	NA	NA
Depreciation	(19,718)	(30,654)	(52,434)	(80,555)	(119,326)	(178,064)	(227,000)	(299,000)
Goodwill	NA	NA	NA	NA	NA	7,834	8,000	8,000
Intangible	NA	NA	NA	0	6,471	1,878	0	NA
LT Investments	178	3,178	5,577	7,777	4,614	470	NA	NA
Deferred Taxes	1,715	2,566	2,070	4,561	7,265	7,382	8,000	13,000
Advance Taxes	NA	NA	180	0	4,453	69	0	18,000
Other LT Assets	3,197	6,895	8,003	12,459	16,454	14,272	26,000	27,000
<b>Total Assets</b>	<b>\$153,658</b>	<b>\$219,282</b>	<b>\$342,347</b>	<b>\$471,160</b>	<b>\$704,309</b>	<b>\$1,132,183</b>	<b>\$1,454,000</b>	<b>\$2,066,000</b>
<b>Liabilities</b>								
Accounts Payable	\$75	\$977	\$28	\$0	\$427	\$955	\$1,000	\$3,000
Other Accrued	8,400	13,836	21,830	22,425	46,249	99,518	124,000	160,000
Customer Deposit	19	426	1,218	2,215	3,208	15,021	7,000	2,000
Unearned Revenue	4,599	4,029	7,480	3,464	13,202	14,712	20,000	44,000
Income Tax Pybl.	956	1,879	0	679	0	21,627	23,000	0
Deferred Tax	NA	NA	NA	NA	NA	210	NA	NA
<b>Total Current Liabilities</b>	<b>\$14,049</b>	<b>\$21,147</b>	<b>\$30,556</b>	<b>\$28,783</b>	<b>\$63,086</b>	<b>\$152,043</b>	<b>\$175,000</b>	<b>\$209,000</b>
Minority Interests	NA	NA	NA	NA	NA	NA	\$0	\$15,000
LT Liab.	NA	NA	NA	0	5,218	5,002	5,000	5,000
<b>Total Liabilities</b>	<b>\$14,049</b>	<b>\$21,147</b>	<b>\$30,556</b>	<b>\$28,783</b>	<b>\$68,304</b>	<b>\$157,045</b>	<b>\$180,000</b>	<b>\$229,000</b>
<b>Shareholder Equity</b>								
Subsidiary Pref.	\$0	NA	NA	\$0	\$10,000	\$21,557	\$21,000	\$0
Common Stock	8,592	8,594	8,594	8,597	8,603	8,647	31,000	31,000
Paid-in Capital	120,850	121,507	122,018	123,080	127,043	157,205	266,000	410,000
Retained Earnings	40,955	99,773	222,362	363,764	524,621	747,645	923,000	1,387,000
Comprehensive	(9,101)	(14,138)	(28,665)	(45,441)	(31,445)	40,084	33,000	9,000
Deferred Comp.	(21,687)	(17,599)	(12,517)	(7,621)	(2,817)	0	NA	NA
<b>Total Equity</b>	<b>\$139,609</b>	<b>\$198,137</b>	<b>\$311,792</b>	<b>\$442,379</b>	<b>\$636,005</b>	<b>\$975,138</b>	<b>\$1,274,000</b>	<b>\$1,837,000</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$153,658</b>	<b>\$219,284</b>	<b>\$342,348</b>	<b>\$471,162</b>	<b>\$704,309</b>	<b>\$1,132,183</b>	<b>\$1,454,000</b>	<b>\$2,066,000</b>
S/O-Common Stock	529,110	529,206	529,265	529,489	529,945	533,128	541,141	551,110
<b>Total Common Shares Outstanding</b>	<b>529,110</b>	<b>529,206</b>	<b>529,265</b>	<b>529,489</b>	<b>529,945</b>	<b>533,128</b>	<b>541,141</b>	<b>551,110</b>

Trend Graphs on next page

## Annual Financial Statements

Years are Fiscal Years.  
 Currency in Thousands of U.S. Dollars. Shares in Thousands.

### Balance Sheet Trend Graphs

Bar graphs of specific Balance Sheet items can be used to help in identifying volatility.

	<b>Cash and Equivalents</b>	<b>Total Liabilities</b>	<b>Total Equity</b>	<b>Shares Outstanding</b>
Fiscal Year 2006	\$889,000	\$229,000	\$1,837,000	551,110
Fiscal Year 2005	\$410,000	\$180,000	\$1,274,000	541,141
Fiscal Year 2004	\$444,553	\$157,045	\$975,138	533,128
Fiscal Year 2003	\$354,363	\$68,304	\$636,005	529,945
Fiscal Year 2002	\$210,486	\$28,783	\$442,379	529,489
Fiscal Year 2001	\$124,084	\$30,556	\$311,792	529,265
Fiscal Year 2000	\$116,599	\$21,147	\$198,137	529,206
Fiscal Year 1999	\$98,875	\$14,049	\$139,609	529,110

## Annual Financial Statements

Years are Fiscal Years.  
Currency in Thousands of U.S. Dollars.

### Annual Cash Flow Statement

	1999 12 Months Mar. 31, 1999	2000 12 Months Mar. 31, 2000 Reclassified as of Mar. 31, 2002	2001 12 Months Mar. 31, 2001 Reclassified as of Mar. 31, 2002	2002 12 Months Mar. 31, 2002	2003 12 Months Mar. 31, 2003	2004 12 Months Mar. 31, 2004	2005 12 Months Mar. 31, 2005	2006 12 Months Mar. 31, 2006
<b>Cash From (Used By) Operations</b>								
Net Income	\$17,446	\$61,345	\$131,948	\$164,466	\$194,870	\$270,290	\$419,000	\$555,000
Depreciation	8,521	12,268	24,528	33,608	37,024	45,289	64,000	99,000
Amortization of Intangible	NA	NA	0	0	2,361	6,980	2,000	0
Deferred Taxes	(625)	(851)	(769)	(1,999)	(2,418)	809	(3,000)	(5,000)
Sale of Equipment	NA	(20)	(20)	(17)	(2)	90	NA	NA
Sale of Mutual Fund Units	NA	NA	NA	NA	NA	0	0	(1,000)
Sale of Investments	(621)	NA	NA	NA	NA	NA	(11,000)	0
Minority Interests	NA	NA	NA	NA	NA	0	0	5,000
Prov. Investment	NA	0	3,480	0	3,219	2,104	0	0
Amort. Deferred Comp	16,553	5,118	5,082	5,010	4,804	2,817	0	0
Deconsol. Subsid.	2,086	NA	NA	NA	NA	NA	NA	NA
Accounts Receivable	(10,113)	(11,928)	(36,310)	(7,197)	(37,658)	(26,769)	(150,000)	(65,000)
Unbilled Revenue	NA	NA	(504)	(3,132)	(15,436)	(657)	(9,000)	(16,000)
Prepays/Other	(2,035)	(2,533)	(2,151)	1,080	(5,236)	(8,147)	2,000	1,000
Accounts Payable	(24)	910	(902)	(27)	420	(508)	0	1,000
Other Accrued	3,015	4,984	9,652	1,493	22,756	44,399	24,000	39,000
Taxes Payable	1,493	962	(1,973)	869	(3,922)	25,854	8,000	(33,000)
Customer Deposits	(172)	411	833	1,076	920	10,933	(8,000)	(5,000)
Unearned Revenue	4,599	(418)	3,771	(3,754)	9,491	(33)	6,000	24,000
<b>Cash from Operating Activities</b>	<b>\$40,123</b>	<b>\$70,248</b>	<b>\$136,665</b>	<b>\$191,476</b>	<b>\$211,193</b>	<b>\$373,451</b>	<b>\$344,000</b>	<b>\$599,000</b>
<b>Plus: Cash From (Used By) Investment Activities</b>								
Capital Expenditures	(\$16,124)	(\$36,913)	(\$101,235)	(\$68,348)	(\$43,158)	(\$93,226)	(\$186,000)	(\$246,000)
Intangible	NA	NA	0	0	(3,551)	0	NA	NA
Purchase Subsidiary	NA	NA	NA	NA	NA	(10,383)	0	0
Sale of Equipment	6	24	50	335	70	311	NA	NA
Investments Sold	0	NA	NA	NA	NA	0	40,000	523,000
Sale LT Investments	NA	NA	NA	NA	NA	NA	11,000	0
Investment in Subsid	1,500	0	NA	NA	NA	NA	NA	NA
Investment Purchases	(178)	(3,000)	(5,880)	(2,200)	(54)	(205,325)	(100,000)	(419,000)
Loans to Employees	(2,182)	(7,049)	(4,933)	(5,547)	(7,249)	3,962	2,000	(3,000)
Deposit	NA	NA	NA	NA	NA	0	(15,000)	(11,000)
Withdrawal of Non Current Deposits	NA	NA	NA	NA	NA	0	0	8,000
<b>Cash from Investing Activities</b>	<b>(\$16,978)</b>	<b>(\$46,938)</b>	<b>(\$111,998)</b>	<b>(\$75,760)</b>	<b>(\$53,942)</b>	<b>(\$304,661)</b>	<b>(\$248,000)</b>	<b>(\$148,000)</b>
<b>Plus: Cash From (Used By) Financing Activities</b>								
ADR Issue Exp.	NA	(\$778)	NA	NA	NA	NA	NA	NA
Dividends Paid	(2,372)	(2,527)	(9,220)	(22,903)	(33,914)	(47,183)	(222,000)	(91,000)
Issuance of Common Equity Shares	66,271	NA	NA	963	2,806	27,085	99,000	128,000
Equity Shares	NA	407	511	NA	NA	NA	NA	NA
Issue Prfd Subsidi.	0	NA	0	0	10,000	10,267	0	0
Loan to Trust	936	NA	NA	NA	NA	NA	NA	NA
<b>Cash from Financing Activities</b>	<b>\$64,835</b>	<b>(\$2,898)</b>	<b>(\$8,709)</b>	<b>(\$21,940)</b>	<b>(\$21,108)</b>	<b>(\$9,831)</b>	<b>(\$123,000)</b>	<b>\$37,000</b>
<b>Foreign Exchange Effects</b>	<b>(\$2,058)</b>	<b>(\$2,687)</b>	<b>(\$8,473)</b>	<b>(\$7,374)</b>	<b>\$7,736</b>	<b>\$31,231</b>	<b>(\$8,000)</b>	<b>(\$9,000)</b>
<b>Equals: Increase (Decrease) In Cash</b>								
<b>Net Change in Cash</b>	<b>\$85,921</b>	<b>\$17,725</b>	<b>\$7,485</b>	<b>\$86,402</b>	<b>\$143,877</b>	<b>\$90,191</b>	<b>(\$35,000)</b>	<b>\$479,000</b>
Net Cash - Beginning Balance	\$15,419	\$98,875	\$116,599	\$124,084	\$210,486	\$354,363	\$445,000	\$410,000
Net Cash - Ending Balance	98,875	116,599	124,084	210,486	354,363	444,553	410,000	889,000
Cash Taxes Paid	3,364	7,270	16,951	27,493	45,398	23,722	66,000	125,000

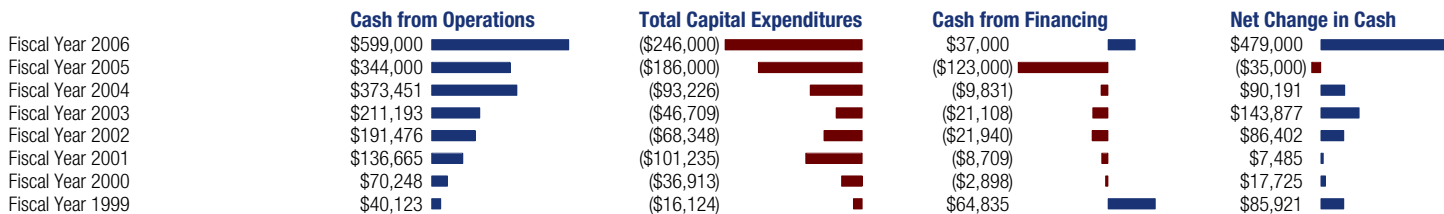
Trend Graphs on next page

## Annual Financial Statements

Years are Fiscal Years.  
 Currency in Thousands of U.S. Dollars.

### Cash Flow Trend Graphs

Bar graphs of specific Cash Flow items can be used to help in identifying volatility.



## Quarterly Financial Statements

Years are Fiscal Years.  
Currency in Thousands of U.S. Dollars (except per share values). Shares in Thousands.

### Quarterly Income Statement

	<b>Q3 2005</b> 3 Months Dec. 31, 2004	<b>Q4 2005</b> 3 Months Mar. 31, 2005 Reclassified as of Mar. 31, 2006	<b>Q1 2006</b> 3 Months Jun. 30, 2005	<b>Q2 2006</b> 3 Months Sept. 30, 2005	<b>Q3 2006</b> 3 Months Dec. 31, 2005	<b>Q4 2006</b> 3 Months Mar. 31, 2006	<b>Q1 2007</b> 3 Months Jun. 30, 2006	<b>Q2 2007</b> 3 Months Sept. 30, 2006
Revenues	\$423,000	\$455,000	\$476,000	\$524,000	\$559,000	\$593,000	\$660,000	\$746,000
<b>Total Revenue</b>	<b>\$423,000</b>	<b>\$455,000</b>	<b>\$476,000</b>	<b>\$524,000</b>	<b>\$559,000</b>	<b>\$593,000</b>	<b>\$660,000</b>	<b>\$746,000</b>
Cost of Revenues	\$241,000	\$262,000	\$274,000	\$297,000	\$319,000	\$354,000	\$389,000	\$423,000
Selling/Marketing	26,000	27,000	32,000	35,000	35,000	34,000	45,000	48,000
Gen./Admin.	34,000	36,000	37,000	46,000	41,000	49,000	56,000	63,000
Amort. Intangibles	0	1,000	0	0	0	0	0	1,000
<b>Total Operating Expense</b>	<b>\$301,000</b>	<b>\$326,000</b>	<b>\$343,000</b>	<b>\$378,000</b>	<b>\$395,000</b>	<b>\$437,000</b>	<b>\$490,000</b>	<b>\$535,000</b>
Sale of Investment	NA	\$11,000	\$0	\$0	NA	\$0	\$1,000	\$0
Other Income, Net	11,000	7,000	7,000	9,000	(1,000)	16,000	28,000	14,000
<b>Net Income Before Taxes</b>	<b>\$133,000</b>	<b>\$147,000</b>	<b>\$140,000</b>	<b>\$155,000</b>	<b>\$163,000</b>	<b>\$172,000</b>	<b>\$199,000</b>	<b>\$225,000</b>
Provision for Income Taxes	21,000	20,000	18,000	16,000	18,000	18,000	23,000	26,000
<b>Net Income After Taxes</b>	<b>\$112,000</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$139,000</b>	<b>\$145,000</b>	<b>\$154,000</b>	<b>\$176,000</b>	<b>\$199,000</b>
Minority Interest	NA	\$0	NA	(\$1,000)	(\$2,000)	(\$2,000)	(\$2,000)	\$0
<b>Net Income Before Extra. Items</b>	<b>\$112,000</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$138,000</b>	<b>\$143,000</b>	<b>\$152,000</b>	<b>\$174,000</b>	<b>\$199,000</b>
<b>Net Income</b>	<b>\$112,000</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$138,000</b>	<b>\$143,000</b>	<b>\$152,000</b>	<b>\$174,000</b>	<b>\$199,000</b>
DPS-Common Stock	\$0.00	\$0.38	\$0.00	\$0.00	\$0.00	\$0.14	\$0.00	\$0.11
Gross Dividends - Common Stock	0	222,000	0	0	0	91,000	0	NA

### EPS Reconciliation

	<b>Q3 2005</b>	<b>Q4 2005</b>	<b>Q1 2006</b>	<b>Q2 2006</b>	<b>Q3 2006</b>	<b>Q4 2006</b>	<b>Q1 2007</b>	<b>Q2 2007</b>
<b>Income Available to Com Excl ExtraOrd</b>	<b>\$112,000</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$138,000</b>	<b>\$143,000</b>	<b>\$152,000</b>	<b>\$174,000</b>	<b>\$199,000</b>
<b>Income Available to Com Incl ExtraOrd</b>	<b>\$112,000</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$138,000</b>	<b>\$143,000</b>	<b>\$152,000</b>	<b>\$174,000</b>	<b>\$199,000</b>
Basic Weighted Average Shares	534,720	537,362	539,164	541,375	544,716	547,386	549,991	551,939
Basic EPS Excluding ExtraOrdinary Items	\$0.21	\$0.24	\$0.23	\$0.25	\$0.26	\$0.28	\$0.32	\$0.36
Basic EPS Including ExtraOrdinary Item	\$0.21	\$0.24	\$0.23	\$0.25	\$0.26	\$0.28	\$0.32	\$0.36
<b>Diluted Net Income</b>	<b>\$112,000</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$138,000</b>	<b>\$143,000</b>	<b>\$152,000</b>	<b>\$174,000</b>	<b>\$199,000</b>
Diluted Weighted Average Shares	550,744	553,232	554,172	556,608	559,826	561,265	562,807	564,859
Diluted EPS Excluding ExtraOrd Items	\$0.20	\$0.23	\$0.22	\$0.25	\$0.26	\$0.27	\$0.31	\$0.35
Diluted EPS Including ExtraOrd Items	\$0.20	\$0.23	\$0.22	\$0.25	\$0.26	\$0.27	\$0.31	\$0.35
<b>Normalized Income Before Taxes</b>	<b>\$133,000</b>	<b>\$147,000</b>	<b>\$140,000</b>	<b>\$155,000</b>	<b>\$163,000</b>	<b>\$172,000</b>	<b>\$199,000</b>	<b>\$225,000</b>
Inc Tax Ex Impact of Sp Items	21,000	20,000	18,000	16,000	18,000	18,000	23,000	26,000
<b>Normalized Income After Taxes</b>	<b>\$112,000</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$139,000</b>	<b>\$145,000</b>	<b>\$154,000</b>	<b>\$176,000</b>	<b>\$199,000</b>
<b>Normalized Inc. Avail to Com.</b>	<b>\$112,000</b>	<b>\$127,000</b>	<b>\$122,000</b>	<b>\$138,000</b>	<b>\$143,000</b>	<b>\$152,000</b>	<b>\$174,000</b>	<b>\$199,000</b>
Basic Normalized EPS	\$0.21	\$0.24	\$0.23	\$0.25	\$0.26	\$0.28	\$0.32	\$0.36
Diluted Normalized EPS	\$0.20	\$0.23	\$0.22	\$0.25	\$0.26	\$0.27	\$0.31	\$0.35

Trend Graphs on next page

## Quarterly Financial Statements

Years are Fiscal Years.  
 Currency in Thousands of U.S. Dollars (except per share values). Shares in Thousands.

### Income Statement Trend Graphs

Bar graphs of specific Income Statement items can be used to help in identifying volatility.

	Quarterly EBITD Margin (%)	EPS Diluted (Excl. Extraord.)	Net Quarterly Revenue	Quarterly Gross Margin (%)
Second Quarter 2007	31.9	\$0.35	\$746,000	43.3
First Quarter 2007	29.2	\$0.31	\$660,000	41.1
Fourth Quarter 2006	31.9	\$0.27	\$593,000	40.3
Third Quarter 2006	34.0	\$0.26	\$559,000	42.9
Second Quarter 2006	32.1	\$0.25	\$524,000	43.3
First Quarter 2006	31.7	\$0.22	\$476,000	42.4
Fourth Quarter 2005	33.4	\$0.23	\$455,000	42.4
Third Quarter 2005	32.6	\$0.20	\$423,000	43.0



## Quarterly Financial Statements

Years are Fiscal Years.  
Currency in Thousands of U.S. Dollars. Shares in Thousands.

### Quarterly Balance Sheet

	<b>Q3 2005</b> As of Dec. 31, 2004	<b>Q4 2005</b> As of Mar. 31, 2005	<b>Q1 2006</b> As of Jun. 30, 2005	<b>Q2 2006</b> As of Sept. 30, 2005	<b>Q3 2006</b> As of Dec. 31, 2005	<b>Q4 2006</b> As of Mar. 31, 2006	<b>Q1 2007</b> As of Jun. 30, 2006	<b>Q2 2007</b> As of Sept. 30, 2006
<b>Assets</b>								
Cash/Equivalents	\$389,000	\$410,000	\$444,000	\$334,000	\$477,000	\$889,000	\$392,000	\$328,000
Investments	244,000	278,000	307,000	531,000	492,000	170,000	358,000	615,000
Trade Accounts Rcvbl	240,000	303,000	284,000	304,000	310,000	361,000	408,000	454,000
Unbilled Revenue	29,000	32,000	36,000	41,000	35,000	48,000	57,000	74,000
Prepaid/Other	39,000	35,000	40,000	38,000	39,000	40,000	51,000	49,000
Deferred Tax	2,000	2,000	2,000	2,000	2,000	1,000	2,000	2,000
<b>Total Current Assets</b>	<b>\$943,000</b>	<b>\$1,060,000</b>	<b>\$1,113,000</b>	<b>\$1,250,000</b>	<b>\$1,355,000</b>	<b>\$1,509,000</b>	<b>\$1,268,000</b>	<b>\$1,522,000</b>
Prop./Plant/Equip.	\$321,000	\$352,000	\$392,000	\$435,000	\$457,000	\$491,000	\$496,000	\$540,000
Goodwill	8,000	8,000	8,000	8,000	8,000	8,000	91,000	91,000
Intangibles	1,000	0	NA	NA	NA	0	19,000	18,000
Deferred Tax	8,000	8,000	9,000	9,000	11,000	13,000	12,000	13,000
Advance Taxes	NA	0	NA	NA	NA	18,000	19,000	5,000
Other	24,000	26,000	35,000	32,000	31,000	27,000	33,000	31,000
<b>Total Assets</b>	<b>\$1,305,000</b>	<b>\$1,454,000</b>	<b>\$1,557,000</b>	<b>\$1,734,000</b>	<b>\$1,862,000</b>	<b>\$2,066,000</b>	<b>\$1,938,000</b>	<b>\$2,220,000</b>
<b>Liabilities</b>								
Accounts Payable	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$3,000	\$2,000	\$4,000
Other Accrued	114,000	124,000	106,000	128,000	140,000	160,000	147,000	183,000
Client Deposits	8,000	7,000	6,000	2,000	3,000	2,000	2,000	2,000
Unearned Revenue	26,000	20,000	29,000	40,000	42,000	44,000	54,000	67,000
Taxes Payable	32,000	23,000	31,000	18,000	17,000	0	1,000	2,000
Deferred Tax	NA	NA	NA	NA	1,000	NA	NA	NA
<b>Total Current Liabilities</b>	<b>\$181,000</b>	<b>\$175,000</b>	<b>\$173,000</b>	<b>\$189,000</b>	<b>\$205,000</b>	<b>\$209,000</b>	<b>\$206,000</b>	<b>\$258,000</b>
Minority Interest	NA	\$0	\$10,000	\$12,000	\$13,000	\$15,000	\$2,000	\$2,000
Other	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total Liabilities</b>	<b>\$186,000</b>	<b>\$180,000</b>	<b>\$188,000</b>	<b>\$206,000</b>	<b>\$223,000</b>	<b>\$229,000</b>	<b>\$213,000</b>	<b>\$265,000</b>
<b>Shareholder Equity</b>								
Preferred Stock	\$22,000	\$21,000	\$0	\$0	\$0	\$0	NA	NA
Common Stock	31,000	31,000	31,000	31,000	31,000	31,000	31,000	62,000
Paid in Capital	228,000	266,000	301,000	335,000	379,000	410,000	444,000	477,000
Retained Earnings	796,000	923,000	999,000	1,137,000	1,235,000	1,387,000	1,296,000	1,465,000
Accum. Comprehensive	42,000	33,000	38,000	25,000	(6,000)	9,000	(46,000)	(49,000)
<b>Total Equity</b>	<b>\$1,119,000</b>	<b>\$1,274,000</b>	<b>\$1,369,000</b>	<b>\$1,528,000</b>	<b>\$1,639,000</b>	<b>\$1,837,000</b>	<b>\$1,725,000</b>	<b>\$1,955,000</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$1,305,000</b>	<b>\$1,454,000</b>	<b>\$1,557,000</b>	<b>\$1,734,000</b>	<b>\$1,862,000</b>	<b>\$2,066,000</b>	<b>\$1,938,000</b>	<b>\$2,220,000</b>
S/O-Common Stock	538,913	541,141	542,846	545,319	549,050	551,110	553,686	555,785
<b>Total Common Shares Outstanding</b>	<b>538,913</b>	<b>541,141</b>	<b>542,846</b>	<b>545,319</b>	<b>549,050</b>	<b>551,110</b>	<b>553,686</b>	<b>555,785</b>

### Balance Sheet Trend Graphs

Bar graphs of specific Balance Sheet items can be used to help in identifying volatility.

	<b>Cash and Equivalents</b>	<b>Total Liabilities</b>	<b>Total Equity</b>	<b>Shares Outstanding</b>
Second Quarter 2007	\$328,000	\$265,000	\$1,955,000	555,785
First Quarter 2007	\$392,000	\$213,000	\$1,725,000	553,686
Fourth Quarter 2006	\$889,000	\$229,000	\$1,837,000	551,110
Third Quarter 2006	\$477,000	\$223,000	\$1,639,000	549,050
Second Quarter 2006	\$334,000	\$206,000	\$1,528,000	545,319
First Quarter 2006	\$444,000	\$188,000	\$1,369,000	542,846
Fourth Quarter 2005	\$410,000	\$180,000	\$1,274,000	541,141
Third Quarter 2005	\$389,000	\$186,000	\$1,119,000	538,913

## Quarterly Financial Statements

Years are Fiscal Years.  
Currency in Thousands of U.S. Dollars.

### Quarterly Cash Flow Statement

	Q3 2005 9 Months Dec. 31, 2004	Q4 2005 12 Months Mar. 31, 2005	Q1 2006 3 Months Jun. 30, 2005	Q2 2006 6 Months Sept. 30, 2005	Q3 2006 9 Months Dec. 31, 2005	Q4 2006 12 Months Mar. 31, 2006	Q1 2007 3 Months Jun. 30, 2006	Q2 2007 6 Months Sept. 30, 2006
<b>Cash From (Used By) Operations</b>								
Net Income	\$292,000	\$419,000	\$122,000	\$260,000	\$403,000	\$555,000	\$174,000	\$373,000
Depreciation	41,000	64,000	18,000	40,000	66,000	99,000	23,000	51,000
Amortization of Intangible	1,000	2,000	NA	NA	NA	0	NA	NA
Deferred Tax Benefit	(3,000)	(3,000)	(1,000)	(2,000)	(2,000)	(5,000)	(2,000)	(3,000)
Sale of Mutual Fund Units	NA	0	NA	NA	NA	(1,000)	NA	NA
Gain on Investment	0	(11,000)	NA	NA	NA	0	NA	NA
Minority Interests	NA	0	NA	0	NA	5,000	2,000	2,000
Amort. Stock Comp.	0	NA	NA	0	NA	NA	1,000	2,000
Others	NA	NA	NA	0	NA	NA	(2,000)	(3,000)
Accounts Receivable	(85,000)	(150,000)	20,000	(3,000)	(16,000)	(65,000)	(57,000)	(104,000)
Unbilled Revenue	(5,000)	(9,000)	(3,000)	(9,000)	(4,000)	(16,000)	(11,000)	(27,000)
Prepaid/Other	(1,000)	2,000	(5,000)	(1,000)	(2,000)	1,000	(10,000)	(10,000)
Accounts Payable	0	0	0	0	2,000	1,000	NA	1,000
Other Accrued	13,000	24,000	(18,000)	5,000	20,000	39,000	(9,000)	27,000
Taxes Payable	11,000	8,000	11,000	(2,000)	(3,000)	(33,000)	0	16,000
Customer Deposits	(7,000)	(8,000)	(1,000)	(4,000)	(4,000)	(5,000)	0	0
Unearned Revenue	11,000	6,000	8,000	20,000	23,000	24,000	12,000	24,000
<b>Cash from Operating Activities</b>	<b>\$268,000</b>	<b>\$344,000</b>	<b>\$151,000</b>	<b>\$304,000</b>	<b>\$483,000</b>	<b>\$599,000</b>	<b>\$121,000</b>	<b>\$349,000</b>
<b>Plus: Cash From (Used By) Investment Activities</b>								
Capital Expenditures	(\$130,000)	(\$186,000)	(\$58,000)	(\$127,000)	(\$184,000)	(\$246,000)	(\$42,000)	(\$114,000)
Acquisition of Minority Interest	NA	0	NA	0	NA	0	(116,000)	(116,000)
Sale of Investment	32,000	40,000	36,000	115,000	193,000	523,000	NA	NA
Redemption of Liquid Mutual Fund Units	NA	NA	NA	NA	NA	NA	180,000	201,000
Sale LT Investments	NA	11,000	NA	NA	NA	0	NA	NA
Inv. in Mutual Fund	(56,000)	(100,000)	(64,000)	(371,000)	(418,000)	(419,000)	(375,000)	(651,000)
Others	NA	NA	NA	0	NA	NA	1,000	1,000
Loans to Employees	1,000	2,000	(1,000)	(1,000)	(1,000)	(3,000)	NA	2,000
Deposit	(11,000)	(15,000)	(9,000)	(9,000)	(9,000)	(11,000)	(11,000)	(11,000)
Withdraw Deposit	0	0	NA	1,000	1,000	8,000	NA	2,000
<b>Cash from Investing Activities</b>	<b>(\$164,000)</b>	<b>(\$248,000)</b>	<b>(\$96,000)</b>	<b>(\$392,000)</b>	<b>(\$418,000)</b>	<b>(\$148,000)</b>	<b>(\$363,000)</b>	<b>(\$686,000)</b>
<b>Plus: Cash From (Used By) Financing Activities</b>								
Other	NA	NA	NA	\$0	NA	NA	NA	\$2,000
Cash Dividends	(222,000)	(222,000)	(46,000)	(46,000)	(91,000)	(91,000)	(264,000)	(265,000)
Equity Shares	67,000	99,000	23,000	57,000	101,000	128,000	33,000	63,000
<b>Cash from Financing Activities</b>	<b>(\$155,000)</b>	<b>(\$123,000)</b>	<b>(\$23,000)</b>	<b>\$11,000</b>	<b>\$10,000</b>	<b>\$37,000</b>	<b>(\$231,000)</b>	<b>(\$200,000)</b>
<b>Foreign Exchange Effects</b>	<b>(\$5,000)</b>	<b>(\$8,000)</b>	<b>\$2,000</b>	<b>\$1,000</b>	<b>(\$8,000)</b>	<b>(\$9,000)</b>	<b>(\$24,000)</b>	<b>(\$24,000)</b>
<b>Equals: Increase (Decrease) in Cash</b>	<b>(\$56,000)</b>	<b>(\$35,000)</b>	<b>\$34,000</b>	<b>(\$76,000)</b>	<b>\$67,000</b>	<b>\$479,000</b>	<b>(\$497,000)</b>	<b>(\$561,000)</b>
<b>Net Change in Cash</b>	<b>(\$56,000)</b>	<b>(\$35,000)</b>	<b>\$34,000</b>	<b>(\$76,000)</b>	<b>\$67,000</b>	<b>\$479,000</b>	<b>(\$497,000)</b>	<b>(\$561,000)</b>
Net Cash - Beginning Balance	\$445,000	\$445,000	\$410,000	\$410,000	\$410,000	\$410,000	\$889,000	\$889,000
Net Cash - Ending Balance	389,000	410,000	444,000	334,000	477,000	889,000	392,000	328,000
Cash Taxes Paid	43,000	66,000	9,000	38,000	58,000	125,000	25,000	37,000

### Cash Flow Trend Graphs

Bar graphs of specific Cash Flow items can be used to help in identifying volatility.

