

Infosys announces bonus issue of shares in the ratio of 1:1

Bangalore, India - December 23, 1998 - The Board of Directors of Infosys Technologies Limited today proposed a bonus issue of shares in the ratio of 1:1 (one share for every one share held). The Company has convened an Extraordinary General Meeting of its members on January 20, 1999 to seek approval for the proposed bonus issue of shares.

The Board of Directors of Infosys Technologies Limited felt the need to restructure the share capital in line with the capital employed in the business. The Board of Directors of Infosys Technologies Limited proposed that the Company should capitalize a part of its reserves and issue bonus shares to the existing shareholders in the proportion of 1:1 (one share for every one share held).

Mr. N. R. Narayana Murthy, Chairman and Managing Director, said "Capital restructuring is a continuous process at Infosys Technologies Limited and the bonus issue is proposed to align the equity capital in line with the capital employed in the business".

The paid up share capital of the company would increase from Rs. 16.02 crore to Rs. 32.03 crore consequent to the bonus issue.

Founded in 1981 and headquartered in Bangalore, Infosys provides information technology services and solutions to many of the Fortune 500 companies around the world. Infosys provides software development and maintenance services and uses the offshore development model. Infosys also offers branded services in the areas of Telecom, Year 2000 remediation, Internet and Intranet solutions, Engineering services and products for the banking industry.

Statements made in this press release, other than those concerning historical information, should be considered forward-looking and subject to various risks and uncertainties. Actual results may differ materially from the results anticipated in these forward-looking statements.