

**Infosys Technologies Limited**

Regd. Office: Electronics City, Hosur Road, Bangalore - 561 229, India

**Audited Financial Results for quarter & half-year ended September 30, 1998**

<i>Amount in Crores of Rupees</i>					
Particulars	Second quarter ended September 30,		Six months ended September 30,		Financial year ended March 31, 1998
	1998	1997	1998	1997	
Income from software development					
- overseas	<b>118.10</b>	59.14	<b>214.48</b>	102.93	250.94
- domestic	<b>1.90</b>	1.49	<b>3.04</b>	3.04	6.72
Other income	<b>0.44</b>	1.25	<b>1.34</b>	1.72	2.71
<b>Total income</b>	<b>120.44</b>	61.88	<b>218.86</b>	107.69	260.37
Software development expenses	<b>65.92</b>	33.83	<b>121.75</b>	60.60	141.20
Cost of imported software packages sold	-	-	-	-	0.01
Administration and other expenses	<b>9.93</b>	6.75	<b>19.92</b>	12.06	30.54
Provision for investment in subsidiary	<b>2.53</b>	-	<b>3.53</b>	-	-
<b>Total expenses</b>	<b>78.38</b>	40.58	<b>145.20</b>	72.66	171.75
Profit before Interest, Depreciation and Tax(PBIDT)	<b>42.06</b>	21.30	<b>73.66</b>	35.03	88.62
Interest	-	-	-	-	-

Depreciation	<b>7.41</b>	5.95	<b>12.34</b>	9.51	22.75
Profit before tax	<b>34.65</b>	15.35	<b>61.32</b>	25.52	65.87
Provision for tax	<b>6.25</b>	1.53	<b>9.25</b>	2.49	5.50
<b>Net profit</b>	<b>28.40</b>	13.82	<b>52.07</b>	23.03	60.37
Paid up equity capital	<b>16.02</b>	8.01	<b>16.02</b>	8.01	16.02
Reserves	<b>NA</b>	NA	<b>NA</b>	NA	156.94

**Note:**

1. The above audited quarterly and half yearly results have been taken on record by the Board at its meeting held on October 12, 1998.
2. Interim dividend of 25% has been declared at the above Board meeting. The record date for payment of dividend has been fixed for November 26, 1998.
3. For the current quarter, exchange rate fluctuation due to change in the exchange rate compared to that prevalent on March 31, 1998 has led to an increase in total income of Rs. 8.39 crore and profit before tax of Rs. 3.36 crore. For the half year ended September 30, 1998, such exchange rate fluctuation led to an increase in total income of Rs. 13.50 crore and profit before tax of Rs. 5.40 crore. There was no significant exchange rate fluctuation during the quarter and half year ended September 30, 1997.
4. During the current quarter, the company made a provision of Rs. 2.53 crore towards investment in Yantra Corporation, a subsidiary company.

Bangalore,  
October 12, 1998

**By order of the Board  
for Infosys Technologies Ltd.  
N. R. Narayana Murthy  
Chairman and Managing Director**

The Board has also taken on record the un-audited consolidated financial statements of Infosys and its subsidiary, Yantra Corporation, for the quarter and half year ended September 30, 1998, prepared as per US GAAP. The summary of the above financial statements is as follows:

Particulars	<i>Amount in US\$</i>				
	Three months ended September 30,		Six months ended September 30,		Financial year ended March 31, 1998
	1998	1997	1998	1997	
Net revenues	<b>28,873,983</b>	16,849,466	<b>52,812,525</b>	29,640,874	68,329,961
Gross profit	<b>12,374,100</b>	6,948,312	<b>22,474,143</b>	12,191,961	28,173,452
Amortization of deferred stock compensation	<b>461,577</b>	234,119	<b>923,154</b>	468,238	2,566,613
Net income	<b>6,159,380</b>	3,634,369	<b>10,935,146</b>	5,804,398	12,344,188
Earnings per share	<b>0.40</b>	0.25	<b>0.72</b>	0.40	0.83
Fully diluted earnings per share	<b>0.40</b>	0.24	<b>0.72</b>	0.39	0.81
Total assets	<b>65,121,054</b>	41,888,749	<b>65,121,054</b>	41,888,749	48,782,025
Cash and cash equivalents	<b>21,422,988</b>	11,533,621	<b>21,422,988</b>	11,533,621	15,419,265

The reconciliation of net income as per Indian GAAP and US GAAP for the three months ended September 30, 1998 and 1997 is as follows:

	<i>Amount in US\$ millions</i>			
	Three months ended September 30,		Six months ended September 30,	
	1998	1997	1998	1997
Net profit as per Indian GAAP	<b>6.67</b>	3.91	12.44	6.58
Less:				
Loss from Yantra Corporation accounted on	<b>0.83</b>	0.21	1.66	0.26

consolidation				
Amortization of deferred stock compensation	<b>0.46</b>	0.23	0.92	0.47
Deferred income taxes	-	-	-	0.05
Add:				
Deferred income taxes	<b>0.18</b>	0.16	0.24	-
Provision for investment in subsidiary	<b>0.60</b>	-	0.84	-
<b>Net income as per US GAAP</b>	<b>6.16</b>	3.63	10.94	5.80