

Infosys Technologies (NASDAQ: INFY) Announces Second Quarter Results **E-Commerce creates new opportunities**

Fremont, California

Highlights

- Second quarter Revenue Tops \$ 47.9 Million, Up 69.9% from the Same Quarter last Fiscal
- Net Earnings per American Depositary Share (ADS) Increases to \$ 0.22 from \$ 0.10 in the Same Quarter last Fiscal
- New E-Commerce opportunities drive growth and profits

Infosys Technologies Limited ("Infosys" or "the company") today announced financial results for its second quarter ended September 30, 1999, under US GAAP. Revenue for the quarter increased 69.9 % to \$ 47.9 million from \$ 28.2 million in the quarter ended September 30, 1998. Net Income was \$14.7 million (\$ 6.2 million for the quarter ended September 30, 1998), \$ 0.22 per diluted ADS (\$ 0.10). Included in Net Income was Other Income of \$ 1.6 million, arising due to exchange differences on translation of foreign currency deposits (\$ 0.4 million), income from the sale of Special Import Licences (\$ 0.3 million) and interest earned on deployment of funds raised through the issue of American Depositary Shares (\$ 0.9 million). Excluding these, the Net Income for the quarter ended September 30, 1999 was \$ 13.1 million and the earnings per diluted ADS was \$ 0.20. E-commerce engagements contributed 10.3% of the Revenue during the quarter, as against 6.4% in the quarter ended June 30, 1999. "The Internet and E-commerce revolution has rapidly re-defined the rules of doing business in every industry, creating in its wake a series of new opportunities and challenges" said N. R. Narayana Murthy, Chairman and CEO. Our initiatives to enhance our capabilities in this area have begun to yield results." Revenue from Year 2000 business declined to 9.4% in the quarter, as against 12.1% in the quarter ended June 30, 1999. "Our strategic approach to the Year 2000 opportunity has ensured top and bottom line growth, despite a decline in Year 2000 revenues" added Nandan M. Nilekani, Managing Director, President and COO. "The company has remained cash positive despite large investments in the capex program," said T. V. Mohandas Pai, Senior Vice President (Finance and Administration) and CFO.

About Infosys Technologies Ltd.

Headquartered in Bangalore, India and with offices around the world, Infosys Technologies Limited is a world leader in providing IT consulting and software services to Fortune 1000 companies. Infosys offers offshore software services such as application development, reengineering, software maintenance, Internet consulting and package implementation. The company is ISO 9001 certified and has achieved certification at Level 4 of the Capability Maturity Model of the Software Engineering Institute (SEI-CMM).

For companies requiring application development, re-engineering, maintenance, Internet development and package implementation, Infosys is an efficient and cost-effective partner. The company's US headquarters are located in Fremont, California with offices throughout the US, Europe and Asia. For more information, contact P. R. Ganapathy, Investor Relations Officer, at +1 (510) 742-3030, e-mail him at guns@itlinfosys.com or visit Infosys on the World Wide Web at www.itlinfosys.com to find a detailed statement of results.

Safe Harbor Provision

Except for the historical information and discussions contained herein, statements included in this release may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be projected by these forward-looking statements. These risks and uncertainties include, but are not limited to competition, acquisitions, attracting, recruiting and retaining highly skilled employees, technology, law and regulatory policy and managing risks associated with customer projects as well as other risks detailed in the reports filed by Infosys Technologies Limited with the Securities and Exchange Commission. Infosys undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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Infosys Announces Second Quarter Results

Infosys Technologies Limited

Statements of income for the periods ended

	Three months ended September 30,		Six months ended September 30,		Year ending March 31,
	1999 (Unaudited)	1998 (Unaudited)	1999 (Unaudited)	1998 (Unaudited)	1999 (Audited)

REVENUES

Revenues	\$ 47,941,680	\$ 28,237,129	\$ 87,670,580	\$ 51,902,217	\$ 120,955,226
Cost of revenues	26,103,672	16,067,440	46,723,936	29,606,988	65,331,006
Gross profit	21,838,008	12,169,689	40,946,644	22,295,229	55,624,220

OPERATING EXPENSES

Selling, general and administrative expenses	5,929,995	3,526,461	11,482,051	7,140,883	16,199,055
Amortization of deferred stock compensation expense	1,293,002	461,577	2,543,102	923,154	3,645,576

Compensation arising from stock split	-	-	-	-	12,906,962
Total operating expenses	7,222,997	3,988,038	14,025,153	8,064,037	32,751,593
Operating income	14,615,011	8,181,651	26,921,491	14,231,192	22,872,627
Equity in loss of deconsolidated subsidiary	-	(836,599)	-	(1,666,843)	(2,085,887)
Other income, net	2,205,581	102,873	5,416,282	321,563	1,536,998
Income before income taxes	16,820,592	7,447,925	32,337,773	12,885,912	22,323,738
Provisions for income taxes	2,100,081	1,288,545	4,306,383	1,950,766	4,877,650
Net income	\$ 14,720,511	\$ 6,159,380	\$ 28,031,390	\$ 10,935,146	\$ 17,446,088

EARNINGS PER AMERICAN DEPOSITARY SHARE

Basic	\$ 0.22	\$ 0.10	\$ 0.42	\$ 0.18	\$ 0.28
Diluted	\$ 0.22	\$ 0.10	\$ 0.42	\$ 0.18	\$ 0.28

WEIGHTED ADS USED IN COMPUTING EARNINGS PER ADS

Basic	65,671,534	61,080,000	65,680,100	61,080,000	61,378,850
Diluted	65,671,534	61,183,272	65,680,100	61,173,300	61,507,380

1 Equity share = 2 American Depositary shares (ADS)

Infosys Technologies Limited
Balance Sheets (Unaudited) as at

	September 30, 1999 (Unaudited)	September 30, 1998 (Unaudited)	March 31, 1999 (Audited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 104,131,114	\$ 21,538,237	\$ 98,874,963
Trade accounts receivable, net of allowances	30,626,659	14,728,377	20,056,678
Prepaid expenses and other current assets	7,482,365	5,006,263	5,735,323
Prepaid income taxes	-	-	-
Total current assets	142,240,138	41,272,877	124,666,964
Property, plant and equipment - net	32,221,795	20,663,189	23,900,313
Deferred tax assets	1,350,849	1,332,399	1,715,375
Investments	177,938	362	177,938
Other assets	5,225,443	1,852,227	3,197,006
Total assets	\$ 181,216,163	\$ 65,121,054	\$ 153,657,596
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 52,663	\$ 104,721	\$ 75,305
Client deposits	88,642	46,852	18,520
Other accrued liabilities	10,694,035	5,408,697	8,399,800

Income taxes payable	1,763,189	-	955,797
Unearned revenue	6,368,878	1,957,181	4,598,612
Total current liabilities	18,967,407	7,517,451	14,048,034
PREFERRED STOCK OF SUBSIDIARY	-	8,435,689	-
STOCKHOLDERS' EQUITY			
Common stock *	8,592,137	4,545,811	8,592,137
Additional paid-in-capital	121,403,339	24,415,920	120,849,511
Accumulated other comprehensive income	(14,033,267)	(9,938,678)	(9,100,662)
Deferred compensation - Employee Stock Offer Plan	(20,173,346)	(6,908,291)	(21,686,799)
Retained earnings	66,459,893	37,891,786	40,955,375
Loan to trust	-	(838,634)	-
Total stockholders' equity	162,248,756	49,167,914	139,609,562
Total liabilities and stockholders' equity	\$ 181,216,163	\$ 65,121,054	\$ 153,657,596

*\$ 0.32 par value; 50,000,000 shares authorized as of September 30, 1999; Issued and outstanding Equity Shares - 33,069,400, 32,034,400 and 33,069,400 as of September 30, 1999, September 30, 1998 and March 31, 1999

A detailed analysis of the performance of the company can be downloaded in the form of an MS-Excel worksheet from <http://www.itinfosys.com>