

Infosys Technologies (NASDAQ: INFY) Announces Fourth Quarter Results Robust demand for e-commerce services drive growth and profitability

Fremont, California

Highlights

- Fourth Quarter Revenue Tops \$ 63.62 Million, Up 77% from the Same Quarter last Fiscal
- Net Earnings per American Depositary Share (ADS) Increases to \$ 0.14 from \$ 0.08 in the Same Quarter last Fiscal after excluding compensation arising from stock split
- Strong Client Relationships Drive Growth and Profitability

Infosys Technologies Limited ("Infosys" or "the company") today announced financial results for its Fourth Quarter and Fiscal Year ended March 31, 2000, under US GAAP. Revenue for the quarter increased 77% to \$ 63.62 million from \$ 36.01 million in the quarter ended March 31, 1999. Revenue for the fiscal year ended March 31, 2000 increased 68% to \$ 203.44 million as against \$ 120.96 million for the fiscal year ended March 31, 1999.

Net Income for the quarter was \$17.90 million (\$ 9.84 million for the quarter ended March 31, 1999, after excluding compensation arising from stock split), diluted earnings per ADS of \$ 0.14 (\$ 0.08 for the quarter ended March 31, 1999, after excluding compensation arising from stock split). Net Income includes interest earned on deployment of funds raised through the issue of American Depositary Shares (\$1.0 million) and gain arising due to exchange differences on translation of foreign currency deposits (\$ 0.2 million), which may be non-recurring. Excluding these, the Net Income for the quarter ended March 31, 2000 was \$ 16.7 million and the earnings per diluted ADS was \$ 0.13.

E-commerce engagements contributed 18.8% of the Revenue during the quarter, as against 15.6% in the quarter ended December 31, 1999. **"Demand for e-commerce services, an area where the company has a proven track record, continues to drive our revenue growth. New opportunities in the form of m-commerce are fast emerging and we are well positioned to take advantage of them,"** said Mr. N. R. Narayana Murthy, Chairman and Chief Executive Officer.

"Clients continue to entrust mission-critical, technology-intensive projects to Infosys. By leveraging new technologies such as broadband and wireless, we will continue to help our clients fulfill their digital ambitions," said Mr. Nandan M. Nilekani, Managing Director, President and Chief Operating Officer.

"The utilization rate increased during the quarter and had a positive impact on our bottomline," said Mr. T. V. Mohandas Pai, Chief Financial Officer. **"The margins for the year were maintained despite higher onsite work necessitated by e-commerce related business."**

Earlier this year, Infosys announced its intention to pursue strategic investments in leading-edge technology companies and to support their future technology initiatives. In keeping with this objective, the company announced its first investment of this kind granting Massachusetts-based EC Cubed, Inc., a dynamic application provider for B2B e-commerce, \$ 3 million in funding.

About Infosys Technologies Ltd.

Infosys Technologies Ltd. is a world leader in providing IT consulting to Fortune 1000 and growing dot-com companies. Infosys offers services including consulting, architecture, application development (on a fixed time and fixed fee basis), e-Commerce and Internet consulting and software maintenance.

The company employs close to 5,400 people worldwide and is ISO 9001 and SEI CMM Level 5 certified.

Using a Global Delivery Model, the company leverages talent and infrastructure in different parts of the world to provide high quality, rapid time to market solutions. Infosys' US headquarters is located in Fremont, California; the company also maintains 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@infy.com or visit Infosys on the World Wide Web at www.infy.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, market perception of the performance of the company 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, U.S.A. Infosys undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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Infosys Technologies Limited
Balance Sheets as at

	March 31,	
	2000	1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 116,599,486	\$ 98,874,963
Trade accounts receivable, net of allowances	31,233,515	20,056,678
Prepaid expenses and other current assets	11,256,295	5,735,323
Total current assets	159,089,296	124,666,964
Property, plant and equipment – net	47,554,772	23,900,313
Deferred tax assets	2,566,266	1,715,375
Investments	3,177,938	177,938
Other assets	6,894,598	3,197,006
Total assets	\$ 219,282,870	\$ 153,657,596
LIABILITIES AND STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES		
Accounts payable	\$ 976,840	\$ 75,305
Client deposits	425,724	18,520
Other accrued liabilities	13,835,635	8,399,800
Income taxes payable	1,878,977	955,797
Unearned revenue	4,029,173	4,598,612
Total current liabilities	21,146,349	14,048,034
STOCKHOLDERS' EQUITY		
Common stock*	8,593,510	8,592,137
Additional paid-in-capital	121,506,726	120,849,511
Accumulated other comprehensive income	(14,137,933)	(9,100,662)
Deferred compensation – Employee Stock Offer Plan	(17,598,813)	(21,686,799)
Retained earnings	99,773,031	40,955,375
Loan to trust	-	-
Total stockholders' equity	198,136,521	139,609,562
Total liabilities and stockholders' equity	\$ 219,282,870	\$ 153,657,596

* \$ 0.16 par value; 100,000,000 equity shares authorized, Issued and outstanding – 66,150,700 and 66,138,800 as of 2000 and 1999

Infosys Technologies Limited Statements of income

	Three months ended March 31,		Year ended	
	2000	1999	2000	1999
REVENUES				
Revenues	\$ 63,615,115	\$ 36,011,705	\$ 203,443,754	\$ 120,955,226
Cost of revenues	35,831,860	19,307,645	111,080,546	65,331,006
Gross profit	27,783,255	16,704,060	92,363,208	55,624,220

OPERATING EXPENSES				
Selling and marketing expenses	6,223,948	1,523,577	9,643,970	4,943,599
General and administrative expenses	2,393,024	3,201,005	17,102,550	11,255,456
Amortization of deferred stock compensation expense	1,281,531	1,241,519	5,117,635	3,645,576
Compensation arising from stock split	-	12,906,962	-	12,906,962
Total operating expenses	9,898,503	18,873,063	31,864,155	32,751,593
Operating income	17,884,752	(2,169,003)	60,499,053	22,872,627
Equity in loss of deconsolidated subsidiary	-	-	-	(2,085,887)
Other income, net	1,985,873	423,351	9,038,792	1,536,998
Income before income taxes	19,870,625	(1,745,652)	69,537,845	22,323,738
Provision for income taxes	1,974,415	1,325,084	8,193,317	4,877,650
Net income	\$ 17,896,210	\$ (3,070,736)	\$ 61,344,528	\$ 17,446,088
EARNINGS PER AMERICAN DEPOSITARY SHARE				
Basic	\$ 0.14	\$ (0.03)	\$ 0.47	\$ 0.14
Diluted	\$ 0.13	\$ (0.03)	\$ 0.47	\$ 0.14
WEIGHTED AMERICAN DEPOSITARY SHARES USED IN COMPUTING EARNINGS PER ADS*				
Basic	131,269,934	124,548,640	131,319,250	122,757,700
Diluted	132,754,680	124,563,804	131,727,980	123,014,760

* 1 Equity share = 2 American Depositary shares (ADS). After giving effect to 2-for-1 stock split announced during the quarter ending December 31, 1999.