

INFOSYS TECHNOLOGIES LIMITED (NASDAQ: INFY)
ANNOUNCES STRONG REVENUE GROWTH FOR FIRST QUARTER

E-Transformation of Fortune 1000 Companies Drives Growth

Fremont, California, July 11, 2000

Highlights

- First quarter revenue tops \$ 80.3 million, up 102.0% from the same quarter last fiscal
- Net earnings per American Depositary Share (ADS) increases to \$ 0.20 from \$ 0.10 in the same quarter last fiscal
- E-commerce revenues surge to 28.7% - up from 18.8% in the quarter ended March 31, 2000
- Revenues from start-up companies account for 10.9% of net revenues during the quarter as against 8.0% in the quarter ended March 31, 2000
- Quarterly addition in employees surpasses 1000 for the first time
- 32 new customers during the quarter
- Strategic investment of US\$ 3 million in CiDRA Corporation and incubation of Onscan Inc.

Infosys Technologies Limited ("Infosys" or "the company") today announced financial results for its first quarter ended June 30, 2000, under US GAAP. Revenue for the quarter increased 102.0% to \$ 80.3 million from \$ 39.7 million in the quarter ended June 30, 1999.

Net Income for the quarter was \$26.8 million (\$ 13.3 million for the quarter ended June 30, 1999), or \$ 0.20 per diluted ADS (\$ 0.10). Included in Net Income was Other Income of \$ 1.7 million (\$ 1.9 million) arising due to exchange differences on translation of foreign currency deposits. Excluding this, the Net Income for the quarter ended June 30, 2000 was \$ 25.1 million (\$ 11.4 million) and the earnings per diluted ADS was \$ 0.19 (\$ 0.09). Mr. N. R. Narayana Murthy, Chairman and CEO of Infosys, said, **"This industry is all about innovation and change. We believe that our ability to innovate constantly and to keep pace with technological changes around the world has made us a trusted partner for Fortune 1000 companies."**

E-commerce engagements contributed 28.7% of revenues during the quarter, as against 18.8% in the quarter ended March 31, 2000. The company's e-business strategy focusses on digitalizing traditional economy Fortune 1000 companies across the globe. The revenue from start-up companies was 10.9% during the quarter as against 8.0% in the quarter ended March 31, 2000. **"E-transforming Fortune 1000 companies has significantly contributed to our revenue growth"**, said Mr. Nandan M. Nilekani, Managing Director, President and COO, **"Web-enabling traditional economy players is an unprecedented market opportunity - our expertise in legacy platforms and our ability to rapidly assimilate new technologies enable us to offer a highly compelling value proposition to this segment."**

"Our global delivery model allows us to be highly competitive, while providing quality services to our clients. The company maintained its margins despite annual increase in salary effective this quarter and higher training costs for a record 1000+ new recruits", said Mr. T. V. Mohandas Pai, Director - Finance and Administration, and Chief Financial Officer.

About Infosys Technologies Ltd.

Infosys Technologies Ltd. (NASDAQ: INFY) is a publicly held company and a world leader in providing IT solutions to Fortune 1000 and emerging new economy companies. Infosys' range of services includes IT consulting, IT architecture, application development, e-commerce and Internet consulting, and software maintenance. The company is ISO 9001 and SEI CMM Level 5 certified.

Using its proprietary Global Delivery Model, the company leverages talent and infrastructure in different parts of the world to provide high-quality and rapid time-to-market solutions to its clients. The US headquarters of Infosys 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: guns@infy.com) or visit Infosys on the World Wide Web at www.infy.com.

Safe Harbor Provision

Other than the historical information and discussions contained in this earnings release, certain statements may be forward-looking. 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, the success of Onscan Inc., the success of the companies in which the company has made strategic investments, the company's incubation and investments policy, 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.

Contact: P. R. Ganapathy Marti Colwell
 Investor Relations Officer Creative Marketing Group
 +1 (510) 742-3030 +1 (858) 458-1818
guns@infy.com marticolwell@mindspring.com

Infosys Technologies Limited

Balance Sheets

in US\$

	As of June 30,		As of March 31, 2000 (audited)
	2000 (unaudited)	1999 (unaudited)	
ASSETS			
Current Assets			
Cash and cash equivalents	105,756,757	102,612,617	116,599,486
Trade accounts receivable, net of allowances	51,164,692	24,632,558	31,233,515
Prepaid expenses and other current assets	12,566,158	6,638,499	11,256,295
Total current assets	169,487,607	133,883,674	159,089,296
Property, plant and equipment - net	61,700,055	25,977,938	47,554,772
Deferred income taxes	2,685,061	1,379,249	2,566,266
Investments	6,177,908	177,938	3,177,938
Other assets	6,977,423	4,224,381	6,894,598
TOTAL ASSETS	247,028,054	165,643,180	219,282,870
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable	472,473	55,556	976,840

Client deposits	332,058	15,685	425,724
Other accrued liabilities	12,197,959	8,522,103	13,835,635
Income taxes payable	2,965,746	2,101,206	1,878,977
Unearned revenue	14,394,383	5,201,759	4,029,173
Total current liabilities	30,362,619	15,896,309	21,146,349

Stockholders' Equity

Common stock, \$ 0.16 par value; 100,000,000 equity shares authorized, Issued and outstanding - 66,151,367, 66,138,800 and 66,150,700 as of June 30, 2000, June 30, 1999 and March 31, 2000

Additional paid-in-capital	121,529,268	121,407,662	121,506,726
Accumulated other comprehensive income	(18,765,207)	(13,052,834)	(14,137,933)
Deferred stock compensation	(16,323,017)	(21,466,348)	(17,598,813)
Retained earnings	121,630,806	54,266,254	99,773,031
Total stockholders' equity	216,665,435	149,746,871	198,136,521

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	247,028,054	165,643,180	219,282,870
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Infosys Technologies Limited

Statements of Income

in US\$

	Quarter ended		Year ended March 31, 2000(audited)
	June 30, 2000 (unaudited)	June 30, 1999 (unaudited)	
Revenues	80,257,833	39,728,900	203,443,754
Cost of revenues	41,962,161	20,620,264	111,080,546
Gross profit	38,295,672	19,108,636	92,363,208
Operating Expenses:			
Selling and marketing expenses	4,197,515	2,489,358	9,643,970

General and administrative expenses	6,416,913	3,062,698	17,102,550
Amortization of stock compensation expense	1,275,796	1,250,100	5,117,635
Total operating expenses	11,890,224	6,802,156	31,864,155
Operating income	26,405,448	12,306,480	60,499,053
Other income, net	3,403,057	3,210,701	9,038,792
Income before income taxes	29,808,505	15,517,181	69,537,845
Provision for income taxes	2,976,832	2,206,302	8,193,317
Net income available for common stockholders	26,831,673	13,310,879	61,344,528

Earnings per American Depositary Share

Basic	0.20	0.10	0.47
Diluted	0.20	0.10	0.47

Weighted American Depositary Shares used in computing earnings per American Depositary Share

Basic	131,954,534	131,377,332	131,319,250
Diluted	134,563,838	131,377,332	131,727,980

Note: Two American Depositary Shares equal one Equity Share