

Infosys Banking Group announces a Strategic Acquisition

Acquires Treasury Products division of US-based Company- IQ Financial Systems, Inc.

Mumbai, June, 20th 2002: The Banking Business Unit of Infosys Technologies Ltd (NASDAQ:INFY) today announced that it has acquired the Trade IQ product division of US-based IQ Financial Systems, Inc. The acquisition brings to the Infosys Banking Group's fold the existing Trade IQ clients of IQ Financial Systems Inc, which include some of the top tier and largest commercial and investment banks of Europe, Japan and US with installations in Switzerland, UK, US and Japan. According to the terms of the agreement, the Infosys Banking Group will acquire, in addition to the product, all assets and trained and skilled manpower, which includes Trade IQ domain experts. With this acquisition, Infosys' Banking Group will have ready-to-operate offices with employees in London and Tokyo.

The suite of products acquired from IQ Financial Systems Inc include, Trade IQ™ - an Integrated Treasury System, Limits IQ™ - Limits Management System and Desktop Risk IQ™. Trade IQ™ is an integrated front, middle and back office system that provides full straight-through-processing (STP) and covers a full breadth of money market, foreign exchange, fixed income and their full range of derivatives. The products are based on new generation technologies (OO design, ORB based 3-tier architecture) and open systems and offer a very high level of interoperability, extensibility and scalability. These products will be marketed and sold as modules or in a consolidated manner under the brand name, Finacle- Treasury.

The Rs.103 crore (US\$ 21.8 Million), rapidly growing Banking division of Infosys offers banking software products to Retail and Corporate Banking Operations across the globe. This acquisition will provide Infosys the strategic advantage of being able to target the Wholesale & Investment Banking segment as well, and offer all banks a rich and superior Treasury System.

Addressing the media at a Press Conference in the city, Girish Vaidya, Head - Banking Business Unit, Infosys Technologies said, "This acquisition has helped us to emerge as an end to end player in the banking software market with state of the art offerings to Retail, Corporate and Wholesale Banks. The acquisition of this advanced Treasury product brings to us the key competitive advantage of faster time to market in a highly competitive landscape. Furthermore we will be benefited by the addition of personnel who would add tremendous value with their relevant domain expertise."

Edward Ho, President of IQ Financial Systems added, "The closing of this transaction is a positive development for IQ Financial Systems as it allows us to focus exclusively on our core businesses, and continue to bring cutting edge software solutions to the commercial lending and capital markets industries. With Infosys, the current and prospective clients of Trade IQ and its associated products, would benefit from a resource rich, highly motivated software company."

According to Merwin Fernandes, Associate Vice President & Head - Global Sales and Marketing, Banking Business Unit, Infosys Technologies, "The Infosys Banking Business Unit has over the last few years witnessed remarkable growth and success. Our revenues have grown from 15 crores in 1999 to 103 crores in 2002; we have entered several new markets; acquired several new customers. Now this strategic acquisition brings to our fold new world-class products with top tier clientele in advanced markets, thus providing us a head start in these markets and opening up a new revenue line going forward. The acquisition will strengthen our position as a premium player offering end-to-end product solutions to the global banking industry. We are very excited about the opportunities that lie ahead of us."

About Infosys Technologies:

Infosys, a world leader in consulting and information technology services, partners with Global 2000 companies to provide business consulting, systems integration, application development and product engineering services. Through these services, Infosys enables its clients to fully exploit technology for business transformation. Clients leverage Infosys' Global Delivery Model to achieve higher quality, rapid time-to-market and cost-effective solutions. Infosys has approximately 10,000 employees in over 30 offices worldwide.

Infosys' Banking Business Unit creates product solutions to cater to the business needs of Banks. The Infosys Banking Business Unit has over a decade of experience in banking technology. With a dedicated team of banking experts and software professionals, Infosys has provided best-of-breed products and services to banks across the globe.

About IQ Financial Systems:

IQ Financial Systems is a leading provider of financial software systems and services to the commercial lending and capital markets industries. Combining state-of-the-art products, including LOAN IQ, RISK IQ, and LA PRO, with a comprehensive set of implementation and consulting services, IQ Financial Systems delivers complete solutions to its globally installed client base that includes five of the world's ten largest commercial and investment banks. IQ Financial Systems is headquartered in New York City, with additional locations in North America, Europe and Asia. For more information, visit www.iqfinancial.com. Edelweiss Capital Limited advised IQ Financial Systems on this transaction.

Safe Harbor Provision

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2002. This filing is available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

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