

Major Shift in RFID: “Competitive Advantage” Closing in on “Compliance” as Motivation for Engaging Technology

Infosys Survey Says Cost Reduction, Efficient Asset Management Chief Goals

July 21, 2005; Fremont, CA: Companies are increasingly moving beyond retailer compliance mandates and considering Radio Frequency Identification (RFID) initiatives for competitive advantage, says an Infosys survey of executives from high tech manufacturing, consumer product goods, logistics and pharmaceutical industries.

While RFID adoption continues to be driven primarily by retail mandate compliance (45%), competitive advantage came in a close second (38%). More than half of the respondents believed that their RFID initiatives have significant implications on cost reduction and asset efficiency improvements in their supply chain.

“While compliance driven implementation is natural, the survey clearly shows that the future holds immense potential for companies choosing to invest in RFID as a strategic differentiator,” said Sateesh Seetharamiah, RFID Solution Leader, Infosys Technologies Ltd. “Although there seem to be disparate levels of adoption and expectations from RFID programs, there is a consensus that RFID can most certainly strengthen supply chain efficiencies in the long-run.”

While there is substantial interest in adopting RFID, most respondents believe that there are significant technology challenges to be overcome (42%), such as the still-evolving RFID standards and the remaining technical implementation challenges. The cost of implementation came up as the second biggest hurdle in RFID adoption.

Eighty-two percent of respondents agreed that rapid deployment is important for the success of RFID programs while 72% emphasized the need for vendors with global delivery capabilities.

“The survey findings validate Infosys’ solution approach which leverages existing technology to deliver rapid deployment and lower cost of roll-out, coupled with scalability, even in compliance-driven investments,” Sateesh noted.

Methodology for survey

The survey, conducted in June 2005, polled executives from supply chain, operations, logistics and IT functions at the RFID Day Logicon 2005 - the premier Logistics and Supply Chain Conference held at Pasadena, California from June 13-15, 2005. Participants were mainly from high tech manufacturing, pharmaceutical, logistics and retail industries.

About Infosys Technologies Ltd

Infosys (NASDAQ:INFY) defines, designs and delivers IT enabled business solutions. These provide our clients with strategic differentiation and operational superiority, thereby increasing their competitiveness. Each solution is delivered with the industry-benchmark Infosys Predictability that gives our clients peace of mind. With Infosys, they are assured of a transparent business partner, business-IT alignment with flexibility, world-class processes, speed of execution and the power to stretch their IT budget by leveraging the Global Delivery Model that Infosys pioneered. Infosys has over 36,000 employees in over 30 offices worldwide. For more information, visit www.infosys.com

Safe Harbour

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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, 2005 filed on April 26, 2005 and Registration Statement on Form F-3 filed on December 20, 2004, and the amendments thereto filed on January 18, 2005, April 26, 2005 and May 23, 2005. These filings are 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 statements that may be made from time to time by or on behalf of the company.