

Infosys signs agreement to set up software development centers in China

Investment of \$65 million in the next five years

Bangalore, August 4, 2005: Infosys Technologies (Shanghai) Company Ltd., the China subsidiary of Infosys Technologies Ltd., today signed letters of intent with Shanghai Zhangjiang (Group) Company Ltd. and with the Administrative Commission of Hangzhou Hi-Tech Development Industry Zone-Hangzhou, to set up software development centers in China. Infosys currently has 250 employees in China.

The new centers, to be located in Shanghai and Hangzhou, will see a total investment of \$65 million in the next five years and will accommodate 6000 engineers. The Shanghai centre, to be built on 25,000 sq meters of land will get an initial investment of \$10 million in the next two years. On the Hangzhou project, Infosys plans to invest \$15 million for a centre on 100,000 sq metres of land, in the next two years.

Speaking on the occasion, Mr. James Lin, CEO & Managing Director, Infosys Technologies (Shanghai) Company Ltd., said, "Infosys follows a strategy of setting up world-class software development centers in locations where there is rich local talent as well as the required infrastructure. It will also enable us to combine local talent with Infosys' Global Delivery Model to provide our clients with best-in-class services. We thank the Government for their support and commitment towards promoting centers of excellence in the region."

Mr. Chen Jianbo, CEO, Shanghai Zhangjiang Group Co. Ltd said, "As part of our vision for Shanghai, we are committed to creating a pervasive IT culture in the city. Infosys' new centers in the region are proof of the IT-friendly policies rolled out by the government in attracting world-class organizations. We wish Infosys all success in this venture and hope these development centers will be a model for others to follow."

Mr. James Lin said that the new centers will undertake projects in software development, IT Services and IT-Enabled Services and will also act as one of the training and research centers of the company.

According to Mr. Hong Hangyong, Secretary, CCP of Administrative Commission of Hangzhou Hi-Tech Industry Development Zone, "Infosys Hangzhou campus is the first large investment project by a global software company in the Hangzhou Hi-Tech Zone. This is a proof of the IT friendly policies rolled out by the government in attracting world-class organizations. Investment by a global leader such as Infosys will enhance Hangzhou's attempts at building an IT centre in this beautiful city which is also a science and technology centre. It will also start a new chapter in the development of the software industry in the Zhejiang province."

The projects are expected to start by January 2006 and will have state-of-the-art technological infrastructure for software services and recreational facilities for employees, similar to other development centers of Infosys.

About Infosys Technologies (Shanghai) Company Ltd.

Infosys Technologies (Shanghai) Company Ltd (ITSCo), is the China subsidiary company of Infosys Technologies Ltd, a global provider of consulting and information technology services. ITSCo offers end-to-end software services to domestic as well as multinational companies in China. ITSCo is a wholly owned subsidiary of Infosys and its head office is located in Shanghai.

About Infosys Technologies Limited

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 39,000 employees in over 30 offices worldwide. For more information, visit www.infosys.com

Safe Harbor:

This press release contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934, including statements related to the future prospects for Infosys Consulting; our expectations regarding the amount of revenues from our largest customers; our beliefs and expectations regarding our scalable model; and our plans to invest \$20 million and hire 500 consulting professionals in the U.S. and Europe over the next two years. These forward-looking statements are subject to 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 the success of our investments, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT and consulting 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, industry segment concentration, our ability to manage our international operations, reduced demand for technology and consulting services, disruptions in telecommunication networks or system failures, 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 and regional conflicts, 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, 2005 filed on April 26, 2005 and our reports on Form 6-K. These filings are available at www.sec.gov. We may, from time to time, make additional written and oral forward-looking statements, including statements contained in our filings with the Securities and Exchange Commission and our reports to shareholders. We do not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.