

Innovating the “Infosys way”

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- *Invested 1.2% of total revenues on R&D in 2005-06*
- *Infosys’ SETLabs generated over 82 invention disclosures and filed over 20 patents*

Bangalore, India: May 31, 2006 - Infosys today announced that product engineering services contributed 10% to total revenues in 2005-06 and employed approximately 5000 people. The investment in R&D was 1.2% of total revenues. The Infosys product engineering services portfolio includes work across sectors like hi-tech, telecommunications, automotive, aerospace, industrial products, heavy machinery and consumer appliances.

The thrust areas for Infosys go beyond these services to encompass the entire cycle of business model competitiveness for clients and itself through technology and business innovation.

As Infosys penetrates every entry point in the product lifecycle, it experiences a close working proximity with various stakeholders in the value chain. Kris Gopalakrishnan, Chief Operating Officer, Infosys Technologies Ltd., said, “Infosys works with the creators and end-users of technology. Our engagement with the creators of technology — usually product engineering companies — helps us gain early visibility into technology and aids us in co-creating new products and services in their industries. As a result, Infosys enjoys better understanding of the needs of the ultimate end-users of technology.”

Infosys has actively fostered a culture of innovation across the organization by pioneering unique technology and business practices. This is different from innovation conducted across product companies since the requirement for services innovation is unique. The Software Engineering and Technology Labs (SETLabs), which spearheads Infosys’ commitment to innovation and Intellectual Property (IP) development, generated over 82 invention disclosures and filed over 20 patents in 2005-06. Nearly 300 researchers are engaged in creating methodologies, frameworks, tools and service platforms that address clients’ business problems.

Through its Domain Competency Group and Software Engineering and Technology Labs, Infosys researches and engineers new solutions tailored for its clients and their respective industries. More recently, with Infosys Consulting, Infosys has enhanced its ability to provide strategic and competitive analysis and complex operational consulting services. Technology can play a big role in providing a view into the future and Infosys is actively investing and collaborating with its clients to create future enterprise frameworks and co-create the future with them. Infosys has attained significant momentum in this exercise with clients from the energy and retail verticals.

“At Infosys, innovation occurs at the business model level as well,” said Kris. “Information technology is a key enabler of business strategy innovation worldwide but the pace of change means that it is not always easy to identify and harness new technologies ahead of the peers in the Industry. Through our collaborative-distributed-development model, we have not only been able to provide innovative services and solutions to our clients but have also transformed ourselves to keep pace with the dynamic global market.”

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 we provide 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 52,000 employees in over 30 offices worldwide. For more information, visit www.infosys.com

Safe Harbor

Statements in connection with this release may include forward-looking statements within the meaning of US Securities laws intended to qualify for the "safe harbor" under the Private Securities Litigation Reform Act. These forward-looking statements are subject to risks and uncertainties including those described in our SEC filings available at www.sec.gov including our Annual Report on Form 20-F for the year ended March 31 2006, and actual results may differ materially from those projected by forward-looking statements. We may make additional written and oral forward-looking statements but do not undertake and disclaim any obligation to update them.

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