

AP

Infosys to Put \$65 Million Into China

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By S. Srinivasan, Associated Press Writer

India's Infosys to Put \$65 Million, 6,000 Software Engineers Into China

BANGALORE, India (AP) -- India's leading software company, Infosys Technologies Ltd., said Thursday it will pump in US\$65 million (euro53 million) and 6,000 new software engineers over the next five years to expand outsourcing operations in China.

The Nasdaq-listed company will set up offshore development centers in Shanghai and Hangzhou in southeastern China with a combined capacity to house 6,000 engineers and programmers, said James Lin, CEO and managing director of the company's Chinese subsidiary.

The new centers will engage in software development and back-office operations for Infosys' clients worldwide, Lin said in a statement. Infosys now employs 250 programmers in China.

Scores of Western firms farm out an increasing range of white-collar work including software development, telemarketing and engineering design to India and other countries, where wages are low and skilled workers are plentiful.

Infosys, which employs about 40,000 people, writes software for some of the world's top companies, including Airbus SAS, Apple Computer Corp., Cisco Systems Inc., Monsanto Co., Nortel Networks Corp. and Toshiba Corp.

The company reported revenues of US\$1.6 billion (euro1.23 billion) in last fiscal year that ended in March. The company expects its revenue to cross US\$2 billion (euro1.62 billion) this year.

The proposed expansion in China will help Infosys serve Asian operations of its Western clients, said Apurva Shah, an analyst with ASK-Raymond James Securities.

"Not all the outsourcing needs of global companies are in the West. A good portion of them are in China and Japan. So, if you want to be a global service provider, you can't afford not to be in China," he said.

The center will also help Infosys get outsourcing orders from Japan and southeast Asian countries, where the presence of Indian companies is small compared to their success in the United States or Europe, he said.

Infosys shares closed at 2312.15 rupees (US\$53.1, or euro43.6) on the Bombay Stock Exchange Thursday, down 1.91 percent from its close Wednesday.

Infosys Technologies: <http://www.infy.com>

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