



Analyst Meet 2004

| New Game. New Rules.

New York, September 2004

Infosys®

Narayana Murthy: Sandeep.

Sandeep Shroff: Yes, Mr. Murthy, I'm here.

Narayana Murthy: OK. First of all a warm welcome to all of you. My slight indisposition had kept me back here in India. I truly miss being with you all. Your presence today is a great testimony to the value you perceive in us, and the trust and confidence we have created in you. Even before I go further let me promise on behalf of the 29,000 strong Infoscons that we will continue to run this business most ethically and as your trustees.

We saw a remarkable thing happen in the marketplace, as we came of age last year when we begin a billion-dollar enterprise. Where ever I went people looked at Infosys with a new respect, a new confidence, a new trust and a new hope. This trust, confidence and hope emanated from the dedication, passion, innovation and integrity that we have demonstrated to our customers during the journey of last 23 years, while (inaudible) living up to our values of CLIFE. That stands for our customer focus, leadership by examples, integrity and innovation, fairness, and of course excellence and speed.

There were congratulations that we had indeed joined the big boys club and the hope that we will continue to differentiate from other members of the club, as we have done in the past. The difficult economic scenario in the G7 countries and the consequent pressure on our competitors to imitate the magic of Infosys have mandated that we create new games with new rules. The name of the game is clearly differentiation. My colleagues will detail out our response, but I will sift the context by briefly describing the new rules and the new games that this industry is expected to play.

One, the global delivery model, first articulated and deployed by Infosys has indeed become the industry standard. So much so that all the major competitors of ours are forced to create offshore operations leveraging the benefits of GDM.

Number two, outsourcing is here to stay.

Number three, in fact, GDM has become so well accepted by the market that our customers are demanding that we extend off shoring to activities like consulting, systems integration and package implementation. Thus even typically consulting oriented company will have to follow the path of GDM.

Next, our customers are expecting all the players to walk the talk or practice the (inaudible) by not just submitting a report on how to get the best value out of IT investments, but add to the developing systems that deliver the promised value. This obviously puts tremendous focus on us to enhance our domain knowledge in verticals.

As big boys with a large revenue base and expectations of growth from all of you, it is necessary that we handle scalability in a seamless manner. Scalability of enhancing customer satisfaction while executing larger projects, scalability of retaining our value system across a large work force, scalability of recruiting and training 10,000 to 15,000 people a year, scalability of improving speed, quality and productivity of our response to all of our stake holders and scalability of deploying technology, systems and processes across the entire organization in a seamless manner.

Thanks to the recent corporate excesses, the credibility of businesses is at an all time low. To reverse this trend, we have to convert our own high standards and corporate governance practices.

As you all know Infosys was the first company on NASDAQ to produce a balance sheet and income statement according to the generally accepted accounting principles of eight countries, USA, India, UK, Canada, France, Germany, Japan and Australia. We were also one of the first to implement the Blue Ribbon Committee report, and also to bring an audit expert on the board.

I assure you that we will be among the earliest to fully comply with every one of the stipulations of Sarbanes-Oxley Act. However, to me the most daunting task of creating a multicultural organizations are creating a by recruiting a large of professionals of various nationalities and creating a shared vision across these people to raise their aspirations to



Analyst Meet 2004

| New Game. New Rules.

New York, September 2004

Infosys®

achieve what we think is a plausible objective. And our objective is to become the most respected and the most ethical consulting company in the world powered by intellect and driven by values.

Why do I think we can do it? Because I see enthusiasm and glint in the eyes of every Infoscion across the globe, whether Lorainne in Australia, Vicky in Canada, Shiv in Chennai, Prasad in Dallas, Eric in Chicago, or Ando San in Tokyo. Because this is what our customers want. Because this is what you our investors (want, and most importantly, because nothing less will satisfy the proud Infoscions).

Friends we may not achieve all of this, this year perhaps not this decade and may not even be in the lifetime of Infoscions assembled here. But we have begun this journey because that is the most honorable thing to do. Thank you very much. Before I close I must apologize for not being able to participate in the open house but my colleagues will answer every one of your questions to your satisfaction. Thank you very much.