

**Infosys Technologies Limited**  
**2005 ANALYST MEET**  
**November 11, 2005**

**Narayana Murthy - Infosys Technologies – Chairman and Chief Mentor**

Well folks, first of all I am very, very grateful to every one of you for coming and gracing this occasion, the second analyst meet. This is a very clear indication of your confidence in the future of the company, confidence in the management of the company. I wish I were there. Unfortunately, I have had a commitment here that was fixed up a long time ago and I generally don't break my commitments. That's the reason why I'm not there. And please accept my apologies.

As I sit here, my mind goes back to a wintery morning in December 1980 when 7 of us sat in the bedroom of my apartment in Bombay. We had lots of hope, energy, enthusiasm, confidence. We were ready to dream big. We were, however, short of money. We could put together a measly sum of \$250.

I also remember the occasion of our listing on NASDAQ in 1999. It was, to be precise, March 11, 1999. At that point of time, I borrowed the words of Neil Armstrong and said, "It is a small step for NASDAQ but a giant leap for Infosys and the Indian software industry." It indeed has been a giant leap for Infosys. We have grown considerably but what is important is during the last 24.5 years of our existence, we have followed the finest principles of corporate governance and operated as trustees of the shareholders at large.

Of course, the company has impressive statistics to show. We have grown from a capital of \$250 to about \$18 billion today. We have grown from a revenue of \$130,000 in the first year to about \$2.1 billion that we have already said we would reach by the end of March 2006. We have grown from 7 employees to about 40,000 employees today. We have more than 460 customers. We operate in more than 30 countries.

We complete our 25th year on July 7th, 2006. Let me talk a little bit about some of the lessons that we have learnt in this journey of 25 years. The first lesson is a company has to benchmark itself with the best global standards and ensure that it creates some next practices. It is not only important to follow the best practice, but it is important to follow the next practice. And this company has been a pioneer in several next practices. I'm sure my colleagues discovered some of them.

The second lesson that we have learned is if we put the interests of the corporation ahead of our personal interests, in the short term and medium term, we will indeed benefit pretty much in the long term. We also realize that people are our main assets. I often say that the market capitalization of the company may be \$18 billion when every one of our people is working at 9:15 in the morning, but on the other hand, at 6:15 p.m. when the last of our employees has gone home, the market capitalization is nil.

We also realize that there are five context invariant and time invariant attributes for success at a corporation. And they are openness; openness to admit one's mistakes, openness to subordinate our egos to work in teams, openness to accept ideas from people who are better than us.

Second, an environment of meritocracy, fairness and justice because such an environment will attract the best and the brightest professionals and it will also ensure that their enthusiasm and confidence in the company is very high.

Third, we have realized that speed is extremely important; speed in completing software projects, speed in recruiting people, speed in enabling new customers, speed in creating physical and technological infrastructure. I can go on and on and on. As long as we measure whether we are faster today compared to yesterday, last month, last quarter and last year, we will be able to succeed.

The fourth one is imagination. As long as we ask this question, "are we bringing better ideas to the table today compared to yesterday, last month, last quarter, last year", we will be in play for a long time.

And finally, excellence in imagination. As long as we implement those ideas with better and higher levels of excellence day after day after day, we have a role to play in the future. Otherwise, we will disappear like dew on a sunny morning.

We also realize that investors understand that a corporation will go up and down. What they want us to do is to level with them at all points of time. They want us to proactively bring bad news to the market early enough. That's why we use this adage at Infosys and that is "when in doubt, disclose".

We also realize, and perhaps this is the most important lesson that we have learnt and that is for a successful corporation, longevity is a very important index. That's why I respect companies like IBM, GE, Philips etc. And if we want to demonstrate longevity, then we need an enduring value system. Our value system is symbolized by the acronym C-LIFE, Customer focus, Leadership by example, Integrity and transparency, Fairness with every stakeholder and Excellence in everything that we do.

What is it that I see as Infosys moves beyond its 25<sup>th</sup> year? First of all, I want this company to succeed over the next 250 years. And in doing so, I want this to be a place where people of different nationalities, different races and different religious beliefs will work in an environment of intense competition but utmost courtesy and dignity to add greater and greater value to our customers day after day after day.

When we sat down in 1981 and started debating what is it that is important to us, we were unanimous about one thing and that is we wanted respect. We wanted respect from every stakeholder, from customers, from employees, from investors, from venture partners, from the government of the land and from the society. We worked very diligently towards this and we have been voted the most respected company in India. As we move forward, I want this company to be the most respected company not just in India, but in the United States, in UK, in France, in Germany, Japan and in every nation that we work because respect to us, the middle class people is extremely important.

We will also continue to operate as your trustees. I can assure you one thing and that is we will never ever violate any principle of corporate governance. We will ensure that we have the highest level of integrity and transparency. We will ensure that we will operate as your trustees and we will ensure that we will bring bad news to you on a proactive basis and pretty early.

So I am extremely grateful to you for this opportunity to speak to you. As I said earlier, I would love to have been present there in person. But unfortunately I'm not able to do. I know my colleagues, Nandan and other people are there and they will do a wonderful job of communicating the aspirations of this company, the dreams of this company, the hopes of this company, and the goals of this company.

Thank you very much.