

Infosys Technologies Limited
2006 ANALYST MEET
July 30-31, 2006

N. R. Narayana Murthy

Moderator

..... Karnataka at any moment, I would like to request Mr. Narayana Murthy to provide the inaugural address and then we will continue with the regular procedure of the analyst meet. Mr. Murthy.

Narayana Murthy

On behalf of all the Infosysians, I thank you for your continued support. Completing 25 years is indeed a watershed event in a person's life. It signals the arrival of a strong, confident, young individual ready to take on bigger challenges. Energy, enthusiasm, confidence, idealism, daring, openness and curiosity, fine utterance and _____. Nothing seems impossible. This is the time to move on to higher aspirations and learn to accept failures with equanimity. We need all of this and more for Infosys to achieve bigger and more ambitious targets.

The Infosys journey of 25 years has been a symphonic marathon. It has been symphonic because every Infosysian, a maestro in his or her own right subordinated individual interests and to work as part of a fine team and produced exceptional results year after year. It is a marathon since we have a long way to go before we hit the tape.

There have been many many events during these 25 years. Prominent among them are enrolling the first customer, hiring the first employee, signing of the first million dollar contract, opening of the first sales office abroad, installation of our first computer - a _____ computer system, the inauguration of the Electronic City campus, the Global Education Center and the Infosys Leadership Institute, the CMM level 5 certification, listing in India and on NASDAQ, the first acquisition in Australia, founding of Infosys Foundation, Progeon and Infosys Consulting and reaching a magical figure of one billion dollar in sales. There have been a few sad moments as well. The departure of valued colleagues, death of a few young Infosysians and a loss of a few major contracts despite our best efforts. A great corporation must live for hundreds of years. Hence we are still very young but these initial years have taught us several lessons. First these lessons are valuable not just for our future journey but for other corporations in the country and perhaps the world. Let me recount a few major lessons.

Aspiration is the main fuel for progress. Aspirations transform a set of ordinary individuals into extraordinary achievers. They provide both mental and physical energy for people to convert plausible impossibilities into convincing possibilities. An enduring value system based on openness, honesty, integrity, meritocracy, fairness, transparency and excellence help raise our confidence and the confidence of our customers in the company. It gives the courage to handle tough situations with confidence and sacrifices become easy and natural. Our experience has demonstrated that respect and dignity, challenging work and a promising career growth path are more important motivators than just money. People want to be part of a defining moment that transforms the society and the world. Emotional energy is an invaluable asset for a corporation. Performance leads to recognition, recognition brings respect, respect enhances power. Humility and grace in one's moments of power and glory enhances the dignity of an organization. Leadership by example is perhaps the most essential instrument to encourage youngsters to demonstrate commitment and dedication towards any cause. Role models are powerful catalysts in raising the confidence, enthusiasm and energy of an entire generation. An environment of openness, meritocracy, speed, imagination and excellence in execution are the five context invariant and time invariant attributes of the success of a corporation. Progress is possible only if we measure improvements in every dimension of our operations and take timely correction. Openness to new ideas, encouraging the youth, shunning biases and using data in every decision and learning and adapting good practices from other cultures help a company become more confident and effective.

Global benchmarking has always helped us emulate the best companies in the world in specific attributes and in some cases perhaps improve upon them to serve our customers better. Staying relevant in a changing market place and creating greater impact on our customers are the only means of strengthening relationships with our

clients. Innovation is a very important instrument for progress. Proactively accelerating our own innovations by widely disseminating them creates good incentives for our employees to continue to innovate.

Following the best practices of corporate governance attracts the best investors. Investors understand that every business will have ups and downs. Bringing bad news to investors early and proactively enhances their trust in us. We have realized that it is better to focus on growing the wealth for everyone of us rather than preserving it for just a few. Infact this has been the main motivation in our efforts to democratize wealth through our stock option schemes. Profit in my opinion is just an opinion. Real wealth is cash in the bank. Cutting the coat according to the cloth is in my opinion the surest way to be financially strong. Ships are safest in the harbor but they are not meant to be there. They have to sail long and hard and face stormy seas to reach the comfort of their desirable destination. Hence progress requires us to take calculated risks and make bold moves.

We have realized that corporations must reach out to society if they want longevity. In a poor country like India, it is very important to build a fund of goodwill among the people. What has been the contribution of Infosys to India, the main hub of our operations? In my opinion, Infosys is a shining example of the success of the economic reforms introduced in 1991. From the beginning, we set our sights on becoming a globally respected corporation and demonstrated that it is possible to do business legally and ethically in India. Thanks to Infosys, a large number of youngsters have stayed back in India and millions of youngsters in this country today aspire to become entrepreneurs. The first large-scale experiment in democratization of wealth using stock options took place at Infosys. Infosys has taken the lead in raising the bar for corporate governance in the country.

We have demonstrated the Indian brands can receive attention and respect in G-7 countries. We have adopted global benchmarking in every function of our enterprise. We have embraced discipline, innovation, agility and excellence in execution in every facet of our business.

Finally what do I want Infosys to achieve in the next 25 years? It is not enough for us to just achieve targets in our operational roles, in our innovation and in our financial performance. I would like Infosys to be a place where people of different genders, nationalities, races and religious beliefs work together in an environment of intense competition but utmost courtesy, harmony and dignity to add more and more value to our customers day after day after day. I want it to be a place that celebrates the practices ____ much celebrated statement and I quote "I disapprove of what you say but I will defend till death your right to say it". I would like more women leaders to shape the future of Infosys. I would like Infosys to choose a worthy dream, to go after it confidently and to play a role that will make all of us proud in the years to come. But always without fail, she should follow her ____.

Thousands of people from all over the world, inside and outside Infosys have enabled this company to reach this stage. There is no better way for Infosys to acknowledge their contribution than to express her appreciation by borrowing the words of my favorite ____ Russell Watson and I quote him "You raise my up so I can stand in mountains, you raise me up to walk on stormy seas. I am so strong when I am on your shoulders. You raise my up to more than I can be". Thank you.