Dear Shareholders,

I am glad to welcome you to the 29th Annual General Meeting of your company. I thank you for your continued trust, encouragement and support.

For the first time, after all these years, we are assembled here in the absence of our co-founder, Nandan Nilekani. As you are aware, Nandan accepted the position as the Chairperson of the Unique Identification Authority of India, effective July 9, 2009. We wish him the best in his new assignment. We take this opportunity to thank Rama Bijapurkar, who served as a Member of the Board since March 2001. We place on record our deep sense of appreciation for the services rendered by Rama as an independent Member of the Board. The Board of Directors has appointed Prof. Marti Subrahmanyan as the Lead Independent Director. Marti succeeds Deepak Satwalekar in this role. Deepak became the first Lead Independent Director in India, when he was appointed to this role in May 2003. We take this opportunity to welcome Marti to this role and thank Deepak for his valuable contributions as the Lead Independent Director.

The year 2009 was tough for everyone. Global output contracted by nearly 1%. Global trade reduced by 25%. Global unemployment rose to 9%. Underemployment in emerging economies continued to remain much higher. However, towards the end of the fiscal, most of the developed economies started reporting positive growth. The developing economies that showed a modest 2.5% growth in 2009 started to accelerate. Currencies started recovering against the dollar, till the recent European crisis. Manufacturing and service sector performance indices improved.

Over the same period, your company experienced unprecedented challenges. The relentless focus of the leadership and dedicated teamwork by every Infoscion ensured that we navigated these difficult times successfully. Your company concluded fiscal 2010 with an excellent quarter. As per International Financial Reporting Standards (IFRS), the annual revenues for fiscal 2010 were US $4,804 million, a year-on-year growth of 3%. The net income was US $1,313 million, a year-on-year growth of 2.5%. Your directors recommend a final dividend of Rs. 15 per equity share or approximately 33 US cents per ADS.

We continued to make investments in building capabilities. We honored all the 18,000 campus recruitment offers. In October 2009, we announced a compensation increase and declared variable salary payouts of 94% to our employees, for the full year. We provided extended training for our employees to deepen their skills and make them more relevant to our clients. We sustained our investments in R&D, intellectual property based solutions and new markets. We added 141 new clients and 27,639 employees gross. Our million-dollar clients grew to 338. During the year, we expanded the Infosys Global Education Center (GEC II) at our Mysore Campus. Smt. Sonia Gandhi, Chairperson, UPA and President of the Indian National Congress inaugurated this world-class training facility. With a total built-up area of 1.44 million square feet, the Infosys Global Education Center can accommodate the training needs of approximately 14,000 employees at a time. Let me take a moment to thank all stakeholders, including every Infoscion, for their commitment and hard work.

I look ahead with guarded optimism. The global output is expected to grow by more than 4%. However, we cannot ignore the threats from the highly leveraged economies. The early signs coming out of the recession cannot be taken for granted. For example, while the US household wealth increased by $5.65 trillion in the last nine months of 2009, it reversed only about a third of the $17.5 trillion slump over the previous seven quarters. Nine months since the upturn, the global GDP seems to be growing at around 4%, though unemployment across the world is projected to sustain at a high of 9%. Recovery after this kind of crisis may be slow and weak.

However, as Johann Wolfgang von Goethe said, “What is not started today is never finished tomorrow”. Our research indicates that leaders across the globe are focusing on innovation to resurrect growth and profit. Trends in technology, demographics, consumer behavior, markets and regulations provide new and exciting opportunities for innovation. Let me illustrate how we are partnering with our clients and creating business value by leveraging some of these drivers.
Research shows that by 2014 more than three billion of the world's population will transact electronically via mobile and Internet technology. “Digital consumers” are increasingly relying on technology to make buying decisions. Early in fiscal 2010, a global leader in beauty care selected us to enhance trade promotion effectiveness, improve pricing and strengthen category management decisions. Recently, we partnered with a telecom major to launch Flypp™, our Mobile Application Store, which draws from an Infosys-managed innovation ecosystem.

The United Nations World Investment Report calculates that there are now 21,500 multi-national corporations based in the “emerging economies”. It is estimated that 70% of the world’s growth over the next few years will come from emerging markets. Earlier in the year, our India Business Unit won the eBiz Project from the Department of Industrial Policy and Promotion, Government of India. We opened our second Latin American Development Center in Monterrey, Mexico, and our first Brazilian center in Belo Horizonte. Our China business continues to expand.

Our cross-industry analysis shows that companies with the lowest complexity grow significantly faster than their average competitors. Tomorrow’s enterprises need to become “smarter” by reducing complexity. The IT system of a major American logistics company was proving to be too slow for the scale and complexity of operations. We developed the right solution, thus reducing the delay from eight hours to 15 minutes for 200,000 daily checkpoints.

Mobility and cloud computing are emerging as innovation drivers. Over 6.3 million iPhone apps are downloaded every single day. Research indicates that by 2012, 80% of Fortune 1,000 enterprises will be using some form of cloud computing services. A global auto leader engaged us to formulate its enterprise mobility strategy to help optimize operations and present on-demand information to customers. Accelerating trends in mobility and micro-transactions are also driving financial inclusion. Infosys’ Finacle™ is deployed across 2,000 branches of regional rural banks in India, leading the financial inclusivity initiatives in the country.

In summary, your company is focused on driving and leveraging the emerging innovation trends. We are partnering with global corporations to help them build tomorrow’s enterprises.

We have always been committed to growing responsibly. We are minimizing waste, consumption of energy and fresh water and preserving the natural habitat. Over two years, we have achieved more than 17% reduction in per capita energy consumption. The new projects at our campuses at Mysore, Thiruvananthapuram, Mangalore and Hyderabad are being designed as per the Leadership in Energy and Environmental Design (LEED) standard. Our employees are involved in various eco-friendly activities through self-organized Eco Groups.

The floods of September-October 2009 in North Karnataka and Andhra Pradesh devastated the lives of thousands of farmers. Sixteen districts of North Karnataka were affected by the floods, over five lakh houses damaged and thousands of lives lost. Your Company, Infosys foundation, our directors and employees collectively pledged about Rs. 30 crores towards the rehabilitation efforts for the victims of this calamity.

During the previous year, we had set up the ‘Infosys Science Foundation’. The foundation will award prizes, called the 'Infosys Prize’, in five categories of science and engineering to encourage young Indian researchers and promote a culture of innovation and research in India. The inaugural Infosys Prize laureates were felicitated at a grand ceremony in New Delhi on January 4, 2010, by Honorable Vice President of India Mohammad Hamid Ansari.

Our employees are our biggest assets. Their commitment has enabled your company to succeed. Appreciation and accolades from our clients, industry bodies and the media corroborate the confidence we have in our strengths and capabilities. On your behalf and on behalf of the Board of Directors, I salute them on yet another year of achievements.

We also place, on record, our appreciation for our clients, vendor partners, investors, and bankers for their continued support. We thank the Government of India, particularly, the Ministry of Communication and Information Technology, the Customs and Excise Departments, the Income Tax Department, the Software Technology Parks in Bangalore, Bhubaneswar, Chandigarh, Chennai, Gurgaon, Hyderabad, Jaipur, Mangalore, Mysore, New Delhi, Pune, and Thiruvananthapuram, the Ministry of Commerce, the Ministry of Finance, the Reserve Bank of India, the state governments, and other government agencies for their support, and look forward to their continued support. We also thank the governments of various countries where we have operations. We thank the trustees of the Infosys Foundation for sparing their time for the foundation's activities.

Thank you,

N. R. Narayana Murthy
Chairman and Chief Mentor

Bangalore
June 12, 2010

This document does not purport to be a record of the proceedings of the Annual General Meeting.

www.infosys.com