



Infosys®

Chairman's speech

Dear Shareholders,

I am glad to welcome you to the 30th Annual General Meeting of your company. I thank you for your continued trust, encouragement and support. Turning thirty is a good time to reminisce, reflect and look ahead. Thirty is also the time to break new ground.

My role as Chairman of the board concludes on August 20, 2011, the day I reach the age of 65. This is in keeping with the policy I laid down in 1981. The consensus in the board is that, at this stage, we must strengthen both customer, employee and investor connect on the one hand, and world-class board governance on the other. The board of directors has appointed Mr. K. V. Kamath (Vaman) to be the next Chairman of the board, Mr. S. Gopalakrishnan (Kris) as the Executive Co-Chairman of the board, and Mr. S. D. Shibulal (Shibu) as the Chief Executive Officer and Managing Director. These changes will come into effect from August 21, 2011. Vaman will focus on board governance while Kris will focus on customer, employee and investor relations.

Vaman is one of the finest corporate leaders India has today. Kris is a visionary leader and has demonstrated high-class performance during testing times, and is well-known globally. I congratulate Shibu on being appointed the CEO and MD. I have no doubt that he will do an excellent job like Kris has done. Vaman, Kris and Shibu will make an ideal team. I am confident that Infosys will scale greater heights under their leadership.

In accordance with the retirement policy for the company's board of directors, Mr. Claude Smadja, Independent Director, retired from the board effective August 30, 2010. We place, on record, our deep sense of appreciation for the services rendered by Claude during his tenure as a board member. His insights on the global economy, in general, and the European markets, in particular, have been extremely valuable.

Prof. Marti G Subrahmanyam, the Lead Independent Director, will retire from the board on August 23, 2011. Marti, as all of you are aware, has served on the board for more than a decade and has contributed immensely to the company's success. On your behalf, I would like to place, on record, our deep sense of appreciation for the services rendered by Marti during his tenure as a board member. His thought leadership in the areas of finance, risk management and governance have been extremely valuable.

The board has inducted two new Independent Directors - Mr. R. Seshasayee and Mr. Ravi Venkatesan. We are confident that these two industry stalwarts will bring their experience, expertise and insights to our decision making process on the board. Mr. K. Dinesh, Member of the board and Head - Quality, Information Systems and the Communication Design Group, retires by rotation and has decided not to seek re-appointment. Mr. T. V. Mohandas Pai, Member of the board and Head - Administration, Infrastructure, Education & Research, Finacle Business Unit, Human Resources Development, Infosys Leadership Institute and Chairman - Infosys-BPO, has resigned from the membership of the board. The board has accepted their decisions and has expressed their gratitude to them. They will leave the company post this meeting. Dinesh has been a true example of the spirit of Infosys. We have turned to him in every situation requiring grit, commitment and excellence.

His leadership in Software Development, Quality, Information Systems, and Communication Design Group will be remembered with respect. Mohan has been a key anchor player in bringing innovation to our support infrastructure - Finance, HRD, and Education and Research. He has also done an admirable job in leading Infosys-BPO, the Leadership Institute and the Banking unit. On your behalf, I place, on record, our deep sense of appreciation for the services rendered by them.

Fiscal 2011 was a year of determined performance, recovery, consolidation and new explorations for us. The global economic climate posed several challenges but we made the best use of our resources and abilities for growth. At the beginning of the fiscal, we had projected a revenue growth of 9% to 11% in Rupee terms and 16% to 18% in US\$ terms. At the end of the fiscal, we achieved a growth of 20.9% in Rupee terms. Our annual revenue for fiscal 2011, under IFRS, was US\$ 6,041 million, a year-on-year growth of 25.8%. Our net income registered a year-on-year growth of 14.2% to US\$ 1,499 million. The number of million-dollar clients grew from 338 to 366 in fiscal 2011. Your directors recommended a final dividend of ₹20 per equity share or 45 US cents per ADS. Earlier in the fiscal, we paid an interim dividend of ₹10 and a 30th year special dividend of ₹30 per share.

A number of prestigious awards and recognitions were bestowed on us this fiscal. The Boston Consulting Group ranked us amongst the top 10 value-creating technology and telecommunications companies. Our high standards of corporate governance earned us the recognition as the best company for corporate governance from *Asiamoney*. A *FinanceAsia* survey voted us the best company in management, corporate governance, investor relations, and corporate social responsibility in India. Another survey by the *Wall Street Journal* named us the most admired company in India. Our commitment to adopt sustainable business practices was recognized by India-Carbon-Outlook with the Sustainability Leadership Award.

We are at the threshold of yet another breakthrough in our journey towards adding greater value to our clients. We have unveiled Infosys 3.0, our new brand positioning that essentially marks our transition from a technology-solutions-company to a next-generation, global-consulting-and-services company, proactively helping clients build their enterprises of tomorrow. The global economy, in general, and the IT industry, in particular, have changed significantly over the past few years, requiring us to change our business strategy and realign our agenda with that of our clients. We have consolidated our industry verticals under four heads: Financial Service and Insurance; Manufacturing; Energy, Utilities, Communications and Services; Retail, Consumer Packaged Goods, Logistics and Life Sciences. We believe that our new strategy and the supporting organization structure will help us expand our global market by forging stronger strategic partnerships with our clients and increasing our relevance to all facets of their enterprise.

In keeping with our shift from being a technology solutions-provider to a business-transformation- partner for our clients, the board has decided to change the name of the company from 'Infosys Technologies Limited' to 'Infosys Limited'. We are confident that this change will propel the organization forward to accelerated growth and sustain its leadership position in the industry.

Through it all, our employees have been our biggest asset. 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 of 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 and the Infosys Science Foundation for sparing their time for the activities of these foundations.

We will complete the 30th year of our operations this year. Needless to say, it has been a tremendous journey. An organization started by 7 individuals is now a family of 1,30,820 Infoscions. What was started with a paltry capital of US\$ 250 is now generating revenues in excess of US\$ 6 billion and has a market capitalization of US\$ 36 billion. Going from the first major client win of Data Basics Corporation to 600-plus clients today, and from a small rented office space in Pune to over 60 development centers worldwide occupying over 27 million square feet has been exhilarating as well as humbling.

It is not easy for me to deliver my last address at this forum. As I speak, a mosaic of images from the past whizz through my mind. The list seems endless and it would be difficult to narrate them all today. So let me highlight a few of them. The day we assembled in my tiny apartment in Mumbai to decide that respect from every stakeholder was the most valuable thing for us was momentous. The day we convinced our first US customer to close his own operations at SEEPZ and hitch his future with ours was a significant milestone for us. The day we won the MICO data center contract, starting as an underdog and going on to differentiate ourselves based on our advanced mathematical modeling competence, was a day that boosted our confidence as engineers. The day we inaugurated India's first software campus is still vivid in my memory. Distributing around 27% of the company's equity among our employees was a proud moment for those of us who have always considered the idea of sharing wealth to be an important part of our social responsibility.

Listing in India in 1993 pushed us to become leaders in corporate governance. The joy of being India's first software company to be certified at Level 4 of the Capability Maturity Model of the Software Engineering Institute at Carnegie Mellon, USA was clearly what enhanced our own belief in quality. Sitting on a high stool at the NASDAQ headquarters in New York in front of the scorching lights and TV cameras, I borrowed the words of Neil Armstrong to tell the world how important it was for an Indian company to be listed on the NASDAQ. Opening our ultra-modern offices in London, Paris, New York, Frankfurt, Melbourne, Shanghai and Tokyo heralded our aspirations to be a global company. The inauguration of the first education center at Mysore by Prime Minister Dr. Manmohan Singh and the second one by Mrs. Sonia Gandhi, the President of the Indian National Congress, were both sound reaffirmations of our long-held belief in the importance of education and research. Participating in the Billion-Dollar-Day function, declaring several special dividends and bonus shares, becoming part of NASDAQ-100, starting our banking group, creating Infosys Consulting and Infosys BPO, building more than 27 million sq. ft. of world-class development centers, winning several prestigious global awards, establishing Infosys Foundation, and setting up Infosys Science Foundation are significant milestones that have brought us great joy and pride.

As I leave the board, I feel sad that Infosys, voted most often as India's most-respected company during the period 1995-2011, has been issued a subpoena by a grand jury in the US on the B-1 Visa issue. The issue will be decided on its merits in due course. However, this is the time to continue and even strengthen our well-acclaimed and much-respected focus on: embracing meritocracy; transparency and openness of discussions and consultations with competent colleagues; relentlessly and repeatedly communicating the importance of values to every level in the organization; not waffling and being unambiguous about practising our values; never negotiating on our values; punishing the guilty heavily and swiftly; and being firm and quick in every decision-making based on our values. This is the path I have walked during the last thirty years at Infosys with much peace of mind and a clear conscience.

The Infosys journey has been an integral part of my life. My colleagues say that Infosys is an inseparable part of me and I am an inseparable part of Infosys. I have been the Number One actor in every major decision taken in the company so far. I have rejoiced in every significant milestone of the company. I have commiserated in every false step that this company has taken. The best analogy that I can think of, for this separation between Infosys and me, is that of one's daughter getting married and leaving her parents' home. Yes, the parents will be there when she needs them and they will be happy that she is starting a new life in an exciting new environment.

The crucial things we have to do in the future are: be firm in pursuing our values; recognize our weaknesses; embrace meritocracy, be open-minded about learning from people better than us; learn from our mistakes and not repeat them; be humble, honest and courteous; be firm in taking quick decisions even though some of them may be unpleasant in the short term; benchmark with the global best in every dimension; encourage innovation at every level to perform at global levels; and create a worthwhile vision and improve every day. This is how our mantra of focusing on speed, imagination and excellence in execution will take this company very far.

I am grateful to you for the affection and kindness you have shown me over the years. I am sure that you will continue to show the same courtesy to Vaman, Kris and Shibu in their quest to make Infosys the best company in the world. I wish my fellow Infoscions the very best in their journey forward. The board has been kind enough to appoint me as Chairman-Emeritus. That means I will leave the board and the company but I will always be there to add value, if asked. Every Infoscion is welcome to consult me on any matter.

Before I close, I must express my gratitude to my family – wife, Sudha, daughter, Akshata, and son, Rohan, for letting me spend a major part of my last thirty years on this middle child of mine – Infosys. I rejoice in welcoming Lakshmi, an illustrious addition to our family. I feel so happy about little Krishna, the latest arrival to our family. As I close, I thank God, this country, this world, family, relatives and friends for helping me - an average person with many below-average attributes – to add whatever little value I have to this country and to the world. My life story should be a confidence booster for every average person in the world that he or she can indeed make a difference at least in a small way to this world.

Thank you,



N. R. Narayana Murthy
Chairman and Chief Mentor

Bangalore
June 11, 2011