



Infosys®

## Chairman's speech

Dear Shareholders,

I am delighted to welcome all of you to the 31st Annual General Meeting of your company. Over the years, your deep and abiding trust in us has enabled us to continuously improve our performance. I thank you for your support on behalf of every Infoscion.

For the first time, after all these years, we are assembled here in the absence of our Founder, N. R. Narayana Murthy. As you are aware, in accordance with the retirement policy for the company's Board, Murthy retired from the Board effective August 21, 2011. In recognition of his founding the company, mentoring his co-founders and nurturing the organization over the last 30 years, the Board of Directors appointed Murthy as the Chairman Emeritus. On your behalf, I would like to place on record, our deep sense of appreciation for the services rendered by Murthy during his tenure at Infosys.

The last year has been hectic for us, with key management changes, re-organization of the company and implementation of the new Infosys 3.0 strategy, while facing an uncertain global economic environment. Yet, we have done well under the circumstances. In rupee terms, our consolidated revenues grew by 22.7% year-on-year and our net profit after tax grew by 21.9% year-on-year, our operating cash flows were 24.3% of

our revenues, our operating cash flows as percentage of net income was 98.7%. We have added 172 new clients taking the total client base to 694 during the year under review.

The IT services industry is facing the twin challenges of commoditization and scalability. Clients today are increasingly turning to service providers who understand their businesses and their challenges. Demand is shifting from traditional horizontal offerings to industry-specific high-value offerings. Our clients are also looking for transformation partners to help them reduce their capex by converting them into opex, thereby increasing their return on investment. We have announced our new growth strategy – Infosys 3.0 – to address those challenges and enable us to achieve high quality, industry-leading growth.

Our Building Tomorrow's Enterprise strategy continues to see good traction with our clients, and we are executing strongly on this through our Infosys 3.0 strategy. We continue to make focused investments in our organizational capabilities. At the same time, we must align our offerings more closely to the business priorities of our clients. With that broad objective in mind, we have re-grouped our service offerings under four heads – Financial Services and Insurance; Manufacturing; Energy, Utilities,

Communications and Services and Retail, Consumer Packaged Goods, Logistics and Life Sciences. I am confident that this new strategy will help the company in becoming more relevant to clients and will help in driving superior growth in the future.

We are building our Consulting and Systems Integration business that combines world-class business consulting with high-quality offshore systems integration. The new Business IT Services is set up to integrate our mature lines of business across Application Development and Maintenance, Independent Validation Services and Infrastructure Management Services with the objective of driving greater efficiency in our clients' businesses. Our Products, Platforms and Solutions (PPS) business is witnessing greater momentum and in fact has contributed to 5.8% of our revenues. We are also into Cloud in a big way with over 140 engagements and 3,000 cloud experts and are investing in focused solutions and intellectual property to offer greater value to clients.

Your subsidiary company Infosys BPO Limited completed 10 years of successful operations in the BPO space. We are happy to inform you that your subsidiary company is one of the top notch companies in the BPO space with operations in five centers in India and seven centers in Rest of the World with around 21,000 employees on its rolls.

We are pleased to announce a final dividend of ₹ 22/- per share and a special dividend of ₹ 10/- per share on account of the 10th year of operations of your subsidiary company Infosys BPO Limited. Earlier, we have paid ₹ 15/- per share as interim dividend totaling in all to ₹ 47/- per share as dividend for the year. We have ended the year under review with ₹ 20,968 crore in cash and cash equivalents.

The Board has inducted one new Independent Director – Ann M. Fudge

and three Whole-time Directors – V. Balakrishnan, B. G. Srinivas and Ashok Vemuri. We are confident that these industry stalwarts will bring their experience, expertise and insights to our decision-making process in the Board. The Board has also re-constituted the Executive Council to ensure right framing of policies for strategy deployment, ensuring management and operational supervision and enabling risk mitigation strategies.

The Board also designated S. Gopalakrishnan as the Executive Co-Chairman and S. D. Shibulal as the Chief Executive Officer and Managing Director. They successfully met the challenges posed by global market uncertainties, demonstrating once again the strength of the leadership team at Infosys. I am confident that your company will continue to demonstrate the leadership required to succeed in a complex, dynamic global market.

Sridar Iyengar, Independent Director, will retire from the board on August 12, 2012, in line with the retirement policy for the company's Board. Sridar Iyengar, 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 Sridar Iyengar during his tenure as a Board member. His thought leadership in the areas of finance, risk management and governance have been extremely valuable.

A number of awards and recognitions were bestowed on us this fiscal. We were ranked among the world's most innovative companies by *Forbes* and HOLT. We were named Asia's Most Preferred Brand in the Information Technology category at the Asian Leadership Awards. We were ranked among the greenest Indian brands for the third consecutive year in a consumer survey conducted by Cohn & Wolfe, Esty Environmental Partners and Penn Schoen

and Berland Associates. *Newsweek* also featured us in its list of the world's top 10 green companies. Our sustainability initiatives in India won us the certificate of commendation for significant achievement among organizations with annual turnover of more than ₹500 crore at the CII-ITC Sustainability Awards, 2011.

Employees are the soul of your company; and our performance has been driven by their commitment and perseverance. On your behalf and on behalf of the Board of Directors, I salute them on yet another year of sterling 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, 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 in the future. Finally, we thank the trustees of the Infosys Foundation and the Infosys Science Foundation for sparing their valuable time and energy for its activities, by our continued trust, encouragement and support.

Thank you,



K. V. Kamath  
Chairman of the Board

Bangalore  
June 9, 2012