



Nandan M. Nilekani

CHAIRMAN'S SPEECH

Dear shareholders,

Welcome to the 37th Annual General Meeting of Infosys. On behalf of the Infosys Board of Directors, I thank each of you for joining us. Your continued interest in and support for Infosys is one of our greatest motivations to rise to meet the high standards you expect from us. During fiscal 2018, our revenues saw a 7.2% growth in USD terms, 5.8% in constant currency terms, and our operating margins were steady at 24.3%. Revenues from digital services – which, as you know, is a clear focus area for us – stood at 25.5% of total revenue for the same period.

The Company successfully executed the capital allocation policy that was announced in April 2017. As part of the policy, the Company completed share buyback of ₹13,000 crore (US\$ 2,035 million). Further, the Board has also reviewed and approved the capital allocation policy of the Company in April 2018, after taking into consideration the strategic and operational cash requirements of the Company. The key aspects of this policy have already been shared by the Company earlier during the quarter.

The Board has recommended a final dividend of ₹20.50 per share for the year ending March 31, 2018. The Board has also recommended a special dividend of ₹10 per share. In October 2017, we paid an interim dividend of ₹13 per share. The total dividend for this year, excluding the special dividend, is ₹33.50 per share and including the special dividend, is ₹43.50 per share. The total dividend paid last year was ₹25.75 per share.

Today, we are at a very exciting juncture in the journey of our industry. I have never seen as many possibilities to partner with and grow along with our

clients as I see today. Every industry, every sector is undergoing tremendous transformation driven by the digital revolution that engulfs us. We are seeing the rise of new digital challenges pervading every space whether it's media, entertainment, healthcare, financial services, retail, or pharmaceuticals. This is bringing in new digital ways of doing business, of using the latest technology, leveraging the Internet of Things in new ways, and letting data point the way to creating new kinds of customer experience. For example, our retail clients are impacted by the rise of highly personalized omni-channel commerce. In the automotive industry, we are seeing the simultaneous rise of electric vehicles and urban mobility aggregators, along with the surge of autonomous vehicles. In pharmaceuticals, we are seeing advances in genomics and all kinds of new techniques to develop and distribute new drugs. In healthcare, we are seeing the industry change as different actors – insurers, healthcare providers and pharmacies – are realigning to take on the challenges of managing the costs of providing healthcare through a more collaborative digital model. In financial services, with the rise of digital transactions, the world continues to gravitate faster towards a cashless economy.

This then brings us to the wonderful opportunity that lies before us to do something very different, to help these businesses deal with increasing digitization, increasing technology and partner with them as they imagine and execute their own digital transformation.

That's why I am convinced that there is no better time than now for us to strategically chart our own journey, as a company, as well. A company that has the insights, the blueprint, the ability and the skills, to

be successful in helping clients participate in what's happening around them, adapt and thrive. And I am delighted that in the last several months, we have done so many things together to really position ourselves very well for what's next.

The first thing we did was to get our strategy right. Under the leadership of Salil Parekh, our new CEO & MD, we took stock of our current capabilities, the areas we need to strengthen and discussed, with several of our clients who are deeply invested in our joint success, the best way to steer forward. So, we now have deep strategic clarity already beginning to drive everything we do. We have a framework to guide how we drive digital agility at scale for our clients across five areas – Experience, Insight, Innovate, Accelerate and Assure. Our strategy also recognizes the reality that our strength is founded on the fact that we run some of the world's most complex core systems for our clients. Even as we bring in new digital capability to their landscapes, we also have a game plan to bring their traditional core systems into the modern era. Therefore, a very important aspect of what we are doing is energizing the core for our clients in as big a way as we are powering their digital transformation.

A key shift, however, lies in how we are doing all this. We have evolved from leveraging classic software development methods to approaching software creation in more agile, more digital ways.

Naturally, investing in continuous learning for our people is a big part of this strategy. We are seeking to make learning always-on, just-in-time, anytime, anywhere – much like the nimble learning at startups – so every one of our employees is equipped with all the knowledge and intellectual assets needed to guide and shape our clients' pursuits in a more digital future.

We are also embarking on strengthening this learning in all our key markets. As we build more local capabilities in America, Europe and Australia, we are ensuring learning and development match the pace of localization. We announced our first campus for development and training in Indiana, and innovation hubs in other cities across the US.

In addition to having a robust strategy, my confidence in our readiness for what's next also comes from the fact that we now also have complete brand clarity. We have, in the last six months, invested in understanding the best way for the Infosys brand to evolve, and to credibly promise our clients – Navigate your next with Infosys. In many ways, this is the timeless promise we have always delivered on for our clients, for decades. We helped them navigate from mainframes to client servers. Then to the Internet. Later to the broadband economy. Today it is the digital journey they must undertake. Tomorrow will bring something as yet unknown. Something new. Rest assured, brand Infosys will be ready. And relevant.

When I stepped for the second time into Infosys, in August, one of the concerns that you raised was about the Company's stability. We have taken several steps during the year to remedy this. We have a very stable management team, we have a very stable Board, everybody is united, and agrees that we are really on the verge of something momentous. The focus is now on relentless execution.

Speaking for the Management and the Board, I assure you that we will spare no efforts to do all that it will take to realize our aspirations, with the generous support of all stakeholders, my colleagues on the Board, a highly-capable management team and thousands of motivated Infosians. In fact, it is the resilience of this team that has seen Infosys through some rather testing times in the year that's gone by and helped the Company deliver strong financial performance. I am very grateful for this and for the privilege and opportunity to serve this iconic Company once again.

I am also deeply aware that the mission we are undertaking, even its very conception, has been made possible by the guidance, advice and support of the co-founders, partners, clients and governments of the several countries and states that we operate in. I am indebted to them for this and thank each of you for fueling our enthusiasm and confidence to navigate the next milestones in our journey ahead.

Thank you,



Nandan M. Nilekani
Chairman

Bengaluru
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