

**TO ALL STOCK EXCHANGES**

**BSE LIMITED  
NATIONAL STOCK EXCHANGE OF INDIA LIMITED  
NEW YORK STOCK EXCHANGE  
EURONEXT LONDON  
EURONEXT PARIS**

August 18, 2017

Dear Sir/Madam,

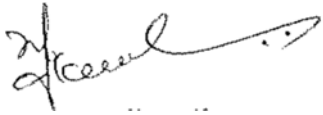
**Sub: Press Release**

Please find enclosed the press release **dated August 18, 2017**.

The same will also be made available on the Company's website, [www.infosys.com](http://www.infosys.com).

This is for your information and records.

Yours sincerely,  
For **Infosys Limited**



A G S Manikantha  
*Company Secretary*

**Bangalore – August 18, 2017:** It has come to the attention of the Board that a letter authored by Mr. Murthy, the Founder of Infosys has been released to various media houses attacking the integrity of the Board and Management of the Company alleging falling corporate governance standards in the Company. The Board takes great umbrage to the contents of the letter and places on record the following:

- Mr. Murthy's continuous assault, including this latest letter, is the primary reason that the CEO, Dr. Vishal Sikka, has resigned despite strong Board support.
- Mr. Murthy's letter contains factual inaccuracies, already-disproved rumours, and statements extracted out of context from his conversations with Board members.
- The Board assures its shareholders, employees, customers and communities that it is committed not to be distracted by this misguided campaign by Mr. Murthy and will continue to adhere to the highest international standards of corporate governance as it executes its strategy of profitable growth for the benefit of all Infosys stakeholders.
- Mr. Murthy's campaign against the Board and the Company has had the unfortunate effect to undermine the Company's efforts to transform itself.
- The Board has been engaged in a dialogue with the Founder to resolve his concerns over the course of a year, trying earnestly to find feasible solutions within the boundaries of law and without compromising its independence. These dialogues have unfortunately not been successful.
- The Board declines to speculate about Mr. Murthy's motive for carrying out this campaign, including the latest letter. The Board believes it must set the record straight on the false and misleading charges made by Mr. Murthy because his actions and demands are damaging the Company and misrepresent its commitment to good corporate governance.

**FACT: Since Dr. Vishal Sikka was appointed as MD and CEO in August 2014, Infosys has delivered competitive financial performance through profitable revenue growth.**

- Infosys has, under the leadership of Vishal, developed and articulated a strategy to transform itself to meet the rapidly changing needs of the marketplace in the 21<sup>st</sup> century. The Company was lagging significantly behind industry in growth rates when Vishal took over and now we are in top quartile from a performance perspective.

- Infosys has grown in revenues, from \$2.13B in Q1FY15 to \$2.65B this past Q1. This was done while keeping a strong focus on margins, closing this past quarter at 24.1% operating margin, beating some competitors for the first time in many years, and improving against nearly everyone in the industry.
- The revenue per employee of the Company has grown for six quarters in a row. Attrition has fallen, from 23.4% in Q1FY15 to 16.9% this past Q1, and high performer attrition is much lower than the overall Company attrition.
- The Company grew its \$100M+ clients from 12 in Q1FY15, to 18 this past Q1, and increased its large deal wins from ~\$1.9B in FY15 to ~\$3.5B this past year. This has all been done while improving overall utilization (excluding trainees), to a 15-yr high this past quarter, and an all-time high including trainees, while improving our cash reserves, rewarding Infoscons with a new equity plan, and returning Rs. 19,000 Crores as dividend (including dividend distribution tax) over the last three years. This has all been done while improving standing with clients, to the highest ever in the 12 years with a jump of 22 points in CXO satisfaction.

**FACT: Infosys has continued to maintain the highest standards of corporate governance that the Company is known for.**

- The Board of Infosys is carrying out its shareholder mandate to be an independent board, working towards the best interest of the stakeholders.
- The Board has sought the counsel of some of the most respected governance experts and legal advisors in the world, which have thoroughly investigated all anonymous allegations and concluded that no wrongdoing occurred. For Mr. Murthy to imply – with no evidence whatsoever – that three well-respected international law firms, members of the Infosys Board and certain employees are engaged in some grand global conspiracy to conceal information is not tenable on its face. It is important to mention here that Mr. Murthy was interviewed as part of the investigation by Gibson Dunn & Crutcher LLP in pursuance of the investigation in the *Panaya* acquisition, and was invited and welcomed to provide any information or evidence he believed would support the allegations being investigated. He did not provide any evidence since none exists. However, he has not mentioned this in his media communication against the investigation.
- As previously announced by the Company on June 23, 2017, the Board thoroughly investigated each anonymous allegation with the assistance of highly respected external counsel and experts and determined that the allegations were entirely without merit. The Board will make no additional disclosure of the investigation report because further disclosure would be inconsistent with best

corporate audit practices and would compromise the confidence of employees that they could report honestly, openly, and candidly to the company in any future investigation or legal matter.

- The Board also believes that any further use of resources and time on these matters would be a distraction for the Company and would enable those wishing unfairly to attack Company personnel to continue this harmful conduct. Therefore, the Board has formally closed the investigations of the anonymous allegations so that the Company can focus on strategy, performance, and the creation of shareholder value. The Board remains focused to continuing to support Infosys's strategy, which it believes is in the best interests of the Company's shareholders, employees, clients and communities.

**FACT: Mr. Murthy's has made repeatedly made inappropriate demands which are inconsistent with his stated desire for stronger governance.**

Illustratively:

- Mr. Murthy has demanded that the Board adopt certain changes in policy, else he will attack board members in the public, which threat was carried out when the Board did not acquiesce;
- He has demanded that the Board appoint specific individuals onto the Board under similar threat, without appropriate disclosure and without regard to basic determinants of appropriateness or fit of the candidate for the role as a Board member;
- He has demanded operational and management changes under the threat of media attacks;
- Notwithstanding that the remuneration package of senior management was approved overwhelmingly by shareholders (including members of the promoter group), Mr. Murthy preferred his dictat to prevail with no place or tolerance for the outcomes of shareholder democracy.
- Mr. Murthy wanted the demands to be adhered to without attribution to him.

The Board has, in its fiduciary role to consider all shareholder inputs, treated each demand from Mr. Murthy as a suggestion and only acted on suggestions which we believed was in the best interest of the company and declined to act on others. Over time the demands have intensified, which when declined by the Board resulted in the threats of media attacks being carried out.

**FACT: Mr. Murthy may be in the process of engaging in discussions with certain key stakeholders of the Company to further his criticisms of the Board and Management.**



We are concerned that this type of campaign runs the risk of confusing investors and undermining the Company's management efforts.

**FACT: The Board is a fully independent Board, with professionals as its members who have been appointed by a clear majority of the shareholders.**

- Given the commitment of the Board to remain independent and pursue a chosen strategy, the Board currently has no intention of asking Mr. Murthy to play a formal role in the governance of the organization.
- Co- Chair of the Board, Ravi Venkatesan has repeatedly over the past few weeks publicly stated his and the Boards support for Dr. Sikka. The Company categorically rejects any speculation or allegation of discord between the Infosys Board and Dr. Sikka.

#### **About Infosys Ltd.**

Infosys is a global leader in technology services and consulting. We enable clients in 45 countries to create and execute strategies for their digital transformation. From engineering to application development, knowledge management and business process management, we help our clients find the right problems to solve, and to solve these effectively. Our team of 198,000+ innovators, across the globe, is differentiated by the imagination, knowledge and experience, across industries and technologies that we bring to every project we undertake.

Visit [www.infosys.com](http://www.infosys.com) to see how Infosys (NYSE: INFY) can help your enterprise thrive in the digital age.

#### **Safe Harbor**

Certain statements mentioned in this release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2017. These filings are available at [www.sec.gov](http://www.sec.gov). Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.



**For further information, please contact:**

**Asia Pacific**

Sarah Gideon

Infosys, India

+91 80 4156 3998

[Sarah\\_Gideon@infosys.com](mailto:Sarah_Gideon@infosys.com)

**EMEA**

Margherita Di Cerbo

Infosys, Europe

+44 2075162748

[Margherita.DiCerbo@infosys.com](mailto:Margherita.DiCerbo@infosys.com)

**Americas**

Chiku Somaiya

Infosys, USA

+1 408 375 2722

[Chiku.Somaiya@infosys.com](mailto:Chiku.Somaiya@infosys.com)