



Infosys®

Win in the flat world

Infosys – an Introduction and Viewpoints

Global Infotech Forum

University of Illinois
at Urbana-Champaign

06 Sep 2007

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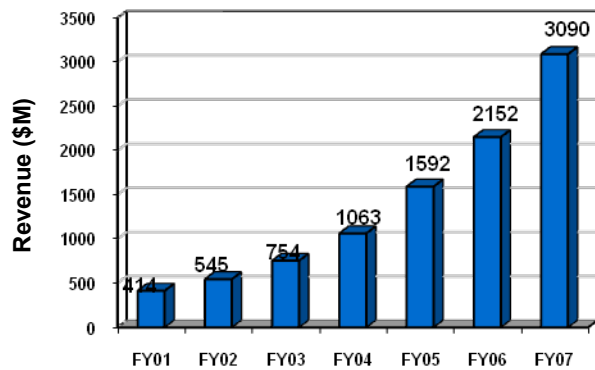
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Infosys today is a global leader in the “next generation” of IT and Consulting

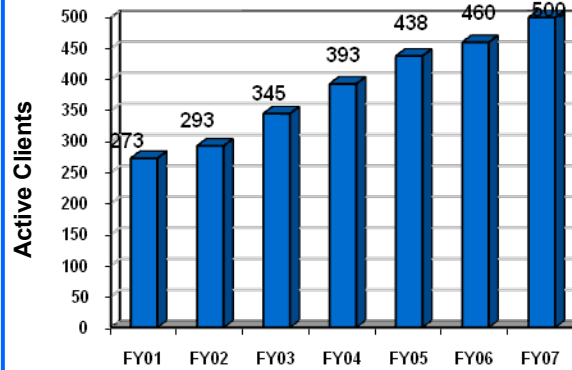


- Named India's Most Respected Company in the Businessworld 2006 survey for the fourth consecutive time
- Adjudged “India's Best Managed Company” in a study conducted by Business Today and A.T. Kearney
- Forbes: “Infosys is a role model for companies everywhere in financial transparency.”
- “Dream company to work for” in India and amongst the “100 best places to work for in IT” in the US
- Amongst the first companies in world to be certified at CMMI Level 5
- BusinessWeek: Amongst the top 3 IT Services companies in the world
- Wired rated Infosys among its top 40 companies that have reshaped the global economy.

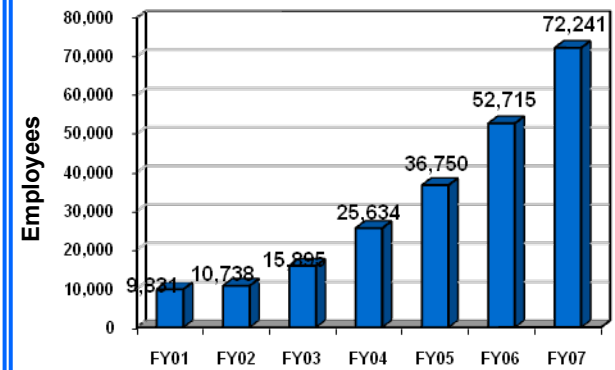
Exceptional Financial Performance



Increase in number of Active Clients



Strong Growth in Employees



Offshore Outsourcing is a Global Mega Trend

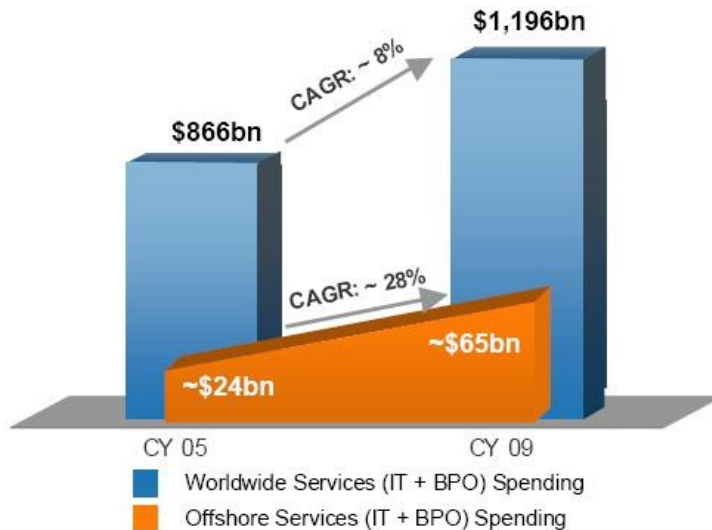
Offshore Outsourcing Rationale

- Deliver high quality at great value
- Highly scalable with a large resource pool available
- Proven track record

Global 500 and Fortune 1000 IT Spending

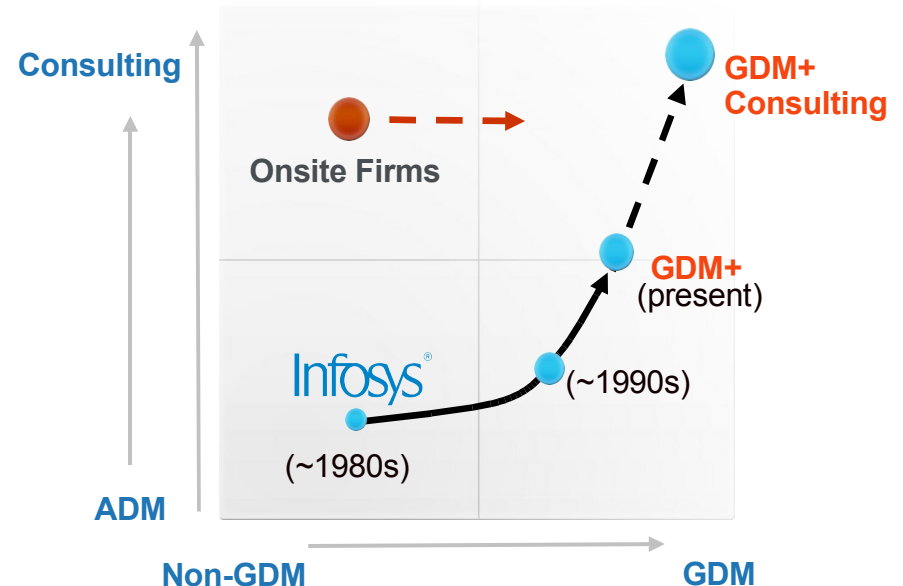
- Trend setters for the rest of the business world
- Combined IT spend represents 40% of the global IT spending
- IT budget constitutes 2.3% of \$20 trillion combined revenues

Offshore Addressable Market is Increasing



Source: IDC 2005, 2006; Deutsche Bank Securities

Infosys Market Positioning



Offshoring has gone beyond providing cost saving or strategic sourcing – it has become a competitive necessity

“The board of directors of virtually every big company are now insisting on very articulated outsourcing strategy” – Businessweek, 2006

Global Sourcing Key Trends

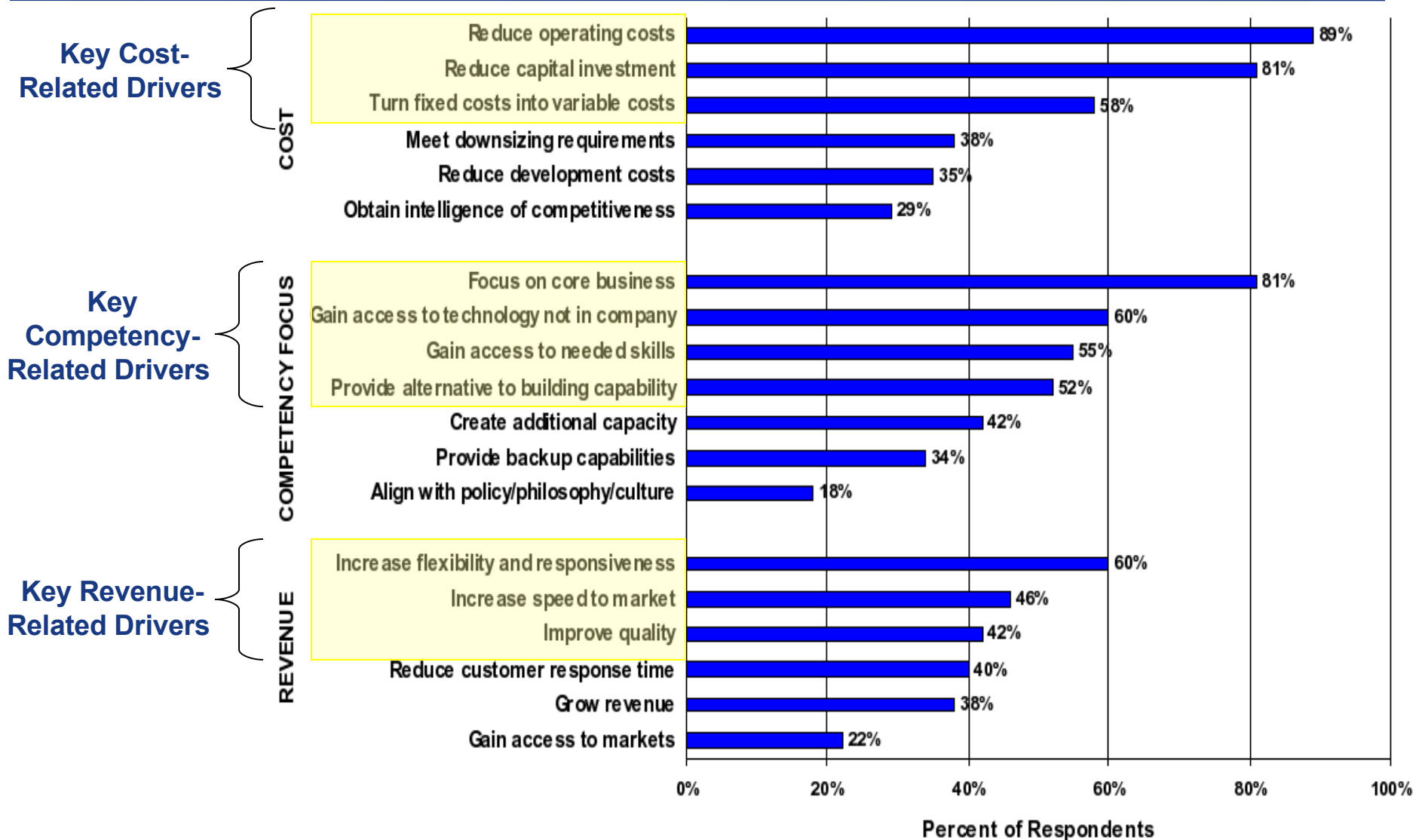
- Global sourcing is becoming a **core component of F500 companies’ corporate strategy**
- The scope is expanding beyond traditional ITO or transaction processing to **Centers of Excellence** or Specialized Skills
- Companies are using global sourcing as a means to position themselves for long-term **capability building** (both skills and capacity)
- Global sourcing has become a **competitive necessity**
- The new frontier is to **integrate process and IT operations** to improve effectiveness and efficiency

Cisco wants to raise revenue productivity to \$1M per employee by enhancing operational effectiveness and focusing employees on value-adding activities -- John Chambers, CEO Cisco Systems

“Don’t tell me how much I can save. Show me how we can grow by 40% without increasing our capacity in the US” – Client executive, Jan 2006

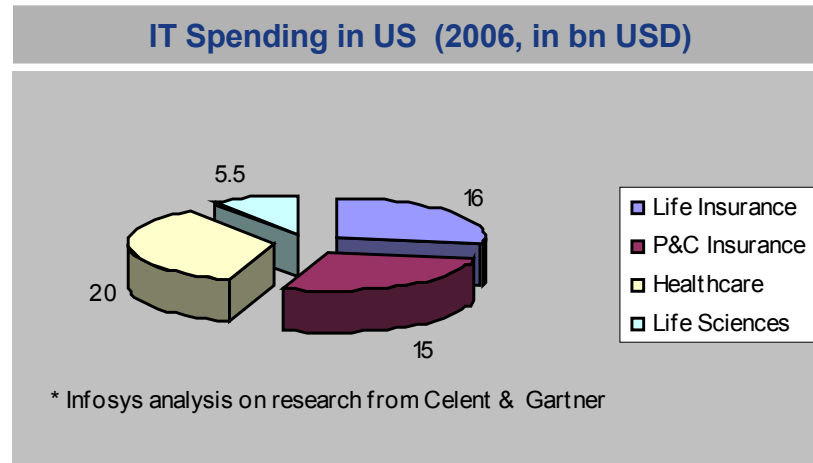
This isn’t about labor cost...the issue is that if you don’t do it you won’t survive – MD of Deutsche Bank Global Business, Jan 2006

There are 3 strong business drivers for this rapid growth in Outsourcing – (1) Reduce Costs, (2) Build Competencies and (3) Increase Revenue



Source: AT Kearney, Outsourcing Strategically for Sustainable Competitive Advantage, 2005

Market Environment – Insurance, Healthcare & Life Sciences (IHL)



- Worldwide technology and related services spending is on the rise growing at 7% CAGR over 2006-2010 as against 5% in previous yr
- IT spend across IHL is ~ 50 Billion USD. Current Infosys share of IT budgets of the existing accounts is in the range of 2 - 3%.
- There is a risk of downward trend in US economy because of sub-prime crisis along with concerns of appreciating Indian currency vis-à-vis USD.
- Consolidation through M&A across all sub-verticals.
- Increasing Demand for Transformational opportunities (Consulting + ADM)
- Need for strong domain/technology capabilities to deliver integrated services / solution offerings
- High Attrition & low recruitment at onsite & tier 1 locations specially senior Software Engineers/Programmer Analysts
- Rate Pressure and rising costs of operation

Key Industry Trends in Insurance, Healthcare & Life Sciences

Insurance

- IT spend across IHL is ~ 50 Billion USD
- Gartner projects Insurance IT spending in North America to reach \$57.6 bn in 2010 with a CAGR (2005-2010) of 4.5%
- Clients with operations across Europe & Asia Pacific - Integration
- Several large deal contracts expiring in Insurance industry between 2008 and 2010 with a cumulative Total Cost Value (TCV) of over 10 bn USD
- Larger scale BPO & Packaged Application Sourcing

Healthcare

- Gartner projects Healthcare provider IT spending in North America to reach \$34.6 billion by 2011 with a CAGR (2006-2011) of 5.2%.
- Steady growth in Consumer Directed Healthcare market and regulations
- Increasing trend towards Service Oriented Architecture (SOA) based applications

Life Sciences

- Significant growth in outsourcing in Life Sciences
- Offshoring of Enterprise Solutions work (SAP & CRM) in Life Sciences
- Outsourced R&D spending by the Life sciences industry to touch \$26bn by 2010 up from about \$14bn in 2005
- According to Frost & Sullivan, IT spending in Life sciences expected to touch \$50 bn by 2011

Thank You