

Infosys Technologies Limited
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Good morning to you all. You can call me B.G. I'm based out of London, which is our European headquarters. I'm going to walk you through our presence in Europe and what is that we are doing in Europe and also a little bit about the marketplace. Just like other presentations, the Safe Harbor applies to my presentation too.

If you look at the numbers, H1 of this year fiscal year, we ended with \$ 238 million. Europe has been in the last two or three years significantly scaling up our operations there. And that is showing in the results. Last three years, we had an average CAGR of over 60%. If you take Europe revenues as a part of Infy revenues, six years ago it was just 9%. And today we are contributing 24% of Infy revenues. So it has been a significant shift and change in our operations in Europe. And in terms of how the revenues between continent and UK, it's about 50-50. Today, we have over 70 active clients, and again, some of these clients are really global players and we support them in multiple geographies across Europe.

As you look at the service offerings, as the rest of Infy where we have brought in new services, over 40% of Infosys revenues in Europe comes from new services and Progeon is not an exception. 35% of Progeon, the Business Process Outsourcing arm contributes from Europe. And as you can see, today, we have capabilities to deliver services across 14 countries and we have established offices in 9 countries across Europe.

Let us take a look at the marketplace. Unlike the U.S., which can be more or less treated as one marketplace, Europe is not a single market. Across geographies, across different countries, the degree of maturity of the market in terms of outsourcing and offshoring very significantly. In terms of sheer potential, it's definitely a scalable market, 169 billion Euro in terms of IT service spend alone in Europe. So it is the second largest market play outside the U.S. and we do recognize this.

In terms of our own footprint across the various services, be it IT service management, development, application development, strategic innovation or business sources, we do have footprint in each of these service lines. So we are well positioned in Europe to actually leverage the potential Europe offers. At the same time, we need to be distinguishing the fact that the maturity of the European marketplace is different. As you can see, in terms of its ability to offshore while the percentages are relatively small as compared to the U.S, the potential is still there and most of this offshoring as a percent is happening out of India. While there have been other geographies within Europe, certain other players have tried to leverage, whether it's Eastern Europe or whether it's Philippines in terms of establishing offshore centers, India continues to be a significant player of contributing toward the offshore person base as high as 80%.

In terms of the industry verticals, the financial services continues to be the big spender, about 20%. Then we have manufacturing, retail, telecom, and utilities, which, again, have significant potential in terms of IT spend. Public facilities is another sector within the UK, which has a significant amount of spend, IT dollar spend and we are today making inroads into this sector. So what we do recognize as what the market offers and in terms of potential, in terms of challenges, in terms of the maturity of the marketplace, we have recognized the fact and we have organized ourselves accordingly in terms of addressing the specifics of these markets.

What we have done is we have clearly focused and then clustered, brought to bear, the geography clusters in terms of the maturity, in terms of the potential. And what we have done is aligned the entire delivery supply chain to bring capability to address the specifics and the demands of these markets. And, at the same time, from a client perspective, the clients will also look at what is that we understand of the industry. And in terms of our solutions, in terms of our domain capability, we have brought to bear our domain strengths in financial services, retail and CPG, telecom and automotive. So there are specific demands of our customers.

So, in other words, what we have done is we have brought our global service capability to bear to the clients, at the same time to address the specifics of each of these markets, we have built capabilities, whether it's understanding the local culture, understanding the local language, understanding the sale deal pursuits in each of these geographies. We have recognized this and we have organized ourselves accordingly. At the same time, we are very actively partnering with our technology partners – be it Microsoft, SAP, Oracle or Siebel and we have joint

business plans to go to market. We also develop joint account plans on specific market segments, and we are working jointly with our market partners to ensure that our clients get due value.

When we are doing this, we are bringing to bear the solutions footprints in each of these vertical industry segments. We have developed point solutions. For example, in financial services banks, we have developed a payment solution, and then together with Microsoft we are addressing specific issues, the banks are facing in Europe. We have also developed a solution and the framework to address the Basel II compliance issues. In Retail space, we have solutions in RFID and in telecom, we have order selling solutions. So in each of these industry verticals, we do have point solutions and we have tailored this to the European marketplace to address the specific needs of our customers.

To give you examples of our clients and then the kind of work we do for them, ABN Amro, as Shibulal has already mentioned, has been one of the significant wins for Infosys and it has been some kind of a tipping point in the kind of value our clients are seeing in terms of scale, in terms of our ability to add value. A couple of other examples, which are again large and significant. For a leading investment bank, it's based out of Germany, we are helping them on a large global support desk transition and then this is progressing in a seamless manner. For another bank in the UK, which made an acquisition, we are helping this company integrate their business process and business applications across the two banks. For one of the leading manufacturing companies in Switzerland, on a global basis, we are helping them roll out SAP and SeeBeyond to help them integrate business applications. Another telecom win in the UK, we are helping them in replatforming their customer care and billing systems.

So, as you can see, we have had a fantastic footprint in terms of scale and in terms of kind of mission-critical work we are doing for some of our clients. And in the process we are also building our consulting and domain capability on a continuous basis to ensure that we stay ahead of the race in terms of meeting our client expectations. At the same time, as I already mentioned, we are bringing to bear our global best practices, the learnings of what we have done in India and the U.S. to bear to our clients in Europe.

In terms of managing some of the core platforms and then transformational exercises, for Airbus, we were involved in one of the critical designs for the top and bottom extensions of the innovation. For ALSTOM, we have set up an exclusive offshore development center, or an R&D center, out of India and this is something which is exclusive to ALSTOM. B-Source is a company in Switzerland, which holds business applications for their private investment banks and then today we're helping this company replatform to ensure that as they acquire clients, they have a scalable platform, they have a platform which is flexible to ensure that their business processes are competitive.

So, in other words, we have become a trusted partner to our clients in offering multiple services across a plethora of their business applications and also helping them sustain and reduce cost of ownership in terms of maintaining their current applications. In the end, to reiterate, Infosys Europe has been a significant growth engine for Infosys and we will continue to make investments in Europe and expand our operations. We also see globalization trends impacting Europe as a business, and today with our presence and our capabilities, we are well positioned to leverage the impact of globalization. We will continue to build our competencies and scale our operations in Infosys Consulting, build our IT transformational capabilities, and also, as Shibu mentioned, we have the SGS unit, which is actively partnering in building capability to handle large multi outsourcing deals.

We are also doing a lot in Europe in building our brand. We are very actively participating in the World Economic Forum. We are also very active participants in a host of industry forums in Europe. To name a few, we had our payment solutions launched in a banking event in Copenhagen. We also did a joint case study at SAPphire together with SAP and again this also coincidentally happened out of Copenhagen.

We are also participating in the retail industry forums and also technology forums where we are establishing our brand as a premium player, where we are positioning our solutions to ensure that we stay ahead of the race in terms of our own visibility in the marketplace, at the same time creating a kind of pull from our other prospects in the region to ensure that we will always be there as a recognized player and as a trusted partner.

With this, I thank you and I'll be happy to take questions at the end of the session which is a common one for all of us. Thanks.