

Analyst Meet 2006

Communications - Industry in Transformation

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Abundance of core network fiber

- » over capacity has led to low prices

Emergence of Internet Protocol

- » promise of integrated multimedia communications
- » free internet leading to lower prices

Deregulation

- » competition leading to even lower prices

- » Revenues decline
- » Inclusive effect on customers in lower income groups and smaller, emerging economies
- » Increase in network load as usage rises
- » Increase in global collaboration leading to
 - » efficiencies in markets and supply chains
 - » relocation of jobs

What are Communication Majors doing?

- » Growing **wireless and broadband** Internet business
- » Expanding **enterprise managed network** business
- » Arguing with regulators on **Net Neutrality**
- » Fortifying by **Mergers & Acquisitions**
- » Buying time

What are they planning long term?

- » Transforming their network to **Internet Protocol**
- » Building **integrated multimedia services** with engaging and sticky customer experiences
- » Developing **new pricing models** that charge for value extracted from network not just for usage

How is Infosys helping?

New services like VoIP
and Broadband



Quick time to market

Future Integrated Multimedia
Services



Concept-to-Launch

Legacy systems



Maintain and Retire

Legacy processes



Improve and Run, redesign
for new services

Enterprise managed network
services



Joint Go-to-Market

Case Study – Local Loop Unbundling

- » Regulator has mandated Europe's leading National Operator to open its network to its competitors – **Local Loop Unbundling**
- » Strict compliance **service levels and deadlines** have been enforced
- » **Infosys** was contracted to propose a **trusted third party solution** to ensure transparent and compliant process flows for customer orders and complaints
- » We proposed and built a **Virtual CSP Customer**.
- » All processes are tested end-to-end on this virtual harness to ensure full compliance
- » Met regulator standards. Also competitor CSPs were fully satisfied

Case Study – Multimedia Service Capability

- » US Cable provider wants to offer Multimedia Services including voice, video and data
- » Contracted Infosys to build a business case
- » Infosys team interviewed key client executives on their expectations and objectives of this initiative
- » Using our understanding of competitive activity in the market, advantages of emerging standards of Integrated Multimedia Subsystem and knowledge of products from partners like Cisco, Alcatel, BEA, a feasibility analysis on cost-benefit, RoI, impact to organization and technology readiness was completed & delivered
- » Recommendations included a time-phased standards-based investment strategy that enables the cable co to stay nimble yet ahead of its competitors as customers accept and absorb these advanced services
- » Client is delighted and has given us a lead advisor position as it deliberates capital & operations expense plan proposed by us

Solutions

- » Agile Concept-to-Launch for IP-based services
- » Scenario approach to Customer Service & N/w Ops Mgmt

Training

- » Internet Protocol (IP) based technology training for all
- » Domain specific training for all mid & senior level employees

Consulting team

- » Market teams for solution design and deployment. Offshore teams for solution development and downstream projects
- » Infosys Consulting brings expertise on cross industry models and best practices

Infosys Telecom Performance

Telecom accounts for 17.7% of Infosys revenues

Over 8,500 employees engaged in Telecom segment

\$ Million	FY04	FY05	FY06
Total Telecom Revs.	176	295	354
CSP* Revenues	111	199	248
CSP* share of Telecom	63.1%	67.5%	70.1%

	FY04	FY05	FY06
Americas	60.3%	48.6%	45.3%
Europe	22.3%	26.1%	34.8%

* Communication Service Providers

CSPs will continue to drive spend in the industry

- » CSP segment revenues are likely to continue growing faster than OEM

Continued strong growth in years to come

- » **Transformation related** opportunities in system build, retirement and re-engineering engagements
- » Concept-to-Market engagements on new **Integrated Multimedia Services**

Addressable market poised to expand

- » services and even network elements becoming **more software oriented**
- » deregulation allows entry for Fortune companies as **virtual network operators** (VNO) – Tesco, Lloyds Bank, Disney, Wal-Mart
- » as content-based pricing models emerge, **media & entertainment players** will be strong contenders in this space

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Thank You

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