



## Infrastructure Management Services

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Analyst  
Meet 2007

Think Flat

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# Safe Harbor

Certain statements made in this Analyst Meet concerning our future growth prospects are forward-looking statements, 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, 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 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, 2007 and quarterly report on Form 6-K for the quarter ended June 30, 2007. 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.

# Infrastructure Management Services

## » IT Infrastructure Services for Global customers in a Flat World



*Pune Operations Center*

| Parameter        | FY05 | FY06 | FY07 |
|------------------|------|------|------|
| Revenues (\$ m)  | 61   | 93   | 136  |
| Delivery centers | 1    | 2    | 4    |
| Offshore Mix (%) | 74%  | 78%  | 74%  |

**Over 3,500 people in the Infrastructure resource pool**

- » “Fast Growth” trend continues
- » Big growth in telcos, healthcare, retail, financial services
- » Very good traction on large deals and account growth in line with flat world messaging
- » Strong business growth in EMEA
- » Model proven to be scalable; 100+ active Clients
- » Large investments in IP, technology solutions and infrastructure

**IT Service  
Management  
Consulting**

**Data Center  
Management**

**Network  
Management**

**Technical  
Support /  
Service desk**

**Application  
Operations  
Support**

**Solutions &  
Consulting**

Conceptualize, design, advise,  
implement, migrate, operate, improve

# IT Infrastructure market trends

- » Trends on decision-making around outsourcing: focus group of buyers in North America and Europe
  - » 68% of all technology spending decision-makers are focused on reducing costs
  - » 57% of all sourcing executives want to implement or expand IT outsourcing
  - » 65% wish to expand offshore-based services
  
- » IT Infrastructure business outlook
  - » Large and growing steadily
  - » Non-India IT Infrastructure providers seeing low double-digit growth
  - » Offshore players growing at over 50%
  
- Source: Forrester Research, 2007*
  
- » IT Infrastructure asset transfer is being discouraged
  - » 70% of external support contracts that include a transfer of asset ownership will result in “value loss” because of the inability to transfer warranty and other value-added services... – Gartner research
  - » Many benefits of infrastructure outsourcing can be achieved without transfer of asset ownership – Everest Research
  
- » Service approach
  - » Service providers are on their way to creating global delivery models ...75% of the IT services surrounding data center operations can be remotely executed – Gartner Research

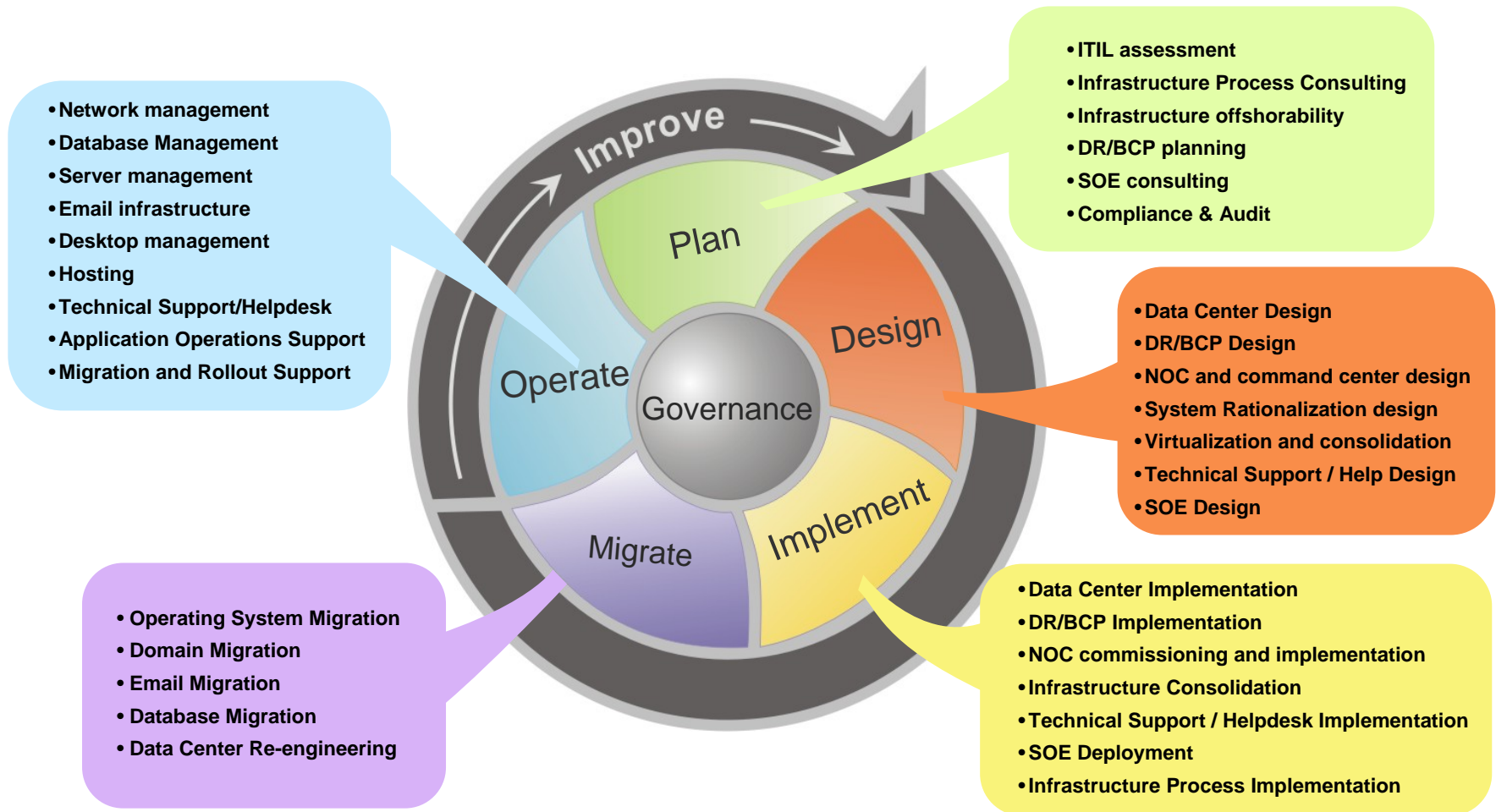


## “Flat World” messaging working in IMS space - Forrester Global RIM wave – “Infosys is a leader in Global IT Outsourcing”

- » Infosys Leadership - dimensions of strengths
- » Perfect reference client scores and a solid strategy for the future in infrastructure business helped land India-based Infosys in the Leaders band
- » “Infosys’ strategy fully encompasses transformation and innovation, moving toward a utility-like model.”
- » “Infosys has the most well-distributed infrastructure management workforce of the India-based providers”



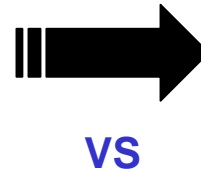
# Comprehensive service offerings in the Infrastructure space...



# Process and technology-based IT Service delivery transformation

## Traditional Infrastructure Outsourcing

- Based on principle of asset Outsourcing. Usually based on long-term contracts
- Assets and people are later taken over as part of the contract, leased back to customer with added cost of capital and vendor margins.
- Firms provide onsite staffing to run IT operations
- This is sometimes augmented with local or near-shore operations centers for offsite support



## Process & Technology-led Optimization

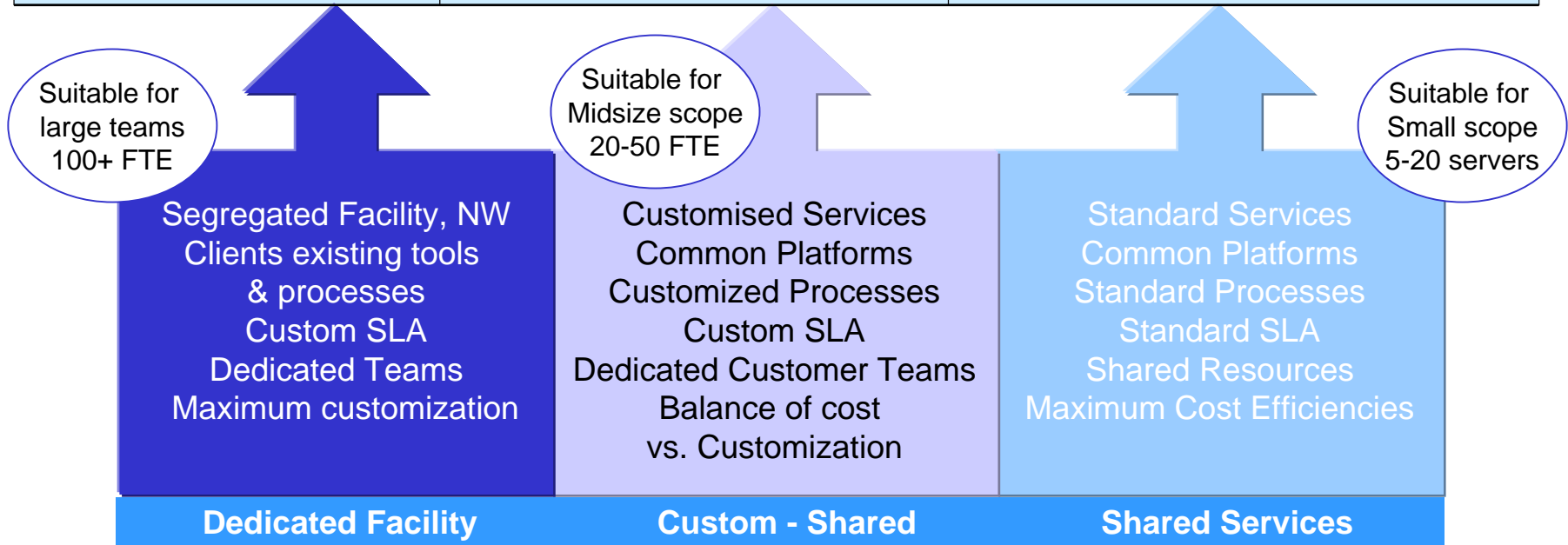
- Based on process streamlining, automation and collaboration within client and vendor, flexible scope/SLA-based contracts
- Involves bulk of service delivery for a process being done from a cost-effective location
- Also creates cost savings through technology transformation
  - Consolidation/virtualization
  - Service management infrastructure

***“...the latter choice offers companies a more cost-effective solution that allows client control of their IT operations and business alignment”***

We recommend this as a “flat world” strategy that can keep clients on top of their IT challenges.

# Wide variety of engagement models to suit client business objectives

|                 | Pricing Model         | Pricing Parameter                                  |
|-----------------|-----------------------|--|
| Desktop Support | Per Seat, Per Call    | SLA's, Locations, Service coverage                 |
| Applications    | Per instance, FP, T&M | Users, Complexity, Call volumes                    |
| Database        | Per instance, FP, T&M | Type, Size, Complexity, interfaces, Service window |
| Servers         | Per Servers, FP, T&M  | Criticality, Complexity, Service Window            |





# Differentiators

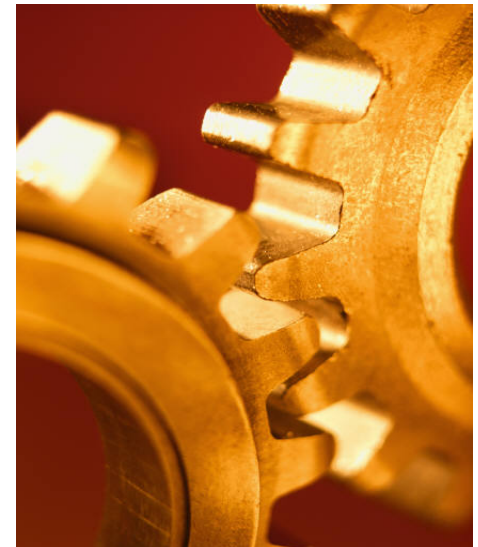


**Bangalore Operations Center**

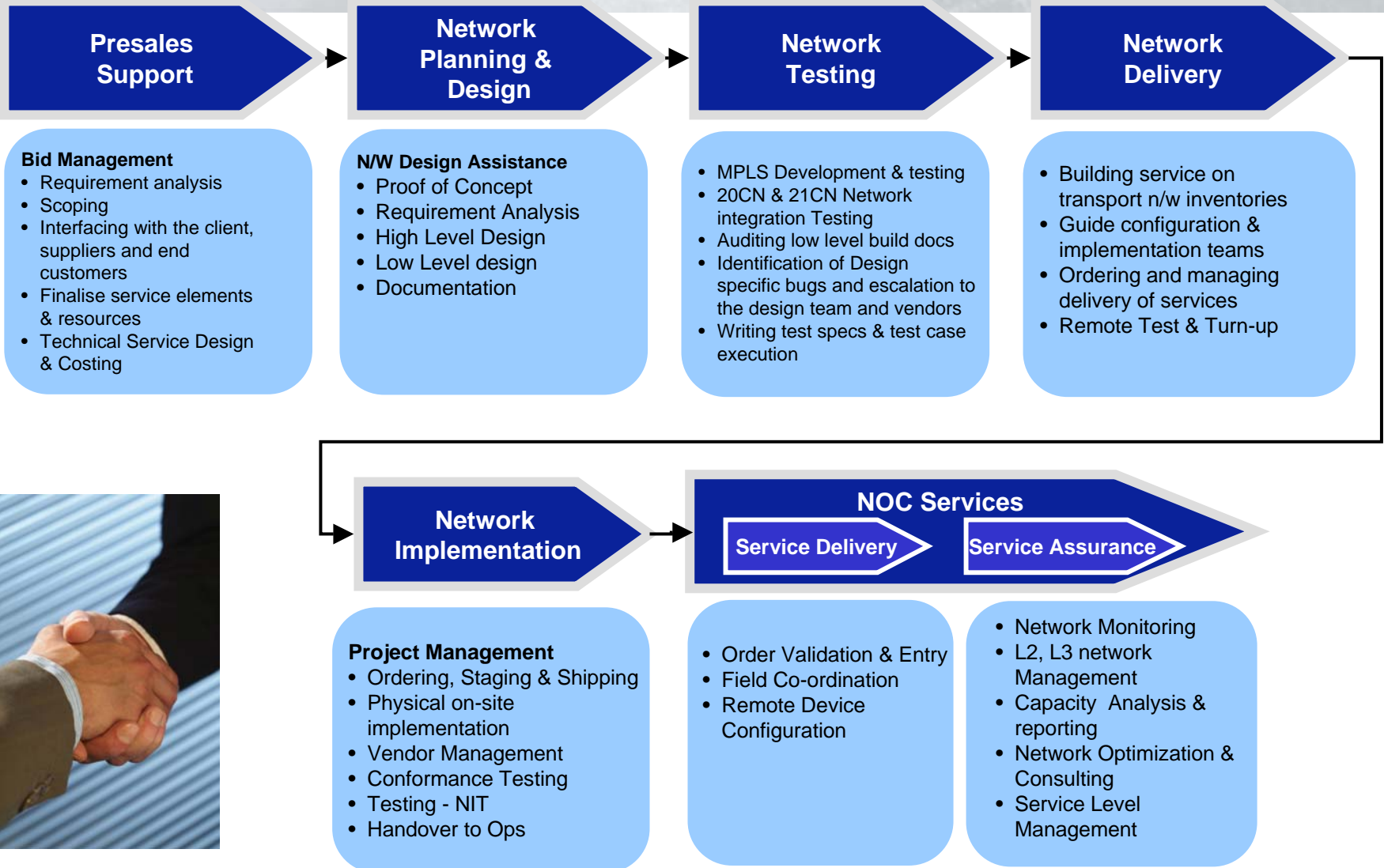
- » Portfolio management of different sub-services for profitability e.g. Service management, Enterprise, operations support
- » Technology solutions for business verticals : Security, Risk Management, Windows migration, IP Platform
- » BS15000 followed by ISO20000 certification, pioneer in new process thinking, e.g. eSCM evaluation
- » Continuous Infrastructure and technology investments
  - » DS3 network lines between operation centers
  - » Four large Management Centers
  - » Centers of excellence, e.g. Weblogic, Windows, Database
- » Deal models
  - » New pricing models, e.g. per device
  - » Many different models including consortium deals
- » Strong HR is critical
  - » Workforce works under pressure, employee engagement
  - » Attrition well-managed

# Addressing challenges

- » Commoditization in a flat world
  - » Mitigation through unique solutions, value-adds on projects, bundling transformation capability into deals
- » Challenging “people environment”
  - » Working conditions, strong career growth options, higher education support, better engagement
- » Certain customer segments still look to asset-based outsourcing
  - » We are mitigating this challenge by investing in sales with multi-sourcing focus
- » Global competition
  - » Change customer sourcing models, e.g. large outsourcing deals broken up to Infosys’ advantage



# Success story: What we deliver to a large telco





Thank You

[www.infosys.com](http://www.infosys.com)

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