Consulting and Package Implementation

Rajesh K Murthy
Vice President, Global Head – SAP Practice
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, 2009 and on Form 6-K for the quarter ended June 30, 2009. These filings are available at 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.
Agenda

• State of business: Consulting and Packaged application services overview
  • Industry wise, product economy wise, geo-wise
  • A changing market demanding an evolving services footprint

• The Enterprise Application Services market
  • What’s the state, trends, demand visibility
  • SAP & Oracle’s Strategy roadmap
  • Newer Engagement Models & pricing models

• ES Vision for the future: Strategies for growth
  • Grow Transformation Business
  • Vertical Leadership
  • Accelerate Business Platform based solutions
  • Accelerate IP commercialization
  • Execution Leadership
  • Enhance Geo Penetration
  • Examples in the last 12 months...
Steady growth...

334 customers +119 in last 4 qtrs.

13,000+ employees +1400 in last 4 qtrs.

Economy-wise
- SAP 36%
- Oracle 43%
- Others 21%

Geo-wise
- EMEA 32%
- ROW 9%
- NA 59%

Industry-wise
- Manufacturing 33%
- Retail CPG 21%
- Energy & Utilities 14%
- Telecom, Media & Entertainment 10%
- Banking & Capital Markets 10%
- Insurance, Healthcare & Life Sciences 12%
Keeping pace and offering services to the changing times...

The evolution of ERP
- The evolution of extended enterprise – CRM, Supply Chain
- The need for integration - EAI

Mid 2000’s to now - Extension of the Enterprise

Late 1990’s- early 2000’s

Early 1990’s

The evolution of ERP
- The evolution of extended enterprise – CRM, Supply Chain
- The need for integration - EAI

- Human Capital Management
- Business Intelligence
- Business Process Management

Business Intelligence Apps
- Enterprise Performance Management, Business Analytics

Industry specific apps
- Energy, Utilities & Waste, Manufacturing, Telecom, Services Retail, M & E, Finance, Insurance, Public Service

Cross Industry Apps
- Talent Management, Asset Management, Billing, Transportation Management, Advanced Planning

Integrated ERP Software
- ERP – SAP, Oracle
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  • Examples in the last 12 months...
A $70 bn + market with changing dynamics...

- Space is getting redefined with the addition of vertical and edge apps
- New generation of product suites: Business Suite of SAP and Fusion of Oracle
- Newer Models: Pricing, SaaS, platform based, managed services emerging

**Break-up by service line for baseline growth**

<table>
<thead>
<tr>
<th>(all values in BUSD)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERP</td>
<td>37.5</td>
<td>36</td>
<td>37.8</td>
<td>41.2</td>
<td>44.8</td>
<td>48.05</td>
</tr>
<tr>
<td>SCM</td>
<td>6.7</td>
<td>6.2</td>
<td>6.5</td>
<td>7.1</td>
<td>7.5</td>
<td>8.1</td>
</tr>
<tr>
<td>Supply Management</td>
<td>2.8</td>
<td>2.7</td>
<td>2.9</td>
<td>3.1</td>
<td>3.3</td>
<td>3.6</td>
</tr>
<tr>
<td>HCM</td>
<td>7.8</td>
<td>7.6</td>
<td>8.1</td>
<td>8.7</td>
<td>9.3</td>
<td>10.1</td>
</tr>
<tr>
<td>CRM</td>
<td>15.3</td>
<td>14.9</td>
<td>15.6</td>
<td>16.7</td>
<td>17.6</td>
<td>18.8</td>
</tr>
<tr>
<td>Total</td>
<td>70.1</td>
<td>67.4</td>
<td>70.9</td>
<td>76.8</td>
<td>82.5</td>
<td>88.65</td>
</tr>
</tbody>
</table>

**Geo split**

- 43% North America
- 40% Europe
- 11% Asia Pacific
- 4% Latin America
- 2% Rest of World

**Trends**

- Faster Economic Recovery
- Baseline
- Sluggish Economic Recovery

**Source:** AMR Research 2009

**Demand**

- Transformational
- Implementation & roll-outs
- Upgrades
- Support & maintenance
Vendors doing a ‘total rethink’ on their apps strategies...

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grounds up development</td>
<td>- Focus standards middleware</td>
</tr>
<tr>
<td></td>
<td>- Enhanced breakthrough UI experience</td>
</tr>
<tr>
<td></td>
<td>- User adaptability is going to change</td>
</tr>
<tr>
<td></td>
<td>- Open standards, Web 2.0 and SOA enabled</td>
</tr>
<tr>
<td></td>
<td>- Easy interlink between enterprise apps</td>
</tr>
<tr>
<td></td>
<td>- Business case strengthened by real-time decision support</td>
</tr>
</tbody>
</table>
Partnership with product vendors...

- Global Services Partner; Executive connect
- Joint development: Solutions for key micro-verticals
- Investment for solution demo lab within Infosys campus
- Partner for Source2Pay & Publishing Business Platform offering
- Joint Initiatives eSOA Program and CoE at Infosys; Accelerated Deployment

- Global Partner; one of the largest influencers of license revenues
- Co-development of IP and product stacks with Oracle India center
- Partner for HRO business platform offering
- Oracle invests in Telco Lab
- Collaborating with Oracle University
- Joint solutions development for specific industries
- Diamond Sponsor at Oracle Openworld, 2009 Kris delivers closing keynote
- Infosys won a Oracle Titan award at OOW 2009

- Global Consulting Partner; 6 year old relationship
- Product development; support to TIBCO adapters worldwide
- Biggest TIBCO community outside TIBCO
- Infosys has been an engineering partner for TIBCO since 2000
- Only TIBCO concept center worldwide at Infosys campus
New Engagement Models...to suit customer needs

Drivers...

- Advent of downturn
  - Changing business priorities – focus on cost
  - Capex Vs. opex.
  - Better predictability of expenditure
  - Flexibility of pricing models
- Internal – breakaway from the headcount based pricing

Infosys Business Platforms

Shared Services Platform/ M-CoE

Newer Engagement/Pricing options

Last 8-12 months...

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Pricing Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>A pharmaceutical giant</td>
<td>Application based</td>
</tr>
<tr>
<td>A transcontinental mining and resources group</td>
<td>Ticket based pricing</td>
</tr>
<tr>
<td>A world-leading agri-business</td>
<td>Outcome based pricing</td>
</tr>
<tr>
<td>Government department in India</td>
<td>Transaction based</td>
</tr>
<tr>
<td>HRO – platform deal - Australian major</td>
<td>Volume based pricing</td>
</tr>
<tr>
<td>A large deal in Infrastructure management services</td>
<td>Device based pricing</td>
</tr>
</tbody>
</table>

Portfolio for UoW

<table>
<thead>
<tr>
<th>Pricing Model</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Packet based</td>
<td>25%</td>
</tr>
<tr>
<td>Transaction based</td>
<td>23%</td>
</tr>
<tr>
<td>Ticket based</td>
<td>20%</td>
</tr>
<tr>
<td>Others</td>
<td>32%</td>
</tr>
</tbody>
</table>

Alternate Pricing Models (NEM)

Unit of Work

- Transaction
- Tickets
- Use Case
- Screen Test
- Cases
- Work
- Packets

IP / Royalty Based

- Infosys IP (ST 360, Digital Conversion Platform, Gradient) Shared IP

Outcome Based

- Business Output
- Revenue Sharing
- Gain Sharing
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ES Vision for the future: Strategies for growth
• Grow Transformation Business
• Vertical Leadership
• Accelerate Business Platform based solutions
• Accelerate IP commercialization
• Execution Leadership
• Enhance Geo Penetration
• Examples in the last 12 months...
• What the Industry Analysts say...
ES vision continues to be ‘Partner of Choice’ and the mission is focused on achieving leadership...

**Vision: Partner of Choice**

To be *Partner of Choice* to key stakeholders in the *Global Market for Enterprise Solutions*

**Mission: Market Leadership**

*Achieving externally recognized leadership in the Package Application services space in chosen verticals*

<table>
<thead>
<tr>
<th>The last decade...</th>
<th>The next wave...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incubation</td>
<td>Build scale &amp; portfolio diversification</td>
</tr>
</tbody>
</table>

**Growth & Differentiation**

- Grow transformation business
- Vertical leadership
- Accelerate business platform based solutions
- Accelerate IP commercialization
- Execution leadership
- Enhance geo-penetration
Strategies for growth: Grow transformational business

Business Solution Partner approach:
Combined consulting and technology partner approach

Proactive deal sourcing:
Leveraging dedicated teams and pro-active diagnostics
Proof of Concept, Value Scan, VRM / Impact Assessment, Portfolio Rationalization (IMPACT VRM framework)

Hire /invest SME’s:
Proactively engage with clients and enhance capabilities
(in vertical, domain, Program Mgmt, methodology/ accelerators & solutions)

Enhance client relationships:
With CXO and key Business stakeholders: leverage external partnerships

- Pursuing 9-12 transformational deals at any point in time
- Deals won:
  - Won a major transformational Oracle engagement with a leading US city
  - Won a major PeopleSoft transformational deal with home improvement major in US
  - Won a major deal for media and ad management for a media house via Infosys Business Platform
- Go-lives on Transformational engagements
  - Phase 1 go-live for an Oracle rollout electronics major
  - Go-live for an SAP global rollout for European chemicals major
Strategies for growth: Industry leadership

- **Improve positioning** as a partner of choice for *Business Transformation* and sustenance services for select verticals of leadership

- Pipeline building through alliances and joint GTM

- Capability building, domain competence – Extend IMPACT VRM framework, establish Centers of Excellence.

- Inorganic opportunities

- Differentiate through IP creation

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**Diagram:**

- Improve market positioning
  - Working with product vendors to bridge IP space
  - Investing into solutions
  - Hiring local talent/capability building
  - Pipeline building and sales/mining existing accounts

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- Retail CPG for SAP
- Hi-tech & Industrial Manufacturing for Oracle
Strategies for growth: Infosys business platforms

Capex → Opex

- Pay as you go Model
  - SaaS
  - BPO Platform
- Quicker on boarding (template based)
- Alliance/Product Partners

Shared services enterprise principles - multi-tenancy, economies of scale
- Multi Tenant
- Infy IP
- Managed Services
- Economies of Scale

Communication layer - Connectivity, Security

Infosys Infrastructure Management

DC Locations: India, Australia, US.
DR Site: Data replication (Within Same Country) with cold spare

- Virtualization
- Scalable & Secured Arch/Design
- Dynamic Infrastructure Mgmt
Strategies for growth: Accelerate IP commercialization

- **Infosys business platforms** – launched platforms for P2P & HRO
- **Offer higher business value** to customers by reduced time to market, reduced TCO, superior quality solution
- **Improve the quality of the effort-delinked revenue** to create ‘monetizable’ IP
- **Establish ES technology innovation center** with SETLabs to create and launch disruptive solutions
- **Co-create IP with ISV’s** – co-development with Oracle, MS-SCV solution with SAP

**SAP & Oracle Joint Initiatives**

- Oracle Price Management
- SAP Pharma Supplements
- Oracle - Route Profitability Solution for Airlines
- Oracle - Treasury Solution for India State Governments
- Oracle Manufacturing Operations Center
- SAP NIB: Infosys Business Platform
- Oracle Wholesale Distributor Solution
- Oracle SMB Solution for OFS
- SAP Utility in a Box
- Oracle PeopleSoft Staffing Solution
- SAP XY2XI Migration
- Oracle - Rapid Planning Solution
Strategies for growth: Execution excellence, geo penetration

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Roadmap</th>
</tr>
</thead>
</table>
| Execution excellence| • Deploy shared services to create cost effective delivery factories  
                   • Governance to ensure NEM (New Engagement Models) applicability for relevant opportunities  
                   • Strengthen ‘functional re-use’ in addition to technical re-use for expedited delivery  
                   • Strengthening program management capabilities & functional/domain skills |
| Geo penetration     | • Sample strategies for certain markets  
                   1. Germany: Focus on Manufacturing and Energy & Utilities verticals & increase in CSG personnel in Germany  
                   2. ME: Strategic focus on top players in FSI & TELCO industry verticals; leverage ‘Pre-Architected’ solutions  
                   3. Lat-AM: Local market penetration & global rollouts of large customers in Latin America; position as near-shore center for North America clients  
                   4. India: Focus on large deals and turn-key solution approach |
Infosys won a strategic win at an aviation major to set up Centers of Excellence (CoE) on two key technology bundles – PeopleSoft and IBM/Cognos – over 3 years

Infosys won a major win at a Home improvement major to be the sole service provider for all PeopleSoft applications including HR, Finance & Spend Management

Infosys has successfully helped Transforming HR systems through PeopleSoft for a global north American Oil & Gas company

Infosys leveraging the Shared Services Platform for a European Chemicals manufacturing major to simplify, standardize & manage key processes.

Infosys won a significant win for Managing total HRO including hosting, applications, processes for a leading Australian company through Infosys Business Platforms

Infosys won and is executing a management services engagement for SAP for the next 5-7 years from an Australian mining conglomerate

Infosys won a major engagement for transforming the way a major American city manages its assets and also proactively mitigate storm events leveraging Oracle technologies

Infosys is implementing Maximo and transformational Siebel CRM Rollout for a major north American OEM manufacturer. Went live on CRM 1st milestone in early October 09

Infosys is part of enterprise wide transformation program via SAP delivering a SAP BI integration program for a leading marketer and distributor of food services
Analysts rate us leaders for SAP, Oracle and CRM...

**Rated leader by Forrester for SAP services, 2009**
- "Infosys offers many compelling pricing and delivery models across implementation as well as ongoing support and maintenance of SAP."

**Rated leader by Forrester for Oracle services, 2008**
- ‘‘...fueled by strong business process consulting capabilities, technical skills, large offshore practices, and strong technical IP including pre-built, industry-specific solutions.’’

**Rated Challenger by Gartner in ERP MQ for NA 2009**
- ‘‘Infosys has continued to push into the ERP services market quite successfully, and clients cite the company's ability to present a breadth of options across the IT services spectrum as an important selection factor.’’

**Rated Challenger by Gartner in CRM MQ for NA 2009**
- ‘‘...notable improvements in client satisfaction and better demonstration of integrated service offerings.
- Innovative — Drawing on its global delivery capabilities and improving leverage of its business consulting skills have led to Infosys achieving above-average client satisfaction scores in helping clients achieve CRM project objectives.’’

**Rated Challenger by Gartner in CRM MQ for Europe 2009**
- ‘‘Infosys' vision is the most business consulting driven of the offshore providers, ...”

Jane Barrett, Noha Tohamy, AMR Research
- "Infosys' Microsoft-based supply chain visibility product is proving of great value to early customers. The product is meant to help improve speed, accuracy and cost effectiveness of a company's supply chain, easing many of the problems companies face."
Thank You

www.infosys.com