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Good morning again. I know you have been through several rounds of presentation, at least 2 by now. I have been given a little shorter time to complete. What I will do is I will try and make more time for interaction. I will reduce the time I will spend on the presentation and then we will take it from there. You can pause and ask me details if you want as we run through.

Very quickly just to step back, you have heard Kris and Shibu talk about what is happening out there in the market place and how organizations, as they come out of the recession, are trying to build what we call tomorrow's enterprise. In that context one of the major themes as we see it, is how organizations are learning to become smarter. This is not something new. We have seen in many years organizations have continued to compete in the global market place and then they are trying to figure out smarter ways of doing things. But in today's context, this is in many ways assuming larger proportions. It is true that even in the past the competition was intense, the globalization continues and then that has become irreversible, but in the last 2 years what has also impacted organizations is # 1, the fact that the slowdown did hit most organizations across sectors. That was not something isolated incident. The interdependencies across businesses, geographies continue to be so much that nobody could ignore a incident happening in one sector in one part of the globe and assume that that would not impact everybody else. That has definitely in the last two years been proved false. The interconnectivity and incidences which happened remotely, we have seen their impact on several organizations. Organizations at least in the context where we operate, we operate with some of the most global organizations, the B2000, most of them have a global presence. Most of them are big. Complexity comes with the size, most of them are global, they have to deal with different expectations in different markets. They have to deal with different people and at the same time when things hit organizations which are not envisaged, they find it very, very difficult to deal with. We have seen that happen in the last few years. In that context, I want to talk about what in our view has impacted the organizations and where is the real pain and what are organizations doing about it and in many ways how Infosys is responding to the same scenario in the marketplace. How technology is playing a key role in enabling organizations to reshape, reconfigure themselves as they get ready to handle the upturn.

This is again the part of the context-setting. We have seen that one key central concern for most organizations is agility, agility to deal with complexities and challenges. In the last 2 years, we have seen organizations who saw demand falling significantly. Their demand fell by 80%, 100% in few cases but most cases it was more than 50%. Very few organizations were able to respond to that in terms of an ability to reconfigure themselves, ability to shutdown plants with minimal impact to people. Most organizations were not able to cut down their cost at the same rate at which the demand fell. Nobody can predict accurately even in today's or tomorrow's world, how rapidly things could change

The other part which we are talking is velocity of change. That again was very difficult for individual organizations to predict. The central theme here is what is happening in the workplace dynamics. Especially in the western world, the US and Europe they continue to see increasing challenges as their workforce is ageing. The rapidness of that is also a challenge. Workforce between 45-55 and above and the percentage which is getting added in that bracket is more than 25%. At the same time, as they try and retain the knowledge and try and attract the youth, they are finding different set of challenges to deal with the new workforce which is not necessarily fitting into the old culture. The workplace dynamics, one, is a fact that there is an ageing workforce, we have challenges of the youth and the old, we have the challenges of distributed workplace and the fact that large organizations are global in most cases, that is another challenge. With all these complexities, it is becoming increasingly difficult for organizations to become agile and to respond speedily to what is happening around them. In that context, we believe that smarter organizations are reinventing themselves and getting ready for tomorrow's world. In many ways, some of these as you have seen examples, are readying themselves for, # 1, making sure that they do not repeat the mistakes of the past. When they invest even in today's context, it is becoming increasingly known

that everybody is looking for returns. Not that they were doing earlier, but in today's context because there is a serious shortage in the investment itself, questions are being asked on every element of investment. In terms of decision-making, we see decision makers in our client organizations are no longer the same people. Decision making has moved up. We have also been dealing with this as we interface with our client organizations. In this context, let us look at what organizations are doing and plan to do.

It looks a little simplistic the way we are trying to define the problem statement and also look at solutions. Organizations in many ways are looking to simplify their current structures, the current processes and also the underlying systems which support these processes. Second aspect - increasing globalization, increasing demand, knowledge-retention etc, all of that is also making organizations looking at how quickly can they adapt to these changes, are these organization configured to adapt quickly. The third element is about learning, knowledge management and using that as a competitive weapon to innovate further.

On these 3 dimensions let us dwell a little bit deeper. In each of these elements we see investments, we see actions in terms of how organizations are trying to work. There is also an increasing need to collaborate. It is no longer possible for an individual organization to do everything themselves. The partner ecosystem is also evolving. Interestingly, many a things which were considered core to an enterprise are also changing. They are relying on partners, on the innovation, design, development. We have seen partners historically existed historically on the supply chain side, in servicing goods and in procurement of parts and all of that. Supply chain existed in the past, it is not something new and that supply chain was global. Today that partner ecosystem is also evolving significantly on the R&D, product development, engineering and also seeking out newer ideas.

First element of change - simplify. There are 3 distinct areas organizations have focused on - the processes, systems and structure. Let me touch upon the last part first, the structure. Structure again is an enabling feature for most organizations. Historically there has always been this debate about centralized versus decentralized. In the last 2 years we have seen organizations actually pull back and more of things got consolidated centrally, decision-making became central. This is not something new. This has historically been the trend. When there is a slowdown the decision-making moves upward and also things become more central and the individual units and the individual business in different geographies lose their ability to take decisions on the ground at all times. There is nothing right or wrong about being central or being de-central. It is a question of how can you configure and support organizations in a manner which can be responsive. That is the key. We have also seen in the past about networked organizations, how organizations can work with less hierarchy and make sure that the individuals are empowered to take decisions but that has not taken off big time because there has always been serious lack of decision support systems to enable a networked organization. That is changing today. Today there are decision support systems which are helping organizations to reconfigure

Quickly coming back to the processes. What we have seen in the good times when the organizations grew, there was also a tendency to grow rapidly. In that context, they made several acquisitions and acquisitions have also been global in nature, acquisition in emerging markets, acquisitions in other countries other than their home market. They have grown both organically and inorganically. 15 years ago when organizations did adapt to common ERP platform, we have seen that the underlying processes have still not been standardized. Even in the last couple of years, the organizations continue to grapple with fragmented processes, their decision-making support system was fully challenged in the last few years when they did not have visibility in to real-time information and by the time they were able to access it, it was already too late. As organizations continue to consolidate during the slowdown, most of them have started to relook at their processes and we have several examples where we are working very closely with our client organization in reshaping this business processes. We have certain templates, certain intellectual

property around frameworks where we are helping organizations. So use a template-based approach to standardize processes, be it regional, be it business unit centric because organizations still have to take a decision, there is no one-size-fits-all kind of a process. When they standardize, they have to see how they can drive business synergies, how they can still enable their field services to be responsive and not drive a central stream across their business units and across their geographies. In that context, our global template-based approach is helping organizations reconfigure their processes and you see 2 examples out there where we have worked with our client organizations.

The first one, we have finished this harmonization of business processes for this chemicals manufacturer based in Europe. They have 8 regions and more than 28 business units under this. They were again grappling with this challenge. Together, we evolved what we called a global template but making it much more centered around the business process. We also made sure that our Value Realization framework helped define the business case for this client and today we are measuring the actual value delivered as we continue to implement. About 80% of the implementation is done in the first example.

The second example is already completed and you can see the business results. It is incredible that we could achieve such a significant saving (95%). In both these examples, organizations were looking at how to simplify, how to standardize and how to harmonize business processes. When they were looking at the systems which support this business process, they were looking at how they can make sure that the systems are configurable. While most ERP packages inherently are configurable, it is no longer true that you can do it with ease and you can allow the businesses to do it, if you are still dependent on the IT organizations. That is the change which we are driving along with how to make it more modular. We cannot envisage when acquisitions will happen in a client organization and in many cases, we have also seen organizations breaking away and selling pieces of their business. We have to make sure when we configure this at an enterprise level, it is architectured in a manner which lends itself to making sure that we can either add-on or delete these processes. We have to make sure that when organizations invest in hardware, software, how can we bring in the advantages of virtualization. This is again a flexibility organizations can leverage today when they invest for the future.

Moving on to the next element which is equally important - being adaptive. Here there are several elements one needs to look at. One is trying to predict or forecast. Whether it is demand, whether it is resourcing, whether it is managing supply chain; it is becoming extremely difficult for organizations to predict very accurately because the uncertainty impact in the market place has gone up significantly. In that context we are seeing while there are several tools including some of the tools developed by Infosys which help organizations to predict a lot of statistical models to analyze, there is only so much you can do when you are not so much connected. You need real-time systems and sensors to be in touch with what is happening in the marketplace within and outside the enterprise. Historically most intelligence information systems are able to gather data and analyze but today, when a lot of stuff is available on the internet it is just not data. It is also about opinion, it is about data points which are little unstructured. How do we gather this information and put it in a manner which helps organizations take decisions in terms of forecasting? That is one element of it. The second element is once you have this information, how do you actually accurately analyze and arrive at the right conclusion and arrive at alternatives. In today's world that is even more important. There is nothing like right or wrong decisions. You may have to have more than one alternative to take decisions. Depending on what is happening; you may have to switch, change and re-invent.

The third part is configuring - having an ability to have scalability, add on new modules and processes on to your existing enterprise in real-time. Have you architectured your processes and systems so that you can configure in real time? This is the third element which is equally important. Here again there are specific examples of what we are doing. The supply chain visibility

solution is the Intellectual Property of Infosys. We have done this together with Microsoft. It runs on Microsoft technology platform. It is also a collaboration suite which helps clients get greater visibility not only in to spend but more importantly, visibility to their entire supply chain within and beyond the enterprise.

Kris was talking about the fact that Cloud Plus, IT services on the Cloud is going to be the new paradigm. This is going to be a very disruptive force. More and more consolidation is going to happen on account of this. Today we see hardware vendors, software vendors, system integrators and even client organizations investing in to this. While this is evolving, we will also see the landscape changing on how this is done because this gives all participants' a room to play. There is also a significant benefit for the client in leveraging services on-demand. The biggest challenge most client organizations did face in the last few years is that were locked into lot of their expenses. Expenses were fixed which they were not able to change. The business demand went down. With more and more systems Infosys is moving on to Cloud, more and more services being available on demand, this gives client organizations extreme degree of flexibility. So one, no need to invest into fixed cost, your capex goes down and your expenditure will be in tune with your business demand. This is again an area where Infosys is making investment individually as well as in partnerships with other organizations including software organizations which are investing in putting applications on to the Cloud. Business opportunity is huge but it is still evolving.

The third element I spoke about is the dynamics of the workplace, the distributed workforce and the fact that retention of knowledge is another key challenge. More importantly the speed at which people can learn, execute and innovate is going to be a challenge. Today, there are so many options for client to look at collaborative work benches which help them to actually leverage the power of ideas in their distributed work force. We have again several examples. We have quoted a few of them here in terms of what we are doing in our client organization including specifically on the R&D front which is even more critical for organizations to leverage their distributed workforce. iEngage is a platform which is an intellectual property of Infosys where this collaborative suite is helping client organizations leverage a standard platform. This is a hosted solution so they can simply use this on demand.

On all the 3 areas, we have made investments. These are specific solutions frameworks invested by Infosys and already in the marketplace. We have several implementations, few pilots and at least two of them are in early stages of implementation.

Like I said I thought I will keep the presentation short and open the forum for discussion. Thank you.

Unknown Speaker
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BG Srinivas
If you look at that element, let us say organizations have been through acquisitions and their process of standardization or even rationalization of the IT landscape. First part is of course the diagnosis - you understand the problem, you understand the context, look at the client organization's objective, what they want to achieve and then go about in a manner to implement. The diagnosis part is typically a consulting engagement which could be either T&M or Fixed Price. That is the initial part. The second part is in terms of achieving those business outcomes. There typically the model is you rationalize those application, you implement standardization. obviously, it is always on a technology platform and part of it you can link it to the outcome. That is where the Value Realization Model we have, which helps to build the business case, helps to capture the business metrics and base line those business metrics in the beginning and looks at what you are

likely to achieve in the steady state at the end. Then based on the outcome you can have a percentage of your fee linked to that. There is # 1, skin in the game from partner organizations like us. Typically, it is a bonus and penalty. If you are able to achieve something significantly ahead of what is promised, we stand to gain. In the particular example which I spoke about the chemicals manufacturer, we actually had 3 consecutive milestones where we earned the bonus. We were really able to achieve those business objectives. It is not easy because many times when we do this, the fact is that client organizations are having a distributed and fragmented landscape, they find it difficult to baseline certain metrics. It is available in pockets but not necessarily across. When you are not able to baseline, it is very difficult to measure the improvement. We have to work on that and help baseline and then quantify benefits. It is going to be an irreversible process in terms of what business expect. Businesses are not ready to spend money in today's environment without really quantifying benefits. It used to be the case even earlier but once the investment was in, it was not on the radar most of the time. People just wanted the new system and they wanted to manage to change the process itself which was a nightmare. Today it is not only that. They are really looking for business benefits because they do not want to be caught unaware. They do not want to be in a situation where again they have invested in a new system, new processes but they have challenges of the past

Unknown speaker
Srinivas I have one thought. You are talking of migration towards an aggregator everywhere and which will probably be on the Cloud which means that cost will come down dramatically but so will the revenues be. How will you handle that?

BG Srinivas
It is true that the more the stuff goes on cloud and if the volumes increase, cost of transaction goes down. That is for sure. More and more consolidation is also likely to happen in the process. The revenue upside will come from volumes, part of the revenue upside will come from innovations where you do not link it to effort. But this is not going to happen overnight. Look at what happened when ERP system came into being. It took 15 to 20 years for most organizations to transition from legacy platform to the ERP. I am not saying an individual organization took 10-15 years. I am taking the entire ecosystem. This is also going to evolve. It is not going to happen overnight. What you say is definitely true. Let us say when 60% or even higher percentage of business comes on the cloud, it is going to impact the entire ecosystem - hardware vendors, software vendors, system integrators all of them. But at the same time when the consolidation happens within the sector, the revenues also they will come together. The upside in revenue if all things remain like-to-like yes, it will not be the same manner in which it was in the past but at the same time, look at the investments. When people said if we move over to ERP, it is all standardized and no further investments are required, look at what really happened. What really happened was, people stopped developing applications for every business function. They just switched over to ERP platform. But did the investments come down? No. ERP implementations happened. They were looking for the next big thing. What additional layer they need to build in terms of user enterprise-business intelligence, decision support system. Those investments continued. Something similar is going to happen even when we move stuff to the cloud, what is next? It will be in many ways treated like an infrastructure on demand but they still need to innovate this, still need to do something which will help them become competitive, they will still need to launch new products which again leverages technology. That part will continue and to that extent there will be always business for service providers. There will be always business for companies who launch new products. It is not going to totally vanish but the underlying core which today is running on effort, that part will come down for sure.

Unknown speaker
Which also means that the number of players will come down dramatically?

BG Srinivas
Yes, that is true.

Unknown speaker
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BG Srinivas
See, there are many ways to look at it. One is there are various elements. It is not just one element. If you look at a significant part which is transformation which is business consulting, process-reengineered through ERP system, so that part of the revenue including some of the innovation happening through the system integration part would be this revenue. The other part which will also be helping clients come out with decision support system, the business intelligence, the BPM, part of transformation which is actually in the BPO layer and will be part of this initiative. The third element which is still evolving and is in the early days is the migration to cloud. We will have to take all these three in the context. There is a fourth element which I was talking about about the learn part where companies are investing in platforms which will help collaborate in real-time. That is not restricted to just one business function. It cuts across R&D, cuts across procurement, sales, order management, that is a collaborative work and investment into knowledge retention, retraining, re-skilling. These elements would come in overall but roughly if you want to throw a number, yes, it is consulting, business transformation, package implementation, is a sizable bucket. Rest of it will still be but in comparison with what I just said on the consulting and transformation, the other part will be smaller. As the cloud part takes off, the revenues from that stream will increase.

Thank you.