

Innovation to Drive Post-Recession Growth in Europe: Infosys Research

Tapping New Markets, Adopting Latest Technologies Key to Growth Say Business Leaders

London – February 12, 2014: Growth is very much back on the agenda for businesses across Europe, according to a new research study from Infosys conducted by the [European Business Awards](#).

The study titled '[Shaping Europe's Future](#)' is based on interviews with 80 business leaders of European companies with annual revenues in excess of \$1 billion. Over 60 percent of these companies have also reported better performance as compared to their competitors in the last two years.

The study reveals that nearly two-thirds (68 percent) of the leaders surveyed believe new ideas and innovation will be vital to accelerate business growth. Coming in a close second, 44 percent of these leaders believe that more than any other growth strategy, entering into and sourcing from new markets would serve as a key driver of growth over the next two years.

However, in order for businesses to continue investing in new technologies to drive innovation, the study found that more work is required to track Return on Investment (ROI) on new ideas.

Highlights

- Innovation in all areas of business is actively encouraged by 86 percent of the leaders surveyed and 73 percent said their organizations have formal processes for capturing innovative ideas.
- While 84 percent say an ROI model is essential all of the time or some of the time, over half of businesses surveyed noted that they do not have a way to measure and show ROI on innovation. Just behind innovation and tapping new markets, 35 percent of respondents rated the introduction of new technologies such as the Internet, cloud, and social media as critical for growth.
- Nearly two-thirds (63 percent) of businesses stated that the IT department is now the primary growth enabler for their business. The most important roles of the IT department are centered around accelerating growth: bringing new ideas to the business, implementing new technologies quickly and effectively, and co-creating in order to launch new products and enter new markets.
- IT enjoys a strategic role when it comes to business growth, with only eight percent of business leaders citing cost-cutting as the most important role for the technology department.

The full report and other materials are available at www.infosys.com/innovation-europe

Quote

BG Srinivas, President and Member of the Board, Infosys:

"The results of this study speak to a renewed confidence amongst European businesses. For a region of the world that has struggled for the past few years, the results of this study are highly encouraging. Technology and innovation are crucial engines for growth. However, for these growth drivers to deliver on their potential, it is important that organizations put in place robust models for accurately measuring the efficacy of innovation. This must include clear visibility on ROI to ensure that as businesses grow they keep a prudent eye on cost control and operational efficiency."

About Infosys

Infosys is a global leader in consulting, technology and outsourcing solutions. We enable clients, in more than 30 countries, to stay a step ahead of emerging business trends and outperform the competition. We help them transform and thrive in a changing world by co-creating breakthrough solutions that combine strategic insights and execution excellence.

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Safe Harbor

Certain statements in this release 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, fluctuations in foreign exchange rates, 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 or expiration 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, 2013 and on Form 6-K for the quarter ended December 31, 2013. 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 unless it is required by law.

For further information, please contact:

<p>EMEA Paul de Lara Infosys, UK +44 2075162748 Paul_deLara@infosys.com</p>	<p>Asia Pacific Sukanya Ghosh Infosys, India +91 7829915577 Sukanya_Ghosh02@infosys.com</p>	<p>The Americas Ken Montgomery GolinHarris for Infosys, USA +1 415.318.4399 kmontgomery@golinharris.com</p>
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