



# Investor Presentation

# Safe Harbor

This presentation includes statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Although Infosys believes that the expectations contained in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove correct. These statements may involve risks and uncertainties that could cause actual results to differ materially from the expected results. Such risks include, but are not limited to, the risk factors described in Infosys' Registration Statement on Form F-3, a prospectus supplement to such Registration Statement and in other reports and periodic filings made from time to time with the Securities and Exchange Commission.

# Highlights

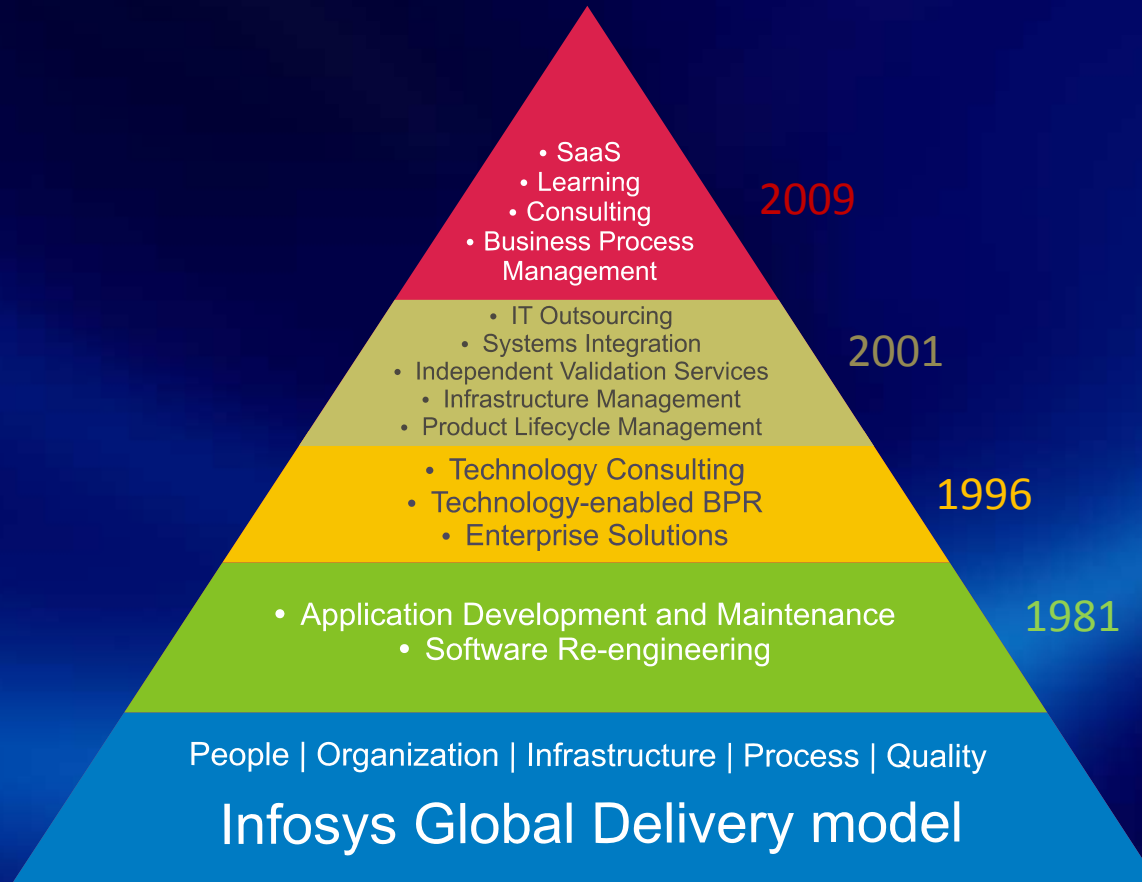
- An overview
- Next Generation Business model
- Market opportunities
- Competitive situation
- Strategy and approach to market
- Investments
- Financials
- Challenges

# An overview

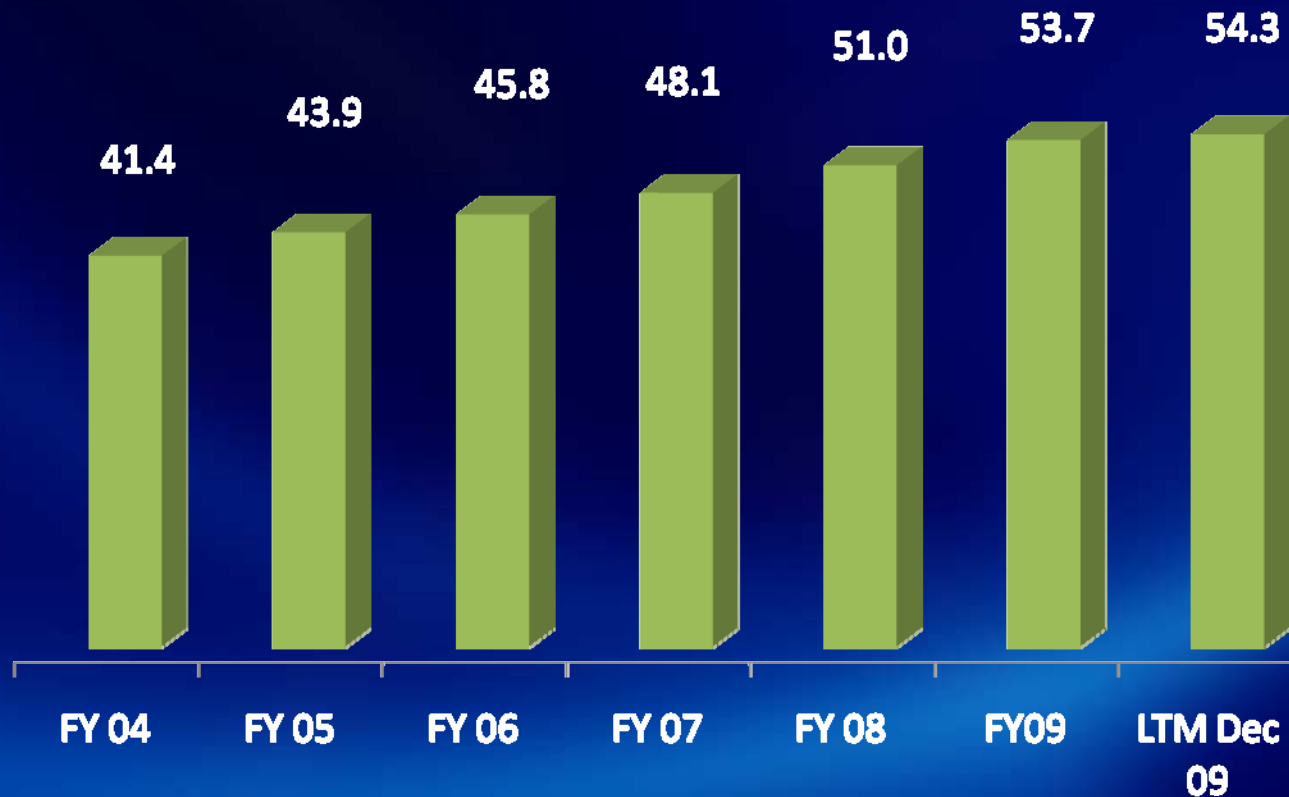
- LTM Dec 09 Revenues / 5-year CAGR: \$4.63 billion / 26%
- LTM Dec 09 Net Income / 5-year CAGR: \$1.28 billion / 28%
- Employees (Dec 09): 109,882 from 73 nationalities
- Market cap (Dec 09)\*: \$ 31.70 billion
- Global Presence: 59 Sales Offices  
59 Global Development Centers  
Operating in 30 countries
- Business Model: Next Generation business model  
combining best of Consulting &  
Global Delivery

\* as of last day of the quarter based on closing NASDAQ price

# Next Generation Business Model



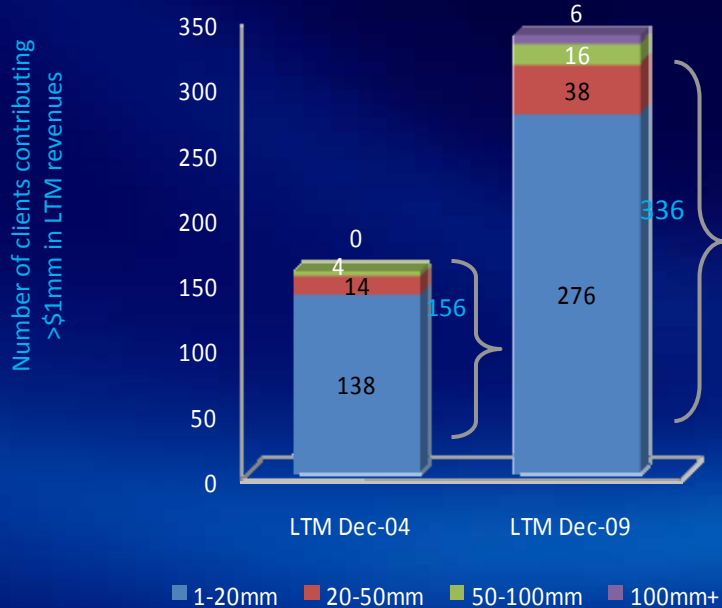
# Non-ADM Services as % of revenue



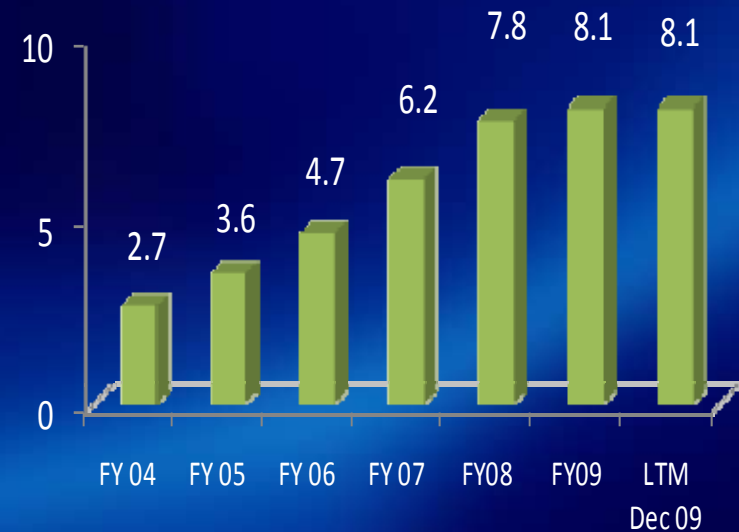
- 25% revenues from Consulting and Package Implementation (FY09) as against 18% in FY 04
- Over 50 solutions and alliances contributing to 12% of revenues e.g. Master Data Management, Multi-Channel commerce etc.

# Resulting in New Clients and Increasing Revenue Per Client

## Large, Growing Client Relationships



## Increasing revenue per client



Execution excellence resulted in high share of repeat business (97.6% in FY 09)

# Market Opportunities



## Global Mega Trends

- Asia – New “center of gravity” for the world
- “Geography becomes History” with reduced telecommunication costs
- Technology – the supreme enabler

## Infosys – Transformation Partner

- Differentiated access to highly educated, cost-competitive human capital
- Leading the Next-Generation Business Model and investing in innovations and business solutions
- Redefining scalability with modular global infrastructure



# Offshore Outsourcing is a Global Mega Trend

## Outsourcing Benefits

- Convert fixed costs to variable
- Reduce TCO
- Improve competitiveness
- Improve time-to-market
- Enhance ROI

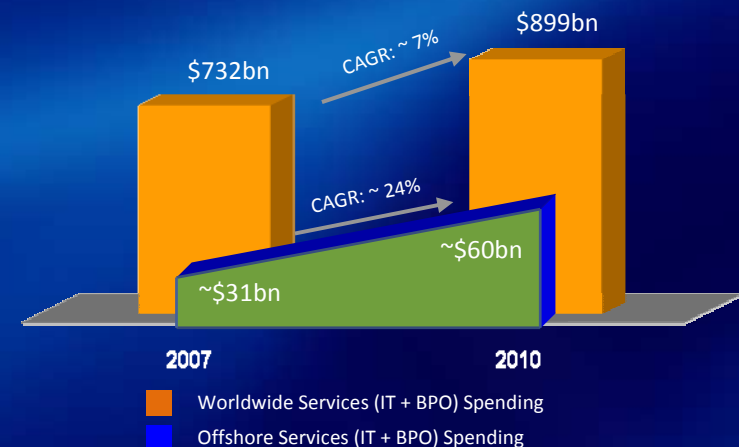
## Offshore Benefits

- Deliver high quality at great value
- Highly scalable with a large resource pool available
- Proven track record

## Global 500 and Fortune 1000 IT Spending

- Trend setters for the rest of the business world
- Combined IT spend represents 40% of global IT spending
- IT budget constitutes 2.3% of \$20 trillion combined revenues

## Offshore Addressable Market is Increasing



# Competitive Situation



India – Uniquely positioned

Source:

1. NASSCOM Strategic Review 2007 (includes engineering services and software products)

2. NASSCOM Strategic Review 2004

3. Annual report 2005-06, HRD Ministry, Government of India

## High Quality Delivery and Offerings

- Established track record of exceptional quality
- Expanded offerings that encompass the entire value chain

## Abundant Skilled Resources

- 2.5 million English speaking graduate pool<sup>2</sup>
- 1,478 engineering colleges with a capacity to produce over 500,000 engineering graduates annually<sup>3</sup>

## Established Industry

- Services market (including BPO) estimated at \$50 billion in 2008, exports to grow to \$60 billion by 2010<sup>1</sup>
- Offshore 'home' for virtually all the leading technology companies

## Strong Government Support

- "Tax Holiday" schemes
- Supportive Government policy environment

## Significant Benefits

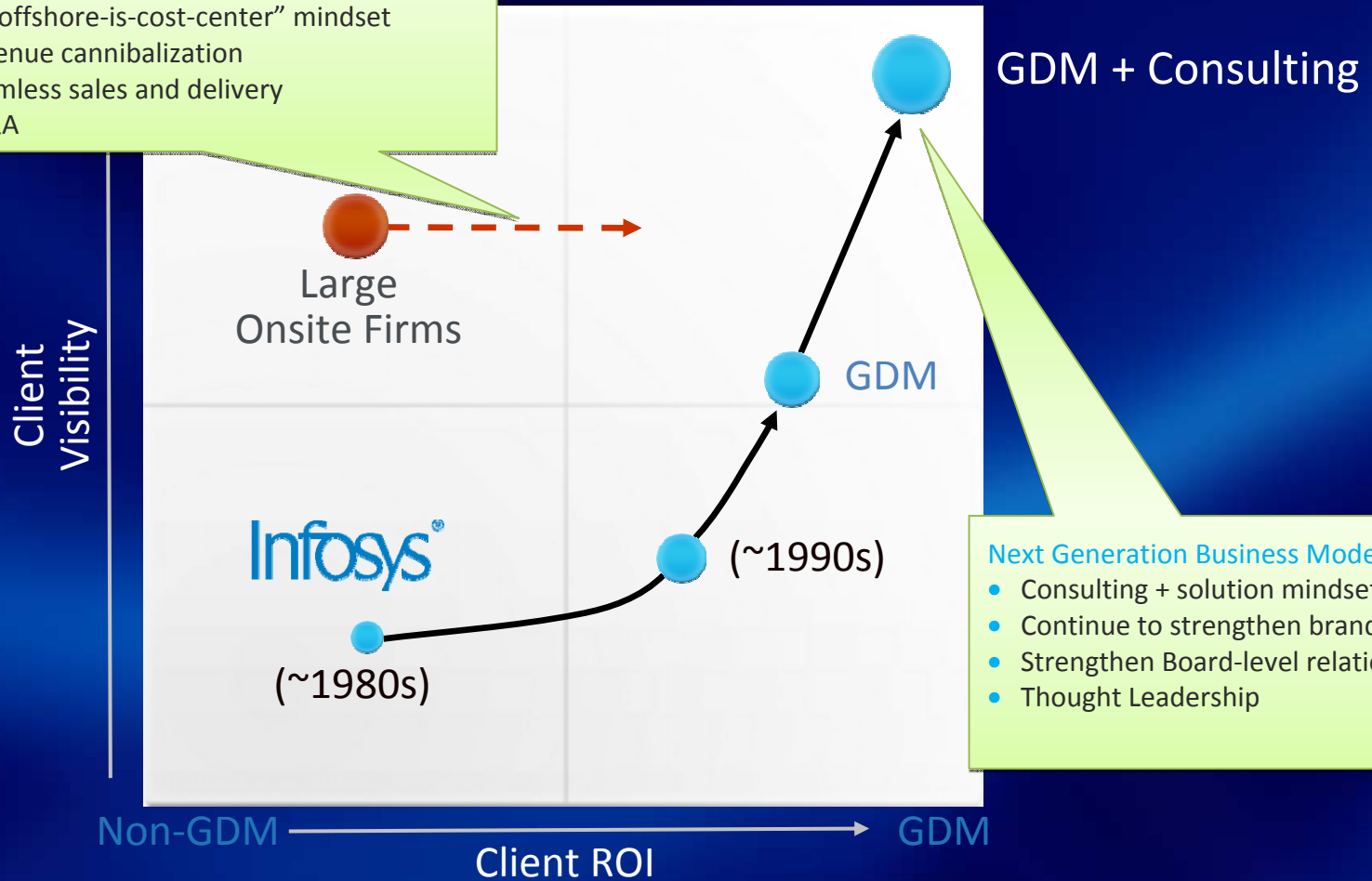
- Substantial cost savings associated with moving offshore
- Large intangible benefits such as reduced time to market

# Competitive Situation

Convergence causing disruption to legacy business models

## Need to:

- Replace resources
- Overcome “offshore-is-cost-center” mindset
- Combat revenue cannibalization
- Provide seamless sales and delivery
- Reduce SG&A



## Next Generation Business Model:

- Consulting + solution mindset
- Continue to strengthen brand
- Strengthen Board-level relationships
- Thought Leadership

# Strategy and approach to market

## Strategy

- To have superior revenue growth and margins relative to the industry
- Have end-to-end service capability, deep vertical penetration, broad geographical footprint
- Increase revenue productivity and build long-term scalability by creating industry specific solutions, platforms, IP etc.

## Approach to market

- 'One Infy'
- Cross-selling of services
- Vertical focus to create industry specific competencies
- Investing in the business



# Talent Management: Hiring the Best

- Industry wide preferred employer
  - CNBC TV 18 Viewers Choice – New Age Employer of Choice Award 2007
  - Best company to work for in India (TNS-Mercer. 2006)
- Able to simultaneously evaluate 10,000+ candidates across 7 cities in India
- Global hiring
  - US, UK, China and Eastern Europe
  - Supplementing with experienced local hires
- Tapping non-traditional labor pool
  - Employing non-engineers for infrastructure management, testing and BPO
  - Proactive assistance provided to India's educational system to produce engineers with high quality software skills



# Developing and Retaining the Best

- Learning support to employees towards development and career progression, which improves long-term retention and solidifies culture
- Currently able to train 13,500 entry-level recruits at the Mysore campus simultaneously





## Investing in front-end, services and subsidiaries

	2008	2009	LTM Dec 09
Sales & Marketing expenses (\$ mn)	230	239	233
Sales & Marketing employees	604	821	815
R&D Expenses (\$ mn)	50	51	82
Losses in subsidiaries (\$ mn)			
Consulting	(13)	(12)	(7)
Brazil	–	–	(1)

# Robust, Flexible, Modular Global Infrastructure

- 59 Global Development Centers (“GDC”)\*
  - 28 in India
  - 31 in North America, Europe and Asia-Pacific
  - 24.9 million sq. feet\* of total area to house 107,331 employees
  - 2.3 million sq. feet\* under construction to house 13,442 employees
- Ability to rapidly scale new engagements
- Flexibility to distribute engagements and capacity across centers worldwide
- Disaster recovery / business continuity capabilities

\*As of Dec 31, 2009





# Building World Class Systems and Processes

## Quality par Excellence

- Benchmarked to Global Standards



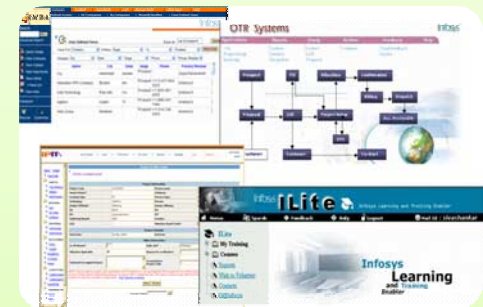
- Deployment of improvement techniques



## Award-winning Knowledge Management Processes

- PRIDE: Infosys process repository
- 2008 Asian Most Admired Knowledge Enterprise (MAKE) award

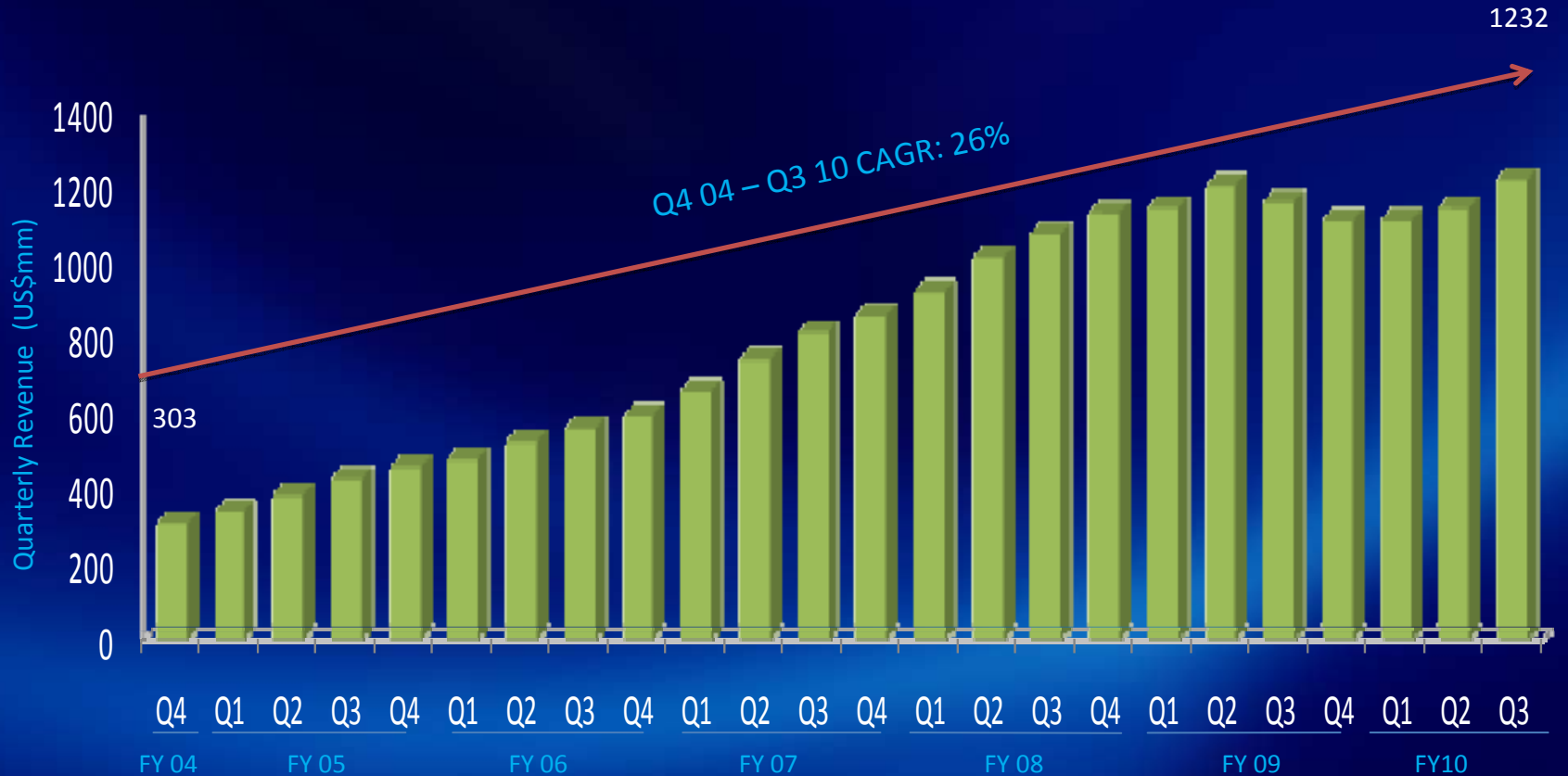
## Technology-driven Scalable Business Processes



Note: EFQM – European Foundation for Quality Management  
CMMI – Capability Maturity Model  
PRIDE – Process Repository at Infosys for Driving Excellence

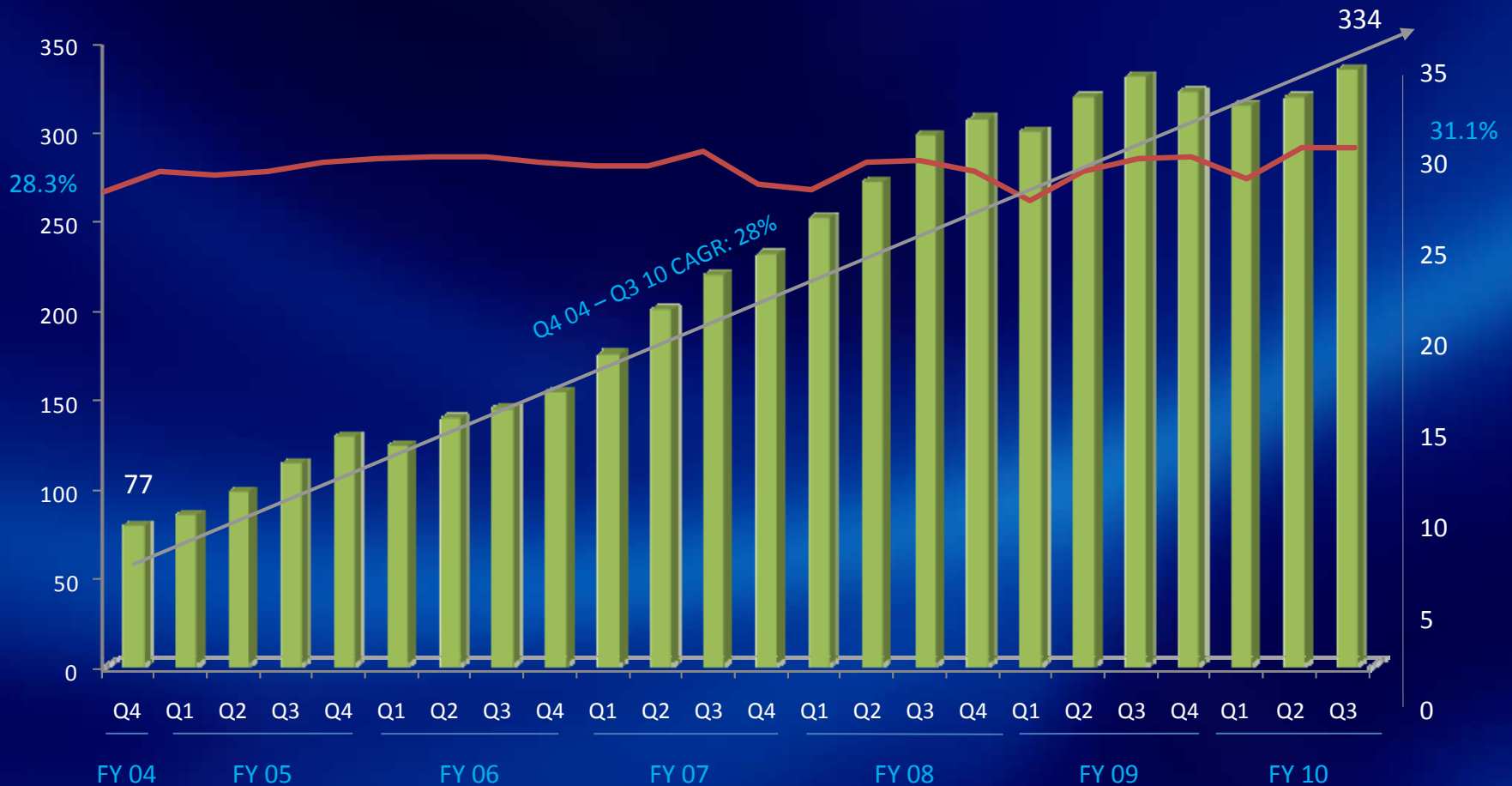
# Superior Revenue Growth

## Revenue Progression



# Sustained, Industry-leading Profitability

Flexible cost structure helps Infosys deliver industry-leading margins



# Strong and Liquid Balance Sheet

- Highly liquid (Cash & Investments stand at \$3.1bn)\*
- Zero debt
- High quality receivables (88.1% aging less than 60 days)\*
- ROCE of 39%, ROIC of 71% for Q3 FY10
- Dividends upto 30% of annual post-tax profits

# Short-term and long-term challenges

- Short-term
  - Uncertain economic environment
  - Cross currency movement
- Long-term
  - Resource availability
  - Ability to expand addressable market
  - Wage inflation
  - Stronger rupee
  - Increase in tax rate



Thank You

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