Welcome to Wipro’s India Analyst/Investors’ Meet 2007

Feb 09, ’07
National Stock Exchange, Mumbai
Safe Harbor

This presentation may contain certain “forward looking” statements, which involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be projected by these forward looking statements. These uncertainties have been detailed in the reports filed by Wipro with the Securities and Exchange Commission and these filings are available at [www.sec.gov](http://www.sec.gov). This presentation also contains references to findings of various reports available in the public domain. Wipro makes no representation as to their accuracy or that the company subscribes to those findings.
• Global IT Service Lines
• Wipro Infotech

Suresh Vaswani
President– Global IT Services Lines, Wipro Technologies
President, Wipro Infotech
Technology Infrastructure Services (TIS)

**What we do**
- Pioneers in Global Delivery Model for Infrastructure Management
- Comprehensive portfolio of services spanning the complete IT Infrastructure Life Cycle

**Our Leadership Position**
- Largest Offshore IT Infrastructure Services player in terms of revenue, people and customers
- 4396 consultants, net addition of 608 people during the quarter

**Our Differentiators**
- Global IT Outsourcing Practice offering integrated value proposition to customers
- Next Generation Managed Services offering tool-agnostic, highly secure service based on business impact

Remote Management – driving next wave of Offshoring

**Revenue ($ M)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Dec-05</th>
<th>Sep-06</th>
<th>Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>43</td>
<td>60</td>
<td>73</td>
</tr>
<tr>
<td>YoY growth</td>
<td>21%</td>
<td></td>
<td>81%</td>
</tr>
</tbody>
</table>

- Revenue for 9 Months ended Dec 2006 – 183 Mn $ – YOY growth 74%
Business trends & Strategic Directions – TIS

**Business trends**

- Offshore players’ share in Global Infrastructure services projected to be $9 Bn by 2010, 2005–10 CAGR of 55%
- Landscape change: Indian vendors already winning deals ranging from TCV of $50 Mn – $100 Mn, being considered for Deals with TCV $50 Mn to $250 Mn
- Customers are increasingly looking for Business Service Management rather than only element management
- Opportunities leveraging on Advanced Technologies like transformation of Telecom Networks, Network Optimization, Convergence, IPTV, IP Telephony, etc increasing in the market
- Product vendors such as CISCO / HP / EMC moving from Products to Platform Solutions

**Strategic Directions**

- Strengthen leadership position through Global IT Outsourcing
- Portfolio expansion strategy
- Strong alliance management
- Enhancing Program Governance
- People supply chain optimization and talent transformation initiatives
# Wipro Testing Services

## Service Portfolio & Engagement Models

<table>
<thead>
<tr>
<th>Telecom Eqpt</th>
<th>TSP</th>
<th>Embedded</th>
<th>Mfg Energy</th>
<th>Retail. HLS, TMTS</th>
<th>BFSI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Cycle Testing</td>
<td>Test Automation</td>
<td>Specialized Testing</td>
<td>Test Process Consulting</td>
<td>Alliances with leading Tools vendors like Mercury, IBM-Rational, Compuware, etc.</td>
<td></td>
</tr>
</tbody>
</table>

## Revenue ($ M)

<table>
<thead>
<tr>
<th>Quarter ending</th>
<th>Dec -05</th>
<th>Sep -06</th>
<th>Dec -06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue YoY</td>
<td>8%</td>
<td></td>
<td>70.4</td>
</tr>
</tbody>
</table>

## What we do

- Quality assurance services ranging from Life cycle testing services to specialized testing services to our customers in the Enterprise as well as technology space

## Our Leadership Position

- Largest Offshore Testing Services Provider (AMR research, 2005)
  - Over 5900 Employees.
  - Pioneers in Product Engineering Testing space

## Our Differentiators

- Test Productivity – Investments in Test frameworks, tools and point solutions, deliver productivity and time to market advantages to our customers.
- Testing as Managed Services – End-to-End Test Ownership to ensure customer delight
- Domain Centric Offerings leveraging Industry COEs and Labs

Revenue for 9 Months ended Dec 2006 – 193 Mn $ – YOY growth 71%
Business Trends & Strategic directions – Testing

Business Trends

1. Market opportunity for Offshore Testing companies likely to be $11 Bn by 2010
2. Test Automation & Specialization (Performance, Security testing) becoming the norm
3. Testing opportunities in Localization, Package Applications, IP migration & SOA hold promise
4. Customers demanding Domain knowledge, Test Consultancy capabilities.

Strategic Directions

1. Differentiation through Test Consultancy, Domain Test frameworks & Specialized Testing services
2. Extend Product Engineering leadership by investing in automation frameworks, tools, Domain specific labs like Wi-Fi labs, 3G labs
3. Build on success in Enterprise, BFSI & Telecom Service provider customers – Enhance the Vertical Domain specific Testing competencies and Test Frameworks
4. Focus on Emerging areas – IP Migration, Package Application & SOA Testing
Wipro Enterprise Application Services (EAS)

**Revenue ($ M)**

- **Quarter ending**
  - **Dec-05**: 52.5
  - **Sep-06**: 63.7 (YoY -38.5%)
  - **Dec-06**: 72

**What we do**

- We provide Process Consulting, Package Implementation and Application Management Services for CRM, SCM, ERP as well as Vertical specific processes

**Analyst View**

- Wipro is Best Suited for Large-Scale, Global SAP Projects Implementation: Forrester
  - Best Positioned among Indian Companies in Gartner Magic Quadrant for CRM and SCM Service Providers in North America

**Our Differentiators**

- Recognized capabilities for large end to end package implementations, global rollouts
  - Leadership in Next Generation Solutions – SCM, CRM
  - Domain Competency in focus industries like Energy, Retail, Utilities

Revenue for 9 Months ended Dec 2006: 194 Mn $ – YOY growth 35%
Business Trends & Strategic directions – EAS

Business Trends

1. By 2009–10, Market Size for ERP applications (globally) to be $40 B (AMR research)

2. SAP & ORACLE dominate the market; Focusing on Domain solutions & Services Oriented Architecture (SOA) based platforms. Microsoft making investments in ERP space

3. End Users looking at Globalization, Business Intelligence, Shared services, and Redesign of process areas

4. Traditional BPO players getting into Surround Application Enhancement and Support business

Strategic Directions

1. Transformational capabilities through Consulting & Program management expertise

2. Platform SOA technologies & Industry solutions

3. Non-linear approach to traditional Application Maintenance & Support Services

4. Capitalise on opportunity areas – Microsoft ERP solutions ; Integrated Services (Applications + BPO)
**Wipro Infotech – An Overview**

**Comprehensive Services Lines**

<table>
<thead>
<tr>
<th>Consulting</th>
<th>Process, IT Governance, e-Governance, Security, Strategic Cost Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Solutions</td>
<td>Package Application, Business Intelligence, Application Development &amp; Management</td>
</tr>
<tr>
<td>Professional Services</td>
<td>System Integration, Infrastructure Management Services, Application Support</td>
</tr>
<tr>
<td>Infrastructure Products</td>
<td>Platforms, Networking, Storage, Enterprise Management &amp; Security</td>
</tr>
<tr>
<td>Total Outsourcing</td>
<td>IT, Process Strategy Formulation and Alignment to Business</td>
</tr>
</tbody>
</table>

**Wipro Infotech – Highlights of 2006-07**

1. **Partner of Choice for Customers in India**
   1. Leading IT solutions company in India
   2. Largest Technology Products player
   3. #1 in Network Integration & Security

2. **Partner of Choice for Principals in India**
   1. Largest SI partner for Cisco, Sun, Nortel
   2. Best SAP partner across APAC
   3. Largest Enterprise partner – Microsoft
   4. Largest SI for Symantec / RSA / Checkpoint
   5. Largest partner for HP Openview

3. **Domain centricity**
   1. BFSI – HDFC Bank, LIC, GIC, BSE…
   2. Telecom – Bharti Airtel, Maxis…
   3. Government - CRIS, 15 State Govt’s, BEL…
   4. Mfg. - Maruti, Hyundai, AV Birla, Sanmar…

4. **Innovation in Service Delivery**
   1. Integrated Remote Service Delivery Platform – GSMC, 50+ customers
   2. Software templates - SAP in CPG / Auto; Oracle in Real Estate; – 30+ customers

5. **Strategic Investments**
   1. 3D Networks / Planet PSG acquisition
   2. Joint Venture in KSA

**Revenue (Rs. Mn.)**

<table>
<thead>
<tr>
<th>Quarter ended</th>
<th>Dec-05</th>
<th>Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rev -YoY – 76%</td>
<td>3,992</td>
<td>7,008</td>
</tr>
<tr>
<td>PBIT – YoY – 56%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9 Months ended</th>
<th>Dec-05</th>
<th>Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rev –YoY – 50%</td>
<td>11,354</td>
<td>16,998</td>
</tr>
<tr>
<td>PBIT – YoY – 58%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Number of employees = 6424**

**Revenue (Rs. Mn.)**

<table>
<thead>
<tr>
<th>Quarter ended</th>
<th>Dec-05</th>
<th>Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rev -YoY – 76%</td>
<td>3,992</td>
<td>7,008</td>
</tr>
<tr>
<td>PBIT – YoY – 56%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9 Months ended</th>
<th>Dec-05</th>
<th>Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rev –YoY – 50%</td>
<td>11,354</td>
<td>16,998</td>
</tr>
<tr>
<td>PBIT – YoY – 58%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Number of employees = 6424**
IT Trends in India

1. Indian IT Market - $12 Bn (2006), Products:Services = 65:35, will grow @ 22% in 2007, 17% CAGR thru 2010 (Source: IDC)

2. Sunrise sectors - Retail, SEZ, Infrastructure, Defense.

3. All verticals to grow – Banking, Manufacturing, Telecom, ITeS, Government.

4. Large integrated IT solutions opportunities on the rise

5. Greenfield IT projects to drive growth across all IT segments

6. Emerging technologies to drive new investments

7. Progressive Mid market

8. Heavy focus of Technology owners on mid market / emerging technologies

India to remain the fastest growing IT market in the Asia Pacific region
Wipro Infotech – Directions

1. Stratified account management
2. Domain competencies
3. Emerging technologies thrust – Unified Communications, SOA, Security…
4. Stronger thrust in Middle East with Infrastructure
5. Non linearity and operational efficiencies in Services – GSMC, templates, integrated service delivery
6. Strategic alliances with partners placing big bets on India
7. Invest in people
8. Transform customer experience
9. Inorganic initiatives to build new competencies and service lines

Thank You
Enterprise Solutions

Sudip Banerjee
President- Enterprise Solutions, Wipro Technologies
Enterprise Solutions – Performance Snapshot

Enterprise Solutions (ES) (YoY Growth: 38%)

- **Manufacturing**
  - Revenue: 57
  - YoY Growth: 28%

- **Technology, Media & Entertainment, Travel & Transportation, Services (TMTS)**
  - Revenue: 53
  - YoY Growth: 31%

- **Energy & Utilities**
  - Revenue: 61
  - YoY Growth: 25%

- **Retail, CPG & Distribution**
  - Revenue: 62
  - YoY Growth: 55%

- **Healthcare & Life Sciences**
  - Revenue: 14
  - YoY Growth: 109%

Revenue figures for Q3 FY '06-'07 in $ Mn.)
ES Priorities going forward

Value Creation: External & Internal

Consulting practice development and expansion

Increased account penetration: across multiple divisions and across service lines within same division

Growth focus: Organic and inorganic

Strategic resource management: building domain competency, global delivery model
Overview of Wipro in Manufacturing

Highlights

• More than 60 customers in US, Europe and Japan
• Over 3000 consultants
• Alliances with leading technology vendors
• Industry landscape: growth in Manufacturing IT spends estimated at 3%, raising industry budgets to 3.7% of revenue in 2007

Domain Highlights

• Creation of enablers for a Collaborative Real Time Enterprise
• Strength in Customer Information Management, Analytics, MES, PLM, Procurement BPO
• Rated highly in Manufacturing Operations by AMR and SCM by Gartner
• Rapid growth in Pharma and Hitech segments

Delivery Highlights

• Factory Model Innovation is a case study at Harvard Business School
• Managed Services framework to integrate applications, infrastructure and BPO
Going Forward: Investments in Domain & Service offerings

- Building Leadership in Key Client Investment Areas
  - Manufacturing Execution Systems [MES]
  - Supply Chain Consulting [SCM]
  - Integration of MES to ERP Systems

- Strategic Alliances in key focus areas
  - SCM
  - MES

- Industry solutions developed through Domain Center of Excellences [CoE’s] and Alliance partners
  - Automotive, Pharma CoE’s
  - ‘Freeway’, a branded solution for the Automotive Industry has been rolled out

- Service Delivery Excellence
  - Factory Model for Application Development
    - Featured as a case study in Harvard Business School
  - Managed Services for Application Maintenance
**Overview of Wipro in TMTS**

**Highlights**
- Over 60 customers across geographies
- Skilled employee base of about 3500
- Working with Industry leaders across above sub verticals
- Industry landscape: Airlines & Media key growth areas going forward

**Domain Highlights**
- BPO/IT integrated services offering
- Best in Class Production support services
- Global account management

**Delivery Highlights**
- Business Focused Solutions: IBEX (Internet booking engine for travel industry), IPP (Integrated publishing platform for publishing industry), Pricing optimization & Enforcement engine for Hi-Tech industry, e-Freight for Air Cargo Industry
- Very large to medium size engagements with focus on Multi year outsourcing deals

*NASSCOM, **Independent Surveys*
Going Forward: Investments in Domain & Service offerings

- **Growth:**
  Penetration within existing large accounts and acquiring new must have accounts
  - Service line penetration through Alignment
  - Account level Partnering and acquisition
  - Global penetration and account management
  - Promote new engagement models

- **Solutions/ Services focus:** Building new solutions through:
  - Industry specific package solutions
  - Leveraging innovation E.g.. Ibex, ISBN
  - Focusing on Content BPO in media and Transaction BPO in Airlines/travel

- **Evaluation of Inorganic Growth opportunities:** Strengthen presence in transportation and media space
Energy & Utilities
Overview of Wipro in Energy & Utilities

**Highlights**
- Largest player among the Indian IT Services Provider
- Strategic relationships with some of the best-known technology companies
- Employee base of over 3200
- Dedicated group of domain specialists
- Industry Landscape: U.S utility market opening up to outsourcing

**Domain Highlights**
- Focused Practise Groups to drive business growth and focus on building domain and delivery capabilities
- Centre of Excellence for specific skills and products

**Delivery Highlights**
- ERP, Managed services, Consulting, BPO
Going Forward: Investments in Domain & Service offerings

- **Growth**
  - Strengthen global presence: focus on new geographies and integration
  - Focus on new account penetration

- **Build capabilities for emerging industries/ across emerging industry needs**
  - Focus on Mining and Energy trading
  - Building ERP, EAM and BPO capabilities
  - Establish CoE to build competency & skill around specific products
  - Establish focused and dedicated practice groups for
    - Electricity
    - Gas
    - Water
Wipro’s Retail CPG and Distribution Practice

Highlights
- Acquired in 2006
- Base of approx 3300 specialists
- Part of SAP IVN for consumer goods
- Focus on multi year multi service deals
- Deep presence in Grocery
- Strategic Partnership with the customers
- Industry landscape: Growth of emerging markets like India, China, Middle East

Domain Highlights
- Collaborative Commerce, GDS, Supply Chain, Category Management, Point of Sales, Warehouse Management systems
- Dedicated CoE for deepening domain knowledge and developing focus across industries
- Acknowledged by customers and leading analysts as a thought leader in CPG domain

Delivery Highlights
- Supply Chain, In Store, RFID, EIM, Retail Pharmacy and Merchandising and Pricing
- Point solutions offerings (kiosk based consumer care solutions / micro-site)
Going Forward: Investments in Domain & Service offerings

- Multi Channel Offering: Develop future state architecture based on point solution needs and overall strategy

- Digital Supply Chain – transforming supply chain into digital value networks by Integrating, Optimizing, Collaborating, Synchronizing, Supporting & Linking

- Real Enterprise Information Management – to improve efficiency, scalability, time to market and secure data integrity of master enterprise data. This is obtained through:
  - Cross functional business processes to manage enterprise master data
  - Logical data model for enterprise master information
  - Complete EIM solution framework
  - Data Governance framework

- Business Analytics Model: Combining domain knowledge with business intelligence and market insights

- Point of Sale CoE Labs for error free processing and reduced time to market

- RFID:
  - Store Stock management for a Leading UK apparel retailer
  - Factory/Warehouse automation for a Leading Indian apparel retailer
  - RFID data analytics and infrastructure support for a Leading American discount retailer
  - Building business case and Assessing ROI for a Leading American grocery retailer
  - Work in process tracking for a leading American high-tech maker
  - Yard management solution for a leading American Automotive maker
Healthcare & Life Sciences
Overview of Wipro in HLS

**Highlights**
- Resource base of approx. 1000
- Industry Landscape: Clinical trials and Disease Management emerging as growth areas going forward

**Domain Highlights**
- **Clinical Trial Management**
- Healthcare Application Services (HAS)
- IT/non-IT Managed Services, HCTOS
- System Integration

**Delivery Highlights:**
- Bio-surveillance solution for public health departments and center for disease control
- Implementation and integration of HIPAA transaction compliance system.
- Therapy management portal
- Providing voice & non voice processing

**Going Forward:**
- Investments in Domain & Service offerings
- Differentiating solutions – Disease management, HC Intelligence etc.
- Build domain competency by leveraging existing customer accounts & through alliances
- Broaden key customer base
- Establish strategic partnerships on GTM
- Process Excellence Initiative
Wipro Consultancy Services
Wipro Consulting Services – Key to further growth

Leveraging WCS going forward:
- Leverage Consulting as a Deal Winner in Game Changing Deals
- Deploy Consulting as an “Account Penetrator”
- Project the power of consulting as a “capability integrator” across Wipro
- Orient Consulting as a “Talent Attractor”
- Drive Consulting as a Growth Business
- Integrate Transformational Consulting
- Incubate, acquire Functional Consulting
- Collaborate with Verticals in Industry Consulting
- Strengthen IT Consulting
Enterprise Solutions: Poised for Growth

Organic Growth
- Transforming relationships and scaling by investing in strategic accounts
- Deeper penetration in multiple divisions of customer
- Deeper Service lines penetration in same division
- Penetration in multiple Geographies
- Focus on BPO services

Inorganic Growth
- Mergers & Acquisitions
- Alliance (teaming with niche players – for specific markets)

Strategic Entry
- Buying out Maintenance Contracts
- Penetration into JV partners of key customers
- Specific focus on Large Deals
Talent Management

Pratik Kumar
Executive Vice President – Human Resources
Growing talent base

- One of the top 3 recruiters in India
- Application to Offer ratio of 0.8%
- One of the most preferred employers for the top class talent in India.
- International Campus hiring initiated across US, Europe and Asia

The growth engine:

- 1996-97: 3176
- 1997-98: 3441
- 1998-99: 5400
- 1999-00: 6700
- 2002: 11300

The year 2006
Number of campus recruits: 6500
Number of lateral recruits: 9150

66,100 employees, ~11,000 employees onsite across Geos, 23 nationalities, Avg age of 26
Managing the Talent Pipeline

- Dynamic Recruitment Database of 600,000+ profiles (200,000+ active and 400,000+ passive candidates).
- Growing at the rate of 8000 per month
- End-2-end Automation & Integration with all sourcing partners.
- Highly automated recruitment process - ‘Synergy’

SOURCE

Consultants - 15%
Database/Direct - 42%
Career Site – 09%
Employee Referrals - 18%
Job Sites - 16%
Talent Pool Availability

- India has only 7% of the total graduates with Engineering background
- India will face a shortage of 500,000 knowledge workers by 2010

***NASSCOM–McKinsey Report

Pool of talent:

**Enrollment in, and number of higher education institutions in India**

- **2005-06:** 10.5 million students enrolled in 18000 HEIs

**Subject-wise enrollments, 2004-05**

- **Arts, commerce and science:** 84%
- **Engineering:** 7%
- **Medical:** 3%
- **Education:** 1%
- **Law:** 3%
- **Agriculture:** 1%
- **Others:** 1%

Source: University Grants Commission (UGC)

Source: UGC
Mitigating Supply chain constrains

Non engineering graduates

- Higher intake of WASE proportion (3000-4000 in 07-08 against 1324 in 06-07)
- BSc graduates for TIS and Testing Services
- Movement from WBPO to WT in a planned way

Other Sources

- Increasing the employability of engineering graduates (i2Connect, FDP, Fast Forward)
- Geo Campus hiring
- Centers outside India with cost advantage
- Leveraging acquisitions
Hiring patterns: overall composition trend

**Hiring Trend**

- **Laterals**
- **Engg Campus**
- **Non Engg Campus**
- **All Campuses**

**Bulge Mix Trend: Percentage of 0-3 years**

- Mar'2004 - 05: 37%
- Mar'2005 - 06: 42%
- Dec 2006 - 07: 46%
Scalability Enablers – Systems and Processes

Shared Services
1.13 Million HR transactions processed last yr
1127 employee queries per day

Efficiency in Recruitment
Web-Based Resume Database Synergy & Offer Generation System

Employee Self Help Portal Holds 98 applications

Making Processes Productive
579 No. Of Lean Projects 520 Six Sigma Projects in 06-07 YTD

Services 66,000 Employees across The globe

One stop shop For all Employee Needs
Sculpting World Class “Wipro Leaders”

- EARLY OPPORTUNITIES
- 360 degree Feedback (WLQ)
- TRAINING
- Cross Functional Exposure
- WINGS WITHIN
- Succession Planning

Leadership Pipeline
- 20 plus CXOs
- 75 plus Vice Presidents Groomed in Wipro

- ✔ 5000 Plus managers With Wipro for 5 - 10 yrs
- ✔ 600 Plus managers with Wipro for 10 - 25 yrs

Winner of Dale Carnegie Leadership Award 2007
Enabling Talent Development

- 5% Billable time spent on training
- 102 Full Time Faculty
  - 50% hold Masters Degree
  - 10 PhDs
  - 5000 Learners per day
- 20,000 E Learners with access to 2200 titles of Learning
- In the last 9 months 3800 person days of behavioral training across US, Europe, Japan, and China.
- Training in 2005-06: 3,80,000 person days..30% thru Tech Enabled Learning
- Satellite Based Management Program with IIMC Covering 200 Managers

ASTD Award Winner for 3 consecutive Years
In the last three years, 5000 plus employees have gone thru Lifecycle Leadership Training in our Corporate Leadership Centre @ Bangalore.
Enabling Global Process Leadership
The Wipro Q–cult Journey

Sambuddha Deb
Chief Quality Officer
Customers view of quality AD engagements

Field Error Rate (Defects / Kloc)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.6</td>
<td>0.6</td>
<td>0.4</td>
<td>0.37</td>
<td>0.15</td>
<td>0.12</td>
<td>0.12</td>
<td>0.14</td>
<td>0.12</td>
<td>0.12</td>
</tr>
</tbody>
</table>

Lower maintenance cost

Lower development cost

Schedule Adherence

Lower schedule overrun cost

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>60%</td>
<td>68%</td>
<td>65%</td>
<td>80%</td>
<td>83%</td>
<td>91%</td>
<td>91%</td>
<td>91%</td>
<td>91%</td>
<td>94%</td>
</tr>
</tbody>
</table>

Productivity

Indexed to 1995 value

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100</td>
<td>115</td>
<td>130</td>
<td>160</td>
<td>178</td>
<td>224</td>
<td>242</td>
<td>258</td>
<td>267</td>
<td>275</td>
</tr>
</tbody>
</table>
Quality processes that ensure lower TCO

Regular development process

Wipro development process - OTIS

Higher productivity
- 37% higher productivity than industry ratio*

Schedule adherence
- 91% projects completed on time, industry average of 76%*

Post delivery defect rate
- 120 defects/MLOC
- 55% lower than industry*

Lower costs

On time delivery

Assured quality

* Worldwide IT Benchmark report 2004 – META Group and Bangalore SPIN
# Pioneering Quality Standards

- **15,000+ employees** trained in Six Sigma methodologies
- **204 certified black belts** and **10 master black belts**
- Over **700 PMI** certified consultants, highest in India
- **Lean techniques applied to software**
- Pioneers among Tier 1 Indian companies in establishing **Agile** capability

## Timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>World’s first software services company to be assessed at SEI CMM Level 5</td>
</tr>
<tr>
<td>1998</td>
<td>Strengthening upstream processes</td>
</tr>
<tr>
<td>1999</td>
<td>On the road to continuous improvement</td>
</tr>
<tr>
<td>2000</td>
<td>The best in people processes</td>
</tr>
<tr>
<td>2001</td>
<td>World’s first at Level 5 of CMMI ver 1.1</td>
</tr>
<tr>
<td>2002</td>
<td>BS 7799</td>
</tr>
<tr>
<td>2003</td>
<td>Infused Statistical Rigor into Management Software process achievement Award from IEEE USA Orthogonal Arrays DMAIC/DSSS+ frameworks launched</td>
</tr>
<tr>
<td>2005</td>
<td>Studied Toyota Manufacturing System ) Lean Pilots Agile</td>
</tr>
<tr>
<td>2006</td>
<td>CMMI 1.2 Global Assessment at Level 5</td>
</tr>
<tr>
<td>2007</td>
<td>Domain specific standards World’s first Automotive SPICE AS9100 SW68</td>
</tr>
</tbody>
</table>

### Quality Standards

- ISO 9000
- CMM Level – 3
- CMM Level – 5
- 6 Sigma Methodologies for software
- TL-9000
- PCMM Level 5
- CMMI ISO 27001
- SPA Award
- Statistical Rigor
- Lean
- CMMI 1.2 Level 5
Integrating six sigma in software development

Software development life cycle

Pre-project phase & project initiation  →  Requirement study & project plan  →  High level design  →  Low level design  →  Implementation  →  Test design  →  Test case development  →  System testing  →  Release & acceptance testing

Customer interaction

Rigorous design & implementation

<table>
<thead>
<tr>
<th>T O O L S</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ VOC</td>
<td>▪ Concept generation</td>
</tr>
<tr>
<td>▪ Kano model</td>
<td>▪ Design FMEA</td>
</tr>
<tr>
<td>▪ QFD</td>
<td>▪ Correlation</td>
</tr>
<tr>
<td>▪ Benchmarking</td>
<td>▪ Regression</td>
</tr>
<tr>
<td>▪ DOE</td>
<td>▪ Hypothesis testing</td>
</tr>
<tr>
<td>▪ Orthogonal arrays</td>
<td></td>
</tr>
</tbody>
</table>

Rigorous in-process metrics and cause analysis
## OA Test result summary

<table>
<thead>
<tr>
<th>Business Function</th>
<th>Factors</th>
<th>Levels</th>
<th>Total runs</th>
<th>Actual runs by OA tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchy Library – Process</td>
<td>3</td>
<td>6, 4, 2</td>
<td>48</td>
<td>28</td>
</tr>
<tr>
<td>Hierarchy Library – Activity</td>
<td>3</td>
<td>6, 4, 2</td>
<td>48</td>
<td>28</td>
</tr>
<tr>
<td>Hierarchy Library – Risk</td>
<td>3</td>
<td>9, 4, 4</td>
<td>144</td>
<td>43</td>
</tr>
<tr>
<td>Hierarchy Library – Control</td>
<td>3</td>
<td>9, 4, 5</td>
<td>180</td>
<td>45</td>
</tr>
<tr>
<td>Process Hierarchy - Process</td>
<td>3</td>
<td>4, 2, 4</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>Process Hierarchy - Activity</td>
<td>3</td>
<td>4, 2, 4</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>Process Hierarchy - Risk</td>
<td>3</td>
<td>4, 2, 4</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>Process Hierarchy - Control</td>
<td>3</td>
<td>4, 2, 4</td>
<td>32</td>
<td>23</td>
</tr>
</tbody>
</table>

236 test runs against 548 – more than 50% savings in testing
Next S Curve in Operational Excellence

Context
- Omnipresence of CMMI & 6S
- Customer preference of risk sharing contracts
- Shift from technical to business metrics
- Need to improve/sustain margins

Lean in ‘Wipro’
- Focuses on *cycle time & throughput* improvement without compromising quality
- Key principles:
  - Pull – Deliver customer value earlier
  - Flow – Wait states reductions, reducing handoffs, quick feedback
  - In station Quality – to improve defect resolutions upstream
  - 500 projects till date

Applying ‘Lean’ to move up the next S-Curve in Ops Excellence

Harvard Case Study on Lean Application in Software
**Platform migration: Legacy to J2EE**

- New Technology
- High application complexity, long review cycles, wait times
- Project already over run during High Level Design

**Lean Tenets**
- Value Stream
- Information Spaghetti
- Concurrent Engineering
- Resource Balancing

**Effort Reduction:**
The project was in 15% effort over run
Lean application helped in getting an underrun
Customer satisfaction – We are not the only ones saying it

Average Ratings

<table>
<thead>
<tr>
<th>Year</th>
<th>Delivery</th>
<th>Quality</th>
<th>Service</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>3.95</td>
<td>3.86</td>
<td>3.91</td>
<td>3.85</td>
</tr>
<tr>
<td>2001-2002</td>
<td>4.27</td>
<td>4.13</td>
<td>4.20</td>
<td>4.27</td>
</tr>
<tr>
<td>2002-2003</td>
<td>4.35</td>
<td>4.21</td>
<td>4.38</td>
<td>4.31</td>
</tr>
<tr>
<td>2003-2004</td>
<td>4.05</td>
<td>3.88</td>
<td>3.88</td>
<td>4.10</td>
</tr>
<tr>
<td>2004-2005</td>
<td>4.16</td>
<td>3.88</td>
<td>3.97</td>
<td>4.18</td>
</tr>
<tr>
<td>2005-2006</td>
<td>4.09</td>
<td>3.88</td>
<td>3.91</td>
<td>4.18</td>
</tr>
</tbody>
</table>

Satisfied Customers

<table>
<thead>
<tr>
<th>Year</th>
<th>Delivery</th>
<th>Quality</th>
<th>Service</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>78</td>
<td>68</td>
<td>55</td>
<td>79</td>
</tr>
<tr>
<td>2001-2002</td>
<td>88</td>
<td>77</td>
<td>76</td>
<td>89</td>
</tr>
<tr>
<td>2002-2003</td>
<td>90.4</td>
<td>82.3</td>
<td>82.9</td>
<td>89.5</td>
</tr>
<tr>
<td>2003-2004</td>
<td>81</td>
<td>74</td>
<td>72</td>
<td>82</td>
</tr>
<tr>
<td>2004-2005</td>
<td>90.3</td>
<td>70.8</td>
<td>73.7</td>
<td>85.0</td>
</tr>
<tr>
<td>2005-2006</td>
<td>80</td>
<td>70</td>
<td>70</td>
<td>85</td>
</tr>
</tbody>
</table>

Gap between Wipro and Competition sustains

Loyalty Scores

Choose Wipro  | Choose Competition
------------|---------------------|
| 2003-04  | 4.10     | 3.11     |
| 2004-05  | 4.10     | 3.11     |
| 2005-06  | 4.00     | 3.12     |
Future - The Wipro Way

The Wipro Way

- Agility
- Alignment
- Adaptability

Customer Centricity
- Unified solutions
- Relationship mgmt
- After sales support
- Partnering for success

Process Excellence
- Delivery engine
- Experimentation on culture
- KM
- Lean
- 6σ

People Management
- Right skill mix
- High retention
- High morale
- PCMM

Personal Change
- Customer focus
- Experimentation
- Skill upgrade

Customer

Unified solutions
- Relations hip mgmt
- After sales support
- Partnering for success

Customer focus
- Experimentation
- Skill upgrade

Right skill mix
- High retention
- High morale
- PCMM
Wipro BPO
Action Replay-Fast Forward

T K Kurien
President, Wipro BPO
BPO: Where is the market headed?

**Market segment by Service type 2006**

- **Vanilla offshoring**: 70%
- **Boutique shops**: 1%
- **Transformational services**: 20%
- **Platform**: 9%

**Market Realities**

Market is sharply consolidating in 4 specific segments.

- Global Providers with business transformation capabilities who go after Bespoke solutions
- Industry platform players who combine both platform as well as processing capabilities
- Offshore shops with focus around volume
- Boutique players

**Trends**

- End to End/Transformational and Platform based services are expected to constitute 60% of the pie by 2010 (up from the current 29%)
- Customers demand a Global delivery model with a “follow the sun” approach.
- BFSI and Telecom followed by manufacturing and travel are projected to be the growth drivers for the future.
- F&A market projections upto 2010 has been revised upwards by 100% from the previous year.
- Outcome based pricing will become a key reality
## BPO: Strategic Implications

<table>
<thead>
<tr>
<th>Strategic Implication</th>
<th>Strategic Implication</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Go to Market</strong></td>
<td>- Integrated Solution Capability –Customer sees a solution not a wedge</td>
</tr>
<tr>
<td></td>
<td>- Current WT Sales force became the GTM arm. Wipro BPO Sales force restructured to</td>
</tr>
<tr>
<td></td>
<td>provide Process Solutions</td>
</tr>
<tr>
<td><strong>Competencies &amp; Delivery</strong></td>
<td>- Product approach to Industry Solutions -Creating Depth and Scale in few rather than</td>
</tr>
<tr>
<td></td>
<td>many</td>
</tr>
<tr>
<td></td>
<td>- SLA linked to final out put  move from FTE based numbers to outcome based events</td>
</tr>
<tr>
<td></td>
<td>- Follow the Sun Approach to Deliver services and building a globally scalable delivery</td>
</tr>
<tr>
<td><strong>Globalization of Delivery</strong></td>
<td>- Romania is the first Global Site. Baby steps taken to Globalizing not only the</td>
</tr>
<tr>
<td></td>
<td>Romanian workforce but also the Wipro BPO workforce</td>
</tr>
<tr>
<td></td>
<td>- Plan to have one more site by March 08 in the US time zone</td>
</tr>
</tbody>
</table>

Focused servicing of value chain with integrated solutions, scalable operations and Global footprint to drive growth
Financial Snapshot

Revenue

- Revenue back on growth trajectory.
- YOY revenue growth increased from 7% in Q1 to 19% in Q2 and 23% in Q3.
- Change in mix of business from several small processes to lesser number of processes but more strategic.
- Pipeline indicates a future growth in non voice business.

Operating Margin

- Quality initiatives, productivity improvement and better utilisation of resources leading to consistent profit improvement.
- YTD Q3 ‘06 - ‘07 margins 200% of YTD Q3 ’05-06 margins.
- Operating margin as a percentage of revenue stabilized at healthy number of 23%.

Revenue back on growth trajectory while Operating margin stabilizing at healthy numbers after significant/consistent growth
Thank you

**Intensity to Win**
- Make customers successful
- Team, innovate, excel

**Act with Sensitivity**
- Respect the individual
- Thoughtful and responsible

**Unyielding Integrity**
- Delivering on commitments
- Honesty and fairness in action