

# Wipro Limited

Presentation to Investors

January 21, 2009.

# Safe Harbor

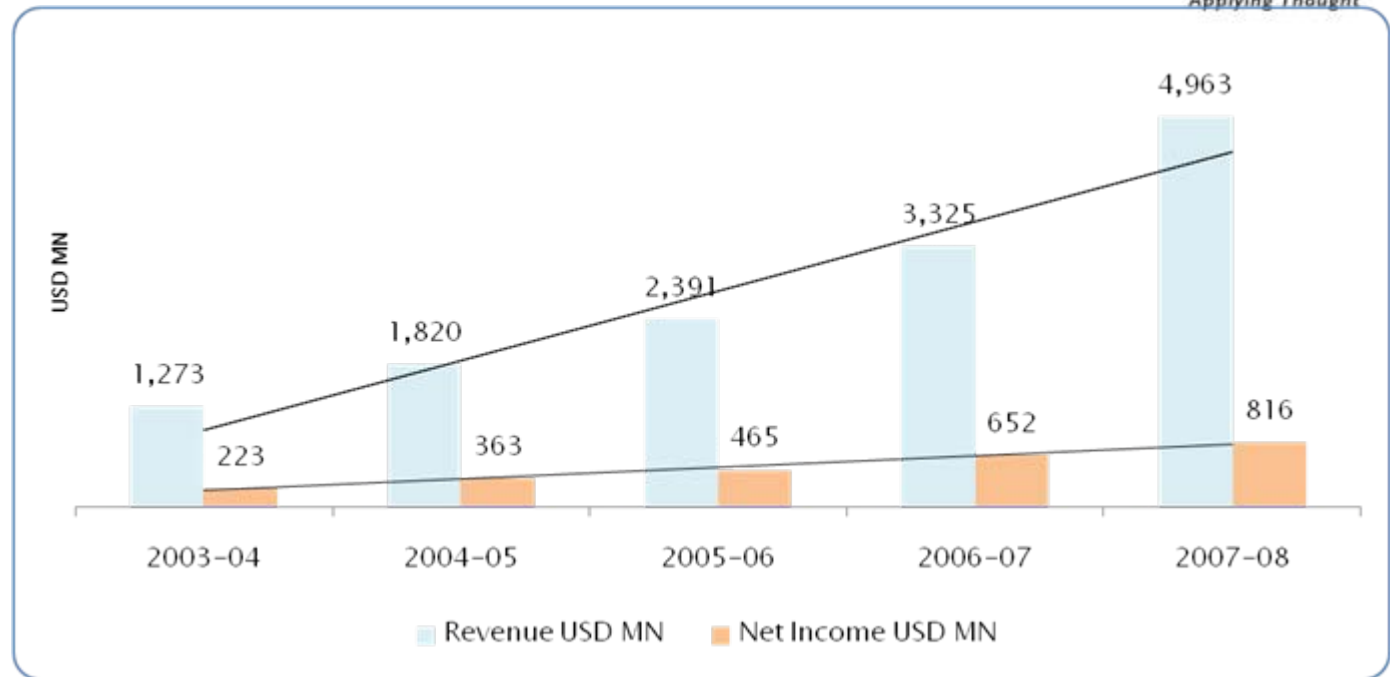
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This presentation may contain certain “forward looking” statements, which involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be projected by these forward looking statements. 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.

# Overview of Wipro Corporation Performance

1. Revenue for the corporation at \$4.9 billion for 2007-08
2. Total Employees ~100,000
3. Total IT business touches \$4.3 billion
4. Consumer Care and Lighting business achieves \$378 million
5. Wipro - Infrastructure Globally among the top 2 in Hydraulic Cylinder Business



- Wipro Corporation revenue at Rs.200 billion for 2007-08
- 5 year CAGR of Revenue 36% and Net Income of 34%
- IT business contributes 89% of Revenue and 97% of PBIT
- 86% of IT business is Services and 14% is Products

# Business Model exhibits Resilience



Challenging Global Environment characterized by collapse of Financial Institutions and Credit Crunch

Wipro



Resilience

## Performance

- Leaders among Global and Indian Tier 1s with 25% yoy growth rates for the first 3 quarters
- Strong operational performance with improvements in Utilization and mix of Fixed Price projects

## Diversified Portfolio

- No vertical contributing more than 30% ;Resilience in Financial Services with 35% yoy year to date
- Penetrating newer geographies - India and Middle East growing at around 40% year to date
- Broad portfolio of Service line offerings growing upwards of 20%

## Customer Mix

- No customer contributing more than 3% - dependencies on individual customers minimum compared to peer group
- Strong account mining strategy - 2 accounts greater than \$100 million over trailing 12 months. Accounts in excess of \$50 million on a consistent upward trajectory



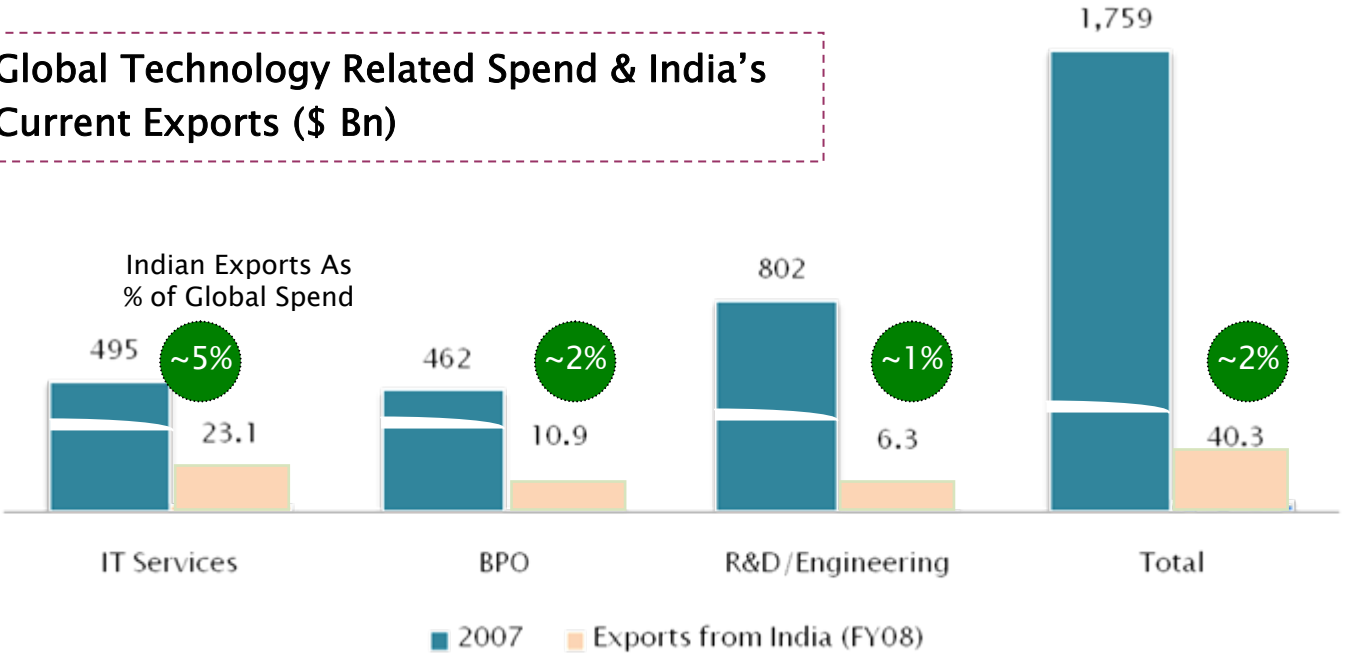
# What is the market Opportunity???

# Offshore Still Small Part of Overall Spend



1. Despite the growth India has seen in Global IT Services market, it is still a very small proportion (~2%) of global spend

**Global Technology Related Spend & India's Current Exports (\$ Bn)**



Source: Nasscom Review, 2008

**Relative Growth Rates Demonstrate This –**  
**Global IT Spend Growth Rate ~5% (CY 2007); Growth of Indian Exports 28% (FY08)**

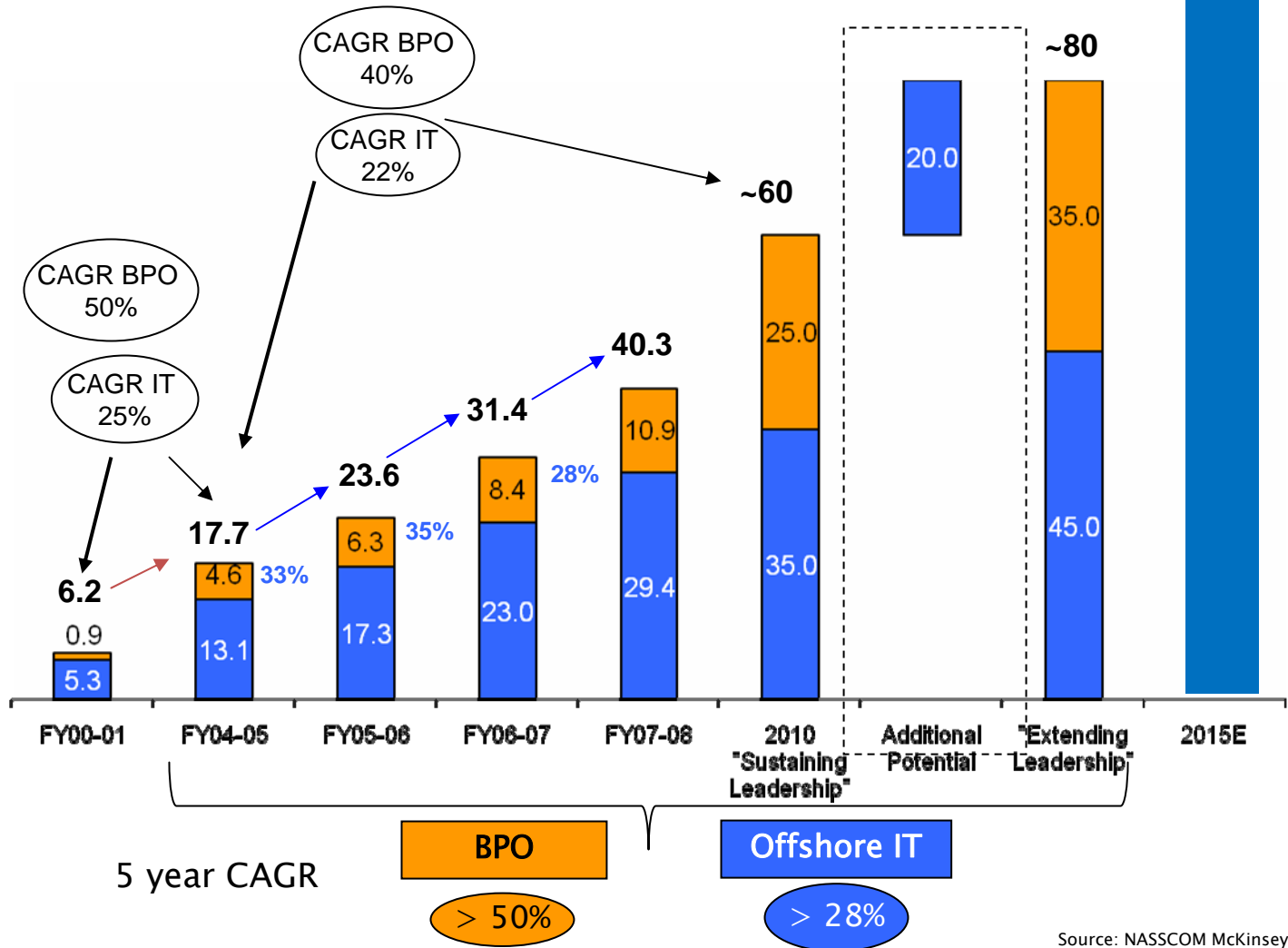
\*Scale adjusted for better readability

# India Story becoming Stronger



India's offshore IT and BPO exports, US \$ Bn.

1. Industry continues strong momentum - grew 28% in FY08
2. IT-BPO exports could reach a size of \$120-180 Bn by 2015 ; CAGR of 15-21% from FY07-08



# Incentive to Outsource / Offshore



- Capital conservation and operating expense reduction with quick payback period is the top most priority
- Stick to Core Competence – Enables organizations to manage their operations by outsourcing non-core business functions, streamlining processes, improving efficiencies and have lower total-cost of-ownership (TCO) without capital investments in application and infrastructure.
- Outsourcing helps in greater efficiency and productivity through use of frameworks and flexible delivery models
- Measurable payback period
- Large vendors with Deep Domain / Technology / Global Delivery Model best geared to service customer objectives



# How do we capitalize on the opportunity?

...Through our differentiators – Current and Prospective

# Wipro Differentiators

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1. Verticals

2. Service Lines

3. R&D

4. India & Middle East

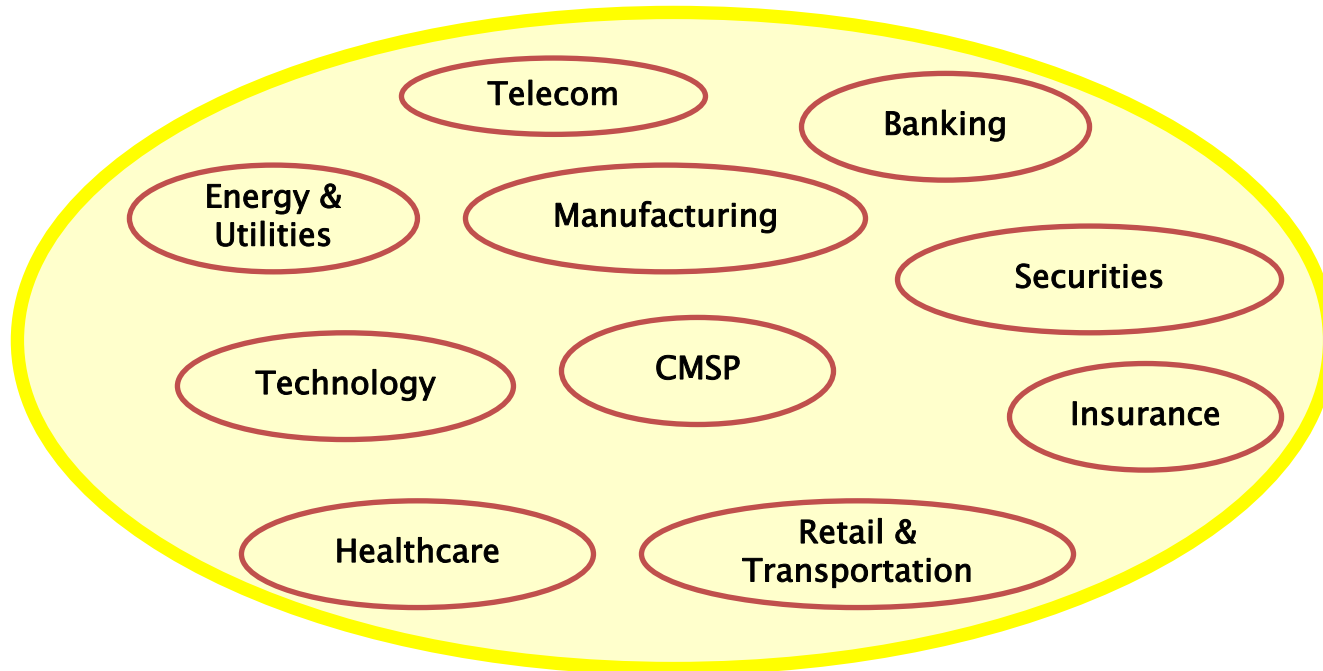
5. Wipro Way

6. Acquisition

# Improved Addressability through Verticalization



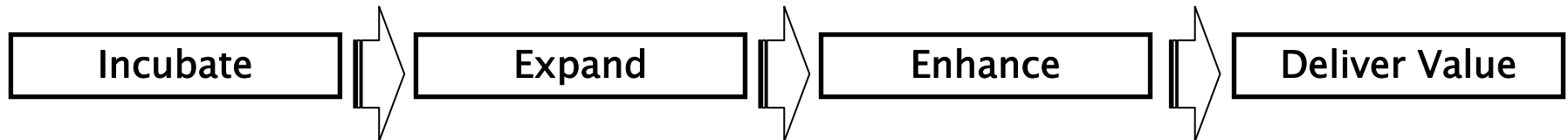
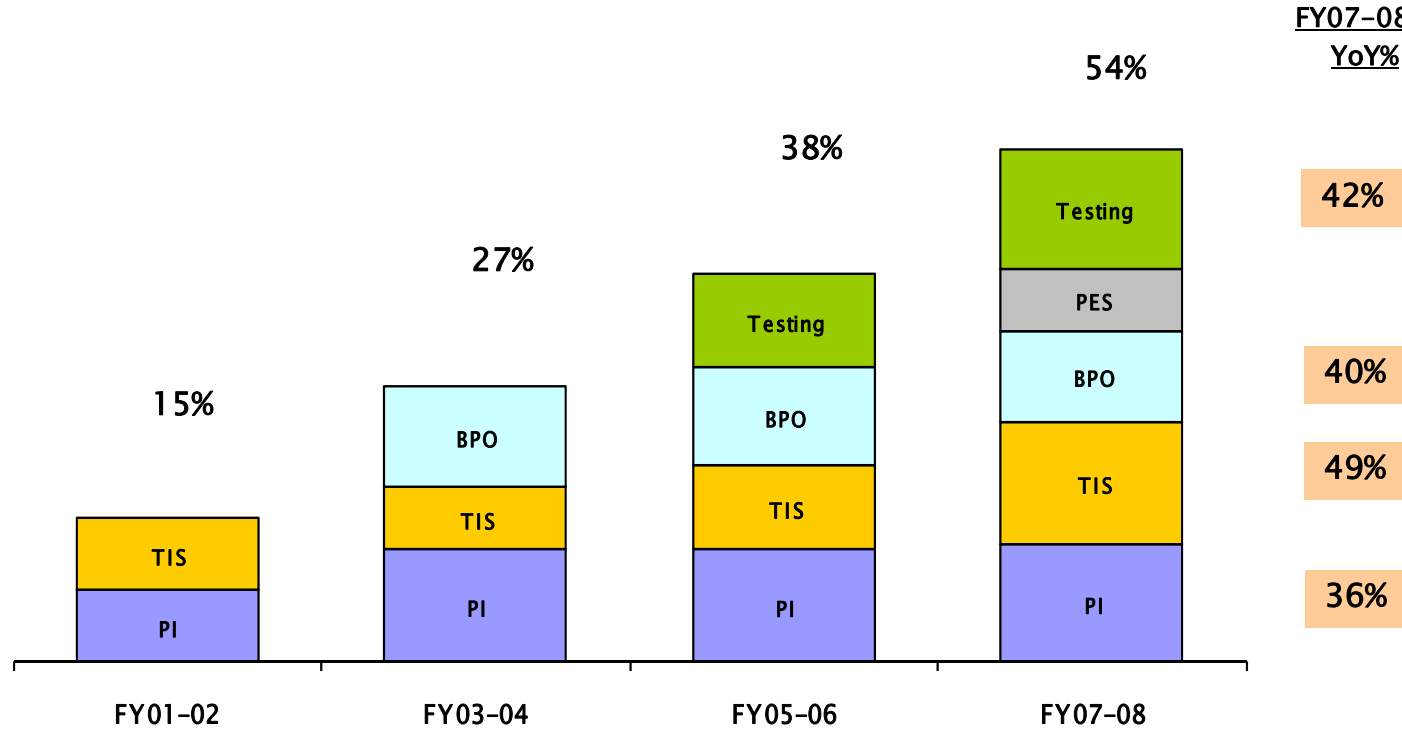
## Verticals Addressed



- Pioneered the Vertical framework in 1999 – first among Tier 1 players
- Verticalization resulting in deep rooted domain competence.
- Deep domain competence facilitates engagements with cost / service transformation – need of the hour from the perspective of customers
- Model designed to facilitate scalability
- Creation of new verticals on segments reaching scale

**Enhancing Customer Centricity**

# Service Lines – Growth Drivers and Differentiators

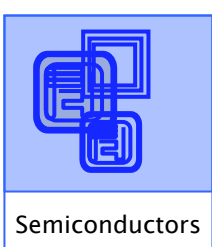
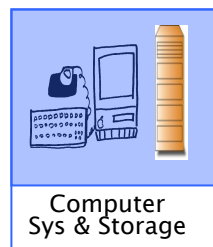
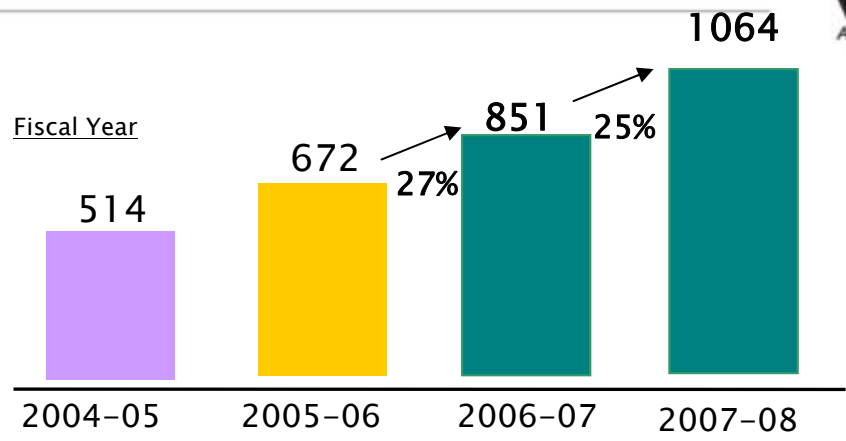


Delivering Comprehensive Solutions

# Wipro Differentiators: 3. R&D Business

## Leaders in R&D Business

### Industry Verticals Addressed



- 18000+ talent pool engaged in R&D Services
- Largest player based on headcount
- World's largest independent team of Hardware Design Engineers of 2,200+
- Leaders in Telecom OEM
- Pioneers in the Embedded space

**World's largest 3<sup>rd</sup> party R&D business**

# Wipro Infotech – Emerging Market Focus



1. Leadership position in India, pioneer in Middle East
2. Best of breed partnerships
3. Revenue of \$931 million ; 3-year CAGR of Revenue at 39% and EBIT at 44%
4. Transformational customer engagements
5. Incubator of global service lines

Consulting	Process, IT Governance, e-Governance, Security, Strategic Cost Reduction
Business Solutions	Package Application, Business Intelligence, Application Development & Management
Professional Services	System Integration, Infrastructure Management Services, Application Support
Infrastructure Products	Platforms, Networking, Storage, Enterprise Management & Security
Total Outsourcing	IT, Process Strategy Formulation and Alignment to Business



Comprehensive IT solutions portfolio

# Wipro Differentiators: 5. Wipro Way Driving Innovation



- Understanding customer and his needs better
- Moving from doing what is contracted to being a partner in solution success
- Internal partnerships to create value for the customer
- Relationship building, Excellence in governance
- Partner of choice



Proprietary delivery methodology guarantees best-in-class productivity

# Wipro Differentiators: 6. Acquisition

## Acquisition Strategy



1. Enhancing domain and technology competence
2. Expanding Service Line portfolio
3. New geographies
4. Investment of \$1 billion+ towards strategic acquisitions

### Infocrossing

- Transformational deal for Wipro: Infocrossing's Pan-US Local Hosting Capabilities with a Managed Services Layer providing a significant competitive advantage in large TOS deals

### CITOS

- **Committed business from Citigroup of at least US\$500 million over 6 years for a consideration of \$101 million (net of cash) on an equated offshore basis**
- **Exclusivity of TIS services for Citigroup out of India and Preferred Vendor status for Application Development & Maintenance work delivered out of India**

Enhancing growth and maximizing value



**Business Transformation**

**IT Transformation**

1. Global TOS

2. Global Programs

3. Best Shoring

4. Integrated Consulting

5. Mega Partnerships

6. Product Engg as a Service line

# Shaping the Future: 1. Global TOS

## Total Portfolio of Services



### TIS

Infrastructure Consulting & SI  
Managed Services – Open Systems  
Network Management  
Business Service Management  
Service Desk



### Infocrossing

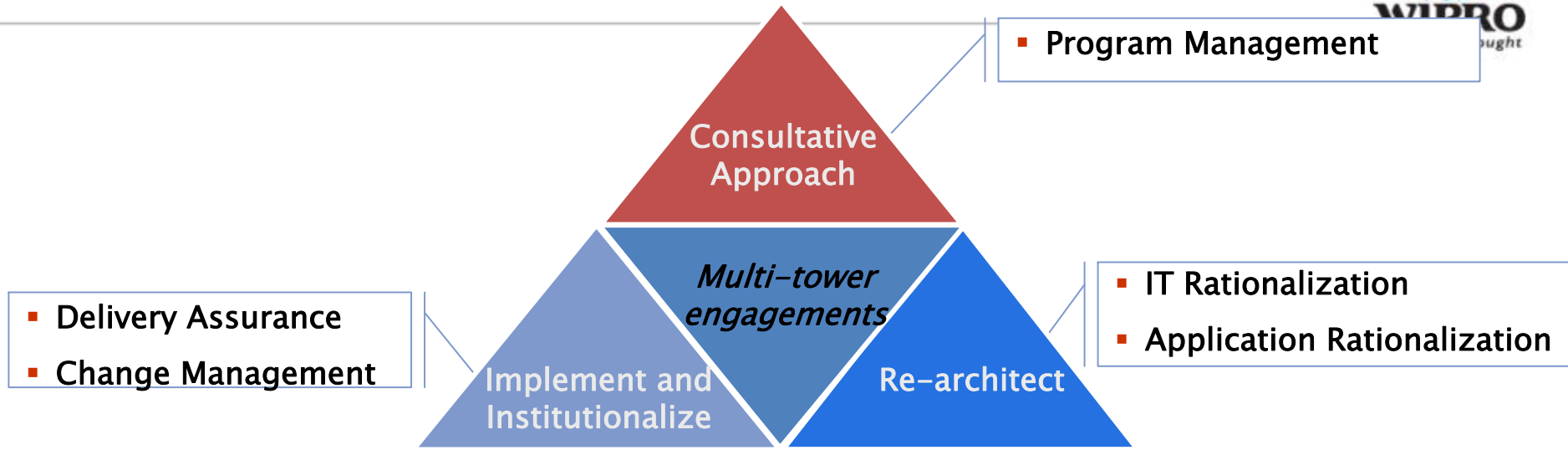
Managed Data Center Services  
Managed Services – Mainframe & Storage  
Non-linear delivery model

### Unleashing the value of Infocrossing acquisition

- A superior value proposition for Global IT Outsourcing Deals
  - Leveraging on Infocrossing's world class Data Center Services capabilities to address Global IT Outsourcing deals involving management of customer's strategic IT assets
- Augmentation of Service Portfolio
  - Augmentation of Managed Services portfolio through addition of Mainframe services
- Transformation from Remote Infrastructure Management to IT Infrastructure Outsourcing
  - Robust onshore front-end to address IT Outsourcing as opposed to only Remote Management

**Comprehensive Service Proposition for Global Total Outsourcing**

# Global Programs – Transformational Outsourcing



**From**



**To**

- Traditional single service depth capacity silo sale
- Efficiency and technology delivery focused
- Capability based sale to CIO
- Input linked compensation
- Customer driven change / step improvements
- Minimal risk management requirement

- Solution sale , integrating various service lines
- Transformation & business process and business outcome focused
- CxO / Sr mgt relationship + reference + advisory / consulting + capability
- Outcome linked compensation
- Pro active change / continuous improvement (willingness to cannibalize own business volume)
- Significantly enhanced risk management capability
- Large change management capability
- Strong joint governance processes

**Refine solutions and increase focus on large, complex multi-tower engagements**

# Shaping the Future: 3. Best Shoring

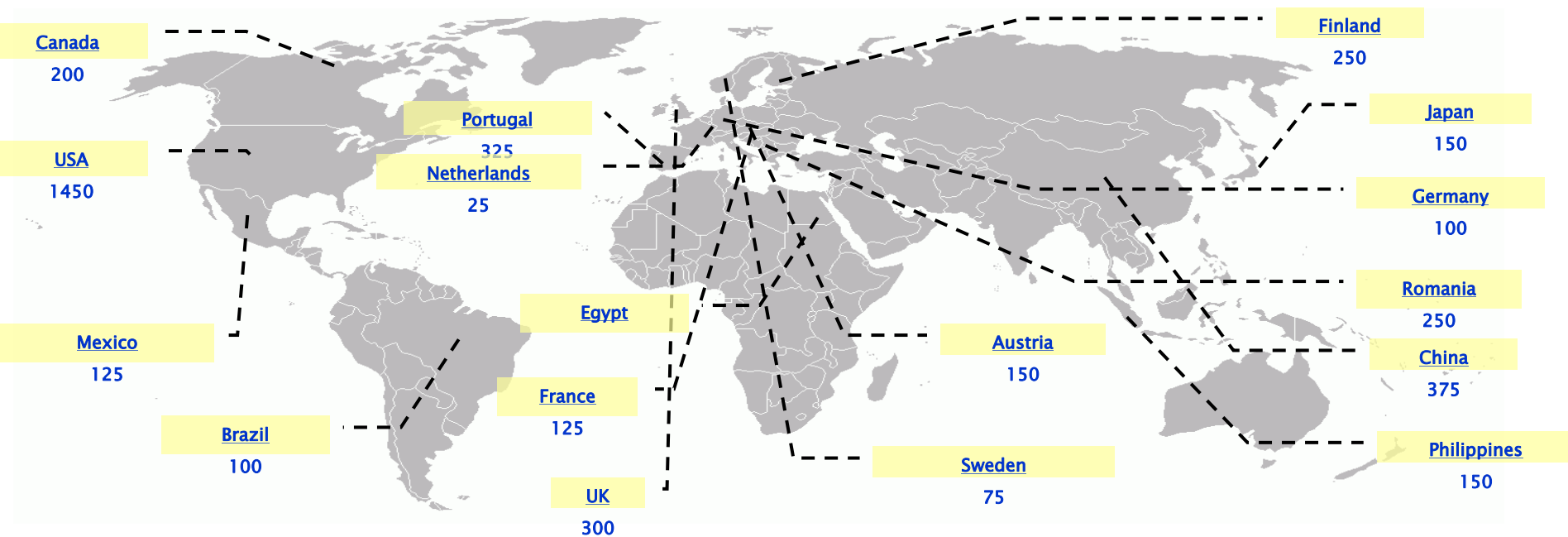
## Redefining the Delivery Model



### Approach to Optimize Delivery Locations

- Design ideal mix of onshore, offshore and best shore based on client's business needs and value hierarchy.
- Provide integrated applications, BPO and ITO Service Delivery from Global Service Centers.
- Provide near-shore capabilities with specialized skills aligned with customers' business needs from Regional Centers.

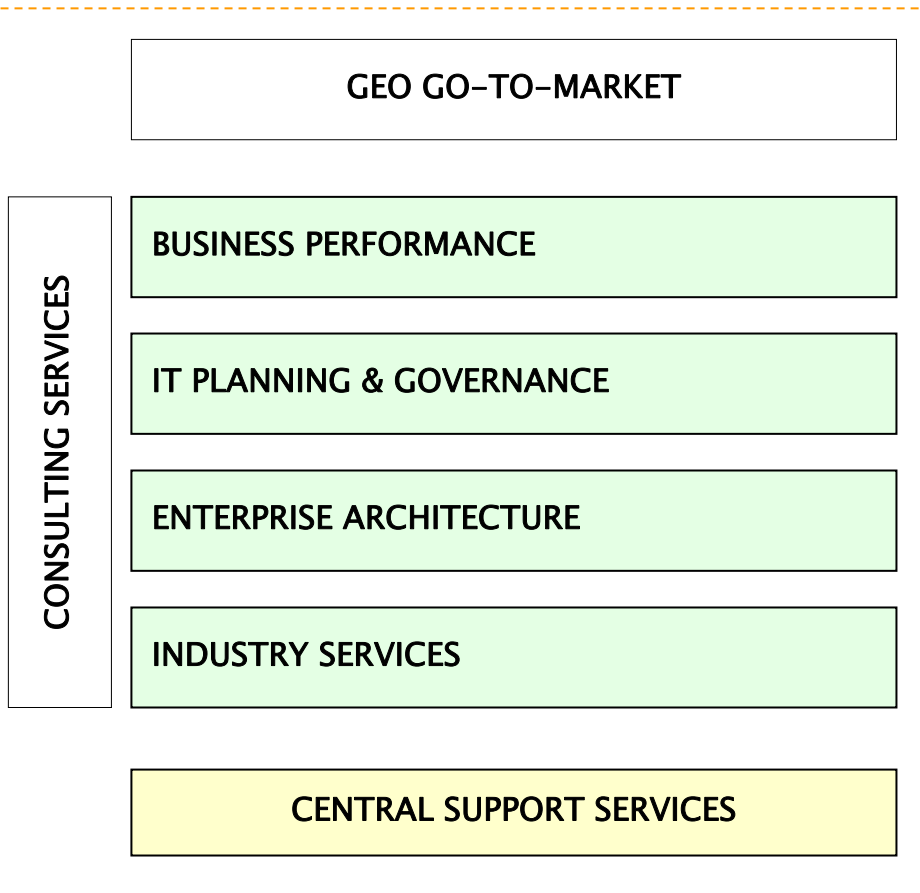
### Global Delivery Footprint to Deliver Best Shoring



Leverage growing global presence

## Shaping the Future: 4. Integrated Consulting

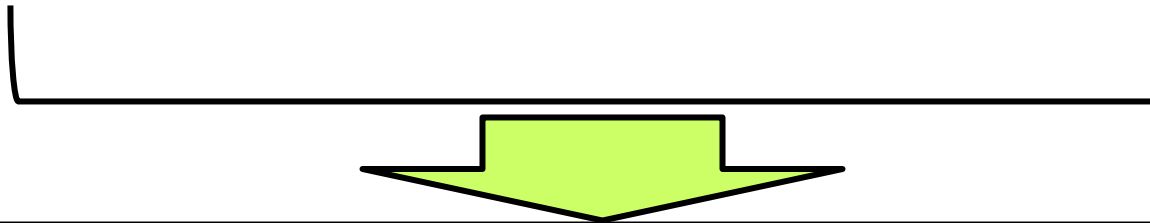
# Consulting as an Enabler



- Dedicated MEGA / GAMA account alignment
- Single services channel for Verticals/ Accounts/ Analysts
- Comprehensive market-aligned advisory services
- Single accountability for thought leadership
- Single support services group

**Consulting aligned to accelerate growth**

# Partnership with Technology Leaders



Enhanced customer value proposition

Improved customer penetration and global go-to-market

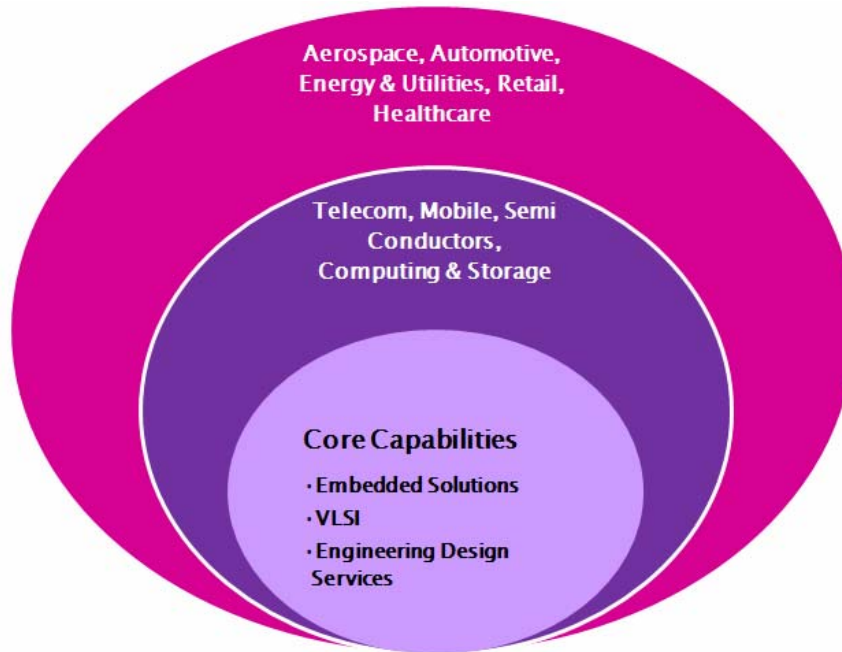
Co-innovation and Co-creation of Solutions

Emerging Market Focus

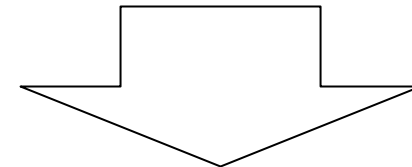
Synergistic Partnership ecosystem for the future

Mega Partnership help us leverage on untapped business potential with partners

# Cutting Edge Product Engineering Services



- Product Engineering – a differentiated capability in Wipro
- Incubated in our Telecom, Computing & Semiconductor business
- Leaders in VLSI services



- Addressing new segments through this differentiated capability
- Lot of traction in Aerospace, Defense, Automotive, Healthcare, Retail and Energy & Utilities
- Electronics is becoming a big proportion of manufacturing and design spend of customers – Untapped opportunity. Able to address this spend through our PES capabilities

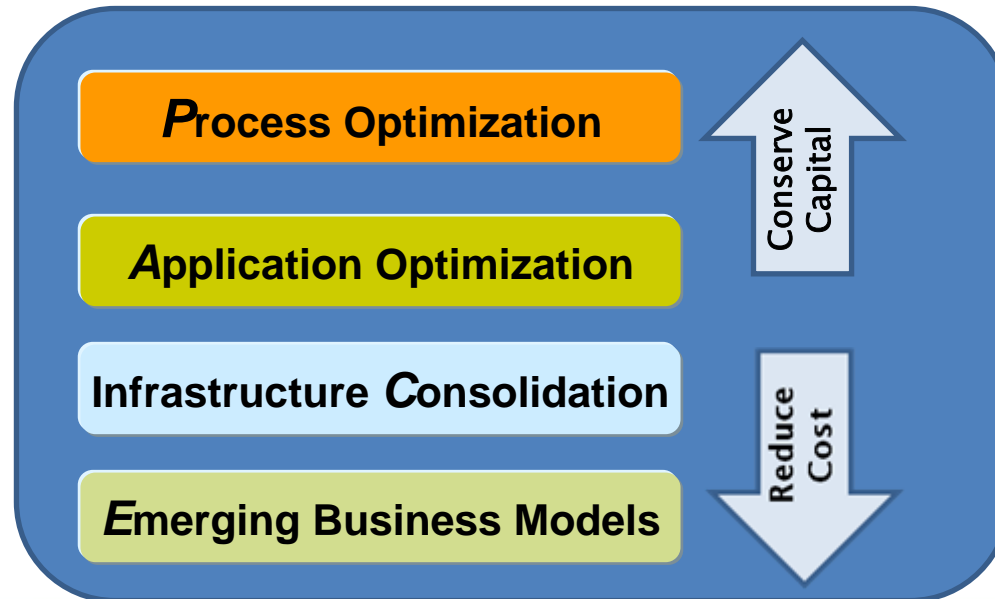
**PES addressing multiple market segments**

# Innovative Offerings – Performance And Capital Efficiency – “PACE”



A set of service offerings from Wipro to address key requirements of companies in this downturn – Capex and Opex reduction

- Companies are going slow on capital expenditure to conserve cash in order to withstand the global economic slowdown`
- Need to look at options to help our clients in maintaining a balance between business priorities and capital conservation
- Reduction in capex without reducing operating expenses substantially will increase sustainability
- Introduction of SaaS helps in shifting the responsibility into the contract for external services



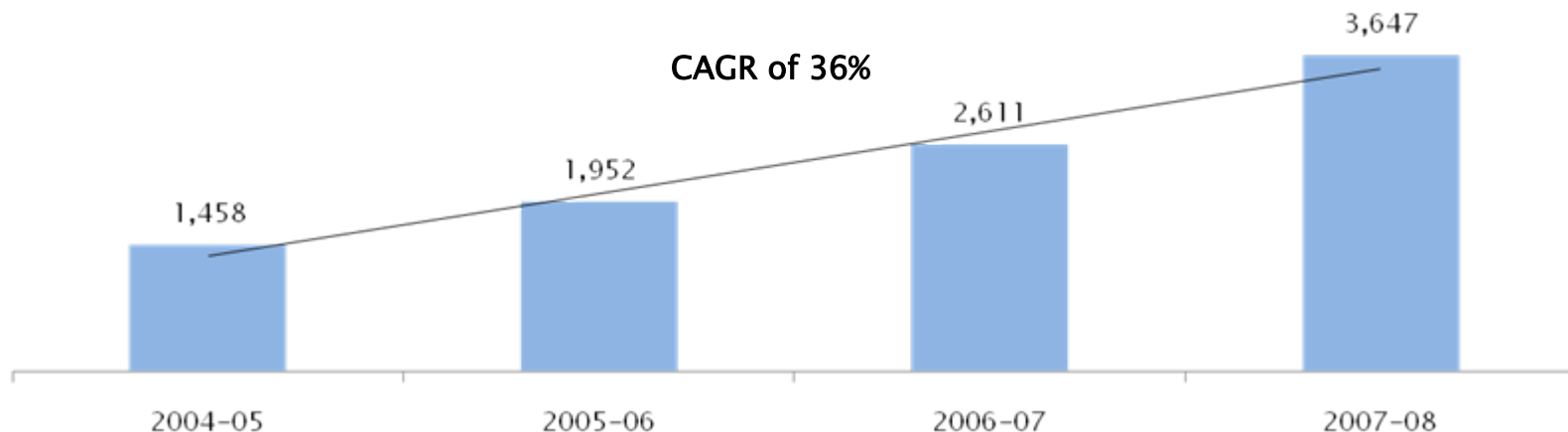




# Performance Highlights

# Performance of IT Services

## Combined IT Services USD Mn



Our Combined IT Products and Services business at \$4.3 billion in 2007-08

### Partner to industry leaders

- 882 active global clients as on 31 December 2008
- 191 Global 500/Fortune 1,000 clients

### Global footprint

- Listed on NYSE
- 54 countries
- ~14,500 employees Onsite across geos

### Diverse talent pool

- Over 96,000 employees
- One of the most preferred employers for the top class talent (Survey by Hewitt Associates, Fortune Magazine, and The RBL Group, 2007)

# IT Services - Highlights for the Quarter ended December 31, 2008

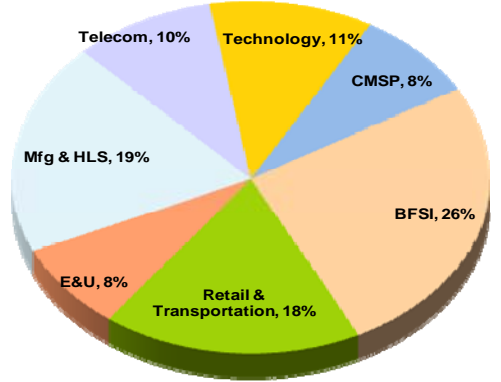


- IT Services Revenue based on exchange rate as of Sept 30, 2008 at \$1,126Mn against a guidance of \$1,121Mn. Constant currency growth of 3.5% seq and 19% YoY
- IT Services Revenue in dollar terms was \$1,100Mn, a sequential decline of 0.9% (growth of 3.5% in constant currency) and YoY growth of 12.4% (growth of 19.2% in constant currency)
- IT Services added 31 new clients in the quarter
- Revenues from Fixed Price Projects improved sequentially by 440bps while Offshore mix rose 90bps sequentially
- Price realization improved 120bps sequentially in constant currency through higher productivity
- Excluding the one-time provision made in respect of receivables of a large customer, we were able to marginally expand margins. The impact of salary increase and drop in Utilization were made up by benefits from currency and other operational parameters
- Completed acquisition of Citi Technology Services, revenues of which will be consolidated in the quarter ending March 31, 2009.



# Strength of De-Risked Business Model

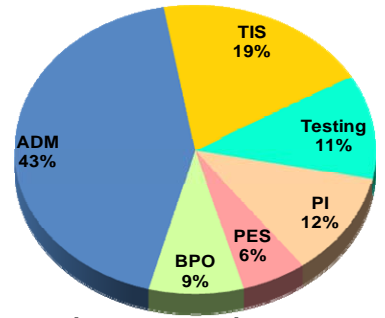
## Vertical distribution for Q3 2008-09



CSMP refers to Communications, Media & Services Provider

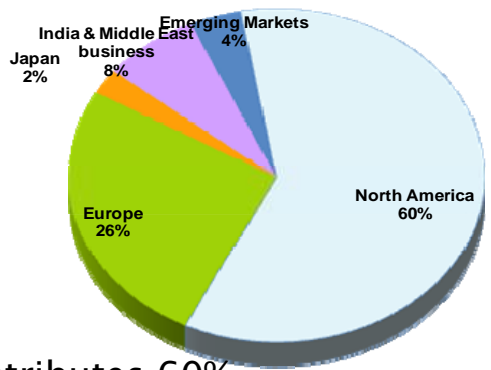
- Diversified Vertical portfolio, with no vertical contributing more than 30%

## Service line distribution for Q3 2008-09



- Differentiated Service lines contributing 57% of Revenues
- Total integrated consulting revenues including those embedded in the verticals constitute 2% of Revenue

## Geo distribution for Q3 2008-09



- US contributes 60%.
- Strong presence in India / Middle East / Emerging markets

## Revenue contribution of Top customers for Q3 2008-09

Customer Concentration (% of revenue)	
Top customer	2.5%
Top 5	11.3%
Top 10	20.2%

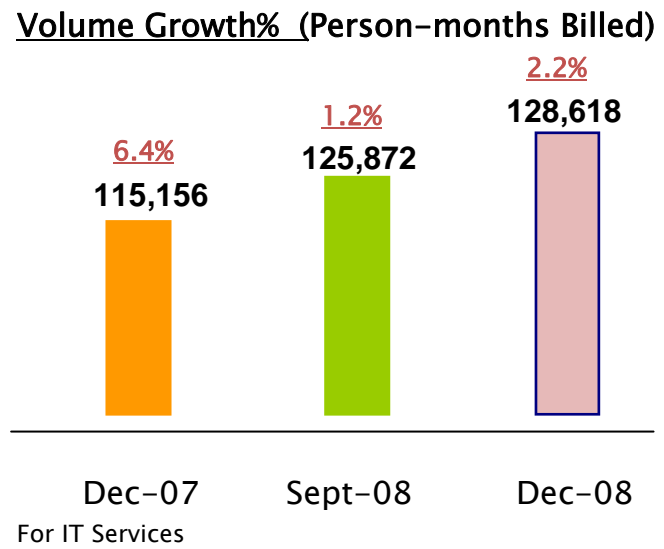
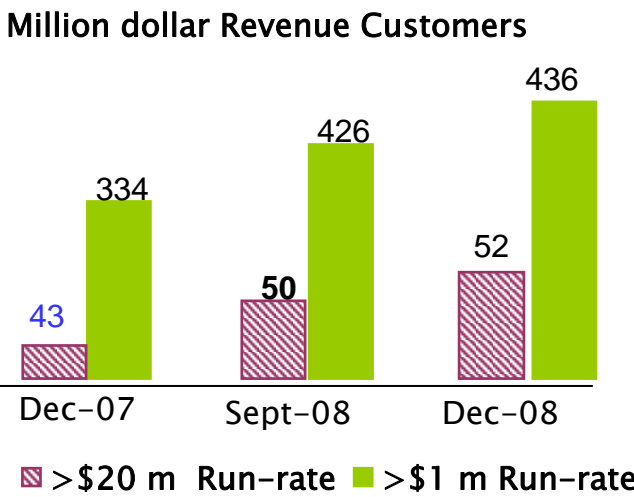
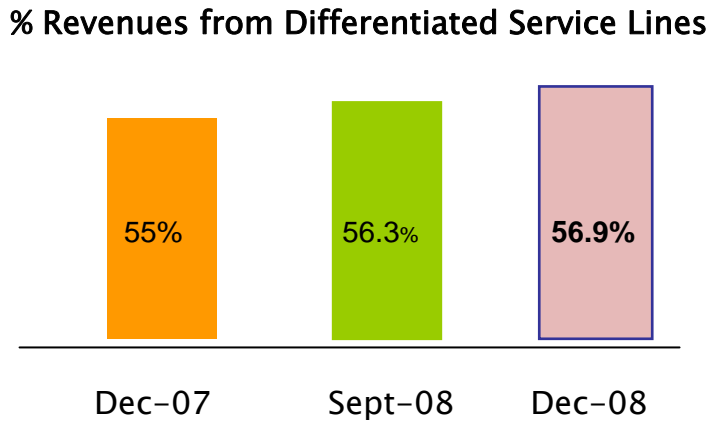
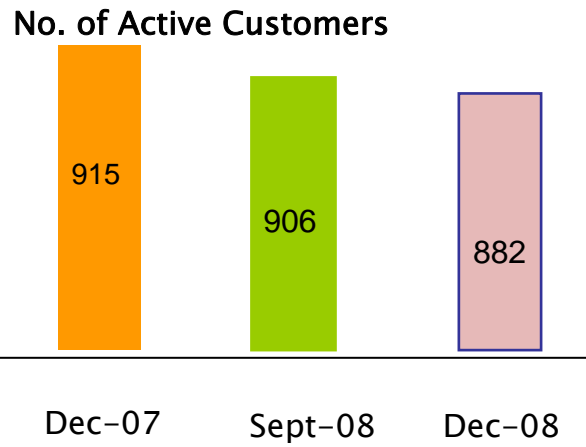
- No customer contributing more than 3%
- 436 customers with \$1 million revenue on trailing 12 month basis

# Performance Highlights IT Services

## Platform for Sustainable Growth



1. Tightened qualification process for new accounts as well as active accounts
2. High focus on existing accounts resulting in increase in million dollar revenue customers
3. 16 Clients >\$50 Mn Revenue on trailing 12 months basis in Q3 09 (from 9 in Q3 08)



# Looking Ahead



Looking ahead, for the quarter ending March 31, 2009, we expect the Revenue from our IT Services business including Revenues from the acquisition of Citi Technology Services to be approximately \$1045 million

\*based on constant currency exchange rates

	Constant Currency Exchange Rate
GBP to USD	1.57
Eur to USD	1.33
USD to INR	49.26

## Strength of our Balance Sheet

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- Our cash balance net of debt has increased from Rs.6,935 million (\$148 million) as of 30th Sep 2008 to Rs.10,728 million (\$221 million) as of 31st Dec 2008.
- We generated Free Cash Flow of Rs.5,850 million (\$120 million) in the current quarter
- On the whole, we are a high margin business with strong ability to generate cash flows and we are very comfortable on the strength of our Balance Sheet.



- Wipro has been a listed company since 1946 and has an excellent track-record of corporate governance and integrity.
- Over the years we have proactively adopted governance & disclosure standards long before they became mandatory – be it segment-wise & consolidated results in 1985 or voluntary compliance with SOX 302 certification requirement in 2002.
- Additionally, in 1998 we were the first internal audit function in India to get ISO 9002 certified.
- Since 2004 we have maintained SVG 1 (highest) rating by ICRA (an Associate of Moody's in India) on Shareholder Value Creation & Governance.
- We have constantly improved our disclosures over time and during this quarter, we also provided bank balances and investments by Banks and Mutual Funds
- Our cash & bank balances, investments, fixed deposits, borrowings, certificate of deposits & derivative transactions have been directly confirmed by external auditors with third parties directly



# Performance Highlights

## Our Non IT business



### Wipro Consumer Care and Lighting (WCCL)

- For the quarter, WCCL recorded Revenues of Rs. 5.3Bn, a growth of 21% YoY and PBIT of Rs. 613Mn, a growth of 17% YoY
- Unza continued to see good underlying value growth in all markets, with growth rates ahead of GDP growth rates of economies we operate in
- SANTOOR maintains its No. 3 position Brand in Toilet Soap category in India, in value terms. Grows ahead of industry, in both volume & value terms
- Launched Premium range of Office furniture. India's first leg and beam based system. We filed three patents

### Wipro Infrastructure Engineering (WIN)

- Wipro Infrastructure Engineering has been impacted by the sharp global slowdown in investment in multiple sectors, driven by the credit crunch and economic uncertainty
- The fundamentals of the sectors remain intact. Infrastructure is the key sector being targeted across India, China and US for revival of the economies
- We continue to invest with focus on increasing our global market share organically and inorganically



**WIPRO**  
*Applying Thought*

Thank You for your time