



# Wipro – Presentation to Investors

January 21, 2011

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.

**1 Our Vision?**



**2 Our track record on performance**



**3 Overall Market Opportunity**



**4 Our differentiation today**



**5 Strategy to remain differentiated tomorrow**





# Our Vision

## VISION STATEMENT

To be among the Top 10 Global IT & Business Process Outsourcing Services

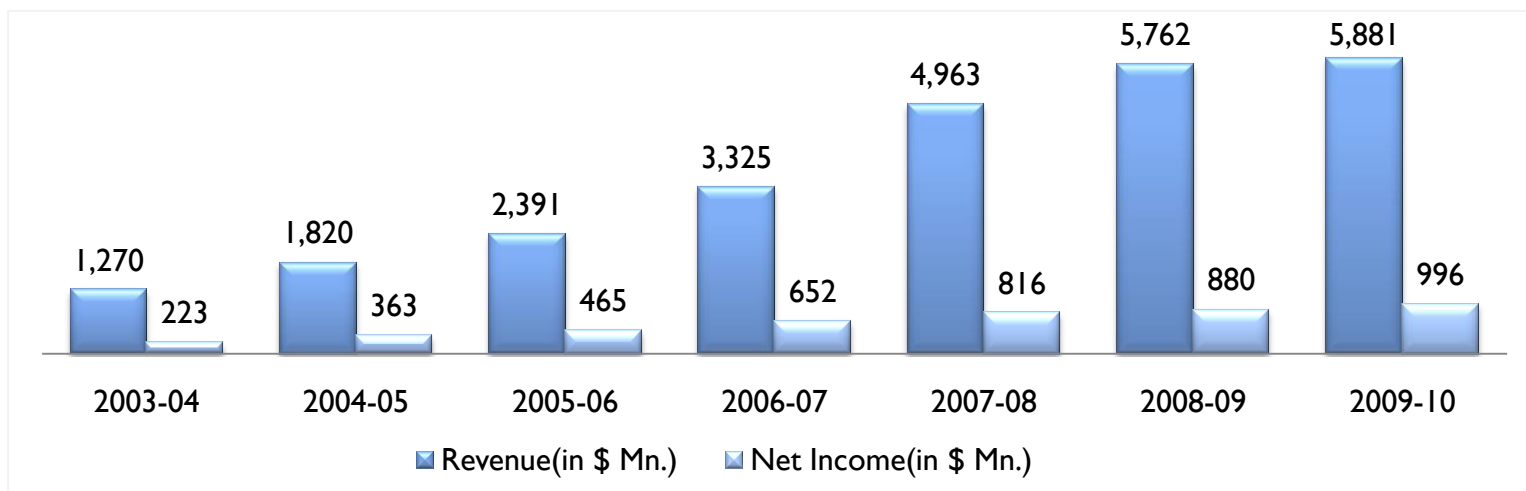
## OBJECTIVES STATEMENT

1. Be a Trusted Partner to our clients by providing Transformation and SI Services.
2. Achieve Thought Leadership in emerging Technology areas.
3. Be perceived as a leader by relevant stakeholders among Global IT Service & BPO providers.



# Track Record on Performance

# Wipro Ltd has grown revenue at a 29% CAGR and Net Income at a 28% CAGR for the last 6 years



## 1 Incorporated in 1945

### Businesses include

- IT Business
- Consumer Care & Lighting
- Infrastructure Engineering

## 2 Total Employees 119,491+

## 3 IT Services revenue at \$4.4 billion

- Wipro Corporation revenue at Rs.271 Billion for 2009 - 10, 6% YoY
- IT Services contribute 75% of Revenue and 92% of PBIT – Revenue growth of 6% and PBIT growth of 18%
- IT Products account for 14% of Revenue and 3% of PBIT - Revenue growth of 11% and PBIT growth of 29%
- Non IT business contribute 11% of Revenue and 5% of PBIT

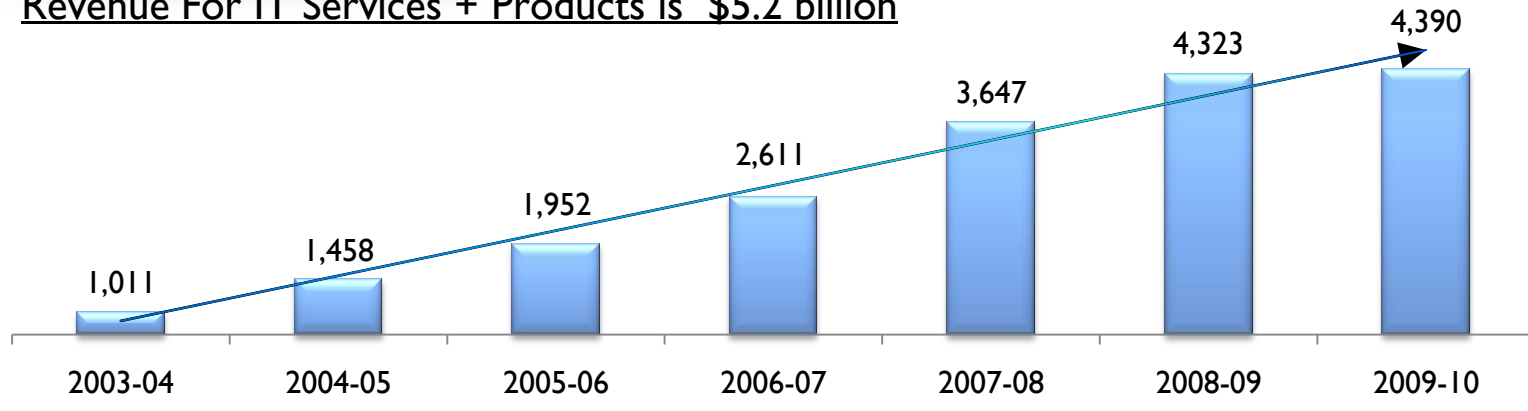
\* All numbers are numbers translated into USD on the basis of realized exchange rate of IT Services . For FY10, the numbers are in IFRS, while the past is in IGAAP

# Wipro's IT Services Business has grown at a CAGR of 28% in the last 6 years



## IT Services (\$ Mn.)

Revenue For IT Services + Products is \$5.2 billion



### Partner to Industry Leaders

- 880 active global clients as of December 30, 2010
- 150+ Fortune 500 customers

### Global footprint

- Listed on NYSE in October 2000
- Present in 54 countries
- 19,000+ employees onsite across geographies

### Diverse talent pool

- 119,491 employees
- 70 nationalities represented in workforce



# Highlights of the Quarter ended December 31, 2010



## Revenue Highlights

- Wipro Limited Revenue grew by 12% YoY to Rs. 78.29Bn
- IT Services Revenue at \$1,344 Mn, sequential growth of 5.6%. Constant Currency IT Services Revenue was \$1,325 Mn
- Strong Seq. growth across verticals – Energy and Utilities grew 16% , Financial Services and CMSP grew 7% ; Manufacturing grew 6% while Retail and Transportation both grew 5%
- ADM grew 9.5% ,TIS grew 7%, Consulting grew 14%, PI grew 6.8%, Product Engineering grew 4% sequentially
- Europe grew 13% and Japan grew 8% sequentially, while emerging markets continued to post strong growth
- IT Services Revenue Guidance for Q4'11 in the range of \$1,384\*Mn to \$1,411\*Mn

## Operational Highlights

- Profit After Tax was at Rs. 13.19 billion, a growth of 10 % YoY
- EPS at Rs. 5.41, a growth of 9.5% YoY
- IT Services EBIT grew 8% YoY

## Profitability

- Free Cash Flow generation of Rs.3billion during quarter
- Gross cash balance was Rs. 107.5 billion (\$2.4 billion), while Net Cash stood at Rs. 49 billion (\$1.1 billion)
- IT Services and Products business Return on Capital Employed at 39%

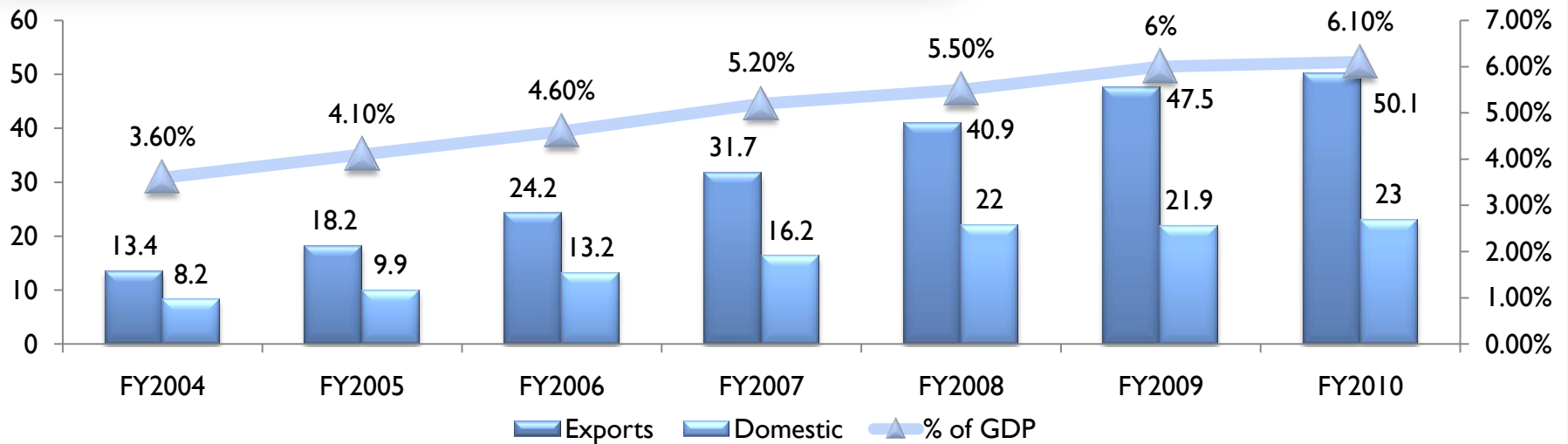
\* Guidance is based on the following constant currency exchange rates: GBP/USD at 1.58 Euro/USD at 1.35, AUD/USD at 1.01, USD/INR at 44.98



# Overall Market Opportunity

# Indian IT Industry Today

## Indian IT-BPO Sector I: Revenue Aggregate and Share of GDP



## Indian IT Industry

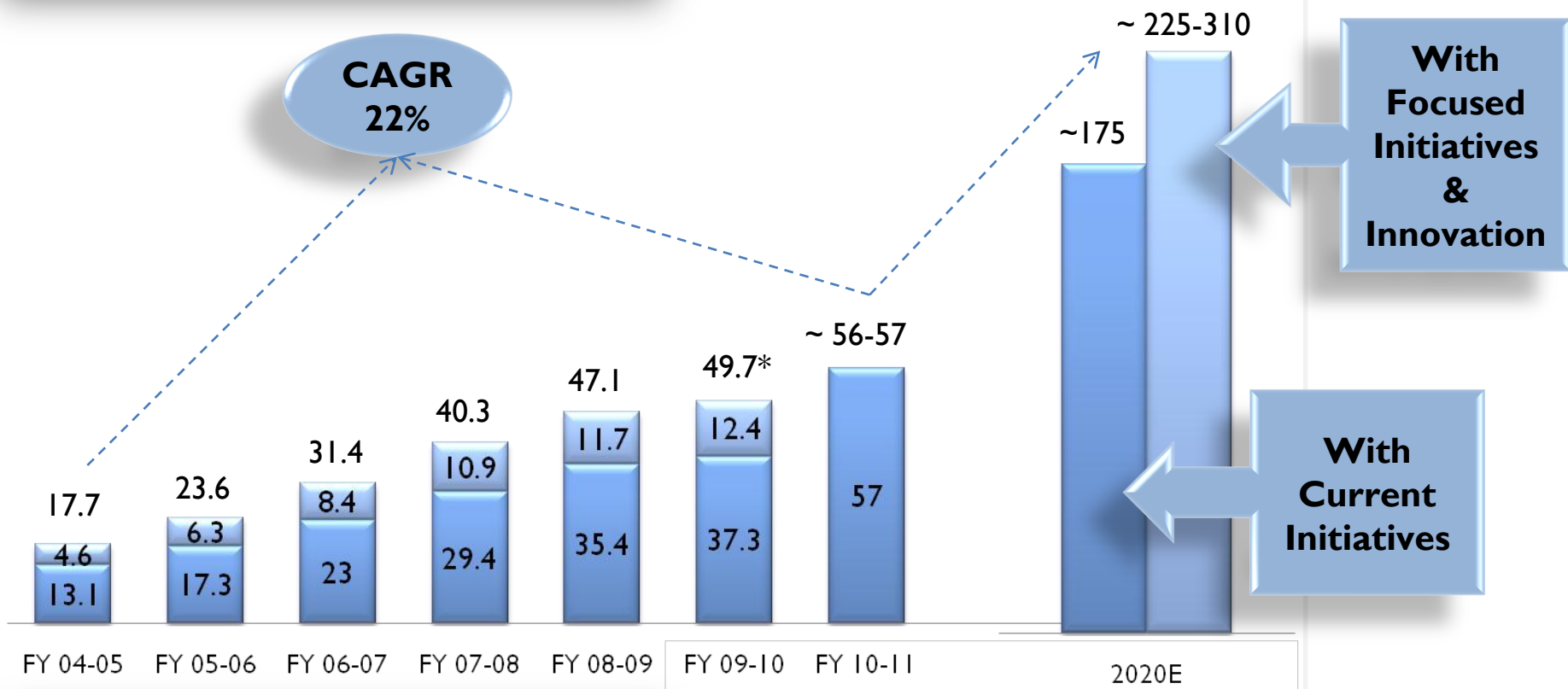
- Indian IT Industry – \$60 Bn; exports at ~\$ 50 Bn up from \$150 Mn in 1990
- India – Most preferred offshore destination

- Innovation and scale
- Expansion into new markets

- MNCs integral part of the industry
- Focus on cost efficiencies and customer value

# India Off-shoring market is expected to grow at a CAGR of ~13-20% through 2020

India's offshore IT and BPO exports (\$B)



Long Term Fundamentals of the India Off-shoring story remain intact

CAGR of 13% to 20%

\* Expected numbers for FY09/10

Source: NASSCOM McKinsey 2020 Perspectives; Indian IT Software and Services – FY10, Performance and Future Trends, Feb 2010



# Our Differentiation Today

# What differentiates Wipro today?

- Broad based portfolio across Verticals, Geographies, Service Lines and Customers
- Strong (\$1B) and Established (20+ years) presence in some of the key growth markets – India & Middle East
- A complete, integrated portfolio of services
- Leadership in R&D – worlds largest independent 3rd party R&D shop

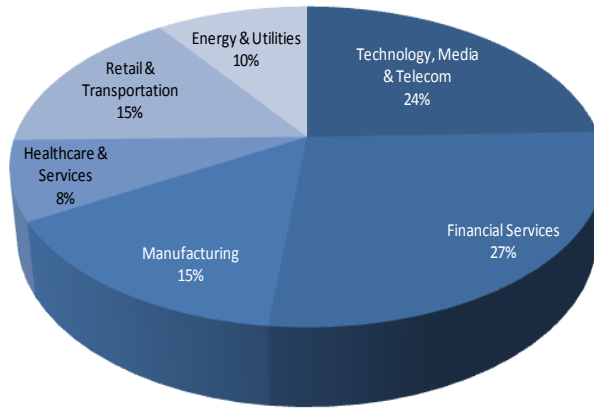
# Strength of a broad based portfolio

## Revenue contribution of Top customers for Q3'10-11

| Customer Concentration (% of revenue) |       |
|---------------------------------------|-------|
| Top customer                          | 3%    |
| Top 5                                 | 10.7% |
| Top 10                                | 19.2% |

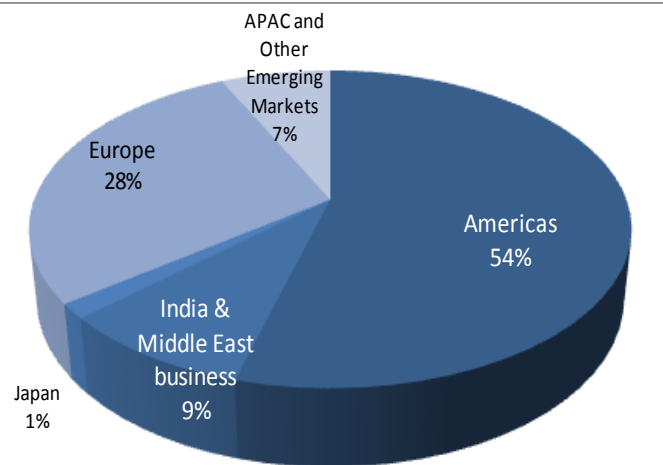
- New customer contributing around 2.4%
- 433 customers with \$1 million revenue on trailing 12 month basis, 21 customers greater than \$50 million

## Vertical Distribution



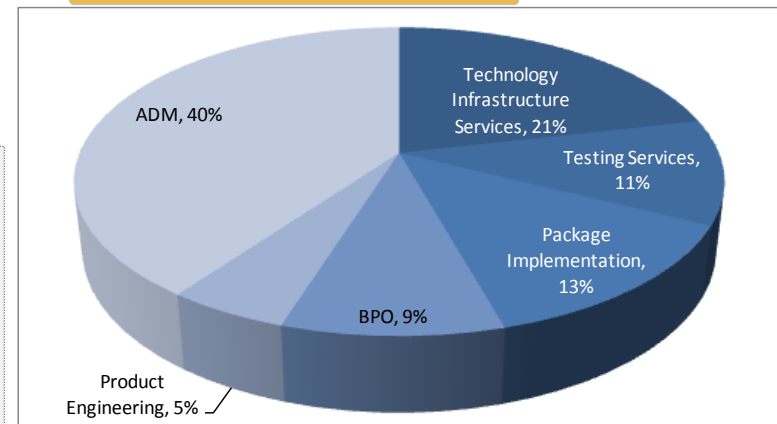
- Diversified Vertical portfolio, with no vertical contributing more than 27%

## Geographical Distribution



- Americas contributes less than 55%
- Strong presence in Emerging markets
- Balance to align "Global spend and Growth in spend"

## Service Line distribution



- Differentiated Service lines contributing over 60% of Rev
- Total integrated consulting revenues constitute >3% of Revenue

# India & Middle East – A comprehensive IT Services Portfolio



1. Revenue upwards of a billion dollars
2. Leadership position in India, pioneer in Middle East
3. Best of breed partnerships
4. Transformational customer engagements – Some of the largest deals won by Wipro like Aircel, ESIC, Telenor, Lavasa, DIAL etc.
5. Incubator of global service lines
6. Leaders in Systems Integration

## Strategic Partnerships



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



# Global TOS – A complete, integrated portfolio of services



## TIS – A Complete Portfolio of Services

Consulting & System Integration

Managed Services

Technical Support Services

Enterprise Service Mgmt

Managed Security Services

Managed Hosting

Main-frame Services

IFOX

Transformational Outsourcing

- Changing the IT landscape of our customers – through Transformation Consulting & SI Services, across Platforms/Storage/Networks

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 Managed Services portfolio through addition of high end Managed Mainframe Services

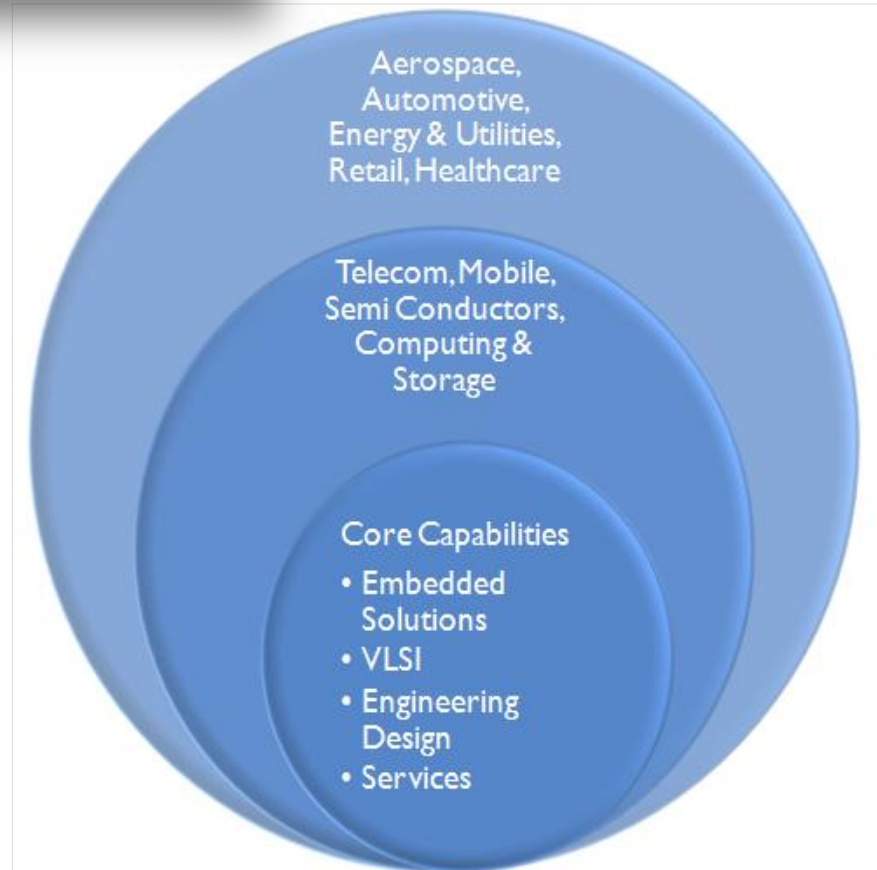
Transformation from Remote Infrastructure Management to IT Infrastructure Outsourcing

- Robust onshore front-end to address IT Outsourcing as opposed to only Remote Management

# Leadership in R&D

## Leadership in R&D business

- 15000+ talent pool engaged in R&D Services
- Largest player based on headcount
- World's largest independent team of Hardware Design Engineers of 1,900
- Leaders in Telecom OEM
- Addressing new segments through this differentiated capability with 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





# Strategy to remain differentiated tomorrow

# Our Strategy is aligned to the needs of the 21st century corporation



Transformation Partner

## One Who

- Enables business outcomes rather than offering services for hire
- Commits to Skin in the game
  - Risk & Reward Models
- Proactively invests in customer benefits
- Innovates continuously for sustainable benefits

Building SI & Transformational Capability

## Enabled by

1. Client Engagement Program
2. Domains and Solutions
3. Technology Investments
4. Full Stack and Cloud
5. Growth Engines
6. Operational Excellence

# Structured and focused client engagement program



### Building Domain Competency

- Business Advisory Groups in SBUs
- Domain flavors for Service Lines

### Solutions and Stacks

- Continue strong focus on Package Apps
- Vertical/Horizontal Specific Productized Solutions
- E.g. - Sustainable Manufacturing, Telecom Stacks, Smart Metering,

**DRIVING DOMAIN CENTRICITY**

# 3 Technology Investments



## Cloud Environments

Transforming enterprise applications & infrastructure to operate in hybrid cloud

## Collaboration

Deliver business process efficiency & enhanced user experience for global enterprises

## Green Technologies

Achieve sustainability goals of enterprises using a combination of IT and non-IT

## Mobility Force

Extend enterprise & consumer applications & manage multiple devices for mobile work

## Social Computing Strategy

Leverage collective intelligence of communities for Enterprise products & services

## Information Management

Manage Information in Hybrid environments & apply multimedia analytics for business insight

## Security

Physical & Information Security in a globalized business environment

**Investing in Technologies Enabling the 21st Century Corporation**

## Strategy

### STACK

- Best of breed System Integration (SI) services approach

## Initiative

- Create complete stacks with vendors – Wipro to own process and provide services around stack
- Leverage Mega alliances (Cisco, Microsoft, EMC, SAP, Oracle) – to create and address opportunities around SI for Private Cloud
- Drive Vertical specific Solutions

### CLOUD

- Cloud Strategy of Wipro as 'originator' & enabler
- End-to-end for private clouds
- Consulting and SI for public clouds

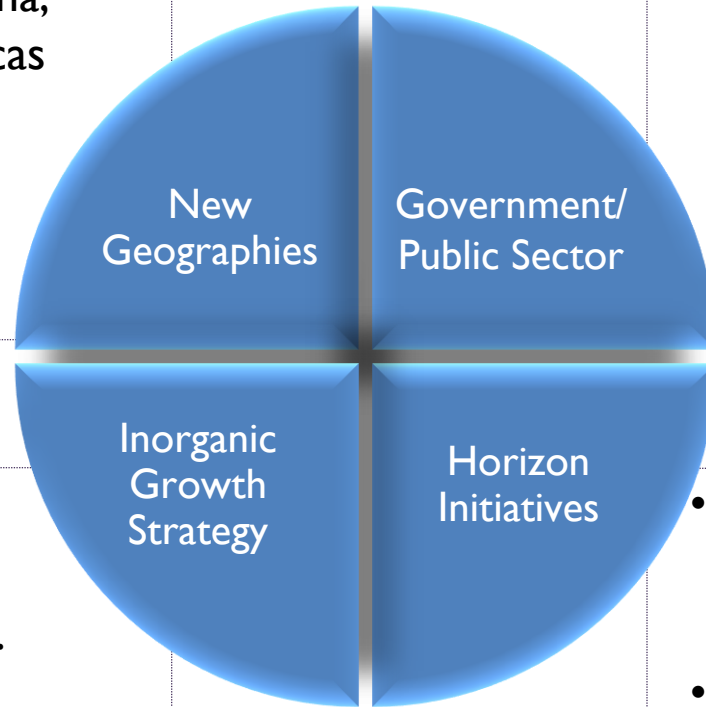
- Dedicated Central Team working to commercialize opportunities in Cloud (across Verticals and Service Lines)



# 5 Growth Engine



- Incubate high growth geographies like China, Latin America, Africas



- Public Sector/Govt in US, Europe(UK) & APAC.
- Leverage India experience

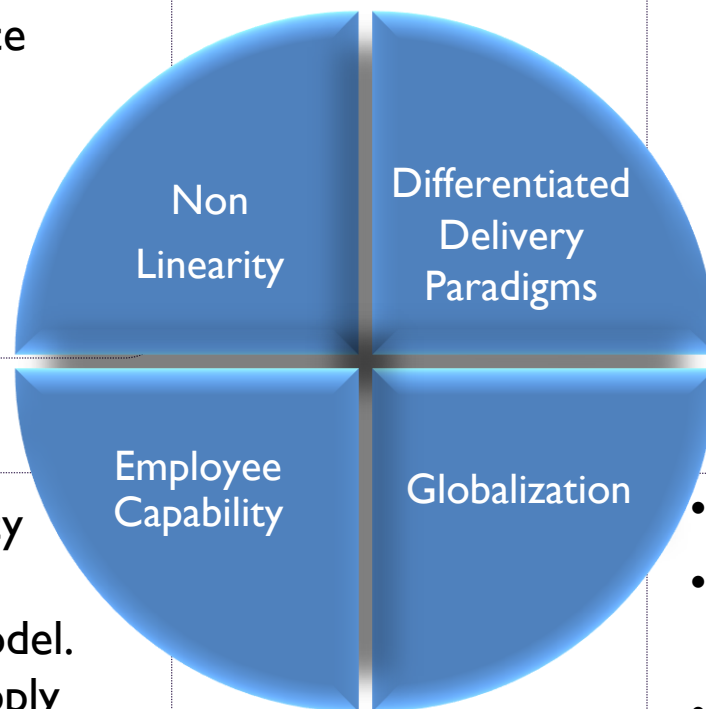
- Continue to invest in 'string of pearls' acquisition strategy.

- Focused initiatives with dedicated investments that will yield benefits in 2-3 yrs
- Identified areas include Solution creation, White spaces, SI competencies, Product led services etc

# 6 Operational Excellence



- Alternative Commercial Models
- Differentiated Service Offerings – Business Platforms
- IP/ Frameworks/ Solutions
- Flex Delivery



- Flex Delivery
- Lifecycle Accelerators
- IP/ Frameworks/ Solutions

- Unified Competency Framework
- Virtual Delivery Model.
- Optimal People supply chain
- Work force transformation

- Strategic Delivery Centers
- Best in Class Global Leadership
- Workforce Localization
- Strengthening Global Presence





# Full Year Highlights and Key Highlights of Other Businesses

# Highlights for the year ended March 31, 2010

## Revenue Highlights

- Wipro Limited Revenue grew by 6% YoY to Rs. 271 Bn
- Constant currency IT Services Revenue was \$4,399 Mn, YoY growth of 1.8%. IT Services Reported Revenue at \$4,390 Mn, a YoY growth of 1.6%.

## Operational Highlights

- Profit After Tax was at Rs. 45.93 billion, a growth of 19% YoY
- EPS at Rs. 31.52, a growth of 18% yoy
- IT Services EBIT grew 18% YoY, with Margins expanding to 23.4%, a 243bps increase YoY

## Profitability

- Free Cash Flow generation of Rs. 38 billion during the year, a YoY increase of 95%
- Gross cash balance was Rs. 106 billion (\$2.4 billion), while Net Cash stood at Rs. 44 billion (~\$1 billion)
- IT Services and Products business Return on Capital Employed at 39%

# Highlights – Other Businesses for the Quarter Ended December 31, 2010



## Wipro Consumer Care and Lighting (WCCL)

1. Our thrust in rural areas has helped to grow well in Santoor. In Yardley we have been able to transition our brand successfully to attract the youth - See good potential in the brand.
2. Unza acquisition continues to do well with leading growths in Malaysia, Vietnam and China. Our investments in brand building ensured our key brands Enchanteur, Safi and Romano continued to outperform the market.
3. 35% of our sales in Office Furniture is from our premium range – a proof that it has been well accepted by the customers. Our LED streetlight 'Orio' won the prestigious Design for Asia merit recognition award in Hong Kong.

## Wipro Infrastructure Engineering (WIN)

1. We are the worlds largest third party Hydraulics player
2. Continue to see strong rebound in the India Market and better than expected bounce back in Europe

## Eco-energy

1. Very bullish on the prospects of the business in the medium term
2. Continue to drive Energy Managed Services
3. Confidence in our business model has increased significantly, validated by the market & our wins

# Key Financial Ratios

| Ratios                                   |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
|  | Mar-10 | Mar-09 | Mar-08 | Mar-07 | Mar-06 |
| <b>Financial Performance - Growth(%)</b> |        |        |        |        |        |
| Revenue                                  | 6      | 28     | 33     | 41     | 30     |
| Profit Before Interest and Tax           | 18     | 25     | 16     | 35     | 24     |
| Profit After Tax                         | 19     | 19     | 12     | 42     | 27     |
| <b>Financial Position</b>                |        |        |        |        |        |
| Cash and Investments to Capital Employed | 43     | 36     | 34     | 53     | 58     |
| Current Ratio                            | 2.13   | 1.72   | 2.12   | 1.66   | 1.44   |
| Days Sales Outstanding (in days)         | 66     | 67     | 64     | 60     | 62     |
| <b>Returns - (%)</b>                     |        |        |        |        |        |
| Return on Capital Employed               | 24     | 25     | 27     | 36     | 37     |
| Return on Average Network                | 29     | 31     | 36     | 35     | 36     |
| Return on Invested Capital               | 37     | 37     | 45     | 80     | 84     |
| Operating Cashflow to PBIT               | 98     | 82     | 66     | 92     | 87     |
| <b>Per Share - Rs.</b>                   |        |        |        |        |        |
| Book Value                               | 124    | 93     | 80     | 66     | 46     |
| Dividend Per Share                       | 6      | 4      | 6      | 6      | 5      |
| PE Ratio                                 | 22*    | 15     | 22     | 27     | 38     |
| Market Cap in Rs. Billion                | 1,102* | 600    | 773    | 816    | 798    |

\* Based on closing price in NSE as on Sep ,2010



**Thank You**