

# ZENSAR TECHNOLOGIES



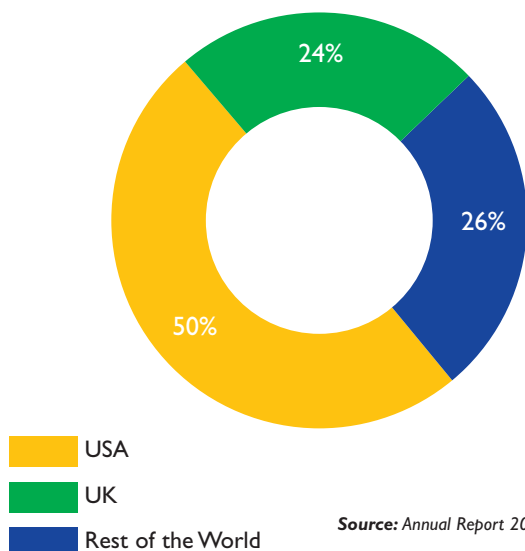
## Company Background

Zensar Technologies is a joint venture between Fujitsu Services and RPG, with Electra Investments Trust as an institutional investor. The company provides software solutions to Fortune 500 clients across 18 countries, including China and India. It entered into alliances with organisations such as Microsoft, IBM and Oracle, which enhanced its skills, technology and infrastructure in selected geographies.

Zensar is headquartered in Pune and has a marketing presence in the US, the EU, the Middle East, South Africa, and a number of other countries in the Asia Pacific. Presently, the company employs more than 3,100 personnel.

In fiscal year 2005-06, the total revenue earned by the company amounted to EUR 79.8 million,

Revenue – Geographical Distribution (FY 2005-06)



Source: Annual Report 2005-06, Zensar

compared to EUR 61.0 in fiscal year 2004-05. The geographical distribution of its revenue is as follows:

## Zensar Technologies in the EU

Zensar views the EU as a strategic market. Fujitsu Services Ltd, UK, owns a 26 per cent stake and Fujitsu Services Holdings B.V. Netherlands a 3 per cent stake in Zensar. The company operates in the EU through its subsidiaries in Germany, the UK and Finland.

## Zensar Technologies in the UK

Zensar has a presence in the UK through its subsidiary Zensar Technologies (UK) Ltd. The company focuses on industries such as retail, logistics, financial services, telecom and specialist software products, and IT applications development, BPO and other consulting services. It provides services to more than 100 customers in the diverse verticals. Zensar serves its clients with dedicated offshore development centers in India. Some of the major customer are in domain such as a large UK retailer, a largest utility company in the UK, one of the largest gaming companies in the US amongst others.

In 2005, Zensar Technologies (UK) Ltd recorded a turnover of approximately EUR 20 million. The company is an active member of various forums, including the National Outsourcing Association, the UVDB, the Institute of Directors, the British Retail Consortium, and KM World.

### Zensar Technologies in Germany

Zensar Technologies has a presence in Germany through its wholly owned subsidiary, Zensar Technologies GmbH. In the year 2005, the company recorded a turnover of EUR 0.12 million with a net loss of EUR 0.09 million.

### Zensar Technologies in Finland

Finland serves as the sales hub of the company for northern Europe and the company is present in the verticals of finance, telecom and software products in this region. Additionally, it carries out significant work in the area of application modernisation and product-engineering services.

Zensar operates through its various partners. Zensar's parent company, has a strong presence in Finland, further providing Zensar with advantageous insights into the local market.

## Factors for Success

### Focus on Key Vertical Domains

Zensar focuses on its key domains, such as manufacturing, retail, logistics, financial services, telecom and utilities, thereby offering end-to-end solutions to its customers. The company is continuously investing in advanced technologies such as business intelligence, data warehousing, infrastructure management and embedded systems, which has helped it to create a strong brand name for itself and also grow its business.

### Inorganic Growth (through Acquisitions)

Zensar has also followed the strategy of acquiring companies to facilitate its entry into a particular segment or to focus on a particular geography. This has helped it to penetrate desired markets with the requisite skill sets.

The acquisition of the intellectual property rights of Seacom's Smartshop Point-of-Sale (POS) products has strengthened Zensar's ability to

provide solutions in mission-critical areas such as POS. This has also enabled the company to provide integrated IT and BPO solutions to retailers, thereby eliminating the need for multiple vendors.

In 2005, the acquisition of OBT Global, a US-based provider of SAP solutions, provided the company with a platform to enter and consolidate the SAP services business.

## Future Plans

As a part of its growth strategy, Zensar is looking to expand its presence in the EU through inorganic means. It plans to increase its focus on the retail, logistics, financial services, telecom and utilities sectors in the region, where other major players are present. It is also concentrating on tapping the market for the outsourcing of IT services.

Zensar plans to make acquisitions in the EU to gain domain expertise and strengthen its brand name.

The company is also emphasising on enhancing its service offerings portfolio to include remote infrastructure management, integrated IT and BPO solutions, and retail solutions, thereby providing end-to-end consulting solutions to existing and new customers.

Zensar has plans to start its operations in Poland, as a near shore centre for Continental Europe.

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