TCS/PR/SE-81/2017-18

December 6, 2017

**National Stock Exchange of India Limited**
**Exchange Plaza,**
**Bandra Kurla Complex**
**Mumbai**
**Kind Attn: Manager, Listing Department**

**BSE Limited**
**P.J. Towers**
**Dalal Street**
**Mumbai**
**Kind Attn: General Manager,**
**Department of Corporate Services**
**Scrip Code No. 532540 (BSE)**

Dear Sirs,

We are sending herewith copy of the Press Release titled **"TCS study reveals how European Utilities are adopting New Revenue Models to succeed in the Business 4.0 era"** which will be disseminated shortly.

The Press release is self-explanatory.

Thanking you,

Yours faithfully,
For **Tata Consultancy Services Limited**

**Rajendra Moholkar**
**Company Secretary**

TATA CONSULTANCY SERVICES
Tata Consultancy Services Limited
Maker Towers 'E' Block 11th Floor Cuffe Parade Colaba Mumbai 400 005 India
Tel 91 22 6778 9191 Fax 91 22 6639 1836 e-mail corporate.office@tcs.com website www.tcs.com
Registered Office 9th Floor Nirmal Building Nariman Point Mumbai 400 021
Corporate Identification No. (CIN): L22210MH1995PLC084781

For immediate use **PRESS** RELEASE

# TCS study reveals how European Utilities are adopting New Revenue Models to succeed in the Business 4.0 era

- Research commissioned by TCS highlights distributed generation is the key to new revenue streams for more than three quarters of all companies surveyed
- Low-carbon producers will be central to the utilities industry by 2020, with new products and services contributing more than 10% of utilities' revenue
- Innovations from the Fourth Industrial Revolution, as well as regulatory changes and more agile business models are driving the industry's transformation
- Report is the first of three insights being commissioned by TCS into the Utilities sector

**EUROPE | MUMBAI, December 6, 2017** -- Tata Consultancy Services (TCS), (BSE: 532540, NSE: TCS) a leading global IT services, consulting and business solutions organization today unveiled the first phase of results from a study, published by IDC Energy Insights and commissioned by TCS**, which found the majority of European utility businesses see digital technology as a crucial driver of new revenue streams.

This is especially timely with the European utilities market undergoing significant transformation in recent years, driven by innovation as part of the Fourth Industrial Revolution, new regulatory pressures and a steady shift away from traditional utilities businesses to more agile and dynamic models. The survey was conducted across 13 European countries, including the UK, and is the first phase of a new study into the evolving priorities of the European utilities industry.

**Sudheer Warrier, VP & Global Head TCS Utilities Business Unit, commented**: "Our research clearly highlights the major changes that the utilities industry is undergoing as a result of new digital technologies and their ability to transform businesses. Concurrently, digital is changing the industry outside-in, and 'power' is literally shifting to the consumer. There is now a new Energy Value Ecosystem where 'data' is the currency and 'experience' is the valuation of every transaction, and utility companies are having to navigate this disruption."

The first report has uncovered the views of industry executives on changing revenue drivers, with the three-quarters (79%) of respondents claiming that distributed generation will be the key to new revenues channels for their business. Other important revenue channels highlighted were EVs and demand-side management, new energy storage technology, as well as the introduction of microgrids. The report also found that:

- New products and services will contribute to more than **10%** of company revenue, according to more than a third **(36%)** of those surveyed.
- Regulated businesses are looking to expand internationally beyond their core markets - **42 % of the DSO's** are expecting more than 10 % of the revenue from the new energy sales & services.

The future business role of utilities is changing:

- The value of conventional power generation continues to decline, as **low carbon producers will be central to the utilities industry by 2020**, according to 77% of respondents. Big investments are being made in **wind power generation**, particularly based in the North Sea, demonstrating the importance in renewal energy to the industry.
- The **'capacity provider' role is set to become increasingly vital for European utilities** amid the larger impact of distributed, renewable and intermittent energy sources. European utilities will have the opportunity to position themselves as a 'security of supply' guarantors.

**Roberta Bigliani, VP IDC Energy Insights, said:** "The appetite for change in the European utilities sector has been driven by the forces of regulatory change and evolving consumer expectations, all of which is underpinned by a driving catalyst of digital technology. While there are some notable success stories, many utility companies are only now waking up to the true potential for digital innovation to help transform their businesses and add value to their operations. Our study identifies the big trends at play. But it also highlights that for large complex organizations, and with the speed of change demanded by the market, they must collaborate with the energy ecosystem in new ways."

*For more information on the report, please visit TCS' dedicated microsite: http://info.tcs.com/grounding-utilities-dreams-of-new-revenue-streams/*

**## ENDS ##**

***Sources: IDC White Paper, sponsored by Tata Consultancy Services, Grounding Utilities' Dreams of New Revenue Streams, July 2017*

**About Tata Consultancy Services Ltd. (TCS)**

Tata Consultancy Services is an IT services, consulting and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT, BPS,infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. A part of the Tata group, India's largest industrial conglomerate, TCS has over 389,000 of the world's best-trained consultants in 45 countries. The company generated consolidated revenues of US $ 17.6 billion for year ended March 31, 2017 and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India. For more information, visit us at www.tcs.com

**Report methodology**

This IDC Executive Brief presents a section of the major findings of the 2016 IDC Energy Ecosystem Survey, commissioned by TCS. The survey ran between October and November 2016, and covered 120 senior IT and non-IT decision-makers from European utilities across Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom.

IDC Energy Insights analysts shared the survey results with senior utility executives across Europe for further insight and validation. The IDC Executive Brief also captured the views of senior TCS subject-matter experts.

This IDC Executive Brief is the third of three IDC Executive Briefs that analyze this specific survey on European utilities. It focuses on European utilities' approach to digital transformation by looking at their technology investment priorities, data architecture and monetization strategies and IT delivery models. It also looks at how utilities think their IT capabilities should evolve to support their new product and services ambition.

**TCS media contacts:**


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| Asia Pacific: | Email: neerja.jetley@tcs.com<br>Phone: +65 90295944 |
| Australia and New Zealand | Email: Darren.rudd@tcs.com<br>Phone: +61 488 403 013 |
| Benelux | Email: Joost.galema@tcs.com<br>Phone: +31 615 903387 |
| Central Europe | Email : anke.maibach@tcs.com<br>Phone: + 49 172 6615789 |
| Europe: | Email: ashish.babu@tcs.com<br>Phone: +31 611 531246 |
| India: | Email: arushie.sinha@tcs.com \| shamala.p@tcs.com<br>Phone: +91 22 6778 9960 \| +91 22 6778 9081 |
| Japan | Email: douglas.foote@tcs.com<br>Phone: +81 80-2115-0989 |
| Latin America | Email:martin.karich@tcs.com<br>Phone: +569 6170 9013 |
| Nordics | Email: mattias.afgeijerstam@tcs.com<br>Phone : +46723989188 |
| UK: | Email: peter.devery@tcs.com<br>Phone: +44 7764 835 773 |
| USA / Canada: | Email: b.trounson@tcs.com<br>Phone: +1 646 313 4594 |