



TCS/PR/File-BSE& NSE/2011-12/46

March 27, 2012

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Kind Attn.: General Manager,
Department of Corporate Services

Scrip Code No. 532540 (BSE)

Dear Sirs,

We are sending herewith copy of a Press Release titled **“Emerging markets lead the way in cloud application adoption”** which will be disseminated shortly.

The Press Release is self-explanatory.

Thanking you,

Yours faithfully,
For **TATA CONSULTANCY SERVICES LIMITED**

Suprakash Mukhopadhyay
Vice President and Company Secretary

Encl: as above

TATA CONSULTANCY SERVICES

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Emerging markets lead the way in cloud application adoption

TCS global study projects number of corporate cloud applications to increase an average 18 per cent by 2014

- Cloud apps to become much more pervasive by 2014 – up to 54% (Latin America), 52% (Asia Pacific), 33% (US) and 24% (Europe) of total corporate applications
- Confidence in cloud differs significantly between public and private options
- US, Europe remain conservative about putting mission-critical and customer data on the cloud
- Over one –third of budgets spent on Customer-facing business functions

Mumbai, March 26, 2012: Large companies in Latin America and Asia Pacific are the most aggressive adopters of the cloud computing paradigm, while their European and US counterparts remain conservative about shifting applications to the cloud. A study by Tata Consultancy Services (TCS) involving senior managers and corporate IT executives from over 600 large companies¹ across the globe, reveals that while cloud applications are still in the minority of all applications, companies in Latin America and Asia Pacific have a much higher proportion of cloud applications to total applications.

The average Latin American company has almost two fifths (39%) of its total applications in the cloud. Asia Pacific follows closely behind with over a quarter (28%). In contrast, less than one fifth (19%) of the average US company's applications are hosted in the cloud. In Europe, the figure is closer to one tenth (12%).

The findings come from an extensive study conducted by TCS, a leading IT services, consulting and business solutions organization, into the factors driving companies to shift on premis or put new applications into the cloud and the competitive advantages those applications are generating. According to the study, on average companies in all regions are deriving benefits from cloud. Yet, as the most aggressive adopters of cloud applications, Latin American and Asia Pacific companies also report greater gains.

N Chandrasekaran, CEO and MD of Tata Consultancy Services said: "We have reached the inflection point in cloud computing and there is no turning back. Cloud-based applications are already a substantial piece of large corporate IT infrastructure and the early benefits achieved are too substantial to ignore. There is huge scope for growth in both developed and emerging

¹ Survey of 606 managers in large companies worldwide (most >\$1B in revenue)

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economies and we firmly believe that cloud computing will continue to open up opportunities for companies across many different functions.

The study also reveals that overcoming fear of security risks remains the key to adopting and benefiting from cloud applications. While companies globally admitted this is the biggest challenge to leveraging cloud today, those in the US and Europe remain especially conservative in their approach to cloud adoption for fear of data security breaches. Despite a significant shift to cloud applications, Western companies are also more sensitive about which applications they put in public clouds. Only a fifth (20%) of US and European companies would consider or seriously consider putting their most critical applications in public clouds. Yet two-thirds of US (66%) and almost a half of European companies (48%) would consider putting core applications in private clouds. Companies in Europe and in the US also showed a reluctance to put applications with customer data in the cloud.

Interestingly, customer-facing business functions are garnering the largest share of the cloud application budget. The study reveals that marketing, sales and services capture at least two fifths of the budget across the four regions, with companies citing the desire to get closer to customers through cloud marketing applications as one example. The early returns on cloud applications are impressive. Companies using cloud applications are increasing the number of standard applications and business processes, reducing cycle times to ramp up IT resources, cutting IT costs, and launching a greater number of new products and processes. In industry terms, healthcare services, automotive and computer hardware are in the lead in leveraging the cloud.

The study also uncovers that cost cutting is not in fact the biggest driver of cloud applications. Indeed while IT cost reduction is an important factor for companies globally, the need to streamline and speed up processes was greater. In the US and Asia-Pacific, companies cited standardization of software applications and business processes as the main driver for shifting on-premis applications to the cloud. In Europe and Latin-America, the ability to ramp systems up or down faster was the motivation.

Additional Resources:

- **Video and Detailed Report of 10 key findings:** <http://www.tcs.com/cloudstudy>
- **Expert Perspective from N Chandra, CEO TCS:**
<http://sites.tcs.com/cloudstudy/the-ceo-point-of-view>
- **Why companies are using cloud applications:**
<http://sites.tcs.com/cloudstudy/the-state-of-adoption-of-cloud-applications>

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- **Cloud adoption across industries:**

<http://sites.tcs.com/cloudstudy/differences-in-cloud-adoption-across-global-industries>

- **Cloud adoption across markets**

<http://sites.tcs.com/cloudstudy/differences-in-cloud-benefits-by-region-of-world>

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, BPO, infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™ (GNDM), recognized as the benchmark of excellence in software development. A part of the Tata group, India's largest industrial conglomerate, TCS has over 226,000 of the world's best-trained consultants in 42 countries. The company generated consolidated revenues of US \$8.2 billion for year ended March 31, 2011 and is listed on the National Stock Exchange and Bombay Stock Exchange in India. For more information, visit us at www.tcs.com.

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