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TATA

THE IBEROAMERICA TIMES

Argentina • Brazil • Chile • Colombia • Ecuador • Guatemala • Mexico • Panama • Peru • Portugal • Spain • Uruguay

TATA CONSULTANCY SERVICES

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5000 in 5 years

The Latin America, Spain & Portugal unit of TCS posts explosive growth for the period 2002-07.

The numbers speak for themselves. As its 5000th employee walks in within just five years of its opening doors in Latin America, there is a noticeable buzz and flow of energy within this Iberoamerican unit of India's largest technology firm. Flowing across its experienced leadership team to the hundreds of young engineers it has hired across the continent, the energy is evident in all aspects of the company – from the undying commitment to its clients expressed by its motto "Experience Certainty." to the rush of real estate that the company has had to secure to seat is ever expanding workforce, which adds one new employee every 8 hours.

Most successful companies of today can trace their histories to extremely humble beginnings. Microsoft was born in a garage, Nokia started as a small wood mill on the banks of a river in Finland and for TCS Iberoamerica everything began in 2002 when TCS' leadership team spearheaded by its chief executive Mr. Ramadorai and chief operating officer Mr. N Chandrasekaran decided it was time to take the company's successful offshore business model to the Hispanic world. Gabriel Rozman, a renowned regional industry expert, was designated President of what was soon going to become "TCS Iberoamerica". The unit initiated a modest beginning by hiring a team of 15 people, based out of two rooms in the Zonamerica Technology Park in Montevideo, Uruguay. This fledgling team made a trip to India in order to learn and transfer all the knowledge and expertise from India to Latin America. With these small steps, a company was born.

The next 5 years were filled with rapid growth that would rival for pace any Hollywood action movie. 2003 saw forays into Brazil, Chile, Mexico and Spain as well as the setting up of the first CMMI level 5 center ever established in Latin America. In 2004, TCS was selected as the IT partner for ABN Amro in Europe and Latin America in a mega outsourcing deal valued at over US$250 million, while it expanded operations into the Andean and Caribbean countries. The very next year, Chile's leading BPO (Business Process Outsourcing) firm Comicrom was acquired and TCS expanded into Portugal and Argentina. Shortly after, a new office was set up in Colombia, catering to several banks and telecommunications firms.

Gabriel T. Rozman, President TCS Iberoamerica

2007 was no different and began with a landmark deal worth over US$ 140 million with Banco Pichincha, the largest private bank in Ecuador. This was followed by the setting up of a large regional training center in Uruguay and a new global delivery center in Guadalajara, Mexico. The company has grown rapidly with the speed of a Ferrari, which coincidentally TCS is a technology partner for in Italy, providing software services for the racing car unit.

Today, as TCS Iberoamerica celebrates its fifth anniversary, what has been achieved and in such a short time frame is certainly worth celebrating. A 5000 strong well trained work force, over 150 regional and global clients across 14 countries, 7 Global Delivery Centers, some of the largest outsourcing engagements in the region and daily coverage in major mass media - TCS Iberoamerica has lived 5 excellent years of aggressive growth. The rapid rise and success of this unit has been reported far and wide from the bestseller "The World is Flat" written by New York times journalist Thomas Friedman, to a Harvard Business School case study and the selection of TCS Iberoamerica as one of the top 10 IT companies in Latin America by the media group Business News Americas.

As the 5000th employee settles down on her desk and starts developing software for a leading regional bank, the company's human energy is hard at work to ensure that clients in this region have technology systems and processes which are second to none in the world.

Company Watch

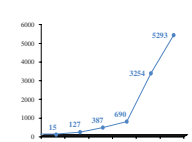
TCS Iberoamerica	
REVENUES	EMPLOYEES
US$ 159 million (Apr2006-Mar2007)	5293
COUNTRY OF OPERATIONS	14
ANNUAL GROWTH RATE	177% (Mar2007)
CLIENTS	152
DEVELOPMENT CENTERS	7

TCS Global	
REVENUES	EMPLOYEES
US$ 4.3 billion (Apr2006-Mar2007)	100,000
COUNTRY OF OPERATIONS	47
ANNUAL GROWTH RATE	45% (Sep2007)
CLIENTS	814
DEVELOPMENT CENTERS	70+

Weather

Road to 5000

Employees



2002
- TCS Iberoamerica founded with a team of 15 in Uruguay.
- First Indian firm to enter this region.
- Spain office becomes part of "Iberoamerica".

2003
- Expanded operations into Brazil, Chile and Mexico .
- Set up the first CMMI level 5 center in this region.

2004
- Won a mega outsourcing deal with ABN Amro worth US$250 million.
- Expanded into Andean and Caribbean region.

2005
- Acquisition of leading Chilean BPO firm Comicrom for US$23 million.
- Announced new office in Portugal.

2006
- Expanded into Colombia.
- Won major BPO deals in Chile with banks and government.

2007
- Won US$140 million Banco Pichincha deal, launched new center in Ecuador.
- Set up regional training center in Uruguay.
- Launched new center in Mexico, won major government projects.
- Consolidated Argentina and Uruguay as single unit.
- Crossed 5000 employees.

Countries

Quote of the day

"We have reached where we are by focusing on quality, speed and results, and most of all – an unflinching commitment to our clients' objectives. Their success is ours."

Gabriel T. Rozman,
President TCS Iberoamerica

The Sun never sets here
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The race to #2
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TCS crosses 100,000 on track for global Top10
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Governments across the region vote for India's top IT firm
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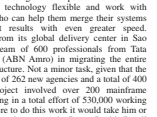
The sun never sets here

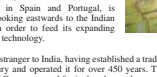
At the height of its colonial power in the 1800s it was said that the *"sun never sets on the British empire"* referring to the sheer extent of a kingdom that spanned from present day USA, encompassing much of Asia up till Australia, ensuring that at any point of the day the sun was always shining on some part of this vast territory.


Global Delivery Center, Sao Paulo, Brazil

Whilst colonial powers are long gone, the world is still round and the fundamental truth yet remains that at any point of time some part of the world is at work and the other at sleep. In the modern world, this has profound implications since the advent of modern telecommunications, the internet and computer technology now allow us to work anywhere in the world, with colleagues from anywhere in the world, serving clients anywhere in the world with the greatest of ease.

This difference in time zones and development in communications have fused together powerfully in the technology services industry to offer an interesting new way of working called the "Follow the Sun Model". For services or processes that need to be developed rapidly or need 24 hours support, companies like Tata Consultancy Services that have operations across the world can create teams based in different countries to work on the same service. For example, TCS sets up a team of people based out of its centers in 4 locations - Uruguay, Hungary, India and Australia. The day starts with the Australian starting a piece of work and when he leaves for the day, instead of leaving the remaining work for the next day, he simply hands over the work to his counterpart in India by transferring the data through the company network. The Indian in turn does the same to Hungary and finally the work ends up in Uruguay. When the Australian returns the next day, the work has progressed as if he, instead of sleeping, had been up working all night! For 24 hours across the world the chain of work never stops on this service and yet no employee needs to work beyond normal hours.

Global Delivery Center, Santiago, Chile


Global Delivery Center, Guadalajara, Mexico

With an extensive Global Network Delivery Model™ comprising 70 centers across all continents, including 7 of them based in Argentina, Brazil, Chile, Ecuador, Mexico and Uruguay, TCS has built one of the world's leading global operations in the IT industry. The company is harnessing its global presence, making use of different time zones, to rapidly create software and provide services and ultimately ensuring that the sun indeed never sets on its clients.

Global Delivery Center, Montevideo, Uruguay

ABN Amro banks on TCS

Sao Paulo, Brazil: With Mergers and acquisitions growing rapidly in the banking industry it has become increasing more important for banks to keep their technology flexible and work with partners who can help them merge their systems with great results with even greater speed. Working from its global delivery center in Sao Paulo, a team of 600 professionals from Tata Consultancy Services assisted Banco Real (ABN Amro) in migrating the entire Banco Sudameris data base to its IT infrastructure. Not a minor task, given that the 2003 acquisition had brought in a collection of 262 new agencies and a total of 400 banking service sites in Brazil. The project involved over 200 mainframe applications across all business areas resulting in a total effort of 530,000 working hours, which means that if only 1 person were to do this work it would take him or her 263 years to complete. TCS took just 5 months, no wonder Banco Real in Brazil banks on TCS.

Portugal & Spain set their eyes on India

Lisbon, Portugal / Madrid, Spain: Hanging off the edge of southwestern Europe, the Iberian Peninsula, home to the 55 million people based in Spain and Portugal, is increasingly looking eastwards to the Indian IT industry in order to feed its expanding needs for high technology.

Portugal is no stranger to India, having established a trading colony in the country in the 15th century and operated it for over 450 years. This region today forms the Indian state of Goa, renowned for its beaches and warm hospitality and where even today an estimated 10-20% of its 1.4 million strong population still speak Portuguese. Perhaps some of them may find economic opportunities to use this linguistic ability given recent moves such as a major company in Portugal awarding a BPO services contract to Tata Consultancy Services. The company also provides services to leading firms in Portugal like the banking giant Millennium BCP, deploying technology consultants from India and its centers in Latin America.

TCS also has a growing presence in Spain with large teams based in the country catering to economic powerhouses such as the Santander Group and Telefonica. In one of the first cases of its kind involving the transfer of Indian technology to the country, the Madrid office recently won a contract to deploy TCS' core custody management product for a major Spanish financial services group. This focus on technology is just one of the reasons why trade between India and Spain has tripled in the last 5 years and is still growing.

Chile's financial sector: Built on solid platforms

Over 2 million checks and documents are processed in the Chile BPO center everyday.

Santiago, Chile: Although Chile accounts for just under 5% of Latin America's 3 trillion dollar Gross domestic Product, the country's financial industry more than makes its presence felt regionally. Comprising over 15 of the regions top 50 banks, one of the region's largest insurance industries and 5 of the top 10 pension funds and running on one of the world's most advanced pension funds system which has been emulated by several countries ranging from Poland to South Korea. Add to that the country's tremendous record of managing its macro-economic fundamentals, evident in the 12th position it achieved globally for macroeconomic stability (ahead of all countries in the Americas and Europe, except for Finland, Denmark & Norway) in the world competitiveness report published by the WEF; and you have a financial sector which is seen as a reference point for the entire region.

A little known fact is that a majority of this high performing financial sector relies on the Indian headquartered Tata Consultancy Services for its processing and technology needs. Over 70 of the leading banks, pension funds, insurance firms and financial services companies rely on TCS' Chilean operations to provide them a full set of services ranging from building their core IT systems to processing their checks and documents. TCS' Business Process Outsourcing center, based in the central business district of Santiago, processes over 60 million checks and financial documents monthly and serves as a back office for leading banks in the country. The company also builds and maintains software for leading banks including the core systems on which investment firms Banco Penta and Celfin Capital run their financial transactions on.

Given a relatively small market with cutthroat competition, technology is a critical factor in helping Chilean financial firms keep their costs structures low and maintaining their profitability. With India's leading technology firm serving as a platform, Chile's financial sector rests on fine fundamentals and has only one way to go– Up.

Technology Innovations sweep across Latin America

Worlds highest quality Standard in IT Services reaches region

The acronym "CMMI" is starting to resonate more and more across Latin America. This relatively new and innovative concept in the region represents the highest global quality standard to measure the effectiveness of the processes of an IT company. Created by the Software Engineering Institute (SEI) of the Carnegie Mellon University in the USA, along with several industry and government institutions, this model has become a benchmark aspiration for companies across the World.

The importance of this model is based not only in its worldwide recognition but also the benefits it brings in terms of lower costs, faster completion of projects, increased productivity, improved processes and ultimately better quality for the company that uses this Standard. Over 590 organizations have adopted the CMMI model, but only 103(26.4%) of these are certified on the highest level - 5, with over 70% of these firms being based in India. TCS was the first company worldwide to be assessed enterprisewide at CMMI Level 5 in August 2004 and the first to bring this Standard to Latin America, ensuring that clients in this region received the same excellence in services that was present worldwide. With this move, TCS Iberoamerica became the leading expert in quality and a reference point for other IT firms in the region, many of whom are now working to achieve this Standard.

Ecuador's leading bank adopts innovative outsourcing model

Quito, Ecuador: Innovation being one of the firm's strengths, TCS is creating in Ecuador a new and aggressive model of outsourcing, perhaps without any similar parallel existing worldwide. After signing a 5 year contract valued at US$140 million with Ecuador's largest private bank, Banco Pichincha, TCS has set up a 600 personnel center in the country to implement a new core solution (TCS BANCS), outsource all of the banks central and back office processes and completely manage all its IT systems and infrastructure.

Executives from Banco Pichincha and TCS - a partnership of trust.

In 5 years, Banco Pichincha is projected to make over US$170 million of savings due to this Project. Without doubt this represents one of the most extensive and complete models of outsourcing of all time. Fernando Pozo Crespo, the general manager of the bank outlined the reasons why TCS was chosen as the partner for this challenging and interesting deal: "We chose TCS as the strategic partner for its full services technology capabilities, its reputation of delivering certainty of results, for its depth of banking industry experience and its committed scale of operations in the region."

Mexican president inaugurates Guadalajara Center

The President of Mexico cutting the ribbon at the TCS Mexico center.

Guadalajara, Mexico: The president of Mexico, H.E. Felipe Calderon presided at the inauguration of TCS' global delivery center in Guadalajara in May this year. During the ceremony, in which were also present leading business executives, politicians and media from across the country, the president congratulated the firm on what was the first major investment by an Indian technology company in Mexico: "I thank Tata Consultancy Services for their confidence (in Mexico); we know the professionalism and importance that the company has not only in India but in many countries across the world and we wish to make our country one of the best investment destinations in the world, if not the best. This delivery center also exemplifies the type of productive activity that must be supported and expanded…" The center in Guadalajara comes as a major expansion of TCS' operations in Latin America, taking the toll of its delivery centers to seven across the region.

India's largest IT center, Built by Uruguayan Architect

Planned layout of the Siruseri campus.

Chennai, India: TCS' massive new office in India is an example of how combined efforts from various countries work to create a successful outcome. The center was designed by the Uruguayan architect Carlos Ott and his partner Carlos Ponce de Leon, who managed to successfully and creatively combine traditional elements of Indian architecture with modern designs.

Located in the outskirts of Chennai, TCS Siruseri is the largest IT center in India; comprising 5 million square meters and once completed accommodating 22,000 people in 6 blocks. This center will become an important destination once it opens its doors, not only as an excellent work of architecture, but much more importantly as a symbol of TCS' emergence as a leader in the World of Information Technology.

Entrepreneurship: Alive & Growing in Latin America

Entrepreneurs from Latin America meet Ratan Tata, the chairman of the Tata Group.

The New York Times calls it the "Best Anti-Poverty Program of all". It is referring to Endeavor, a non profit organization which has been working across emerging economies in Latin America to promote entrepreneurship and support small entrepreneurs who create jobs and wealth in these emerging economies.

As a true citizen of the region, Tata Consultancy Services has been supporting Endeavor with various initiatives including a trip it hosted in 2006 for entrepreneurs from Latin America to visit the Tata Group chairman in India and take lessons from the group's rich history of leadership in building businesses. Gabriel T. Rozman, the president of TCS Iberoamerica also serves on Endeavor's global advisory committee and chairs its Uruguayan operations. With organizations such at this promoting entrepreneurs, it is no wonder the 2007 Global Entrepreneurship Monitor report brought out by London Business School states that South America has the highest incidence of entrepreneurial activity anywhere in the world!!

TCS crosses 100,000 on track for global Top10

Which are the world's top 4 organizations in terms of employees? Answer: The Chinese Army (2.2 million), Indian Railways (1.4 million), UK's National Health Service (1.3 million) and the largest private sector employer - the retail giant Wal-Mart (1.9 million). Although modest by these standards, Tata Consultancy Services crossed in October 2007 the landmark figure of 100,000 employees, making it one of the largest technology sector employers worldwide. The company had earlier announced that it would hire over 32,000 professionals in the financial year 2007-08, principally to be based out of its large centers in India, China, Latin America, USA and Europe.

This growth comes as part of the company's ambitious drive to propel itself into the global top 10 list in the technology sector on a variety of attributes by the year 2010. In terms of revenues, TCS is already hovering close to the top 10 while it has already progressed to even higher rankings in terms of profitability, employees, quality and other fronts targeted by it. In Latin America as well, the company continues to climb the charts. In the previous financial year it posted revenues of US$ 159 million and was recognized as one of the top 10 technology companies of region in the 1996-2006 hall of fame list issued by TEN magazine.

RANKING BY NET INCOME

Rank	Company	Net Income ($ M)
1	IBM	9.492
2	HP	6.198
3	Automatic Data Processing	1.554
4	Accenture	973
5	TCS	950

RANKING BY HEADCOUNT

Rank	Company	Employees
1	IBM	355.766
2	HP	156.000
3	Accenture	140.000
4	Electronic Data Systems	131.000
5	TCS	89.419

RANKING BY MARKET CAPTALIZATION

Rank	Company	Market Cap ($ M)
1	IBM	141.911
2	HP	107.433
3	Accenture	30.003
4	TCS	27.716
5	Infosys	26.154

RANKING BY REVENUE

Rank	Company	Revenues ($ M)
1	HP	91.658
2	IBM	91.423
3	Electronic Data Systems	21.268
4	Accenture	18.228
5	Computer Sciences Corp.	14.616
6	Capgemini	9.665
7	Automatic Data Processing	8.882
8	Atos Origin	6.774
9	Affiliated Computer Services	5.354
10	LogicaCMG	4.903
11	TCS	4.286

Source: Business today, edition May 2007

Services exports boom in Uruguay

Receiving the award - (From left to right) Gustavo Charbonier, Vice-President of CUTI (Uruguayan IT Chamber), an Executive from the CNCS (Chamber of Commerce and Services of Uruguay) and TCS executives Bhaskar Chellappa, Mario Tucci and Martin Machin.

Montevideo, Uruguay: Historically Latin America has not been known to play a major part in the world as an exporter of IT services, especially in comparison to other regions like Asia and Europe. It is not due to any lack of desire on part of the region. In fact, increasingly governments across the region are giving more focus and support to technology initiatives, looking at them as a base for growth and national progress.

Consequently, some countries are starting to emerge as important exporters for IT Services in the region. Such is the case for Uruguay, a country in which the IT sector has experienced rapid growth in recent years and which is looking to grow exports fivefold to US$500 million by 2010. In this context, the chamber of commerce and services of Uruguay (CNCS) organized, for the first time, a ceremony to commemorate the most distinguished exporters in the country, TCS was recognized as a leader in the IT industry and received the first national services export prize during the event, which was attended by leaders from the government and industry. TCS' center in Uruguay exported over US$30 million of services to 30 clients across the USA, Latin America & Europe.

Colombia opens doors to technology

TCS executives meet the president of Colombia.

Bogota, Colombia: Powered by a labor force of over 21 million and a fresh burst of momentum, Colombia's economy has experienced positive growth over the past 3 years and with a crumbling conflict, the business outlook remains extremely positive with a GDP growth of 6.8%. Colombian companies are now beginning to invest in growth plans and upgrading their technology systems. To meet this need Tata Consultancy Services set up an office in Bogota in June 2006, which within a short span of time has become the technology partner to leading banks, telecom companies and government institutions in the country and employs almost 200 Colombian professionals.

The race to #2:
The opportunity for Latin America in a globalizing outsourcing industry

Inauguration of TCS' Latin America training center where 3000 personnel will be trained in 4 years.

The battle is over. India stands firmly entrenched as the #1 destination for outsourced Information Technology and Business Process Outsourcing Services. With over 1.5 million people employed in providing technology services to the world, the country will export over US$40 billion in 2007-08 and capture an estimated 60-65% of the global offshore market. With 500,000 new engineers joining the workforce every year, over 300 million English speakers and attractive low cost of operations, India is expected to continue its dominance of this high growth industry.

But another battle is just beginning. With over 70% of the Fortune 500 having already offshored a portion of their services to India with dramatic cost savings, the focus is now shifting in these firms to creating a more global sourcing strategy and harvesting efficiencies by using close time zones and labor pools in other regions. While India as the leader stands apart, the race for the #2 spot is just beginning and there are several contenders for it ranging from China and Philippines to the countries of Eastern Europe and Latin America.

The offshore industry which is currently valued at US$50-60 billion is only a fraction, although a rapidly growing segment, of the global IT & BPO spending of US$700 billion and US$170 billion respectively. As this segment expands further and alternative sites to India increasingly come in demand, there is surely an opportunity for regions such as Latin America to target a share of this market. Companies like Tata Consultancy Services are already using their centers in Uruguay, Brazil and Mexico to cater to US headquartered clients. From Montevideo TCS provides software development and maintenance services to a variety of leading financial services institutions in the US.

While Latin America already enjoys time zone proximity to the United States, as the market expands two factors will be key to success – the availability of trained IT workforces and English language skills (given that 50% of the worldwide market and even more of its offshoring is concentrated with the US, Canada and the UK.). In the first investment of its kind by an Indian firm, TCS recently launched a regional Latin America training center in Montevideo, with the intention to train over 3000 new professionals within 4 years. Initiatives such as these will help the countries of Latin America better poise and position themselves towards making a bid for the available #2spot.

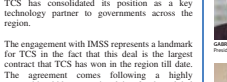
Heading North:

from the Rio de la Plata to the United States of America.

Mario Tucci,
the country manager of the new nearshore services unit.

Buenos Aires, Argentina / Montevideo, Uruguay: Always looking at the World as a whole while planning any strategy, TCS announced that it had consolidated its operations in Uruguay and Argentina into a single unit focusing on providing near shore services from the South towards the North, servicing clients in the USA and Europe. Mario Tucci, Vice President of Business development who previously looked after the company's Andean operations, was named country manager of this unit that employs over 850 professionals and comprises a delivery center and regional training center in Montevideo (Uruguay) as well as a extension center in Buenos Aires (Argentina).

Governments across the region vote for India's top IT firm


Seat of the Government of the Federal District of Mexico.

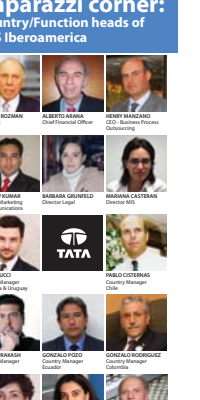
Governments across the World have being focusing their energies to improve the services they offer to their citizens, and making governance more transparent by making public all their activities and results. Tata Consultancy Services, having recognized the role that technology has to play in the realization of these objectives, is working with governments across the World to develop and deploy solutions that help them achieve their goals in a more rapid and cost effective manner. As IT partner to over 800 clients, including leading government institutions across the World, TCS retains strong experience in the management of complex government technology systems.

Latin America poses an attractive destination for TCS to work with governments to improve their systems and recently the firm has been selected by several governments across the region with such a mandate.

The company is working for the transportation ministry in Chile towards developing core IT systems for the public transportation system, for the education ministry of the same country in a project to measure effectiveness of its schooling system and if that is not enough, the civil registry of the country recently selected TCS as its IT partner. Combined with the work that TCS does for the finance ministry in Colombia and a recent US$200 million 4 year Project it was awarded by the social security organization of Mexico (IMSS), TCS has consolidated its position as a key technology partner to governments across the region.

The engagement with IMSS represents a landmark for TCS in the fact that this deal is the largest contract that TCS has won in the region till date. The agreement comes following a highly competitive bid process involving 3 other global and local technology firms and a rigorous assessment on technology and financial parameters. Given that this Project is for an organization with a staff of 370,000 employees that provides social security to over 50 million citizens, arguably the largest organization of its kind in the region, makes the achievement even more significant.

Ringing in Savings:
Telecom firms turn to IT for saving costs

With deregulation allowing telecom companies to expand across the Latin American region over the last two decades, the growth in this sector has been phenomenal allowing companies like TelMex, Telefonica, America Moviles, Brasil Telecom and TIM to firmly establish themselves in the list of top 100 companies in the region. At the same time, with a more competitive environment the prices of telecom services, be it fixed, wireless of internet, have seen rapid and revolutionary declines, leading to firms in this sector scurrying to save costs wherever possible. Several leading firms have turned to technology solutions, like a leading mexican firm that chose Tata Consultancy Services' revenue assurance solution to plug leaks in their billing and saved millions of dollars or Brasil Telecom, for whom TCS has over 100 professionals providing services for the Testing Factory and Incident Management, ensuring minimal defects in their IT systems. Giants like Spainish headquartered Telefonica have also turned to TCS to maintain their system using its offshore centers and quality nethods to save costs. With over 300 million mobile phone subscribers growing at 28% and broadband growing at 54%, Telecom firms are in an expansion mood and as prices keep falling, they will surely keep ringing up their IT partners to help them remain competitive.

Paparazzi corner:
Country/Function heads of TCS Iberoamerica