

FINANCIAL OUTSOURCING NEWS

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INDIAN COS. BET ON M&A TO BEST U.S. RIVALS

If several smaller Indian business-process outsourcers are any indication, the merger-and-acquisition marketplace might be heating up.



William Martorelli
Forrester Research Inc.

In the past two months, at least two Indian BPO providers have acquired or merged with their competitors or other financial firms. And a recent research report penned by **Forrester Research Inc.** analyst **William Martorelli** pegs leading Indian firms, including **Wipro Ltd.**, **Tata Consultancy Services Ltd.**, and **Infosys Technologies Ltd.**, as ripe for merging with U.S., European, and other players worldwide to better compete with global power-houses like **IBM Corp.** and **Accenture**.

For instance, Mumbai, India-based **Adventity** acquired Houston-based **Profolio Home Mortgage** on Oct. 28. Less than two weeks later, Mumbai-based **WNS Global Services** bought Tucson, Ariz.-based financial solutions provider **Trinity Partners**.

"WNS sees huge potential in the U.S. and U.K. to grow," said **Francesco Paola**, senior vice president for sales at **WNS-Trinity**.

"We have to understand the market, customers, and trends we're going after. If WNS came over and tried to start alone, it would have taken us at least six months to get up to speed."

A handful of companies inked deals recently to leverage their footprints in financial

Continued on page 2

SATYAM, MICROSOFT JOIN FORCES IN CHINA

Satyam Computer Services Ltd. and **Microsoft Corp.** inked a deal, valued at several billion dollars, that would package Satyam's outsourcing services with Microsoft's enterprise-solution software in an attempt to capture a nascent market in China.



"China needs to rely on stronger and more flexible information-technology systems to provide transparency and accountability as it grows," said **Hari Natrajan**, Satyam's vice president for strategic partnership with Microsoft. "The opportunity to consult in those spaces is dramatically growing. When China opens up in the next two years, it will be boom time."

The deal places Hyderabad, India-based Satyam alongside another Indian player who has already signed a deal with Microsoft to enter the Chinese market. In June, Mumbai, India-based **Tata Consultancy Services Ltd.** announced a joint venture with Microsoft, signed with a Chinese government-owned organization, to provide IT outsourcing services and solutions to China's domestic and foreign businesses and will start operations in early 2006, according to a statement by TCS.

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M&A

INDIAN FIRMS SEEK EDGE WITH M&A

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services. On Nov. 28, Hyderabad, India-based **Karvy Global Services Ltd.** agreed to partner with Toronto, Canada-based IT-consulting firm **Sol-Core**. On Sept. 7, New York-based **OfficeTiger** acquired Atlanta-based **MortgageRamp**.

Also, on April 21, Hyderabad, India-based **Satyam Computer Services Ltd.** acquired its first financial services consulting firm — London-based **Citisoft** — on April 21.

WIPRO WON'T RULE OUT PURCHASES

Though Wipro is not convinced that an acquisition is the most effective means for entering a new market, the Bangalore, India-based company did not completely discount the option.

"We generally prefer to do organic growth," said **Nagendra Bhandaru**, vice president of BPO global sales for Wipro. "Wipro has the muscle to make these investments, and it will definitely look to build its own practices. But you could be in a situation where you're losing out in certain practice areas and want an accelerated entry into the marketplace, like WNS did in mortgage practicing, and then you scope for an acquisition.

"So, am I only going to do acquisitions? Only build practices on my own? No. Are you willing to do both? The answer is yes," Bhandaru added.

TCS and Infosys did not return messages requesting comment.

BPO M&A COULD GET "MESSY"

Consolidation within the BPO market may involve a host of ramifications, but is a logical next step.

"Obviously, it will be very messy," said Martorelli. "There's all kinds of capital floating around, people have to be com-

pensated, and existing investors have a lot to say about this. But from a pure market standpoint, it does make sense that these providers will combine."

And Martorelli added that BPOs need to consider the heavyweight in the corner — China — a country with vast potential that has yet to show its true capabilities in BPO, according to Forrester research.

Generally, advisers consider BPO-related mergers to be one of the best options for growth and entry into new markets, said **Cliff Justice**, a multi-shore adviser for New York-based consulting firm **EquaTerra**.

"It has to happen," Justice said. "I'm surprised we haven't seen one yet. It's just a really good market to do it. They're out there kicking the tires right now." —MOLLY BROWN

MERGING ADVISORIES TARGET EUROPE FOR GROWTH

Outsourcing-advisory firms **Technology Partners International Inc.** and **EquaTerra**, which announced a merger on Nov. 14, will focus on growing in Europe and in specific verticals including government, human resources, and finance and accounting, company executives told *Financial Outsourcing News*.

"Increasingly, our clients are asking us to counsel them on a broad-based number of services and to assist in internal service delivery strategies," said EquaTerra Chief Executive **Mark Toon**, who will be president and chief operating officer of the new company.

"Both organizations have strengths in particular areas, but the combination gives us the power and ability to service clients in a way we couldn't do separately."

The yet-to-be-named company will provide advising services and business support worldwide across all industries, including information technology, human resources,

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finance and accounting, and customer-relationship management. It will employ 550 people across the Americas, Europe, and Asia-Pacific, according to a joint statement. The merger is expected to close next month.

TPI President and Managing Partner **Ed Glotzbach** will serve as the firm's new chief executive, while TPI Founder **Dennis McQuire** will serve as chairman, according to the announcement. No layoffs are anticipated at this time, said **Stephanie Nelson**, a TPI spokeswoman.

Founded in 1989, TPI has advised on more than 700 transactions worth \$373 billion. EquaTerra was founded in 2003, and has been involved in more than 600 global outsourcing projects, according to the companies' combined statement. Terms of the deal were not disclosed. —M.B.

TALK OF LOCKHEED BUY CLOUDS CSC'S FUTURE

A near-buy of **Computer Sciences Corp.** by defense contractor **Lockheed Martin Corp.** may have stalled, but the potential acquisition was enough to cause analysts and investors to question CSC's fate.

El Segundo, Calif.-based CSC — already home to several contracts with the U.S. government, including the **Department of Defense** — entered acquisition talks in October. But the discussions with Bethesda, Md.-based Lockheed and three private equity firms — London-based **Warburg Pincus LLC**; New York-based **Blackstone Group**; and Menlo Park, Calif.-based **Texas Pacific Group** — ground to a halt when CSC and Lockheed reportedly could not

agree on how the transaction should be carried out, analysts said.

While Lockheed reportedly agreed to CSC's \$12 billion purchase price, it was interested in buying only CSC's government business. But CSC wanted Lockheed to purchase the entire company, then sell the commercial unit, sources said.

Though the deal is on the back burner, it leaves questions about how a potential buyout could affect the outsourcing playing field — and CSC.

"CSC is already struggling with its identity crisis and had been suffering for quite some time," said **Michel Janssen**, managing research director for Dallas-based **Everest Research Institute**. "It's certainly a tier-one company, but it's being squeezed from the bottom up by **Wipro**, **Infosys**, and **Tata Consultancy Services**, the backdrop of new players in their rookie year. It puts pressure on CSC to look at what's coming over their shoulder."

In addition to increased competition for its commercial information-technology contracts, many of which are based in financial services, CSC has been slow to adopt new practices. The company, with a market capitalization of \$9.3 billion, has been especially sluggish in developing its business-process outsourcing, a sector

expected to experience significant growth in coming years, Janssen said.

"Lockheed is right in thinking the government business is the best part of CSC," said **Alexei Miller**, executive vice president at

New York outsourcing-software developer **DataArt**. "Considering how many large financial services companies are actively looking at offshoring, unless CSC restructures and offers more flexibility in that regard, the

commercial side of it is the least interesting part of the business."

Analysts do not rule out a potential CSC sale down the road, especially since the demand for public sector work — including government contracts — is increasing, according to **Stan Lepeak**, managing director of research at New York consulting firm **EquaTerra**.

"I would estimate there would be other potential pairings to come to CSC," Lepeak said. "There's pressure on CSC to do something."

A CSC spokesman declined to comment. —M.B.

MARKET PULSE

SATYAM, MICROSOFT INK DEAL Continued from page 1

Meanwhile, Bangalore-based **Wipro Ltd.** is working with Beijing-based **Olympus Sales & Service Co.** to develop a systems, applications, and product implementation in China. Wipro has not developed any China-specific initiatives with Microsoft, though the service provider has a "global relationship" with it, said **Nagendra Bhandaru**, vice president of global services BPO for Wipro.

Satyam and Microsoft revealed plans to target several of China's thriving industries, including banking and financial services. The agreement calls for the companies to manage the effort from Satyam's Shanghai office, which will be staffed, in part, by some of the service provider's enterprise architects and technology consultants, according to the company's announcement.

"Microsoft hasn't had a lot of IT or business-process-operations play, but recognizes the future will involve a lot more outsourcing," said **Stan Lepeak**, a managing director at New York-based consulting agency **EquaTerra**. "Microsoft needs to get more active in the service space — either be there or bring partners to the table."

Continued on page 4

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Satyam and Microsoft have been working together for about year to bring enterprise solutions to China, and the deal represents the first significant move for Satyam into that market, especially in the financial services sector. As China's state-owned banks vie for government-regulated capital, more banks will strive to meet and exceed government expectations to boost incoming funds, Natrajan said.

"It's a big win for Satyam to lock Microsoft into certain types of partnerships," said **Alexei Miller**, executive vice president with New York-based outsourcing-software developer **DataArt**. "The fact that Satyam was able to put a foot into a certain area of the Chinese market is a huge win."

China's rapid development also increases demand for solutions to match its aggressive growth. It is common for Chinese companies to need enterprise solutions much sooner than other markets, and Satyam plans to share innovations developed there with its clients worldwide, Natrajan said.

"This is purely good market strategy," Wipro's Bhandaru said. "It's extremely difficult to go to China and say, 'I'm a tech player and want to build solutions.' You look at a global brand and get an accelerated market entry. The players are piggybacking on Microsoft solutions." —M.B.

ING MIMICS ABN AMRO WITH MULTI-SOURCE TECH DEAL

In a move resembling **ABN AMRO Bank NV**'s multi-vendor deal inked in September, Dutch financial services company **ING Groep NV** announced plans to outsource 700 information-technology jobs to several third-party outsourcing providers.

The potential deal, now in the "advanced stages of negotiations with potential vendors," should result in ING's outsourcing IT work to two groups of multiple providers, said **Debbie Brand**, an ING spokeswoman in the company's Amsterdam office.

The first group includes Armonk, N.Y.-based

IBM Global Services; Blue Bell, Pa.-based **Unisys Corp.**; San Jose, Calif.-based **Centric Software Inc.**; and Hague, Netherlands-based **Royal KPN NV**. The second group includes Hamilton, Bermuda-based **Accenture**; Paris-based **Atos Origin SA**; London-based **BT Group**; and Amsterdam-based **Getronics**, she said. ABN AMRO's outsourced IT contract involved five vendors.

More than 13,000 people work in operations and IT in the Benelux countries for ING, the ING spokeswoman said. The company employs more than 114,000 people, mostly in Europe, according to a company statement.

Analysts favor IBM to capture a large share of the investment since it already manages ING's IT infrastructure in the United States under a seven-year, \$600 million contract signed in 2003.

Alexei Miller

DataArt



Even when ING completes its selection process, though, the company may not make public its choice of outsource partners, Brand said.

Analysts were not surprised by ING's decision to outsource to multiple vendors.

"While technology makes you a better bank, being a technologist is not always possible if you're going to be a good bank," said **Stan Lepeak**, research managing director at New York-based consulting firm **EquaTerra**. "Financial services have always had a love-hate relationship with IT and have waxed and waned on whether they should own it."

More financial institutions that operate worldwide will look to outsource IT as a means to edge out the competition in a cutthroat environment, Lepeak said.

"Banks tend to have a follow-the-leader mentality about outsourcing IT," he said. "They're very sensitive to whether the competitor has a new angle and, if so, they want to adopt that angle as soon as they can."

Some in the outsourcing business do not think divvying up contracts is the best strategy when outsourcing functions.

"I'm not terribly optimistic about this new

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wave of deals," said **Alexei Miller**, an executive vice president at New York-based outsourcing-software developer **DataArt**. "There's a huge overlap in what all these vendors can provide, and the amount of internal competition is likely to be harmful. How constructive will they be working together in the here-and-now, when they're concerned about what piece of the pie they'll get in the future?"

Still, Miller admitted that outsourcing is a "business necessity" for stimulating growth at financial institutions. —M.B.

EDS EXEC: DEAL WITH ISRAELI BANK REQUIRED REGULATORY WRANGLING

In a deal that took nearly a year to hammer out, **First International Bank of Israel** will shell out \$108 million during the next eight years for information-technology services provided by **Electronic Data Systems Corp.**

The information-technology contract is considered to be Israel's first banking — and largest outsourcing — contract, according to Plano, Texas-based EDS.

Finalizing the deal involved a number of hurdles, said **Jean-Louis Bravard**, EDS's managing director for global financial services.

"Everybody was waiting to see this one, it being the first to be authorized, before they would spend money in the market."

—Jean-Louis Bravard, Managing Director for Global Financial Services, EDS

"It was really difficult to get approval from regulators and took nearly one year," Bravard said. "Everybody was waiting to see this one, it being the first to be authorized, before they would spend money in the market, but we're very patient and continue to believe the value for position was solid."

"It's a very active market and very competitive," Bravard added.

EDS will manage FIBI's information-technology infrastructure, including all computer activity and communication networks. About 100 employees from the Jerusalem-based bank's IT department will become EDS employees on the project. Tel Aviv, Israel-based **Ness Technologies Inc.** will subcontract some of the work from EDS.

The FIBI contract comes at a time when EDS may lose one of its largest clients — **General Motors Corp.** The automaker's billion-dollar IT agreement is set to expire next year.

FIBI — Israel's fifth-largest bank — has 89 branches, including offices in London and Zurich, and 3,100 employees, according to the company. It earned \$31.9 million last quarter, compared with \$7.1 million in the prior-year quarter. —M.B.

COMINGS & GOINGS

NEW CONSULTANCY ARCON AIMS TO REVISE POST-DEAL PROCESSES

A new advisory and research firm plans to refocus the way companies execute outsourcing strategies.

Atlanta-based **Arcon Group LLC** launched in October with the sole purpose of streamlining how companies manage their day-to-

day businesses once outsourcing contracts are signed.

"Sourcing management always falls off the table," said **Bruce Barlag**, Arcon Group's chief executive. "Fifty percent of the formula is getting the right return on investment on the service agreement. There's always a lot of collaboration at the beginning, and then sourcers and companies have to learn to live with each other. That's

the biggest challenge."

Barlag contends that Arcon Group's approach is unique because of its partnerships with outsourcing-strategy firm **Balanced Scorecard Collaboration**, Lincoln, Mass., and advisory **Technology Partners International Inc.**, Houston. While Balanced Scorecard excels at developing strategies for front-office operations such as information technology and finance, TPI advises on back-office functions such as strategic management, Barlag said.

"By joining [Arcon's] intelligence network, we extend the reach of our services by leveraging their best practices, access to world-class metrics, and research," said **Tom Phelps**, an executive vice president of management-consulting firm **Palladium Group Inc.**, Balanced Scorecard's parent. "And we help our clients become more efficient."

In order to bridge the gap between front- and back-office operations, Arcon Group intends to offer strategies and measurement products that will eliminate non-core processes for firms so they can focus on growth. Financial services clients are expected to comprise more than 45% of Arcon Group's client base, Barlag said.

"Think of it like going to the **Mayo Clinic**," Barlag said. "We ask all sorts of questions, go through a bunch of tests, tell them how they rank, what points are leveraged and underleveraged, and help them understand how to build best practices to align that strategy. It's like getting a road map."

Arcon's "road map" is an outsourcing guide for company executives that addresses current and anticipated market trends, and applies research and analysis to their particular industries throughout all stages of outsourcing, Barlag said.

Arcon Group has 15 employees and expects to sign about 20 contracts within the next month, according to a spokeswoman. —M.B.

"FATIGUE" CAN THREATEN OFFSHORING BENEFITS

Financial services companies are reducing costs by as much as 60% by sending work overseas, but many are reporting a new obstacle, a trend called "offshoring fatigue," according to a study released last month by consulting firm **Deloitte Touche Tohmatsu**.

Offshoring fatigue, a plateau in an overseas operation's benefits, results from a "business-as-usual" attitude among companies. It generally sets in after about three years, when the bulk of the operation's cost savings level off, according to the report.

While the study's 62 participating global financial institutions saved between 20% and 60% from their offshore programs — mostly in the first few months — Deloitte concluded that the financial services

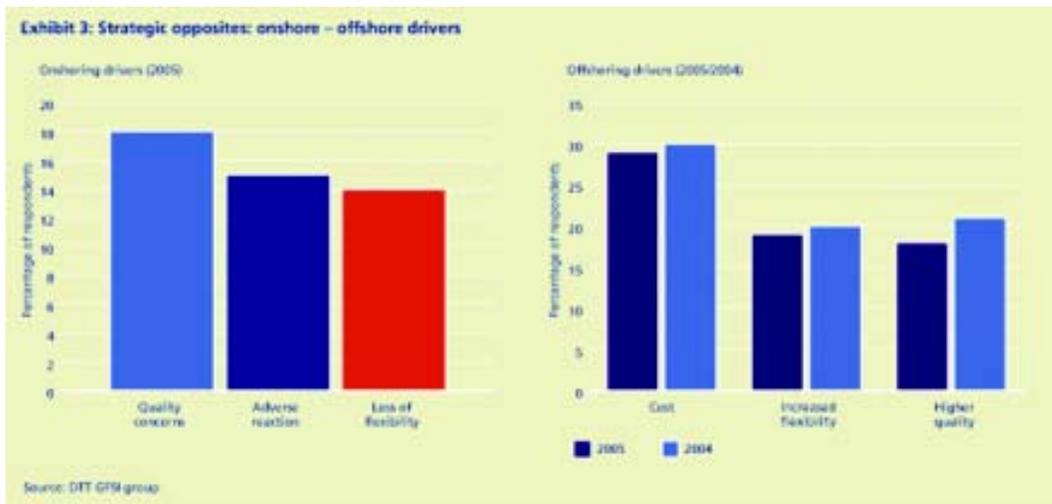
industry could triple its cost savings — as much as \$16 billion — if it reduces setbacks such as "fatigue."

"A lot of institutions have gotten quite good at doing this," said **Peter Lowes**, head of Deloitte's global outsourcing advisory practice in New York. "What happens when you get good at it, is that it becomes routine. Different issues start to manifest — governance, culture,

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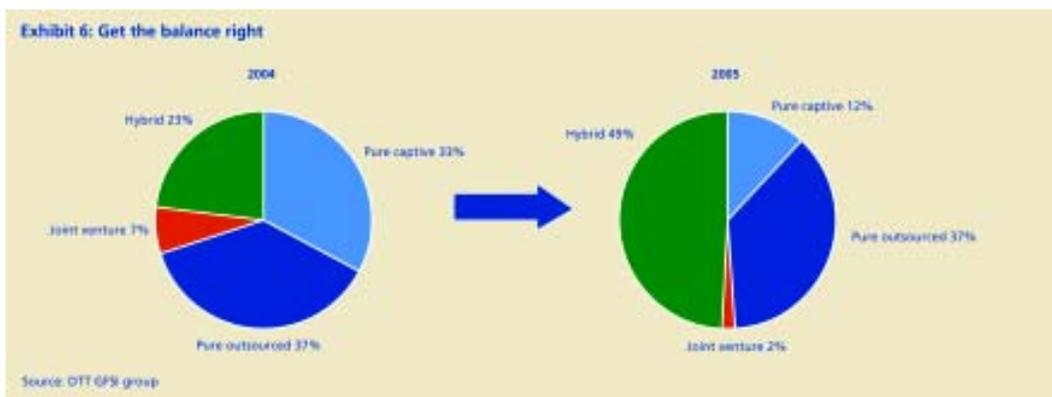
ONSHORE VS. OFFSHORE: DRIVING FACTORS

Concerns regarding quality of services are reducing financial institutions' reliance on offshoring. About 33% of financial firms have opted to keep all operations onshore this year, up from 20% in 2004. Cost savings continue to drive work overseas.



FINANCIAL FIRMS FAVOR BLENDED APPROACH OFFSHORE

In the past year, financial institutions have increasingly moved toward a hybrid approach to offshoring, maintaining direct control of some functions while outsourcing others. The shift has come primarily at the expense of captive operations, in which companies maintain full oversight of their operations overseas rather than hiring third-party vendors to manage tasks.



Source: Deloitte Touche Tohmatsu Global Financial Services Offshoring study

Continued from page 7

people development — all the things needed to build a long-term, sustainable offshore shelter. Those are trickier to address.”

And with 70% of all financial institutions offshoring, up from 26% just two years ago, that could prove problematic for many if they do not take precautions now. Because offshoring is still new, there is no proven one-size-fits-all model, but companies that address it with full attention are more likely to achieve the best results, according to the study.

A transfer of senior management — key players appointed to launch an offshore operation — is one of the key problems leading to three-year plateau, Lowes said.

“These are the folks who like to break new ground,” Lowes said. “Then they rotate out, and the next bunch of folks get rotated in. They don’t have the same operations zeal, and the growth stops.”

Another fatigue factor is the level of involvement from headquarters. Companies with stronger controls fare better than those that push outsourcing plans down through

several business units, Lowes said.

And outsourcers and analysts agree that reinvesting cost savings into the offshore operation is crucial for its success.

Solely outsourcing jobs “only saves in the short term,” said **Francesco Paola**, senior vice president for Mumbai, India-based business-process outsource provider **WNS-Trinity Mortgage Services**. “You need to think strategically.”

TIPS FOR BEATING FATIGUE

There are several steps that financial institutions can take to avoid fatigue. Lowes suggests having a leadership-development plan to prepare junior associates to take over once senior management leaves. And headquarters should always have a firm grasp on what offshore units are doing, he said.

Companies need to have a well-established system to constantly measure improvements, said **Lars Skari**, vice president of Hamburg, Germany-based outsourcing consulting agency **Inforte Corp**.

“While companies are automatically able to offload huge costs in five to 10 years without well-defined metrics, they’ll find the honeymoon to be very short,” Skari said.

Companies also need flexibility built into deals to allow for change. They should consider a “hybrid” model — outsourcing various functions to different companies — because outsourcers who excel at certain functions provide the best return, Skari said.

Making frequent visits to offshore operations and finding techniques to motivate workers are additional methods to avoid fatigue, Paola said.

“We encourage our customers to actually watch their outsourcing operations being executed,” Paola said. “It demonstrates that teams in India are not just somebody on the other side of the ocean.”

Still, some industry executives contend that companies that face a reduction in cost savings have only themselves to blame.

“A lot of it could be due to companies half-heartedly attempting to offshore,” said **Tim Houlne**, chief executive of outsource-service provider **Working Solutions**, in Plano, Texas. “And what were the expectations for cost savings? Were those realistic in the beginning? I think a lot of times the homework is not done.” —M.B.

INDUSTRY CALENDAR

Date	Event	Producer	Location	Web Site
Feb. 2	Asset Management Industry Outsourcing Forum	neoIT	New York	www.neoIT.com
Feb. 20-22	Outsourcing World Summit	Int. Assoc. of Outsourcing Professionals	Orlando, Fla.	www.outsourcingprofessional.org
March 26-29	Global Solutions	Disaster Recovery Journal	Orlando, Fla.	www.drj.com
March 28-29	IDC Outsourcing Forum East	International Data Group	New York	www.idc.com
May 3-5	World Congress on IT	Information Technology Association of America	Austin, Texas	www.ita.org

To have your event listed in the calendar, contact Molly Brown at (212) 564-8972 x103 or mbrown@royalmedia.com.

EXCHANGE RATES

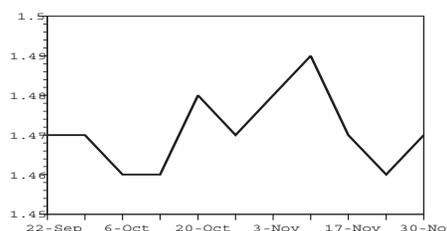
A look at the foreign currency exchange rates for some of the most popular outsourcing and offshoring destinations. One unit of each currency in the first column can purchase the corresponding units of currency in each of the entries of that row, as of Dec. 1.

	U.S.	India	China	U.K.	Euro	Japan	Canada	Philippines	Jamaica
U.S.	1.00	45.88	8.08	0.58	0.85	119.80	1.17	54.01	64.38
India	0.02	1.00	0.18	0.01	0.02	2.61	0.03	1.18	1.40
China	0.12	5.68	1.00	0.07	0.11	14.83	0.14	6.69	7.97
U.K.	1.73	79.37	13.97	1.00	1.47	207.26	2.02	93.42	111.36
Euro	1.18	54.09	9.52	0.68	1.00	141.24	1.37	63.66	75.92
Japan	0.01	0.38	0.07	0.01	0.01	1.00	0.01	0.45	0.54
Canada	0.86	39.36	6.93	0.50	0.73	102.78	1.00	46.34	55.28
Philippines	0.02	0.85	0.15	0.01	0.02	2.22	0.02	1.00	1.19
Jamaica	0.02	0.71	0.13	0.01	0.01	1.86	0.02	0.84	1.00

Source: www.xe.com

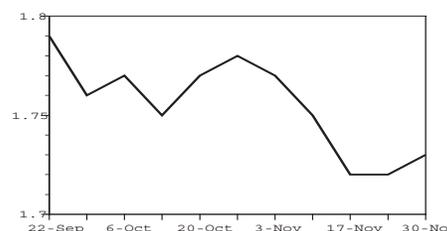
CURRENCY SPOTLIGHT: THE EURO & U.S. DOLLAR

EURO



How the euro (left) and U.S. dollar have fared against the Great Britain Pound, since September.

U.S. DOLLAR



Source: Yahoo! Finance

EQUITIES

Company	Ticker	Price 12/1	Price 11/1	Change (%)	P/E	52-Wk High	52-Wk Low	Shares Outsdng.*	Market Cap.*	Average Volume
Outsource-Service Providers										
Accenture Ltd.	ACN	28.86	26.09	10.62	18.5	28.86	21.00	896,930	25,885,400	2,220,000
Affiliated Computer Services Inc.	ACS	55.84	54.70	2.08	17.4	61.23	45.81	117,690	6,571,810	1,270,000
Convergys Inc.	CVG	16.67	16.28	2.40	20.1	16.75	12.57	139,990	2,333,633	662,100
Cognizant Technology Solutions Corp.	CTSH	49.41	44.05	12.17	52.0	51.45	35.57	138,210	6,828,956	1,530,000
Computer Sciences Corp.	CSC	50.28	59.30	-15.21	19.0	59.90	42.31	185,010	9,302,303	2,340,000
GGI Group Inc.	GIB	7.25	7.18	0.97	16.8	7.54	5.34	430,410	3,120,473	33,000
Electronic Data Systems Corp.	EDS	23.45	23.50	-0.21	60.1	24.81	18.59	521,540	12,230,113	2,530,000
Hewitt Associates Inc.	HEW	25.89	26.61	-2.71	21.8	32.30	23.94	116,280	3,010,489	410,100
Hewlett-Packard Corp.	HPQ	29.73	27.81	6.90	18.4	30.17	18.89	2,860,000	85,027,800	12,390,000
IBM Corp.	IBM	89.36	81.85	9.18	17.4	99.10	71.85	1,580,000	141,188,800	6,010,000
iGate Corp.	IGTE	4.20	3.66	14.75	N/A	4.79	3.29	52,590	220,878	26,900
Infosys Technologies Ltd.	INFY	73.37	68.00	7.90	58.7	78.74	56.23	272,660	20,005,064	707,900
Kanbay International Inc.	KBAY	16.76	14.50	15.59	19.7	31.87	12.85	34,690	581,404	307,400
Keane Inc.	KEA	10.50	11.22	-6.42	20.2	16.02	10.25	59,080	620,340	392,100
Perot Systems Corp.	PER	13.99	13.50	3.63	15.2	16.49	12.16	116,690	1,632,493	349,100
Sapient Corp.	SAPE	6.16	5.15	19.61	34.2	8.96	5.00	125,640	773,942	1,660,000
Satyam Computers Services Ltd.	SAY	36.31	34.35	5.71	37.8	36.55	20.75	161,200	5,853,172	558,100
Siemens AG	SI	76.33	74.44	2.54	N/A	85.13	71.35	890,890	68,001,634	285,000
Syntel Inc.	SYNT	20.75	20.09	3.29	20.8	22.11	15.24	40,880	848,260	26,900
Unisys Corp.	UIS	6.14	5.11	20.16	N/A	11.83	4.38	341,270	2,095,398	3,020,000
Wipro Ltd.	WIT	11.25	10.23	9.97	43.3	12.85	8.80	1,410,000	15,862,500	307,900
Business-Process Outsourcers										
Automatic Data Processing Inc.	ADP	47.47	46.60	1.87	26.1	48.11	40.37	576,600	27,371,202	2,080,000
BISYS Group Inc.	BSG	13.47	12.68	6.23	20.1	16.91	12.44	120,810	120,810	410,500
First Data Corp.	FDC	43.57	40.50	7.58	21.2	44.32	36.50	764,060	33,290,094	3,980,000
First Marblehead Corp.	FMD	34.95	29.59	18.11	14.6	73.27	20.89	64,940	2,269,653	1,520,000
Fiserv Inc.	FISV	46.02	43.47	5.87	19.3	46.89	36.33	184,490	8,490,230	1,440,000
Paychex Inc.	PAYX	43.04	38.84	10.81	41.4	43.37	28.80	378,990	16,311,730	2,510,000
Outsourcing Consultancies										
AnswerThink Inc.	ANSR	4.24	3.90	8.72	141.3	5.00	3.10	44,120	187,069	80,400
BearingPoint Inc.	BE	7.50	7.02	6.84	N/A	8.89	4.65	199,220	1,494,150	1,770,000
Gartner Inc.	IT	13.54	11.94	13.40	N/A	13.85	8.06	113,530	1,537,196	419,500

*in thousands; greatest gainer by percentage change in box.

OUTSOURCING DEALS

Date	Vendor	Client	Process	Industry	Term (yrs)
Nov. 30	Genpact	Wachovia	BPO	Banking	7 years
Nov. 30	Accenture	China Minsheng Corp.	BPO	Banking	N/A
Nov. 29	Infoysis Technologies Ltd.	Arab National Bank	IT	Banking	N/A
Nov. 24	Hewlett-Packard	Singapore Exchange Ltd.	IT	Stocks	5 years
Nov. 23	Xansa	Lloyds TSB	IT	Banking	N/A
Nov. 22	Fiserv Inc.	Arab National Bank	IT	Banking	N/A
Nov. 7	Unisys Corp.	Rabobank Group	BPO	Financial services	5 years*
Nov. 4	Electronic Data Systems Inc.	First International Bank of Israel	IT	Banking	8 years
Nov. 3	Scandent Solutions Corp. Ltd.	New South Wales Workcover Authority Australia	BPO	Payroll	3 years

* renewal

M&A IN OUTSOURCING

Date	Buyer	Seller	Price \$M	Acquired Entity	Entity's HQ	Business
Nov. 29	Answerthink Inc.	REL Consultancy Group	32	REL Consultancy Group	Purchase, N.Y.	Financial services provider
Nov. 9	Tata Consultancy Services Ltd.	Comicrom	23	Comicrom	Santiago, Chile	Financial services provider
Nov. 9	WNS Global Services	Trinity Partners	N/A	Trinity Partners	Tucson, Ariz.	Mortgage
Nov. 8	Adventity	Profolio Home Mortgage	3	Profolio Home Mortgage	Houston	Mortgage
Nov. 4	Fiserv Inc.	Arrowhead Trust Inc.	48	IRA asset management	San Bernardino, Calif.	Subsidiary of Arrowhead Credit Union
Nov. 1	Fiserv Inc.	Xcipio Inc.	N/A	Xcipio Inc.	East Windsor, Conn.	Web-based insurance rating and solution provider

INDUSTRY RESEARCH

Date	Research Firm	Topic	Focus	Web Site
Dec. 1	neoIT	Outsourcing to the Philippines: Metro Manila and Beyond	Global	www.neoIT.com
Dec. 1	neoIT	Mapping Offshore Markets Update 2005	Global	www.neoIT.com
Nov. 23	Forrester	The State of Vendor Management and Sourcing	U.S.	www.forrester.com
Nov. 22	AMR Research	Accenture: The IT Gloves Are Off	Global	www.amrresearch.com
Nov. 22	Gartner	Market Focus: Gross IT Service Margins 2004	Global	www.gartner.com
Nov. 18	Forrester	Outsourcing Success Requires Collaborative Program Management	Global	www.forrester.com
Nov. 2	AMR Research	Choices Abound for Outsourcing Advisory Services	Global	www.amrresearch.com
Nov. 2	Gartner	IT Outsourcing Worldwide Cluster Research	Global	www.gartner.com