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Sterling Performance drives Revenue to Rs 7,435 cr, up 3.2% Q-o-Q; Net Profits at Rs 1,642 cr, up 7.1% Q-o-Q

MUMBAI, October 16, 2009: Tata Consultancy Services (BSE: TCS.BO, NSE: TCS.NS) reported its consolidated financial results according to Indian GAAP for the quarter ended September 30, 2009.

Highlights for Quarter Ended September 30, 2009

- Q2 Revenues at Rs 7,435 cr; up 6.9% Y-o-Y,
- Q2 Net Profit at Rs 1,642 cr up 29.2% Y-o-Y
- 30 new clients added in Q2
- 5,530 employees joined the company in Q2
- Attrition at 11.4% LTM (including BPO)
- Quarterly dividend of Rs 2 per share
- EPS at Rs 8.38 in Q2

TCS CEO and MD, N Chandrasekaran said: "TCS has delivered a sterling performance during the quarter. We are seeing an improvement in market conditions. With our client budgets still being tightly managed, we continue to deliver higher value to customers, deepening our relationships and focusing on superior operational management." **He added:** "The investments made by TCS in its market footprint and its full services offerings holds us in good stead to capitalize on emerging growth opportunities.

S. Mahalingam, Chief Financial Officer, said: "We have focused on all round cost optimization and our sustained emphasis on operational efficiency is resulting in continuous margin improvements and financial strength. Our growth across markets indicates that TCS is successfully leveraging the sales and other infrastructure it has created to deliver higher growth and profits." **He added:** "With the Indian rupee and major global currencies continuing to experience sharp movements, we are monitoring our foreign exchange exposure closely and making adjustments wherever required."

International business grew 5.3 per cent sequentially in rupee terms and TCS' strong market presence in the US helped the company capitalize on emerging US recovery. In the UK, wins in the Public Sector, Energy and Retail help mute continued weakness. While the economic environment in Europe continues to be challenging, wins in Retail and Utilities segments suggests that firms are starting to make spend decisions Europe. Among emerging markets, Latin America and Asia Pacific continue to show growth rates that are above the company average.

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Among verticals, the BFSI segment continues to perform strongly, leading recovery across geographies, while the Life Science and Energy & Utilities verticals recorded better than average growth with visible traction in all major markets.

In terms of service lines, there continues to be strong demand for Application Development and Maintenance Services, while the BPO and Assurance services continues to gather steam as customers realize the combined value of a full services offering together with the Global Network Delivery Model. In terms of IP-led solutions, TCS' flagship BaNCS suite of products added 11 new customers in the global financial services industry during this quarter and seven product implementations went live.

HR UPDATE:

"Given the strong performance during the quarter, we have decided to pay 150% of the Quarterly Component of the Variable Pay this quarter, applicable for all eligible employees on India payroll. In order to ensure that we have resources to participate in the recovery, we plan to add 8,000 new professionals in the October-December quarter," **said Ajoy Mukherjee, Vice President, Head, Global Human Resources.**

During Q2, there was a gross addition of 5,530 employees (net addition of 320). The utilization rate improved to 79.5% (excluding trainees) and 73.6% (including trainees). The attrition rate in Q2 was at 11.4% with attrition in IT Services at 10.8% and BPO at 18%.

KEY WINS:

- Strategic partner for global mobile device manufacturer with value of \$150M over multiple years
- Partnered with world's leading chemical manufacturer to transform their global shared services by integrating it with TCS BPO locations worldwide in a \$100+M deal over multiple years
- TCS BaNCS selected by a leading North American financial institution for their comprehensive account management and payment functions
- Selected as a strategic partner by a UK based global energy firm across the fuels value chain
- TCS Utilities BPO capability is being leveraged by a large European Utility company to improve customer experience, reduce cost and improve efficiency
- Signed a multi-million ecommerce deal with a leading UK retailer, to develop and enhance the ecommerce capabilities and offerings and support their strategic business expansion and growth



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- In a Rs 300+ Crore deal, TCS has been awarded 2 large deals by 2 prominent states in India for the transformation of IT applications and infrastructure and in the e-governance space.
- Selected by the world’s largest manufacturer of building materials and products for its global infrastructure support and business process services, in a multi-million deal.

Providing commercial analytics KPO for a leading pharmaceutical & healthcare market intelligence company

About Tata Consultancy Services Ltd (TCS)

Tata Consultancy Services is an IT services, business solutions and outsourcing organization that delivers real results to global businesses, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled services 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 140,000 of the world's best trained IT consultants in 42 countries. The Company generated consolidated revenues of US \$ 6 billion for fiscal year ended 31 March, 2009 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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