

TCS posts sector leading performance for third consecutive quarter

MUMBAI, January 15, 2010: **Tata Consultancy Services (BSE: TCS.BO, NSE: TCS.NS) reported its consolidated financial results according to Indian GAAP for the quarter ended December 31, 2009.**

Highlights for Quarter Ended December 31, 2009

- Q3 Revenues at Rs 7649 cr; up 5.1% Y-o-Y; up 2.9% Q-o-Q
- Q3 Net Profit at Rs 1824 cr up 33.9% Y-o-Y; up 11.1% Q-o-Q
- Operating Margin increases 126 basis points Q-o-Q
- Net Margin improves 176 basis points Q-o-Q
- All round growth across markets and industries
- Volume growth of 6.6% sequentially
- Quarterly dividend of Rs 2 per share
- EPS at Rs 9.3 in Q3

TCS CEO and MD, N Chandrasekaran said: "TCS yet again posts high growth and delivers on margin improvements for the third successive quarter in this difficult year. Our investments ahead-of-time in emerging markets, multiple industries and client relationships is reflected in our exemplary performance." He further added that "this validates the strength of our business model and highlights our differentiated strategy."

S. Mahalingam, Chief Financial Officer, said: "We have continued to leverage all the margin improvement levers very effectively to deliver growth with higher profitability. This has been achieved in spite of significant currency headwinds".

Superior market presence helped TCS leverage the global economic recovery, and post sequential growth across all operating regions. While US continues to lead demand recovery, UK & European firms are increasingly beginning to invest for the upturn. APAC and India are seeing strong demand driven by growth in sectors like Energy, Utilities, and BFSI.

TCS recorded positive business growth across all verticals, continuing its leadership position across a wide range of industry segments. Demand recovery that started in the BFSI segment has now become more broad-based, with Telecom and Technology also posting healthy growth. Strong client additions supported above-average revenue growth in the Energy and Utilities space.

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Improving market sentiment also reflected in above average growth in the Enterprise Solutions segment. TCS financial products group BANCS also continued to do well on the back of strong client additions through the year. All other service lines also posted positive growth. The growth momentum is also reflected across the portfolio of clients with 32 new client additions, growth in the number of active clients and additions of 7 clients in USD 5 M+ bracket.

HR UPDATE:

"We have had significant employee additions this quarter and still, have increased our talent utilization to industry leading levels. We remain prepared to meet the growth in demand."
said Ajoy Mukherjee, Vice President, Head, Global Human Resources.

During Q3, there was a gross addition of 12,854 employees (net addition of 7,692). The utilization rate improved to 81.1% (excluding trainees) and 77.2%(including trainees). The attrition rate in Q3 was at 11.5% with attrition in IT Services at 10.8%% and BPO at 18.3%.

KEY WINS:

- TCS awarded a \$100 million, 5 year deal by a manufacturing major.
- A UK government entity has chosen TCS to be its strategic ICT partner, to help drive their mission-critical Strategic Transformational Change Program. The contract value is about £150 million over its lifetime.
- In deals totaling over Rs 450 crores, TCS has been selected by two Indian states as the implementation partner for their Accelerated Power Development and Reform Program.
- A US based pharmaceutical company has awarded TCS a multi-million, multi-year deal for managed services in its regulatory IT and discovery areas.
- In a multi-year full services deal, a leading Specialty Retailer has selected TCS as its strategic partner for its e-commerce transformation program.
- TCS has been selected by a large global publishing company to manage end-to-end publishing operations.
- A global travel services company has awarded TCS a 7 year, multi-million dollar ADM and managed services deal.

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PRESS RELEASE**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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