

Strong Volumes drive steady growth in Q2

Revenue at ₹23,816 crore up 7.7 % Q-o-Q; up 13.5 % Y-o-Y

- **Net Profit at ₹ 5,288 crore up 4.6 % Q-o-Q; up 13.6% Y-o-Y**
- **Strong Volume growth at 6.1%**
- **Crosses Milestone of employing 100,000 women professionals**

MUMBAI, October 16, 2014: Tata Consultancy Services (BSE: 532540, NSE: TCS), the leading IT services, consulting and business solutions firm reported its consolidated financial results according to IFRS for the quarter ended September 30, 2014.

Financial Highlights for Quarter Ended September 30, 2014

- Operating Profit at ₹ 6,394 crore; Growth of 10 % Q-o-Q
- Operating Margin at 26.8 %
- Dividend per share of ₹ 5
- Earnings Per Share at ₹ 27.00

Business Highlights for Quarter Ended September 30, 2014

- Gross employee addition: **20,350**
- Total headcount: **313,757**
- Utilization: **86.2%** (excluding trainees) & **81.3%** (including trainees)
- Four \$50+ million clients added; Nine \$20+ million clients added

Commenting on the Q2 performance, Chief Executive Officer and Managing Director, N Chandrasekaran said: “Driven by strong volumes and robust utilization rates, this has been a quarter of steady, consistent performance. Our well-rounded showing has been highlighted by broad-based growth in our key markets, industries and services as we continued to deepen our engagement with customers.”

Mr Chandrasekaran added: “Our customers are focused on using Digital technologies to reimagine their business in multiple dimensions and with our significant investments as well as deep capabilities in these areas, we remain well positioned to act as a catalyst and enable their business innovation across the enterprise.”

Rajesh Gopinathan, Chief Financial Officer, said: “We remain focused on supporting business growth by optimizing our operations and maintaining margins in our desired range. Our cash generation has been strong resulting in high cash conversion ratios and we continue to make investments for the business growth.”

Growth in Q2 was broad-based with all industries growing on a sequential basis. The impact of the integration of newly merged entity in Japan also provided additional growth to units like Manufacturing, Hi-Tech. All core markets like North America, Europe and UK grew smartly. Emerging markets continued to be volatile with India growing while Latin America faltered in Q2. There was balanced growth across IT and other service lines led by Infrastructure Services and Engineering Services.

Select Key Wins

- Chosen as a strategic partner by a leading North American diversified process manufacturing major for providing Application Management & Support services
- Chosen as the Technology Partner by a leading European Global Communications Software and Services Company and has been awarded the full Service Desk, Application Maintenance and Development portfolios
- Selected by a leading North American Investment Management Company as the sole right sourcing partner for providing Application Development, Assurance & IT Infrastructure Services
- Won an engagement to provide Infrastructure Services to a leading European oil services company
- Chosen as a strategic partner by a large North American health plan provider to provide next generation infrastructure solutions
- Selected by a leading UK-based mutual Financial Institution as their strategic partner to manage their core banking systems and Business Process Management Platform
- Chosen by a North American Utility major as a Strategic Partner to provide managed services across applications and infrastructure
- Chosen by a leading UK based Airline as its strategic partner to provide end to end Application and Infrastructure Transformation services across the Enterprise

Key Wins in Digital Services and Solutions

- Selected by a global technology pioneer to help architect and deliver its workplace re-imagination initiative
- Selected as a strategic partner by a North American property and casualty insurance company to drive its digital technology initiatives that involve policies and customer lifecycle management
- Selected by a North American commercial bank as a strategic partner to transform their Information Management landscape
- Selected by one of the largest retailers in Asia-Pacific for complete migration of their structured and unstructured data to a Hadoop based platform using the TCS Active Archive™ Big Data product
- Won an engagement with an Asia Pacific airline, to enable hyper-connected social collaboration within their operations unit by leveraging TCS Knome™ product
- Engaged by a leading European Airline company to enhance all their customer facing channels including web, mobile and airport kiosks
- Engaged by a leading North American Bank to establish a Centre of Excellence for Creative Design
- Engaged by a multi-brand online retailer to provide consulting services for personalized promotions at scale, product recommendations, and customer strategy and lifecycle management
- Engaged by a leading global bank to set up a User Experience Center for its retail banking division
- Engaged by a leading provider of general hospital healthcare services in the United States to consolidate huge volumes of data and enable analytics
- Engaged by an American drug wholesale company to provide consulting, implementation and enhancement for their data management initiative

Innovation and Intellectual Property:

- As of September 30, 2014, the company has applied for **1931** patents including **94** applied during the quarter. Till date, the company has been granted **150** patents.

Human Resources:

The company continued to hire to support business growth. There was a total gross addition of 20,350 people (net addition of 8,326 employees) taking the total employee strength of 313,757 employees on a consolidated

basis. The utilization rate (excluding trainees) was at 86.2% and that including trainees was 81.3%. The attrition rate (LTM) was at 12.8% per cent including BPS.

During the quarter, the company crossed the milestone of employing 100,000 women professionals with a gender diversity ratio of 32.9%.

“Diversity of talent remains a key source of strength for the organization and during the quarter, we crossed the milestone of having 100,000 women professionals in our workforce,” said **Ajoy Mukherjee, Executive vice president and Global Head, Human Resources**. “Our hiring plan for FY15 is on track as we continue to build a talent pipeline in line with business demands.”

Awards and Recognition:

Business Leadership:

- World's 100 Most Innovative Companies - Forbes
- Company of the Year – The Economic Times
- Six awards at Asia's Best Employer Brand Awards 2014, Singapore:
 - o BPO Organisation of the Year
 - o Talent Management
 - o Innovation in Recruitment
 - o Excellence in Training
 - o Best HR Strategy in Line With Business
 - o Operational Excellence & Quality in the BPO Industry
- Indian Multinational of the Year award - AIMA Managing India Awards 2014
- Best Technology Provider - Reactions (North America)
- Multiple awards at Asian Telecom Leadership Awards 2014
 - o Best Telecom Software
 - o Best Value Added Services Providers
 - o Best General Social Initiative Award for mKrishi
- Ranked among Top 10 global service providers in China

Partner:

- Multiple awards at the CA Technologies Partner Summit :
 - o FY14 Country Partner of the Year
 - o Partner of the Year - Security solutions
 - o Public Sector Partner of the Year
- Oracle Excellence Awards
 - o Global System Integrator Customer Experience (CX) Applications
 - o Specialised Partner of the Year

Sustainability:

- Global Leader in sustainability - Dow Jones Sustainability World Index 2014
- Ranked Number One of Top 100 Companies in Asia in Sustainability Ranking

Leadership:

N Chandrasekaran:

- Voted Best CEO in the Institutional Investor's 2014 Annual All-Asia Executive Team Rankings

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the three-month periods ended September 30, 2013, June 30, 2014 and September 30, 2014
(In millions of ₹, except per share data)

	Three-month period ended September 30, 2013	Three-month period ended June 30, 2014	Three-month period ended September 30, 2014
Revenue	209,772	221,110	238,165
Cost of revenue	109,048	122,432	132,405
Gross margin	100,724	98,678	105,760
SG & A expenses	37,429	40,529	41,818
Operating income	63,295	58,149	63,942
Other income (expense), net	(906)	8,151	5,659
Income before income taxes	62,389	66,300	69,601
Income taxes	15,563	15,312	16,045
Income after income taxes	46,826	50,988	53,556
Minority interest	287	410	673
Net income	46,539	50,578	52,883
Earnings per share in ₹	23.76	25.82	27.00

Unaudited Condensed Consolidated Statements of Financial Position
As of March 31, 2014 and September 30, 2014
(In millions of ₹)

	As of March 31, 2014	As of September 30, 2014
Assets		
Property and equipment	103,644	111,593
Intangible assets and Goodwill	41,568	40,570
Accounts Receivable	182,304	199,084
Unbilled Revenues	40,056	45,499
Investments	34,617	6,847
Cash and Cash equivalents	14,688	14,247
Other current assets	180,934	167,378
Other non current assets	91,314	76,394
Total Assets	689,125	661,612
Liabilities and Shareholders' Equity		
Shareholders' Funds	553,355	507,152
Long term borrowings	1,273	1,410
Short term borrowings	1,696	1,247
Other current liabilities	109,055	124,341
Other non-current liabilities	16,844	19,152
Minority Interest	6,902	8,310
Total Liabilities	689,125	661,612

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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](#), [BPS](#), [infrastructure](#), [engineering](#) and [assurance services](#). This is 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 310,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US \$13.4 billion for year ended March 31, 2014 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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For more information please contact:

Media: +91 22 6778 9999	Investor Relations: 91 22 6778 9999
Pradipta.bagchi@tcs.com / h.ramachandra@tcs.com shamala.p@tcs.com	Kedar.shirali@tcs.com