

## Strong 4th quarter concludes sterling financial year for Tata Consultancy Services

- **FY11 Revenues at \$8.2 billion; up 29.1% Y-o-Y**
- **FY11 Net Income at \$1.9 billion; up 31.1% Y-o-Y**
- **Q4 Revenues at \$2.2 billion up 33.2% Y-o-Y & 4.7% Q-o-Q**
- **Q4 Net Income at \$ 531 million up 25.4% Y-on-Y & 2.7% Q-on-Q**

Annual Highlights for 2010-11	Highlights for 4 <sup>th</sup> Quarter 2010-11
FY11 Operating Profits at \$ 2.3 b up 35.5%; OPM up 134 basis points at 27.8 % Net Margin at 23.3% Volume growth at 29.7% Gross addition: 69,685 professionals Net addition: 38,185 professionals Total employee strength: 198,614 FY11 EPS at \$ 0.97	Operating Profits at \$ 629 m up 35.6% Y-on-Y; 4.5% Q-on-Q; OPM flat at 28.0% Net Margin at 23.7% Volume Growth at 2.9% Gross addition: 19,324 professionals Net addition: 11,700 employees Attrition rate: 14.4 % LTM Utilisation Rate (excl trainees): 82.4 % Utilisation Rate (incl trainees): 75.1 % EPS at \$ 0.27 in Q4 from \$ 0.26 in Q3

**MUMBAI, April 21, 2011:** Tata Consultancy Services (TCS), (BSE: 523540, NSE: TCS), a leading IT services, consulting and business solutions firm reported its consolidated financial results according to US GAAP for the quarter and financial year ended March 31, 2011.

Commenting on the 2010-11 performance, **N. Chandrasekaran, CEO and MD said:** “Excellent execution and a constant focus on the customer has helped TCS round off a sterling performance in FY11 with strong growth in the fourth quarter while maintaining margins at historic highs.”

Looking ahead, **Mr Chandrasekaran added:** “The demand environment continues to be vibrant. There are opportunities across markets and industries. Our nimble organization structure together with our full-services strategy and domain-intensive solutions gives us a great platform to sustain growth. We continue to shape the adoption of next generation technologies by investing in new areas like mobility, analytics, social media and sustainability solutions.”

**S. Mahalingam, Chief Financial Officer and Executive Director, said:** “We have created a structurally robust cost base that is able to withstand a dynamic demand environment. The strength of this model can be seen from the steady improvement we have shown in operational and profitability parameters over the last four quarters.”

“While certain headwinds remain in the near-term and medium-term global macro-horizon, we remain confident of our ability to mitigate challenges as well as sustain business growth. We will continue to be relentless in running an efficient operation while ensuring the necessary investments are made to capture new growth opportunities,” **Mr Mahalingam added.**

There was secular growth across markets and industries during the financial year. Growth was led by the developed markets of the United States and Europe with strong contributions from Asia Pacific and Middle East and Africa in Q4. All industry verticals returned to the growth path during the year. In terms of services, TCS’ full services capabilities continue to be leveraged by customers with our new service lines like Assurance, Infrastructure Services, Products and Enterprise Solutions growing at a fast pace.

#### **Key Wins**

- Selected by a leading consumer electronics company in Asia Pacific as its integrated, global infrastructure service provider
- Selected for a large multi-year, transformation and full services engagement by one of the largest banking groups based in the Middle East
- Partner for a US based specialty retailer for its transformation program to implement customer centric merchandizing solution
- Engaged by one of the world’s leading automotive companies to support their end to end enterprise application integration and infrastructure services across their global business value chain
- Won multi-year, multi-million dollar contract to provide application support, maintenance and development services to a world leader in industrial gases
- Strategic partner for a leading US health services provider for optimizing their IT spend

#### **TCS BANCS™**

FY11 was a good year for the TCS BANCS with significant strategic wins in key markets like US, Europe and China. The company increased its footprint of products among global financial institutions with addition of 37 new customers during the year. Revenues from all three segments – Banking, Treasury and Capital Markets, Insurance - continued to show healthy growth across regions.

#### **iON™**

The company’s portfolio of business solutions for SMBs on the cloud- iON - was launched into the market in the 4th Quarter of FY11. The unique solution stack addresses the end-to-end technology requirements of small and medium business units. The solutions have been received well by the market. The company has acquired 225+ customers across India since it was launched in 2011.

### **Diligenta**

The company's wholly owned subsidiary offering life and pensions solutions to the insurance industry in the UK continued to transform its business during the year by deploying TCS' new cloud-based platform for greater efficiencies and growth. Four million policies have now moved to the new platform and there is a growing market for its products and services.

### **Innovation and Intellectual Property:**

As of 31 March 2011, the company has applied for 448 patents and has been granted 68 patents.

### **Human Resources:**

"Rapid growth in business demand during FY11 resulted in the largest ever hiring effort in our history with a gross addition of 69,685 professionals during the year. With business demand continuing to grow, we have made 37,396 offers on campuses for trainees to join us during 2011." **said Ajoy Mukherjee, Vice President, Head, Global Human Resources.** "We remain focused on developing competencies and retaining our people."

High utilization rates have been maintained in the fourth quarter with utilization excluding trainees at 82.4 per cent, while utilization including trainees was at 75.1 percent. Attrition rates continued to be stable at 14.4% on a LTM basis. The campus hiring process in India has been completed for FY12. The company visited 343 campuses and released 37,396 offers to students to join during FY12. The average age of a TCS employee is 28 yrs and 57% of the workforce has more than 3 yrs experience while 30.3% of the workforce comprised of women.

### **Awards and Recognition**

TCS is the first software firm globally to be assessed at Level 5 enterprise-wide in Software Services and Development. The company also achieved Level 5 in the Enterprise-wide Multiple Simultaneous Appraisal against CMMI®-DEV and CMMI®-SVC. TCS won the 'Best HRM Company in China' for the second consecutive year. It was chosen as the 'Recruiting and Staffing Industry Leader of the Year' at RASBIC 2010-11. It won the Golden Peacock Innovation Management Award 2011. TCS BPO wins six awards at the BPO Excellence Awards 2010-11.

TCS' agro solution mKrishi won the MIT Technology Review Grand Challenge under the Agriculture category and Low Cost Water Purifiers won the Challenge under the Clean Potable Water category. The company has also bagged the Gold Shield in ICAI Awards for Excellence in Financial Reporting.

### **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, BPO, 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 198,500 of the world's best trained consultants in 42 countries. The Company generated consolidated revenues of US \$ 8.2 billion for year ended 31 March, 2011 and is listed on the National Stock Exchange and Bombay Stock Exchange in India. For more information, visit us at [www.tcs.com](http://www.tcs.com)

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