TCS/PR/SE-43/2017-18

September 12, 2017

National Stock Exchange of India Limited
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Bandra-Kurla Complex
Mumbai
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Kind Attn.: Manager, Listing Department

BSE Limited
P. J. Towers
Dalal Street
Mumbai
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Kind Attn.: General Manager,
Department of Corporate Services

Scrip Code No. 532540 (BSE)

Dear Sirs,

We are sending herewith copy of a Press Release titled "**TCS Global Trend Study on Artificial Intelligence Reveals Industry Wide Investment by 2020**" which will be disseminated shortly.

The Press Release is self-explanatory.

Thanking you,

Yours faithfully,
For **TATA CONSULTANCY SERVICES LIMITED**

Rajendra Moholkar
Company Secretary

Encl: as above

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For immediate use **PRESS** RELEASE

TCS Global Trend Study on Artificial Intelligence Reveals Industry Wide Investment by 2020

Disrupted Industries like Travel, Hospitality and Telecom Making Boldest Investments in Artificial Intelligence

Consumer Packaged Goods, Utilities and Insurance Outpace Other Industries in AI Investment as a Percentage of Company Revenue

MUMBAI, September 12 2017: Tata Consultancy Services (BSE: 532540, NSE: TCS), a leading global IT services, consulting and business solutions organization, today unveiled the industry findings of its Global Trend Study titled, "Getting Smarter by the Sector: How 13 Industries Use Artificial Intelligence." Focusing on the current and future impact of Artificial Intelligence (AI), the study polled 835 executives across 13 global industry sectors in four regions of the world, revealing that they all identified artificial intelligence as increasingly important to their strategic competiveness by 2020.

According to the study, 80% of executives in all 13 industries currently invest in AI and almost 100% plan to invest by 2020. The insurance industry outspent the other twelve verticals surveyed, investing on average $124 million in AI systems, compared to a cross-industry average of $70 million. Consumer packaged goods reported the second most significant spend at $95 million.

Looking ahead to 2020, AI continues to be seen as a long term strategic bet, with ten of the 13 industries planning to increase their investments in AI. The increases are most dramatic among industries with the lowest current investment levels, including the travel, transport and hospitality industry, which plans to increase its spend by 750%, from $4 million in 2015 to $34 million to 2020. This is followed by rises in media, entertainment and information services (292%), industrial manufacturing (74%), healthcare (44%), and banking and finance (29%).

"The second phase of our Global Trend Study highlights that all industries see AI technology as a major game-changer on their business competiveness by 2020," said K. Ananth Krishnan, Chief Technology Officer of TCS. "It's striking that the sectors making the boldest current or future AI investments and citing the most significant results seem to group around industries like insurance, travel, hospitality, and telecom, where disruption is having a major impact, and consumer-focused sectors such as the consumer packaged goods industry, where the customer experience can be significantly enhanced by AI innovation."

AI Investments as a Percentage of Revenue and ROI

The leading investors in AI, determined as a percentage of average company revenue, were the consumer packaged goods (CPG) industry (0.66%), followed by utilities (0.53%), insurance (0.52%) and telecommunications (0.39%). Companies reported that their AI initiatives had a strong positive impact on both revenue improvement and cost reduction in the specific business areas where they invested in artificial intelligence. The average revenue increase across all 13 industries was 17%, while the average cost reduction was 12%. Telecom companies generated the most value from AI investments in 2015, in terms of revenue improvement (average 25%) and cost reductions (average 20%).

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AI used in the IT function most frequently

The most frequently mentioned business function using AI was perhaps unsurprisingly in IT, with high-tech and utilities companies more frequently using cognitive technology in their IT operations than the 11 other industry sectors. Across all 13 industries studied, only 29% of companies are using AI in sales today. However, more than half the CPG companies (52%) and nearly half the retailers (49%) are using AI tools to improve sales performance.

Potential headwinds to AI adoption

Effectively managing the security risk of AI systems is of paramount importance for the majority of industries, with companies in the automotive, banking and financial services, CPG, technology, industrial manufacturing, and telecoms industries all stating this as the number one success factor to derive real value from AI. Moreover, all industry sectors cited the importance of getting managers and employees to trust the advice provided by AI systems, and getting employees to learn about and adopt the new processes and systems that AI requires.

In almost all sectors, addressing people's fears about losing their jobs was not ranked as a major barrier. This was underlined in phase one of the Global Trend Study released in March this year, which found companies with the biggest revenue and cost improvements from AI see the need for at least three times as many new jobs in each function by 2020 because of cognitive computing innovations.

ENDS

About The 2017 Global Trends Study

The seventh annual Global Trends Study from TCS surveyed 835 leading executives from companies in four global regions, with an individual mean annual turnover of $20bn. The four regions surveyed were North America (including Canada), Europe (UK, Germany, France, Denmark and Switzerland), Asia-Pacific (India, China, Australia, and Japan) and Latin America (Brazil and Mexico). The study was concluded in June 2016. For more information, or to download the study, go to http://sites.tcs.com/artificial-intelligence/

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 385,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of U.S. $17.6 billion for year ended March 31, 2017 and is listed on the BSE Limited and National Stock Exchange of India Limited. For more information, visit us at www.tcs.com.

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