TCS/BM-18/SE/2014-15

January 15, 2015

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

BSE Limited
P. J. Towers, Dalal Street,
Mumbai
Kind Attn: General Manager
Department of Corporate Services
Scrip Code No. 532540 (BSE)

Dear Sirs,

Sub: Press Release

We are sending herewith a copy of a Press Release which will be disseminated shortly. The Press Release is self-explanatory.

Thanking you

Yours faithfully,
For **Tata Consultancy Services Limited**

Suprakash S

Suprakash Mukhopadhyay
Vice President and Company Secretary

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Corporate Identification No. (CIN): L22210MH1995PLC084781

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IGAAP ₹

TCS delivers steady performance in Q3; Maintains industry-leading momentum

Revenue at ₹24,501 crore up 2.9 % Q-o-Q; up 15.1 % Y-o-Y

- **Constant currency revenue growth of 2.5%**
- **Significant addition of customers across all revenue bands**
- **Net Profit at ₹ 5,328 crore up 1.6 % Q-o-Q**

MUMBAI, January 15, 2015: Tata Consultancy Services (BSE: 532540, NSE: TCS), the leading IT services, consulting and business solutions firm reported its consolidated financial results according to Indian GAAP for the quarter ended December 31, 2014.

Financial Highlights for Quarter Ended December 31, 2014

- Operating Profit at ₹ 6,586 crore; Growth of 3.9 % Y-o-Y and 3.7 % Q-o-Q
- Operating Margin at 26.9 %
- Dividend per share of ₹ 5
- Earnings Per Share at ₹ 27.20

Business Highlights for Quarter Ended December 31, 2014

- Gross employee addition**16,561**
- Total headcount: **318,625**
- Utilization: **86.7%** (excluding trainees) & **82.1%** (including trainees)
- No of $100m+ clients increases by 1; No of $50m+ clients increase by 3; No of $5M+ clients increase by 20

Commenting on the Q3 performance, Chief Executive Officer and Managing Director, N Chandrasekaran said: "We have maintained our momentum in a traditionally weak quarter for the IT industry. In constant currency terms, we have seen significant growth in USA, Europe as well as emerging markets like Latin America and Middle-East Africa. Our diversified industry portfolio and presence across key markets have helped us overcome soft seasonal demand in some sectors."

Mr Chandrasekaran added: "Based on our progress this quarter, we are well on our way to post industry-leading growth for FY15. In areas like Digital, Simplification and Governance, we continue to partner closely with customers to help them prepare their businesses to succeed in an economy where the default is digital."

Rajesh Gopinathan, Chief Financial Officer, said: "Sharp cross currency movements have impacted dollar revenues, but we continue to manage operations with discipline and rigour while investing in people, capabilities and infrastructure on an ongoing basis.

Growth in Q3 was driven by industries like Telecom, Hi Tech and Life Sciences. Europe led growth, driven by the investments made in that market, while North America also grew during the quarter. Among emerging markets, Latin America and MEA registered strong growth. Among service lines, Global Consulting, Asset Leveraged Solutions, Infrastructure Services and Assurance Services were the leaders.

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Select Key Wins

- Selected by a leading beverages company to manage and build a private Cloud for their global Infrastructure operations
- Chosen as preferred technology partner by a leading British mutual financial institution to manage their applications portfolio
- Chosen as the Strategic Partner by a leading pharmaceutical & healthcare company for deployment of their SAP transformation initiative globally
- Selected by a large Indian Financial Institution to implement full service digital banking using TCS BaNCS
- Engaged by a leading European airline to manage its business integration platform that will transform the way the airline will operate in the future.
- Selected as a strategic partner by one of North America's leading property and casualty insurers to modernize, rationalize and simplify its application portfolio that supports several of its business capabilities.
- Selected by one of the largest banks in Latin America as its strategic partner for its payment digitisation and regulatory compliance initiative

Key Wins in Digital Services and Solutions

- Selected by a leading UK based bank to build a collaborative social platform allowing integration of internal and customer provided data and to derive inferences using Artificial Intelligence
- Won an engagement from a leading insurance company to increase awareness of their employees around risks and reduce claims using social learning and gamification
- Selected by one of the largest power generation and water equipment companies to provide consulting services to accelerate their Cloud adoption and maturity
- Engaged by an American financial services group for transform enterprise infrastructure to an application programming interface based model to enable easy adaptability for rapidly changing consumer needs
- Won a multi-million dollar multi-year engagement from a global Hi-Tech firm to manage its Big Data and Mobility program landscape
- Chosen by a leading European airlines as a preferred partner for their customer experience lab to provide multi-channel customer experience, personalization and targeted marketing
- Selected by a leading Australian financial services provider to enable hyper connected social collaboration using the TCS Knome™ product
- Engaged by a leading North American Bank to augment their Centre of Excellence for Creative Design
- Selected by global retailer for enabling unified view of customer analytics across multiple channels
- Selected by a leading UK based banking customer as their prime mobility and user experience partner to build next generation consumer mobile applications
- Chosen by a leading bank to build a Big Data hub based on Hadoop to simplify their cards interchange solution

Innovation and Intellectual Property:

- As of December 31, 2014, the company has applied for 2081 patents including 121 applied during the quarter. Till date, the company has been granted 175 patents.

Human Resources:

The company continued to hire to support business growth. There was a total gross addition of 16,561 people (net addition of 4,868 employees) taking the total employee strength to 318,625 employees on a consolidated basis. The utilization rate (excluding trainees) was at 86.7% and that including trainees was 82.1 %. The attrition rate (LTM) was at 13.4 %.

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"Our efforts to push the bar on utilization continues with the rate crossing 86% without trainees and 82% with trainees. Our hiring continues to support strong business growth, we are likely to exceed our hiring target for the current financial year," said **Ajoy Mukherjee, Executive vice president and Global Head, Human Resources.**

Awards and Recognition:

Business Leadership:

- 'Company of the Year' at Economic Times Awards 2014
- Top Workforce honour at the 2014 Diversity and Inclusion (DANDI) awards held in New York
- Excellence in Information Security in the IT Service (Large) by the Data Security Council of India (DSCI)
- Honored for outstanding contribution to the Germany-India economic relationship
- Australian Service Excellence award
- Gold Stevie winner for 'Best Human Resources Department of the Year' at the 2014 International Business Awards (IBA)
- TCS UK & Ireland won the 'Corporate Responsibility Award of the Year' for its IT Futures Programme **at the 8th Annual HR Network National Awards 2014.**
- **TCS UK recognised for investment in talent and HR excellence**
    - Achieves Gold level recertification from Investors in People
    - Wins 'Best Rewards and Benefits Initiative' category at Chartered Institute of Personnel and Development (CIPD) Awards
- **TCS BaNCS won Global Custodian award for Best Custody second time in a row**
- **India's 'Top Telecom Software, Solutions & Consulting Company Award' for 2014 at XXI ICT Business Awards**
- **'Best Use of Technology' honour at the Canadian HR Awards**
- **'Export Excellence Award – IT & ITES'** by Cochin Special Economic Zone

Partner:

- Won three awards from Hitachi Data Systems (HDS) APAC GSI Summit 2014
- Won the the 2014 Oracle Excellence Award for 'Specialised Partner of the Year – Middle East'.
- Won the 'Best Supplier for Indirect Services' from NXP Semiconductors
- **Named the Leading Vendor Award for Quality Assurance(QA) and Testing services at TESTA 2014 services**

Sustainability:

- TCS recognised as the world leader for its corporate action on climate change in The A List: The CDP Climate Performance Leadership Index 2014

Leadership:

- N Chandrasekaran:
- - **Won the Best CEO award and also Best CEO of IT & ITES - Large Companies by Business Today**

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Consolidated Statement of Profit and Loss
For the quarter ended December 31, 2013, September 30, 2014 and December 31, 2014
(In crores of ₹, except per share data)

	Quarter ended December 31, 2013	Quarter ended September 30, 2014	Quarter ended December 31, 2014
INCOME	**21,294**	**23,816**	**24,501**
EXPENDITURE			
a) Salaries & Wages	7,704	9,056	9,336
b) Overseas business expenditure	3,039	3,396	3,344
c) Other operating expenses	3,864	4,564	4,773
Total Expenditure	**14,607**	**17,016**	**17,453**
Profit Before Interest, Depreciation, Taxes & Other Income	**6,687**	**6,800**	**7,048**
Interest	7	67	18
Depreciation	350	449	462
Profit Before Taxes & Other Income	**6,330**	**6,284**	**6,568**
Other income (expense), net	683	663	644
Profit Before Taxes	**7,013**	**6,947**	**7,212**
Provision For Taxes	1,636	1,635	1,824
Profit After Taxes & Before Minority Interest	**5,377**	**5,312**	**5,388**
Minority Interest	44	68	60
Net Profit	**5,333**	**5,244**	**5,328**
Earnings per share in ₹	27.20	26.78	27.20

Consolidated Balance Sheet
As at March 31, 2014 and December 31, 2014
(In crores of ₹)

	As at March 31, 2014	As at December 31, 2014
EQUITY AND LIABILITIES		
Shareholders' Funds	49,195	52,819
Minority Interest	708	1,121
Short term and long term borrowings	254	283
Deferred Tax Liabilities (net)	309	338
Current liabilities and provisions	15,543	14,107
Non-current liabilities and provisions	1,129	1,069
Total Liabilities	**67,138**	**69,737**
ASSETS		
Fixed Assets (net)	10,444	12,180
Investments	3,434	3,039
Deferred Tax Assets (net)	420	515
Goodwill (on consolidation)	2,269	2,212
Cash and Bank Balance	14,442	12,808
Current Assets, Loans and Advances	27,297	31,505
Non-current Assets, Loans and Advances	8,832	7,478
Total Assets	**67,138**	**69,737**

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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™, recognised as the benchmark of excellence in software development. A part of the Tata group, India's largest industrial conglomerate, TCS has over 318,000 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, 2013 and is listed on the National Stock Exchange and Bombay Stock Exchange in India. For more information, visit us at www.tcs.com.
Follow TCS on Twitter.
Subscribe to an RSS Feed of TCS Press Releases.

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