TCS/BM - 9/SE/2014-15

July 17, 2014

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Mumbai
Fax No. 2659 8237 / 38
Kind Attn: Manager, Listing Department

BSE Limited
P. J. Towers, Dalal Street,
Mumbai
Fax No. 2272 2037 / 3121
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 Mukhopadhyay
Vice President and Company Secretary

TATA CONSULTANCY SERVICES
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Strong Q1 performance signals fast start to FY 2014-15

Revenue at ₹22,111 crore up 2.6 % Q-o-Q; up 22.9 % Y-o-Y

- **$ Revenue growth of 5.5% - Highest in 12 quarters**
- **$191 million Incremental Revenue growth - Highest in 15 quarters**
- **Robust Volume growth at 5.7%**
- **Net Profit* at ₹ 5,568 crore up 45.0 % Y-o-Y & 3.9% Q-o-Q**
- **Special Dividend of ₹ 40 per share on occasion of 10th Anniversary of IPO**

MUMBAI, July 17, 2014: 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 June 30, 2014.

Financial Highlights for Quarter Ended June 30, 2014

- Operating Profit at ₹ 5,935 crore; Growth of 22.5 % Y-o-Y and (6.0%) Q-o-Q
- Operating Margin at 26.8 %
- Total Dividend per share of ₹ 45 including ₹ 40 as special dividend on 10th anniversary of IPO
- Earnings Per Share at ₹ 28.42

Business Highlights for Quarter Ended June 30, 2014

- Gross Addition 15,817 Employees & Net Additions 4,967 Employees
- All time High Utilization rates at 85.3% (excluding trainees)
- Five new $50+ million clients added

Commenting on the Q1 performance, Chief Executive Officer and Managing Director, N Chandrasekaran said: "Robust volumes and healthy growth across all industries and key markets helped TCS start the new financial year on a strong note as our broad-based business portfolio continues to deliver results. We have a strong demand pipeline in place and our customer-centric mindset, leadership in the 'Digital' space and strong execution capabilities will help us to sustain our momentum."

Mr Chandrasekaran added: "On the occasion of the 10th anniversary of TCS' IPO, the board of directors has announced a special dividend of Rs 40 per share."

Rajesh Gopinathan, Chief Financial Officer, said: "Our disciplined stance in operations helped us mitigate the impact of multiple headwinds like currency movements, accelerated depreciation norms and wage hikes during the quarter. Looking ahead, we will continue to maintain our operating margins in our desired band by operating efficiently."

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During Q1, TCS posted the highest incremental revenue of $191 million in the last 15 quarters driven by holistic growth across markets led by North America. Asia-Pacific, India, United Kingdom, Europe all continued to grow. Growth was seen across all industry segments led by Media & Information Services, Life Sciences, Retail, Telecom with all non-BFS verticals growing in excess of five percent sequentially.

Select Key Wins

- Awarded Multi-year, multi-million dollar end-to-end IT infrastructure outsourcing deal from a North American global pharmaceutical and medical device company
- Selected by a leading Nordic Operator as its partner to modernize and simplify fixed network operations in a multi-year contract
- Chosen as preferred partner by a large Australian Bank for providing IT services for its private banking, wealth management, insurance and superannuation lines of businesses
- Selected by a leading North American specialty retailer as a Strategic Preferred Partner for global technology transformation.
- Won a multi-million euro, multi-year engagement to provide Infrastructure Services to a leading fashion apparel retailer in Europe
- Selected by a North American insurance company for a multi-million dollar, multi-year engagement to support and enhance their core IT Applications
- Awarded a multi-year, multi-million dollar deal for end-to-end managed infrastructure services from a global semiconductor company
- Won an engagement to define strategic roadmap and provide consulting services on operating model for campaign management for a major Australian superannuation service provider

Key Wins in Digital:

- Won an engagement with an American healthcare and insurance company to build big data platform for enabling 360 degree customer view
- Selected by a large North American food retail chain to develop digital applications that provide "on the go" analytics and enable quicker decision making for store managers
- Chosen by a leading global insurance major to develop customer centric sales applications using digital technologies
- Selected by an Asian telecom company to define its big data strategy and roadmap
- Engaged by a North American bank for building its enterprise compliance data store using Big Data technologies
- Selected by a global North American telecom company to revamp user experience for its sales field application
- Selected by a leading telecom provider in UK to design and develop a POS application to enable customer journey through multiple digital touch points

Innovation and Intellectual Property:

As of June 30, 2014, the company has applied for **1804** patents including **58** applied during the quarter. Till date, the company has been granted **129** patents.

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Human Resources: Gross Additions 15,817 & Net Additions 4,967
The company continued to drive employee productivity to support business growth. The total employee strength at the end of Q1 was 305,431 on a consolidated basis. The utilization rate (excluding trainees) was at an all-time high of 85.3% and that including trainees was 79.8%. The attrition rate (LTM) was seasonally higher at 12.0% including BPS.

"Our focus on productivity continues to yield results with utilization rates at an all-time high of over 85 per cent. We have already started on-boarding the campus trainees this year with 2,500 joining in June," said **Ajoy Mukherjee, Executive vice president and Global Head, Human Resources**.

Awards and Recognition:

Business Leadership:
- Golden Peacock National Training Award 2014
- Best Corporate Sustainability Strategy award at the HR Excellence Awards 2014 in UK & Ireland
- Outsourcing Services Award for Excellence from Data News in Belgium

Partner:
- Innovation Award partner from Informatica in Test Data Management
- Run SAP Partner of the Year and Customers' Choice Award from SAP Pinnacle
- Best Service Support 2014 Award from Renault-Nissan

Sustainability:

- Gold Stevie award for Corporate Social Responsibility Program of the Year and Silver Stevie for HR department of the year at the 2014 American Business Awards
- Earth Care Award 2014 from JSW-Times of India
- 2014 Community Corps Corporate Champion for deep commitment to enhancing quality of STEM Education – Lumity Awards

* Exceptional items consist of a write back of ₹ 665 crore due to change in method of charging depreciation on assets as at April 1, 2014 and a charge of ₹ 175 crore in depreciation due to change in useful life of assets as at April 1, 2014

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

	Quarter ended June 30, 2013	Quarter ended March 31, 2014	Quarter ended June 30, 2014
INCOME			
a) IT & Consultancy Services	17,552	21,142	21,793
b) Manufacturing, Sale of equipment and Licences	435	409	318
Total Income	**17,987**	**21,551**	**22,111**
EXPENDITURE			
a) Salaries & Wages	6,965	7,581	8,532
b) Overseas business expenditure	2,498	3,186	3,283
c) Other operating expenses	3,380	4,095	3,943
Total Expenditure	**12,843**	**14,862**	**15,758**
Profit Before Interest, Depreciation, Taxes & Other Income	**5,144**	**6,689**	**6,353**
Interest	7	12	9
Depreciation	297	375	417
Profit Before Taxes & Other Income	**4,840**	**6,302**	**5,927**
Other income (expense), net	259	721	787
Profit Before Taxes & Exceptional Items	**5,099**	**7,023**	**6,714**
Exceptional items	0	0	490
Profit Before Taxes	**5,099**	**7,023**	**7,204**
Provision For Taxes	1,226	1,613	1,599
Profit After Taxes & Before Minority Interest	**3,873**	**5,410**	**5,605**
Minority Interest	33	52	37
Net Profit	**3,840**	**5,358**	**5,568**
Earnings per share in ₹	19.57	27.27	28.42

Consolidated Balance Sheet
As at March 31, 2014 and June 30, 2014
(In crores of ₹)

	As at March 31, 2014	As at June 30, 2014
EQUITY AND LIABILITIES		
Shareholders' Funds	49,195	44,373
Minority Interest	708	712
Short term and long term borrowings	254	158
Deferred Tax Liabilities (net)	309	327
Current liabilities and provisions	15,543	26,725
Non-current liabilities and provisions	1,129	1,171
Total Liabilities	**67,138**	**73,466**
ASSETS		
Fixed Assets (net)	10,444	11,265
Investments	3,434	8,598
Deferred Tax Assets (net)	420	444
Goodwill (on consolidation)	2,269	2,272
Cash and Bank Balance	14,442	14,304
Current Assets, Loans and Advances	27,297	29,684
Non-current Assets, Loans and Advances	8,832	6,899
Total Assets	**67,138**	**73,466**

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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 305,000 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.
Follow TCS on Twitter.
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