TCS/BM - 51/SE/2013-14

January 16, 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

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IGAAP ₹

TCS maintains momentum; Delivers steady performance in Q3

Revenue at ₹21,294 crore up 1.5 % Q-o-Q; up 32.5 % Y-o-Y

- **International revenues grow 3.8% in dollar terms**
- **Volumes up 1.8%; Realisation up 74 basis points**
- **Hiring Target for FY14 increased further to 55,000 from 50,000**
- **Net Profit at ₹ 5,333 crore up 15.1 % Q-o-Q; up 50.3 % Y-o-Y**

MUMBAI, January 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 Indian GAAP for the quarter ended December 31, 2013.

Financial Highlights for Quarter Ended December 31, 2013

- Operating Profit at ₹ 6,337 crore; Growth of 44.6 % Y-o-Y and 0.5% Q-o-Q
- Operating Margin at 29.8%
- Dividend per share of ₹ 4
- Earnings Per Share at ₹ 27.20

Business Highlights for Quarter Ended December 31, 2013

- Gross employee addition: **14,663**
- Total headcount: **290,713**
- Utilization: **84.3%** (excluding trainees) & **77.5%** (including trainees)
- No of $50m+ clients increases by 2; No of $20m+ clients increases by 4

Commenting on the Q3 performance, Chief Executive Officer and Managing Director, N Chandrasekaran said: "Strong international demand for our services and discipline in execution has helped TCS maintain its momentum and post robust growth in volumes as well as realisation. Our diversified market presence and services portfolio have helped us overcome seasonal weakness and soft demand in the Indian market."

Mr Chandrasekaran added: "Based on initial discussions with our customers we believe 2014 will be a stronger year for us than 2013, as customers execute their business plans in a relatively stable environment. With Digital technologies rapidly changing the way an enterprise operates in multiple dimensions, our continuous investments positions us well to help customers reimagine their business.

Rajesh Gopinathan, Chief Financial Officer, said: We have been able to maintain our profitability by operating in a disciplined manner while sustaining our investments in customer-facing initiatives globally. We have also been able to significantly increase our cash generation due to efficient working capital management.

Growth in Q3 was driven by industries like Life Science & Healthcare, Manufacturing, Media, Travel & Hospitality and Telecom. The company's broad based presence across markets and services helped overcome seasonal weakness in some markets. Europe led growth, driven by the continuous investments being made in that market,

while North America and UK also grew during the quarter. Among growth markets, Latin America, APAC and MEA registered strong growth. India business suffered from volatility and declined sequentially. Among service lines, Business Process Services, Enterprise Solutions, Global Consulting were the leaders.

Select Key Wins

- Selected by a large global bank to provide ADM services for their payments and receivables functions.
- Engaged by a leading food and grocery retailer in North America as a strategic IT partner for all application development, package implementation and Digital services
- Awarded multi-year, multi-million dollar contract by a leading European pharmaceutical company to provide drug safety services leveraging global delivery
- Won multi-year engagement with a major North American telecom operator to provide comprehensive mobile application lifecycle services for the development of a series of mobile applications across all major mobile platforms integrated with network intelligence
- Chosen by a global transportation conglomerate to provide remote infrastructure managed services for its worldwide operations across its group companies
- Selected by one of the market leaders in information services industry to accelerate its ERP transformation roadmap and provide service transformation to a large portfolio of applications
- Engaged by a leading North America based diversified industrial manufacturer to transform back office operations in Finance and accounting

Key Wins in Digital Services and Solutions

- Develop mobile interface for CRM software product for a major global Hi-Tech company
- Develop consumer mobile application for a North American airline to promote customer engagement
- Develop mobile application and associated middleware to enable settlement of claims efficiently for an Asia-Pacific insurer
- Develop tablet application for a European payment solutions provider that simplifies the sales process for its field force
- Develop multi-platform mobile application to manage and track digital marketing campaigns for a global television and film production company
- Develop multiple mobile applications for enterprise users of a global Pharmaceutical manufacturer
- Develop multi-platform mobile application for human resource function of a major European retailer
- Develop workflow application on multiple platforms for use by the management of an Asia-Pacific airline
- A multi-year engagement with a major insurance company in North America for digital experience transformation of its online channels
- Revamp digital marketing platforms at a global banking and financial services company
- Develop modern user experience for new trading platform of a major European stock exchange to
- Transform online channels for a UK based health insurance company
- Transform digital channels to enable better customer experience for a manufacturing company in North America
- Build enterprise risk management and compliance Big Data warehouse for a leading North American bank
- Manage Big Data infrastructure for a major North American aerospace manufacturer
- Build components of Big Data architecture for risk management for a major North American banking and financial services provider
- Migrate legacy mainframe systems to Big Data systems for a US based financial services company
- Establish Big Data infrastructure and data archival solution for a North American retailer
- Provide strategy consulting services for Big Data systems for asset management to a European telematics and telecom company
- Setup Big Data based applications for retail use cases for a major UK based retailer

Innovation and Intellectual Property:

- As of December 31, 2013, the company has applied for 1535 patents including 94 applied during the quarter. Till date, the company has been granted 102 patents.

Human Resources:

The company continued to hire to support business growth. There was a total gross addition of 14,663 people (net addition of 5,463 employees) taking the total employee strength of 290,713 employees on a consolidated basis. The utilization rate (excluding trainees) was at 84.3% and that including trainees was 77.5 %. The attrition rate (LTM) was stable at 10.9% including BPS. The attrition rate in IT was at 10.3 %, while BPS attrition fell to 13.4 %.

"To support business growth, we have increased our hiring target by a further 5,000 employees for the current financial year to 55,000 professionals," said **Ajoy Mukherjee, Executive vice president and Global Head, Human Resources**. "Our efforts to push the utilization lever is paying dividends with utilization rates including trainees rising to 77.5% and that excluding trainees at over 84%."

Awards and Recognition:

Business Leadership:

- Ranked India's 'Most Valuable Company' in BT 500 rankings for second-year-in-a-row
- Forbes Asia 'Fabulous 50' Award 2013
- Multiple Corporate Engagement Awards in Europe
    - The company was awarded two "Gold" in the Best partnership in sports and Best Program to raise brand awareness categories, as well as a "Bronze" in the Best community involvement category.
- APOnline wins "Financial Inclusion & Payment Systems" (FIPS) 2013 award
- Ranked in top two amongst IT service and outsourcing firms in China
- Ranked Best Employer in China 2013
- TCS Netherlands wins TOMMIE Award for 'The Most Innovative Sourcing Vendor 2013'
- Three Government ISU projects win CSI Nihilent Award of Recognition 2013
- TCS-Legal and General (L&G), won NOA IT Outsourcing project of the year award

Partner:

- Microsoft 'Public Sector Partner award' at Microsoft Partner Summit 2013
- SAP Customer Awards of Excellence 2013
- 'Social Innovation Partner of the Year' Award from Hitachi

Sustainability:

- Parivartan Sustainability Disclosure Leadership Award 2013
- TCS recognised by U.S. Chamber of Commerce Foundation under the Best Corporate Steward Award category.
- TCS Chile receives 'Best Company Award' for continuous support towards CSR initiatives by Fundacion Regazo

Leadership: N Chandrasekaran, CEO and MD received the following awards:

- Business Standard: CEO of the Year for 2013
- Business Today: Best CEO for 2013
- Express IT Awards: Newsmaker of the Year
- Business India: Businessman of the year 2013

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Consolidated Statement of Profit and Loss
for the quarter ended December 31, 2013, September 30, 2013 and December 31, 2012
(In crores of ₹, except per share data)

	Quarter ended December 31, 2013	Quarter ended September 30, 2013	Quarter ended December 31, 2012
INCOME			
a) IT & Consultancy Services	20,912	20,533	15,663
b) Manufacturing, Sale of equipment and Licences	382	444	407
Total Income	**21,294**	**20,977**	**16,070**
EXPENDITURE			
a) Salaries & Wages	7,704	7,610	6,142
b) Overseas business expenditure	3,039	2,913	2,194
c) Other operating expenses	3,864	3,821	3,074
Total Expenditure	**14,607**	**14,344**	**11,410**
Profit Before Interest, Depreciation, Taxes & Other Income	**6,687**	**6,633**	**4,660**
Interest	7	12	8
Depreciation	350	328	277
Profit Before Taxes & Other Income	**6,330**	**6,293**	**4,375**
Other income (expense), net	683	(26)	221
Profit Before Taxes	**7,014**	**6,267**	**4,596**
Provision For Taxes	1,636	1,595	1,005
Profit After Taxes & Before Minority Interest	**5,377**	**4,672**	**3,591**
Minority Interest	44	39	41
Net Profit	**5,333**	**4,633**	**3,550**
Earnings per share in ₹	27.20	23.63	18.10

Consolidated Balance Sheet
as at December 31, 2013 and March 31, 2013
(In crores of ₹)

	As at December 31, 2013	As at March 31, 2013
Source of Funds		
Shareholders' Funds	48,696	38,646
Minority Interest	666	695
Loan Funds	132	211
Deferred Tax Liability	301	235
Non Current Liabilities	1,018	796
Total Liabilities	**50,813**	**40,583**
Application of Funds		
Fixed Assets (net)	9,671	8,142
Goodwill	2,314	3,582
Deferred Tax Asset	399	310
Investments	8,206	1,897
Cash and Bank Balance	*6,585*	*6,769*
Current Assets, Loans and Advances	*26,606*	*23,700*
Current Liabilities and Provisions	*11,334*	*11,585*
Net Current Assets	21,857	18,884
Non Current Assets	8,366	7,768
Total Assets	**50,813**	**40,583**

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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, BPO,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 290,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US $11.6 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.
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