

## Milestone quarter propels revenues to \$2 billion (₹ 9,286 cr); up 13% Q-o-Q, 25% Y-o-Y

- Double digit growth across all industries pushes volumes up 11.2% sequentially
- All time high sequential revenue growth of \$210 million
- Operating margins (28%) at historic highs
- North American revenues cross \$ one billion in Q2
- Net Profits at ₹ 2169 cr; up 14% Q-o-Q; up 32% Y-o-Y
- Highest ever employee addition with 19, 293 professionals added

**MUMBAI, October 21, 2010:** Tata Consultancy Services (BSE: 532540, NSE: TCS) reported its consolidated financial results according to Indian GAAP for the quarter ended September 30, 2010.

### Highlights for Quarter and Half Year Ended September 30, 2010

- H1 Revenues at ₹ 17,503 cr; up 20% Y-o-Y,
- H1 Net Profit at ₹ 4,076cr up 28% Y-o-Y
- 30 new clients added
- Attrition at 14.1% LTM (including BPO)
- Quarterly dividend of ₹ 2 per share
- EPS at ₹ 11.06 in Q2

**TCS CEO and MD, N Chandrasekaran said:** “It has been a quarter of superior performance across the board, driven by volume growth of over 11 per cent. In uncertain economic conditions, our results are a milestone on the path to strong demand recovery. Our teams have displayed agility to respond to these opportunities across markets and more importantly, execute flawlessly. **He added:** Given the growth we have achieved across all industry units, we are very positive about the global demand recovery going forward while being watchful in view of the macro environment.”

**S. Mahalingam, Chief Financial Officer, said:** “It has been a quarter of strong revenue and margin performance all round. As a team, we have been disciplined in managing costs in an optimal manner while fully supporting the growth of the business.” **He added:** “With our major operating currencies continuing to be volatile, we remain vigilant on this front.”

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**PRESS RELEASE**

All major markets grew in double digit terms with Europe leading the pack. TCS's North American revenues crossed one billion dollars. All emerging markets grew with India and APAC leading the pack. All Industry verticals grew in double digits, highlighting the diversity of the business portfolio and holistic nature of business growth.

#### **Key Wins**

- One of Canada's large financial institutions selected TCS as a strategic partner to globally support IT, BPO and Infrastructure Services across all lines of business.
- A Fortune Top 50 Healthcare company has selected TCS to be their transformation and technology partner.
- A US based large banking and financial services institution has selected TCS as a strategic partner to achieve best in class technology services across its global locations.
- The Phoenix Group has acknowledged TCS' success with the ongoing Diligenta transformation program by transferring 1.7 million policies managed by another third party in a multi-year contract worth over £250 million.
- A leading publishing and education services provider has chosen TCS to be their sole provider for supporting and maintaining their global technology platform.
- TCS entered into a multi-year strategic partnership with a leading grocery retailer to drive operational efficiencies and partner in their strategic initiatives through integration of IT, Infrastructure and Shared Services.
- TCS has been engaged by a leading general merchandise retailer based in North America to establish a large centralized assurance centre of excellence to standardize its testing processes and drive productivity across all its business units.
- A state government in India selected TCS to transform its food and civil supplies system.

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

During the quarter, the company was granted two patents. Till date, the company has applied for 380 patents and has been granted 64 patents.

#### **Global Network Delivery Model™**

Offshore revenues were flat at 51.1 %, while revenues from non-Indian GNDM centers were at 5.0%.

#### **TCS BANCS™**

The company's portfolio of financial products under the umbrella brand of TCS BANCS continued to gain traction in the global financial services industry. The company won 13 engagements in core banking, capital markets and insurance segments across markets in China, India, US, UK and Europe. In addition five installations went live during the quarter. TCS BANCS Core Banking product was named a leader in a leading analyst firm's Magic Quadrant for International Retail Core Banking during the quarter

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**PRESS RELEASE****Human Resources**

Utilization in Q2 FY11 was 83.8 % (excluding trainees) & 77.7 % (including trainees). The attrition rate in Q2 for IT Services was 13.1 % (LTM), BPO: 22.5% (LTM) while overall attrition was at 14.1%. At the end of Q2, the total employee strength of the company was 174, 417. Non Indian nationals formed 7.1% of the total employee base and 30.4% were women.

“We have had the highest quarterly gross and net addition of employees in the company’s history on the back of strong growth performance,” said **Ajoy Mukherjee, Vice President, Head, Global Human Resources**. “Given the recovery in business demand, we will exceed the hiring target we had set for this fiscal year.”

**Awards and Recognition**

TCS was ranked no. 1 in the IDC-Dataquest Best employer Survey. TCS BPO won four Global HR Excellence Awards 2010 at the Asia Pacific HRM Congress and six awards at Asia’s Best Employer Brand Awards 2010. TCS was chosen as the winner of the NDTV Business Leadership Award 2010 in the IT-Software category. The company topped the DQ Top20 list of Indian IT companies. mKRISHI, an offering from TCS Innovation Labs, won eINDIA’s eAgriculture Award). The company was also awarded the Bombay Chamber of Commerce and Industry’s Civic Award 2009-10 for Sustainable Environmental Initiatives.

**About Tata Consultancy Services Ltd (TCS)**

Tata Consultancy Services is an IT services, business solutions and outsourcing organization that delivers real results to global businesses, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled services 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 174,000 of the world's best trained IT consultants in 42 countries. The Company generated consolidated revenues of US \$ 6.3 billion for fiscal year ended 31 March, 2010 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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