



Results for Quarter II FY 2011 - 12

17th October 2011

Disclaimer

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT services companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

Highlights

Q2 FY12 Performance Highlights

➤ Revenue:

- INR Revenue of **Rs 116,335 Mn** i.e growth of **7.7% QoQ** and **25.3% YoY**
- USD Revenue of **\$2,525 Mn** i.e. growth of **4.7% QoQ** and **26.0% YoY**
- Volume growth of **6.2% QoQ**

➤ Profit:

- EBIT margin of **27.1%**, up 94bps QoQ
- Net Income at **INR 24,390 Mn** i.e. a NPM of **21.0%**

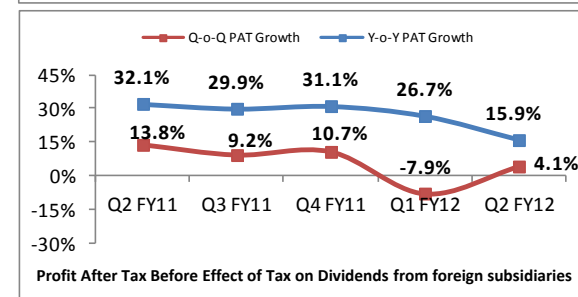
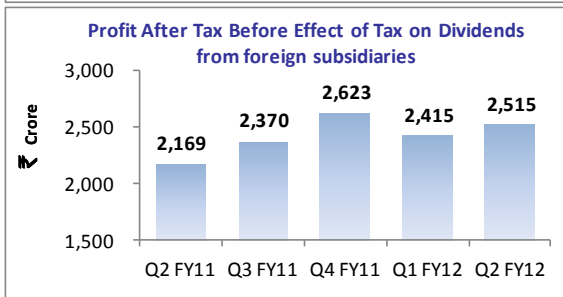
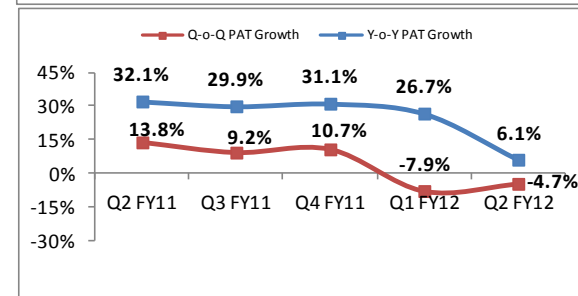
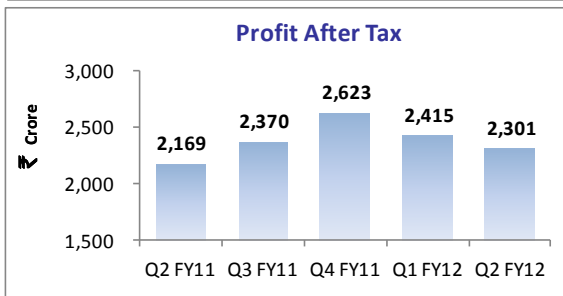
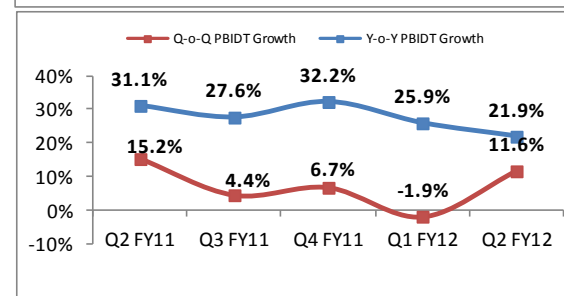
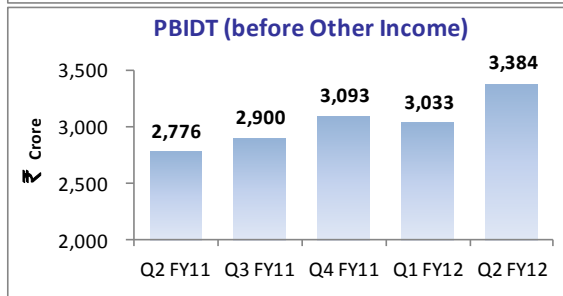
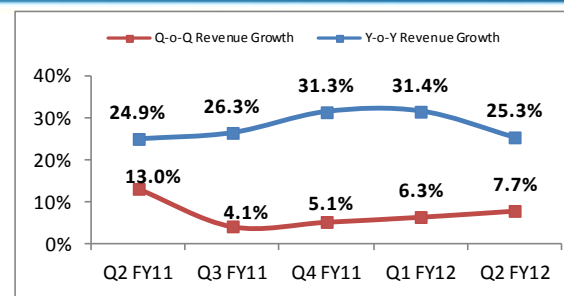
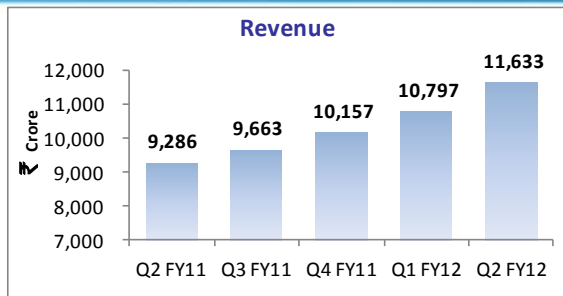
➤ Demand:

- **35** new clients added during the quarter; Active clients: **1010**
- Good upward movement across revenue bands : \$100M+, \$50M+, \$20M+
- Strong deal pipeline across all major verticals

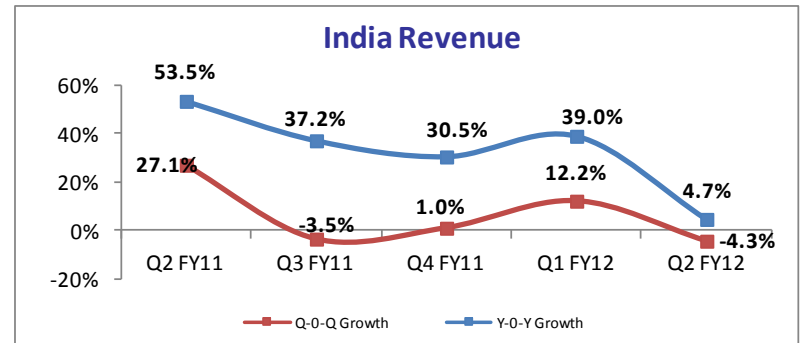
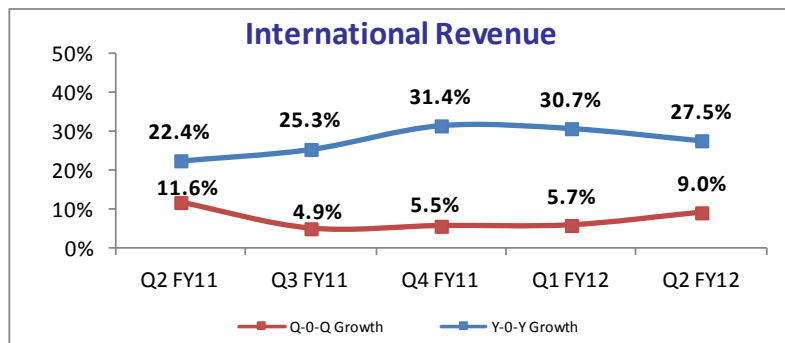
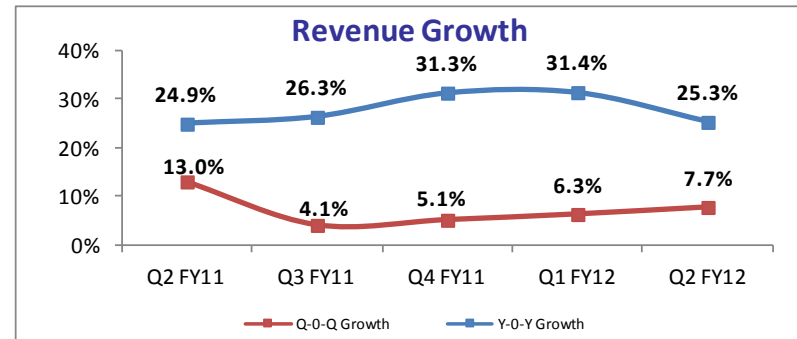
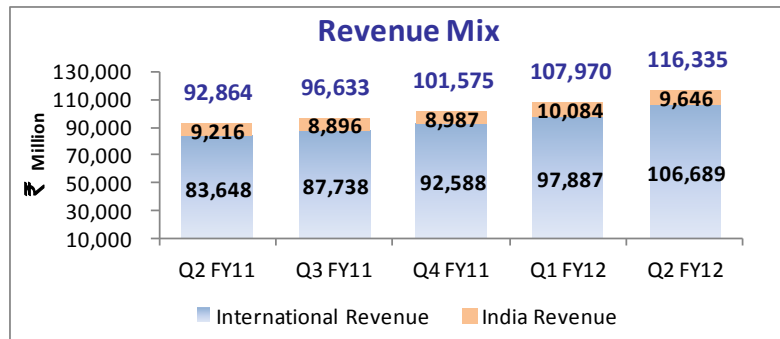
➤ People:

- Gross addition of **20,349** associates, closing headcount: **214,770**
- Utilization at **83.1%** (ex-trainees) and **76.4%** (including trainees)
- LTM Attrition (IT Services) at **12.5%**

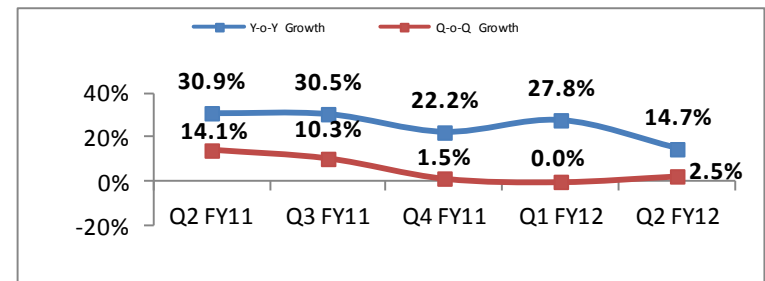
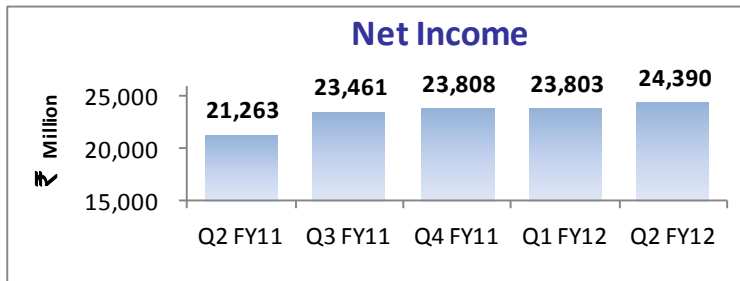
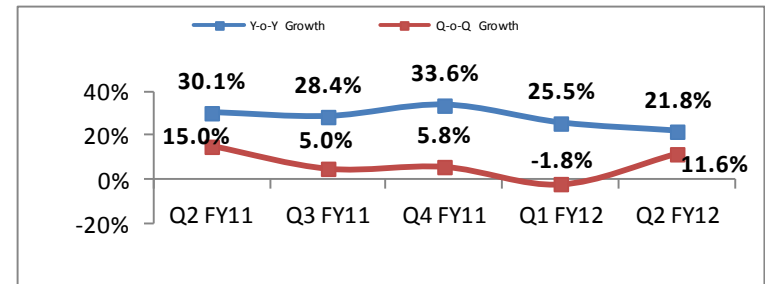
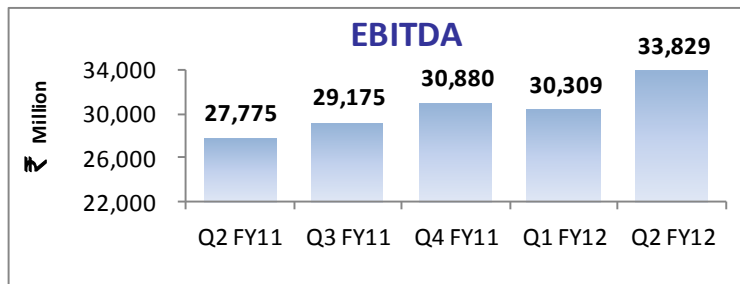
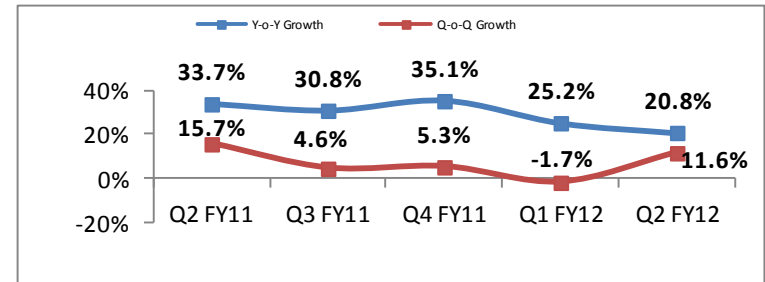
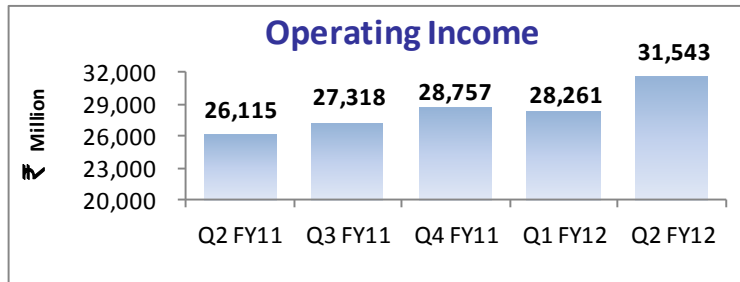
Indian GAAP Growth Summary



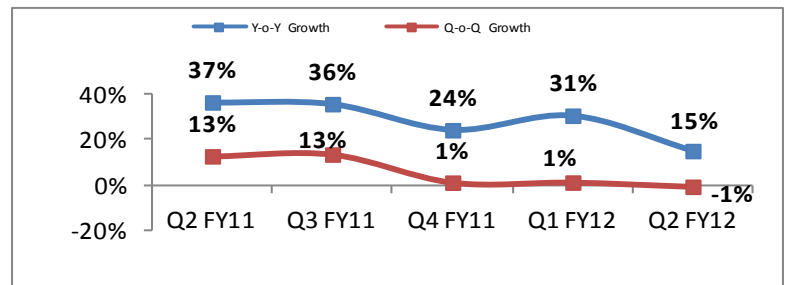
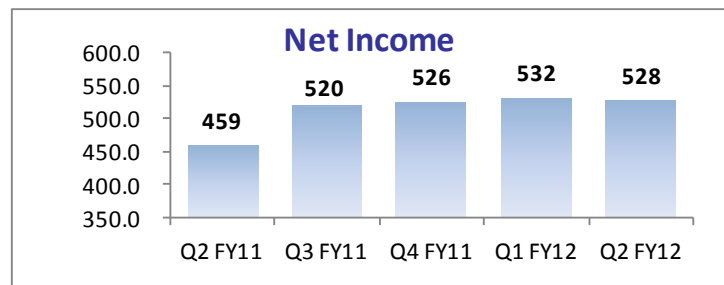
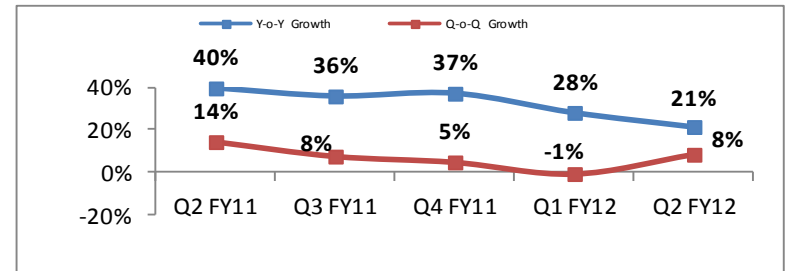
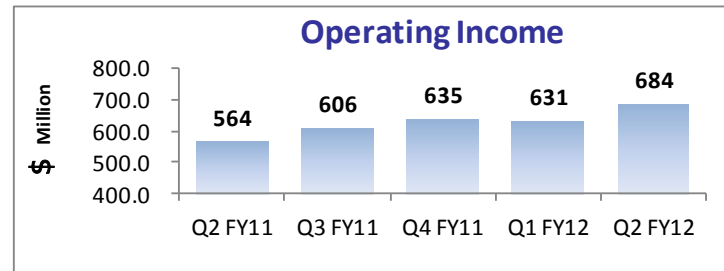
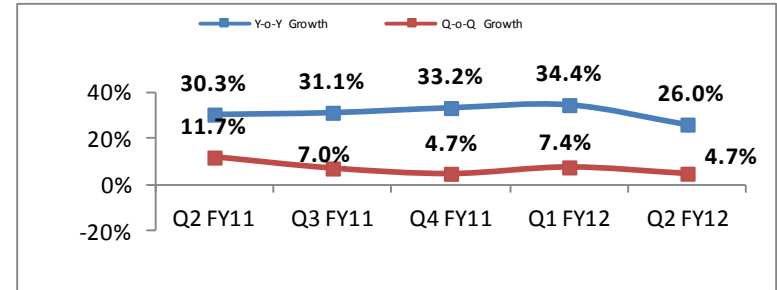
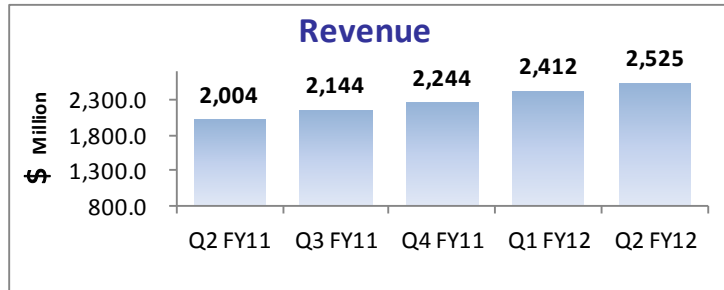
IFRS Revenue Growth



IFRS Growth Summary INR

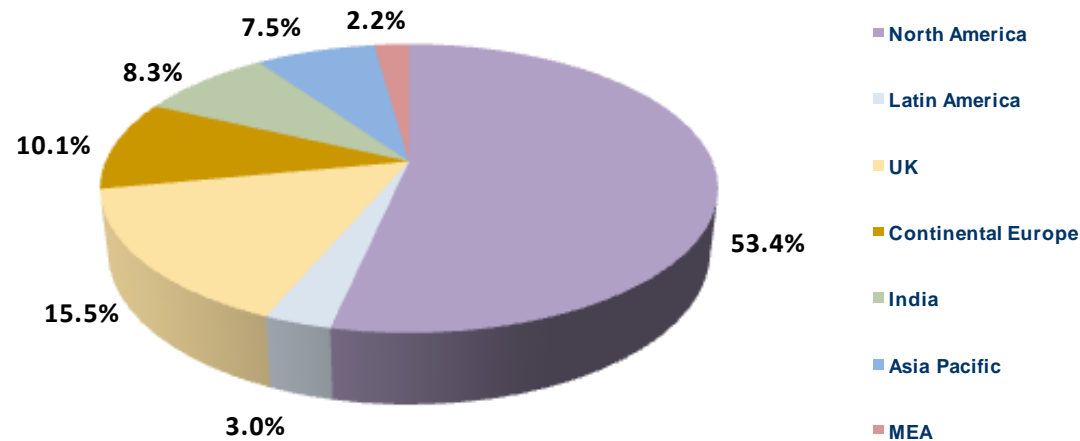


IFRS Growth Summary USD



Operational Performance

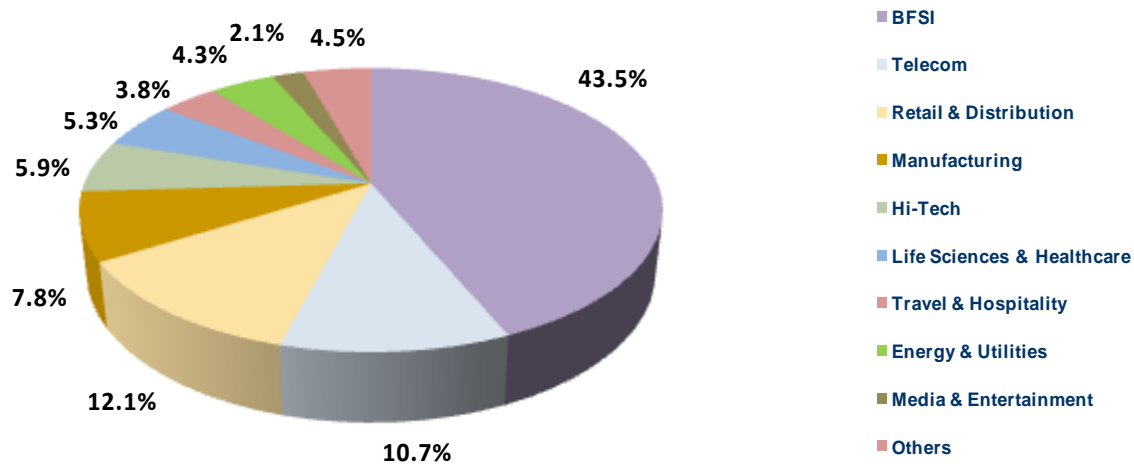
Growth by Market



Geography (%)	Q2 FY12	Q1 FY12	Q-o-Q Growth	Q2 FY11	Y-o-Y Growth
Americas					
North America	53.4	52.9	8.8	53.7	24.5
Latin America	3.0	3.1	2.8	3.9	(4.5)
Europe					
UK	15.5	15.3	10.3	15.3	27.9
Continental Europe	10.1	9.9	9.3	9.1	38.5
India	8.3	9.3	(4.3)	9.9	4.7
Asia Pacific	7.5	7.3	9.8	6.2	51.4
MEA	2.2	2.2	9.3	1.9	47.5
Total	100.0	100.0	7.7	100.0	25.3

Growth in INR terms

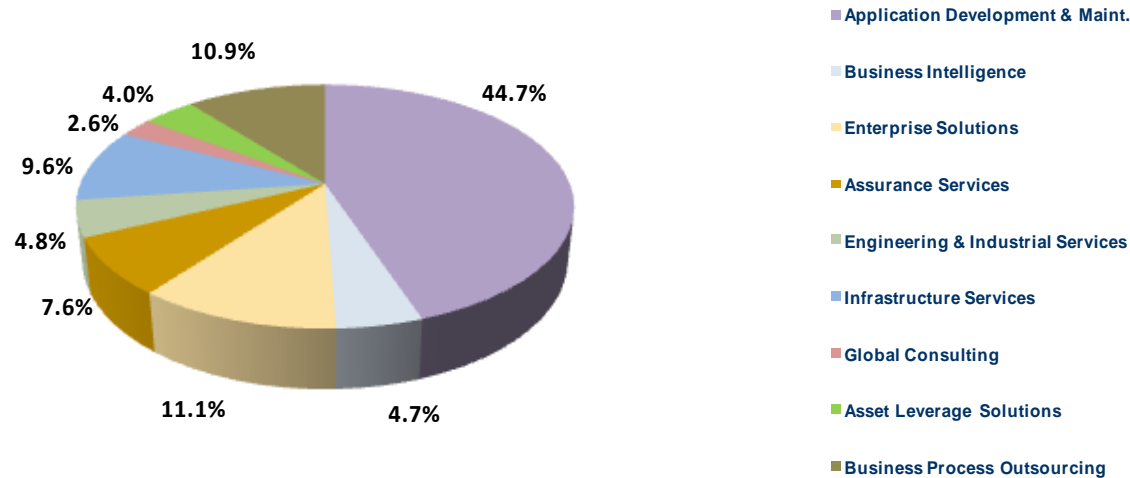
Growth by Domain



IP Revenue (%)	Q2 FY12	Q1 FY12	Q-o-Q Growth	Q2 FY11	Y-o-Y Growth
BFSI	43.5	43.3	8.6	44.0	24.4
Telecom	10.7	11.7	(1.7)	12.8	4.3
Retail & Distribution	12.1	11.6	12.2	10.9	39.3
Manufacturing	7.8	7.6	10.3	7.4	32.1
Hi-Tech	5.9	5.8	9.5	4.6	61.3
Life Sciences & Healthcare	5.3	5.2	9.1	5.1	29.8
Travel & Hospitality	3.8	3.7	10.3	3.2	49.1
Energy & Utilities	4.3	3.8	20.0	4.3	24.4
Media & Entertainment	2.1	2.2	1.9	2.0	33.9
Others	4.5	5.1	(3.6)	5.7	(4.1)
Total	100.0	100.0	7.7	100.0	25.3

Growth in INR terms

Growth by Service Line



SP Revenue (%)	Q2 FY12	Q1 FY12	Q-o-Q Growth	Q2 FY11	Y-o-Y Growth
IT Solutions and Services					
Application Development & Maint.	44.7	46.2	4.4	46.8	19.3
Business Intelligence	4.7	4.9	3.6	5.6	5.6
Enterprise Solutions	11.1	10.8	9.9	10.3	34.6
Assurance Services	7.6	7.3	12.2	6.6	42.9
Engineering & Industrial Services	4.8	4.6	13.8	4.9	24.3
Infrastructure Services	9.6	9.5	9.2	9.4	28.8
Global Consulting	2.6	2.2	26.9	2.1	53.7
Asset Leverage Solutions	4.0	3.6	20.1	3.4	51.2
Business Process Outsourcing	10.9	10.9	7.1	10.9	25.4
Total	100.0	100.0	7.7	100.0	25.3

Growth in INR terms

Client Parameters

	Q2 FY12	Q1 FY12
Clients Contribution *		
Revenue %		
Top 1	6.9	7.1
Top 5	20.0	20.7
Top 10	28.3	28.9
US\$ 1 mln Clients	495	473
US\$ 5 mln Clients	230	219
US\$ 10 mln Clients	155	148
US\$ 20 mln Clients	94	91
US\$ 50 mln Clients	36	33
US\$ 100 mln Clients	12	10

* Last Twelve Months

Operational Parameters

Revenue %	Q2 FY12	Q1 FY12
Delivery Location*		
Onsite	45.2	44.8
GDC/RDC	3.9	4.6
Offshore	50.9	50.6
Contract Type		
Time & Material	53.2	50.3
Fixed Price & Time	46.8	49.7

*** Excluding Domestic Clients**

Client Acquisition and Expansion

Particulars	Q2 FY12	Q1 FY12
Active Clients	1,010	959
New Clients	35	24
Revenue %from Repeat Business	99.3	99.8
Revenue %from New Business *	0.7	0.2

* Reset at the beginning of Financial Year

Key Wins

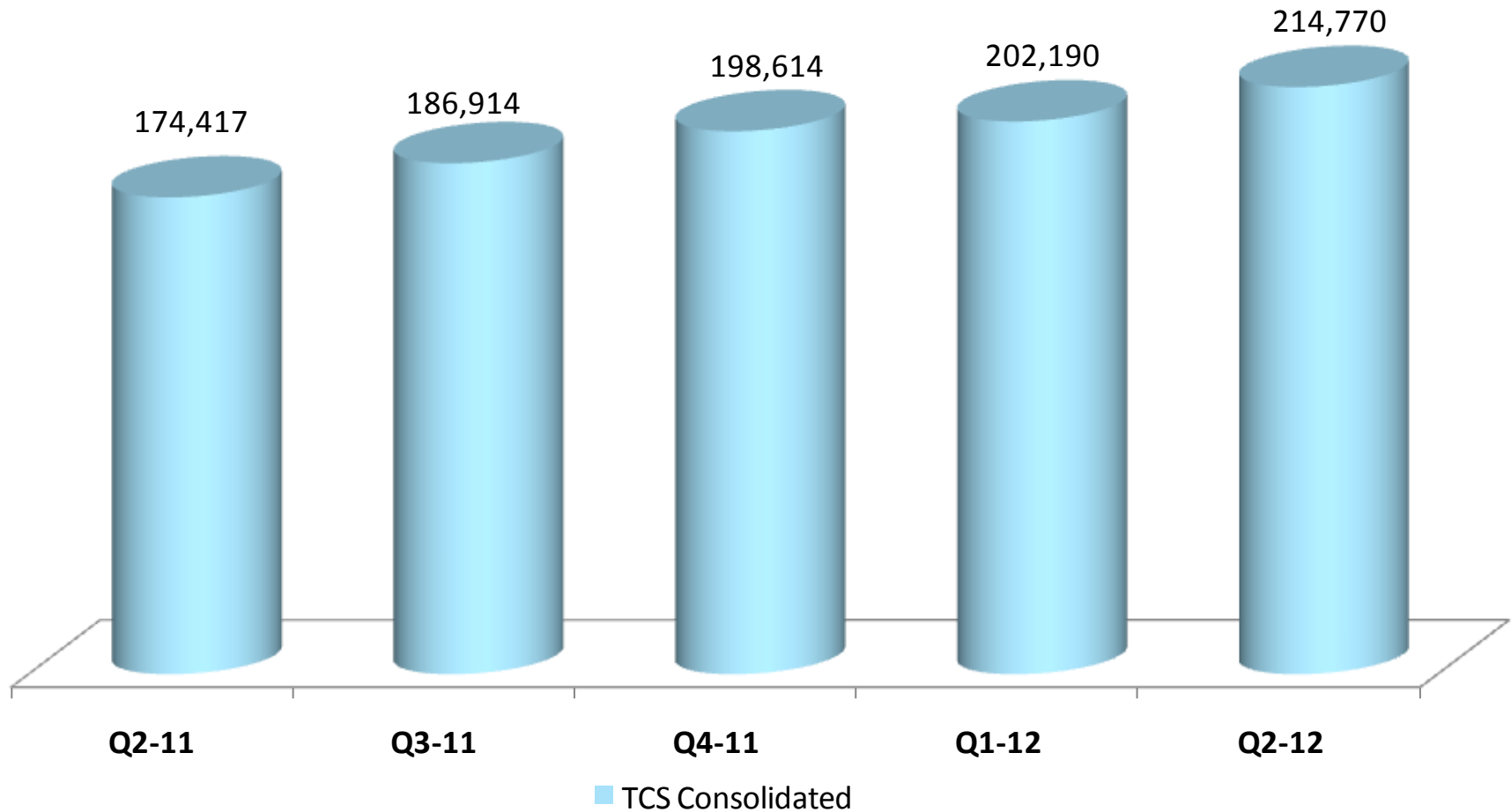
- A leading Global Bank has selected TCS BαNCS platform to implement asset servicing for wholesale banking and securities processing for direct custody. The solution will deliver transformational benefits by rationalizing organization structures, business processes and systems across business lines.
- A large broadband and telecommunications player in Europe and Latin America selected TCS for service management & integration in a deal valuing over USD 100 M.
- TCS won the implementation of the BαNCS Insurance product across the International markets covering five North Asian countries including China for the Life and Annuities business for a leading UK based life assurance company.
- TCS won a platform standardization deal to consolidate a diverse footprint for a large US based large insurance company.
- A US Fortune 500 medical devices company has awarded TCS a large contract for its end-to-end remote infrastructure services.
- A large cable operator and home internet service provider in the US has selected TCS as its strategic partner for its OSS/BSS transformation.
- A leading European financial services provider has selected TCS BαNCS portfolio for core banking, fraud monitoring, domestic and international payments.
- TCS was selected by a global brewing and bottling company to be its technology partner to provide infrastructure management services.
- A leading generator and marketer of electricity in North America has selected TCS as a strategic partner for application and infrastructure management.



Human Resources

Total Employee Base

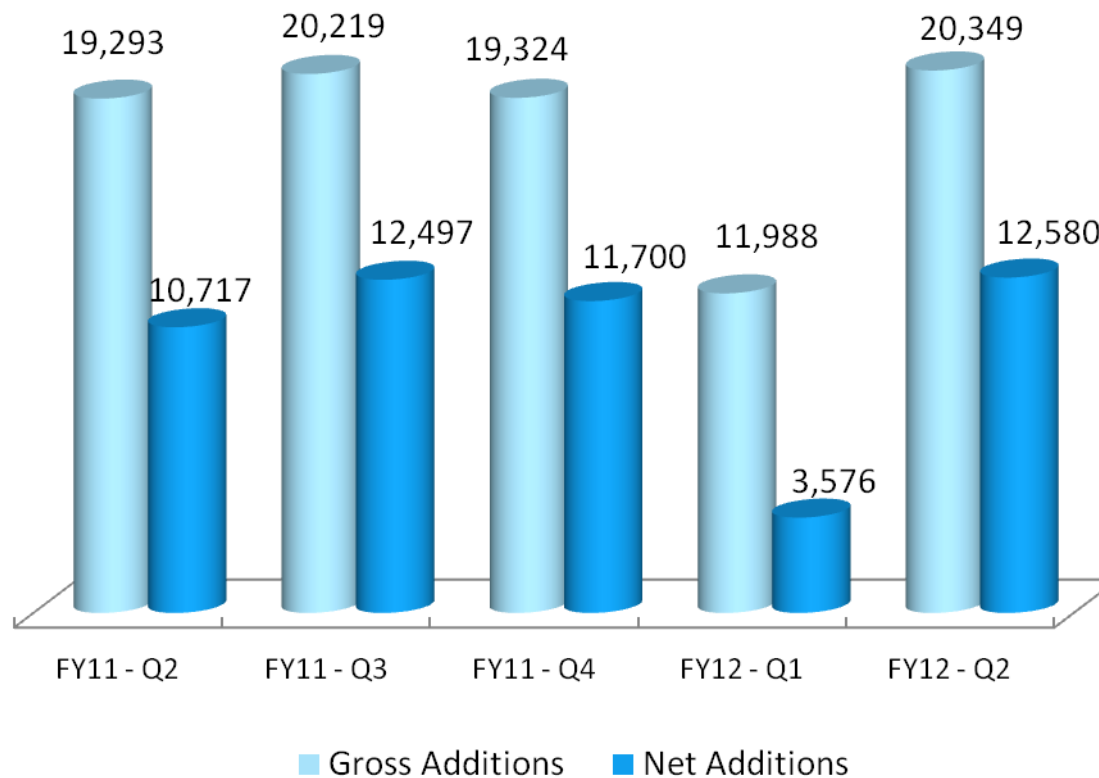
- Employee Base : 214,770



Q2 Consolidated - Gross Additions 20,349 & Net Additions 12,580

Gross Additions:

- 10,192 Trainees & 8,125 Laterals in India
- 2,032 employees overseas



Attrition*:

- 13.7% (LTM), including BPO
- IT Services: 12.51% (LTM)
- BPO: 24.25% (LTM)

Utilization Rate*:

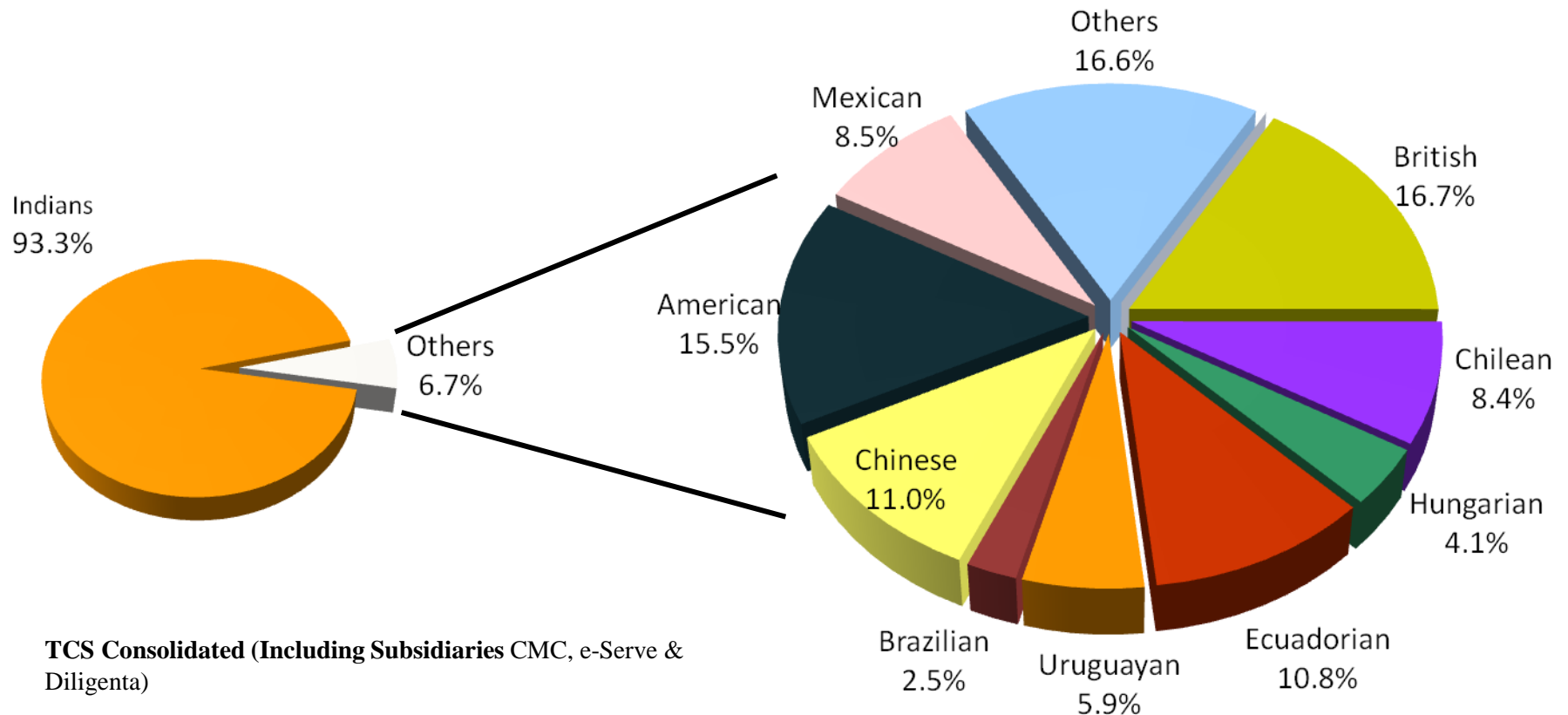
- 83.1% (excluding Trainees)
- 76.4% (including Trainees)

* Excluding Subsidiaries: CMC, e-Serve & Diligenta

Diversity

- 30.4% of our workforce are women
- 63% of our associates have more than 3 years of work experience
- Associates from 103 nationalities

Composition of International Workforce (Consolidated)



Annexure

Indian GAAP Income Statement - Consolidated

Consolidated Indian GAAP	₹ Crore			% of Total Income		
	Q2 FY12	Q1 FY12	Q2 FY11	Q2 FY12	Q1 FY12	Q2 FY11
INCOME						
a) IT & Consultancy Services	11,290	10,444	8,900	97.05	96.73	95.84
b) Manufacturing, Sale of equipment and Licences	343	353	386	2.95	3.27	4.16
Total Income	11,633	10,797	9,286	100.00	100.00	100.00
EXPENDITURE						
a) Salaries & Wages	4,484	4,206	3,411	38.55	38.95	36.74
b) Overseas business expenditure	1,673	1,547	1,390	14.38	14.33	14.97
c) Other operating expenses	2,092	2,011	1,709	17.99	18.63	18.40
Total Expenditure	8,249	7,764	6,510	70.92	71.91	70.11
Profit Before Interest, Depreciation, Taxes & Other Income	3,384	3,033	2,776	29.08	28.09	29.89
Interest	9	5	15	0.08	0.04	0.16
Depreciation	232	208	172	1.99	1.93	1.86
Profit Before Taxes & Other Income	3,143	2,820	2,588	27.01	26.12	27.87
Other income (expense), net	122	294	71	1.05	2.72	0.76
Profit Before Taxes	3,265	3,114	2,659	28.06	28.84	28.63
Provision For Taxes	724	673	460	6.22	6.24	4.96
Profit Before Taxes on Dividend from foreign subsidiaries & Minority Interest	2,541	2,441	2,199	21.84	22.60	23.67
Provision for Taxes on Dividend from foreign subsidiaries	214	-	-	1.84	-	-
Profit After Tax & Before Minority Interest	2,327	2,441	2,199	20.00	22.60	23.67
Minority Interest	(26)	(26)	(30)	(0.23)	(0.24)	(0.32)
Net Profit	2,301	2,415	2,169	19.77	22.36	23.35

Indian GAAP Balance Sheet - Consolidated

Consolidated Indian GAAP	₹ Crore		%	
	30-Sep-11	31-Mar-11	30-Sep-11	31-Mar-11
Source of Funds				
Shareholders' Funds	27,639	24,505	93.84	96.22
Minority Interest	495	458	1.68	1.80
Loan Funds	719	69	2.44	0.27
Deferred Tax Liability	153	109	0.52	0.43
Non Current Liabilities	447	327	1.52	1.28
Total Liabilities	29,453	25,468	100.00	100.00
Application of Funds				
Fixed Assets (net)	5,893	5,441	20.01	21.36
Goodwill	3,506	3,232	11.90	12.69
Deferred Tax Asset	227	160	0.77	0.63
Investments	1,730	1,763	5.87	6.92
<i>Cash and Bank Balance</i>	<i>6,649</i>	<i>4,700</i>	<i>22.58</i>	<i>18.45</i>
<i>Current Assets, Loans and Advances</i>	<i>14,853</i>	<i>11,705</i>	<i>50.43</i>	<i>45.96</i>
<i>Current Liabilities and Provisions</i>	<i>7,390</i>	<i>7,213</i>	<i>25.09</i>	<i>28.32</i>
Net Current Assets	14,112	9,192	47.91	36.09
Non Current Assets	3,985	5,680	13.53	22.31
Total Assets	29,453	25,468	100.00	100.00

IFRS Income Statement

Consolidated IFRS	₹ Million			% of Revenue		
	Q2 FY12	Q1 FY12	Q2 FY11	Q2 FY12	Q1 FY12	Q2 FY11
Revenue	116,335	107,970	92,864	100.00	100.00	100.00
Cost of revenue	63,716	60,175	51,107	54.77	55.73	55.03
Gross margin	52,619	47,795	41,757	45.23	44.27	44.97
SG & A expenses	21,076	19,534	15,642	18.12	18.10	16.84
Operating income	31,543	28,261	26,115	27.11	26.17	28.13
Other income (expense), net	997	2,886	443	0.86	2.67	0.48
Income before income taxes	32,540	31,147	26,558	27.97	28.84	28.61
Income taxes	7,913	7,063	5,001	6.80	6.54	5.39
Income after income taxes	24,627	24,084	21,557	21.17	22.30	23.22
Minority interest	237	281	294	0.21	0.26	0.31
Net income	24,390	23,803	21,263	20.96	22.04	22.91
	INR	INR	INR			
Earnings per share in INR	12.46	12.16	10.86			

COR – SG&A Details

COR	₹ Million			% of Revenue		
	Q2 FY12	Q1 FY12	Q2 FY11	Q2 FY12	Q1 FY12	Q2 FY11
Employee cost	45,630	42,996	35,876	39.22	39.82	38.63
Fees to external consultants	5,121	4,331	3,877	4.40	4.01	4.17
Equipment & software	2,865	3,079	3,145	2.47	2.85	3.39
Depreciation	1,575	1,384	1,151	1.35	1.28	1.24
Travel	1,840	1,668	1,458	1.58	1.55	1.57
Communication	1,154	1,139	947	0.99	1.06	1.02
Facility expenses	3,008	2,874	1,945	2.59	2.66	2.09
Other expenses	2,523	2,704	2,708	2.17	2.50	2.92
Cost of Revenue	63,716	60,175	51,107	54.77	55.73	55.03

S G & A	₹ Million			% of Revenue		
	Q2 FY12	Q1 FY12	Q2 FY11	Q2 FY12	Q1 FY12	Q2 FY11
Employee cost	14,288	12,667	10,970	12.28	11.73	11.81
Fees to external consultants	665	562	478	0.58	0.52	0.52
Bad Debts	(32)	78	(231)	(0.03)	0.07	(0.25)
Depreciation	711	665	509	0.61	0.62	0.55
Facility expenses	1,732	1,685	1,292	1.49	1.56	1.39
Travel	1,289	1,087	703	1.11	1.01	0.76
Communication	438	465	326	0.38	0.43	0.35
Education, Recruitment and training	584	568	472	0.50	0.53	0.50
Marketing and Sales promotion	516	524	473	0.44	0.49	0.51
Other expenses	885	1,233	650	0.76	1.14	0.70
S G & A expenses	21,076	19,534	15,642	18.12	18.10	16.84

IFRS Balance Sheet

Consolidated IFRS	30-Sep-11		31-Mar-11	
	₹ Million	%	₹ Million	%
Assets				
Cash and cash equivalents	16,480	4.50	15,539	4.74
Accounts receivable	102,026	27.88	82,016	25.01
Unbilled revenues	19,666	5.37	13,489	4.11
Other current financial assets	61,931	16.93	39,297	11.99
Other non current financial assets	13,140	3.59	33,097	10.09
Property and equipment	56,746	15.51	51,996	15.86
Intangible assets and Goodwill	34,227	9.36	33,791	10.31
Investments	18,327	5.01	18,390	5.61
Other current assets	14,860	4.06	14,523	4.43
Other non current assets	28,492	7.79	25,745	7.85
Total assets	365,895	100.00	327,883	100.00
Liabilities and Shareholders' Equity				
Current liabilities	67,787	18.53	58,335	17.79
Short term borrowings	6,810	1.86	328	0.10
Redeemable preference shares	1,000	0.27	1,000	0.31
Long term borrowings	36	0.01	38	0.01
Other non-current liabilities	11,339	3.10	10,991	3.35
Minority interest	4,581	1.25	3,147	0.96
Shareholders' Funds	274,342	74.98	254,044	77.48
Total Liabilities	365,895	100.00	327,883	100.00

IFRS Income Statement – In USD

Consolidated IFRS	\$ Million			% of Revenue		
	Q2 FY12	Q1 FY12	Q2 FY11	Q2 FY12	Q1 FY12	Q2 FY11
Revenue	2,525	2,412	2,004	100.00	100.00	100.00
Cost of revenue	1,383	1,344	1,103	54.77	55.73	55.03
Gross margin	1,142	1,068	901	45.23	44.27	44.97
SG & A expenses	458	437	337	18.12	18.10	16.84
Operating income	684	631	564	27.11	26.17	28.13
Other income (expense), net	22	65	9	0.86	2.67	0.47
Income before income taxes	706	696	573	27.97	28.84	28.60
Income taxes	172	158	108	6.83	6.54	5.41
Income after income taxes	534	538	465	21.14	22.30	23.19
Minority Interest	6	6	6	0.24	0.26	0.31
Net Income	528	532	459	20.90	22.04	22.88
	USD	USD	USD			
Earnings Per Share in USD	0.27	0.27	0.23			

COR – SG&A Details – In USD

COR	\$ Million			% of Revenue		
	Q2 FY12	Q1 FY12	Q2 FY11	Q2 FY12	Q1 FY12	Q2 FY11
Employee cost	991	960	774	39.22	39.82	38.63
Fees to external consultants	111	97	84	4.40	4.01	4.18
Equipment & software	62	69	68	2.46	2.85	3.39
Depreciation	34	31	25	1.36	1.28	1.24
Travel	40	38	32	1.58	1.56	1.57
Communication	25	25	20	0.99	1.05	1.02
Facility expenses	65	64	42	2.59	2.66	2.09
Other expenses	55	60	58	2.17	2.50	2.92
Cost of Revenue	1,383	1,344	1,103	54.77	55.73	55.03

S G & A	\$ Million			% of Revenue		
	Q2 FY12	Q1 FY12	Q2 FY11	Q2 FY12	Q1 FY12	Q2 FY11
Employee cost	310	283	237	12.28	11.73	11.81
Fees to external consultants	14	13	11	0.57	0.53	0.52
Bad Debts	(1)	2	(5)	(0.03)	0.07	(0.25)
Depreciation	15	15	11	0.61	0.62	0.55
Facility expenses	38	38	28	1.49	1.56	1.39
Travel	28	24	15	1.11	1.01	0.75
Communication	10	10	7	0.38	0.43	0.35
Education, Recruitment and training	13	12	10	0.50	0.52	0.51
Marketing and Sales promotion	11	12	10	0.44	0.49	0.51
Other expenses	20	28	14	0.78	1.14	0.70
S G & A expenses	458	437	337	18.12	18.10	16.84

IFRS Balance Sheet in USD

Consolidated IFRS	30-Sep-11		31-Mar-11	
	\$ Million	%	\$ Million	%
Assets				
Cash and Cash equivalents	337	4.50	349	4.74
Accounts Receivable	2,084	27.89	1,839	25.01
Unbilled Revenues	402	5.37	303	4.11
Other current financial assets	1,265	16.93	881	11.98
Other non current financial assets	269	3.59	742	10.09
Property and equipment	1,159	15.51	1,166	15.86
Intangible assets and Goodwill	699	9.35	758	10.31
Investments	374	5.01	412	5.61
Other current assets	304	4.06	326	4.43
Other non current assets	582	7.79	577	7.85
Total assets	7,475	100.00	7,353	100.00
Liabilities and Shareholders' Equity				
Current liabilities	1,385	18.53	1,309	17.79
Short term borrowings	139	1.86	7	0.10
Redeemable Preference Shares	20	0.27	22	0.31
Long term borrowings	1	0.01	1	0.01
Other non-current liabilities	232	3.10	246	3.35
Minority Interest	93	1.25	71	0.96
Shareholders' Funds	5,605	74.98	5,697	77.48
Total Liabilities	7,475	100.00	7,353	100.00

Currency mix and average realized rates in INR

Currency	Average rates		% of Revenue	
	Q2 FY12	Q1 FY12	Q2 FY12	Q1 FY12
USD	46.07	44.77	59.31%	58.83%
GBP	74.22	73.01	12.31%	12.15%
EUR	65.31	64.60	7.45%	7.87%
Others			20.93%	21.15%
			100.00%	100.00%



Thank You