



Results for Quarter III FY 2011 - 12

17th January 2012

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

Q3 FY12 Performance Highlights

➤ Revenue:

- INR Revenue of **Rs 132,040 Mn** i.e growth of **13.5% QoQ** and **36.6% YoY**
- USD Revenue of **\$2,586 Mn** i.e. growth of **2.4% QoQ** and **20.6% YoY**
- Constant currency revenue growth of **4.5%**, volume growth of **3.2% QoQ**

➤ Profit:

- EBIT margin of **29.2%**, up **213bps** QoQ
- Net Income at **INR 28,866 Mn** i.e. a NPM of **21.9%**, up **90bps** QoQ

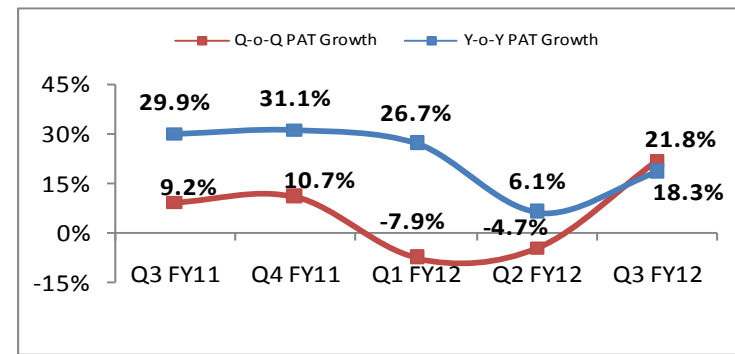
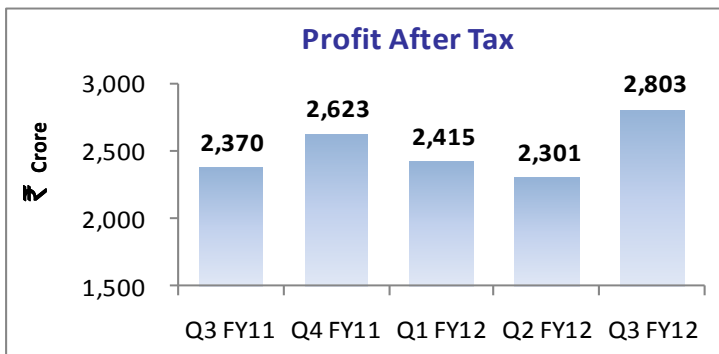
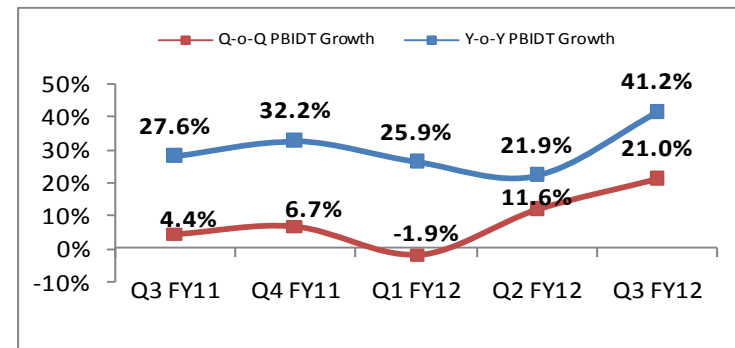
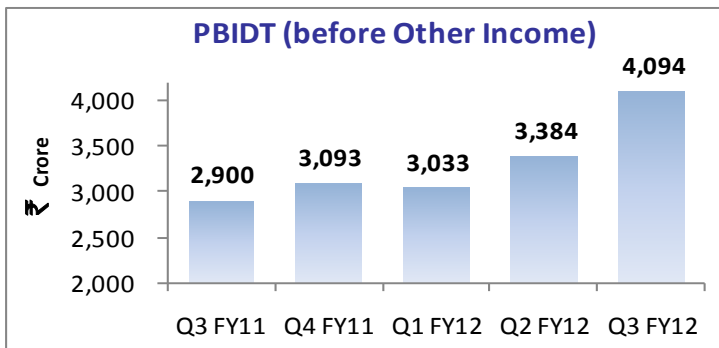
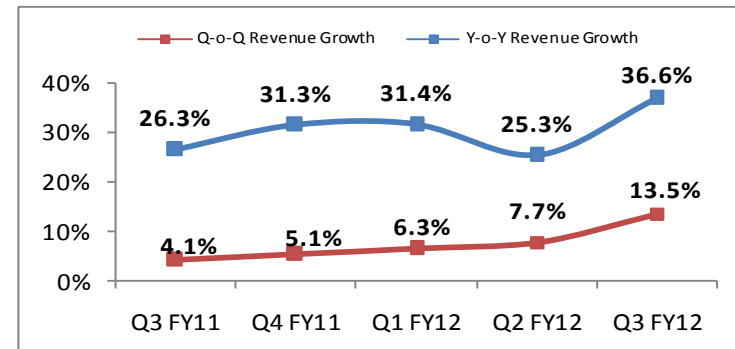
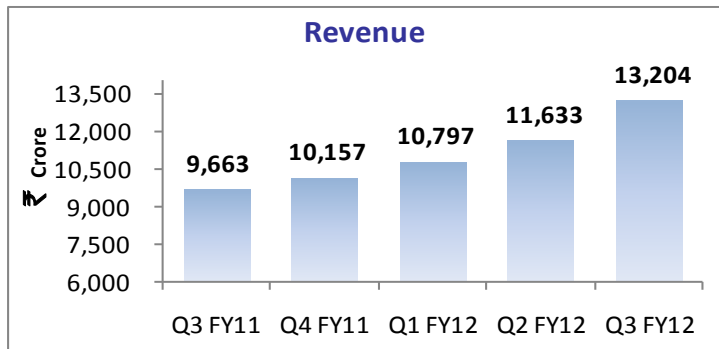
➤ Demand:

- **40** new clients added during the quarter; Active clients: **1003**
- **10** large deals signed spread across multiple verticals
- Upward movement across all revenue bands

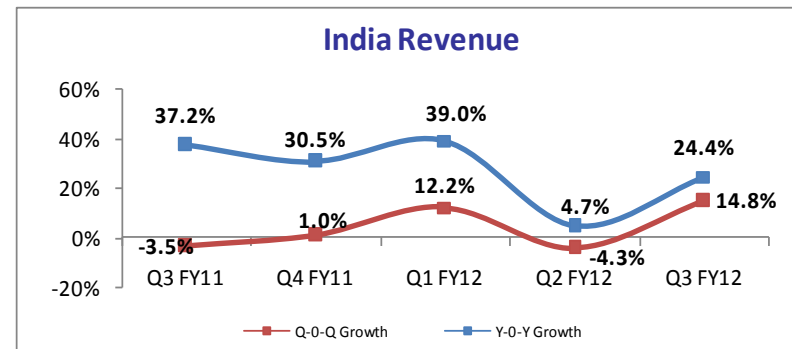
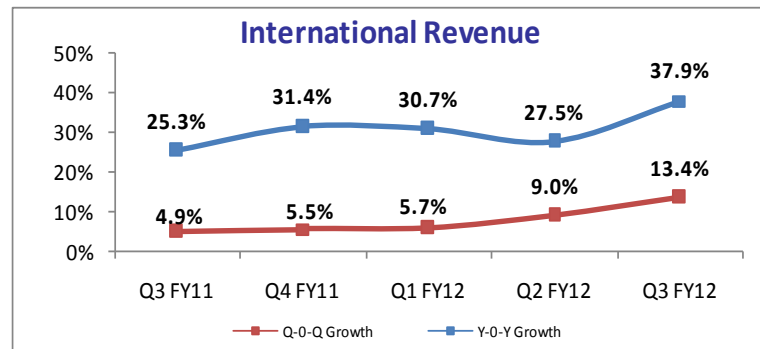
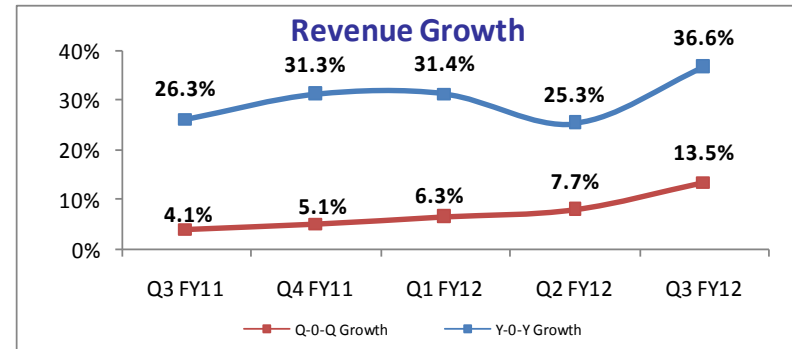
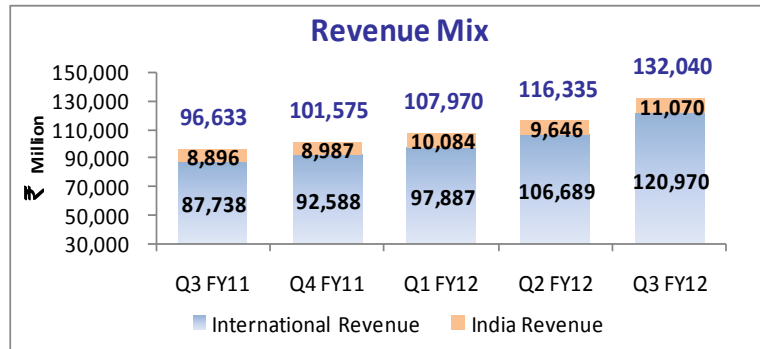
➤ People:

- Gross addition of **18,907** associates, closing headcount: **226,751**
- Utilization at **82.0%** (ex-trainees) and **74.0%** (including trainees)
- Employee retention continues to best in industry; LTM Attrition (IT Services) at **11.7%**

Indian GAAP Growth Summary

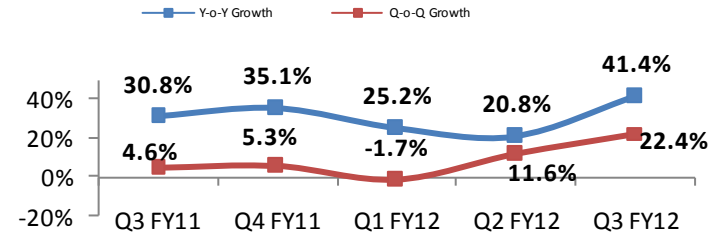
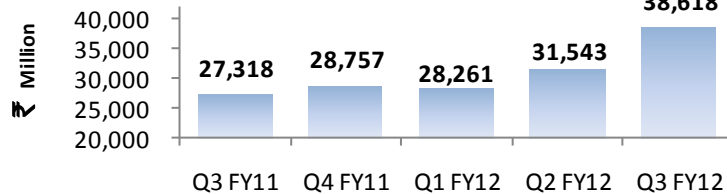


IFRS Revenue Growth

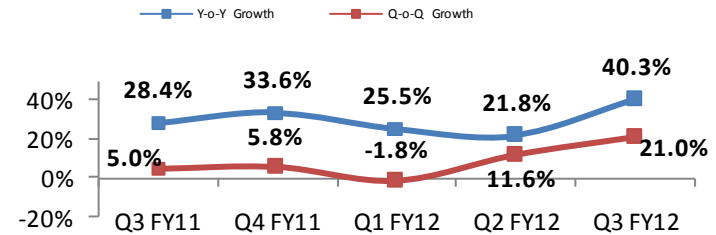
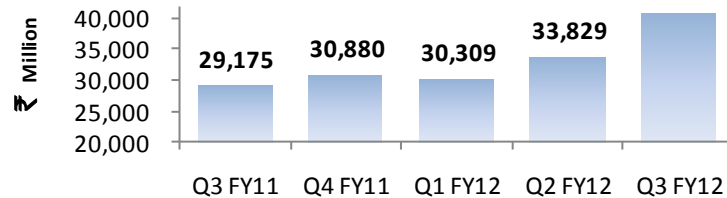


IFRS Growth Summary INR

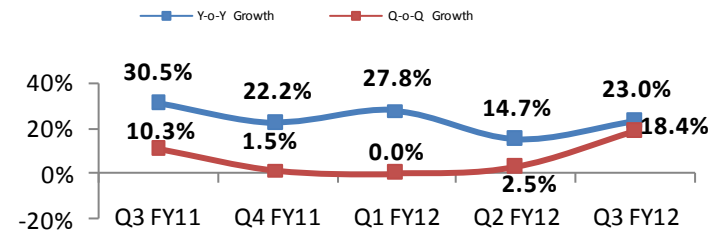
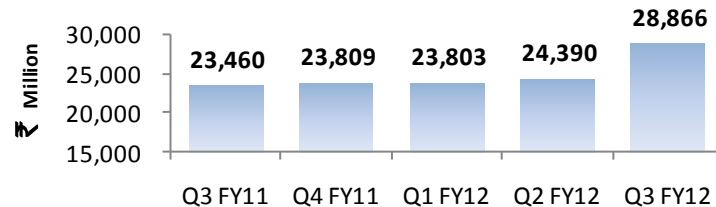
Operating Income



EBITDA

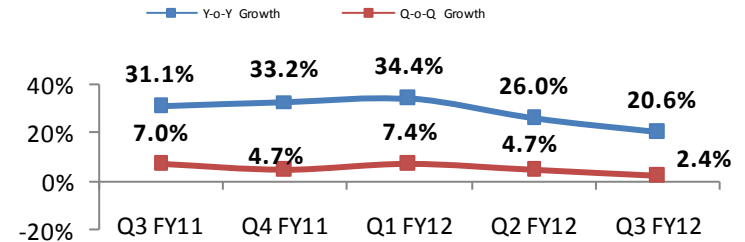
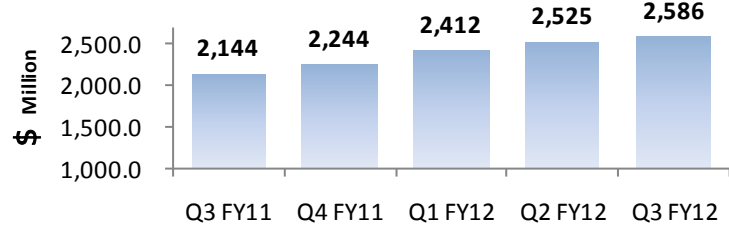


Net Income

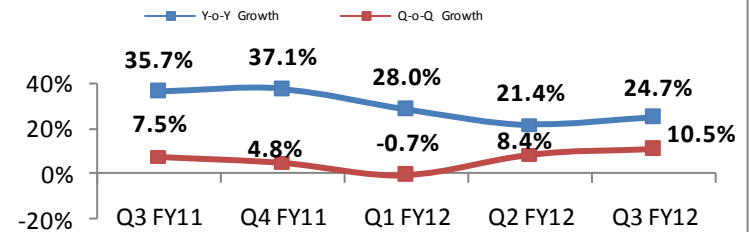
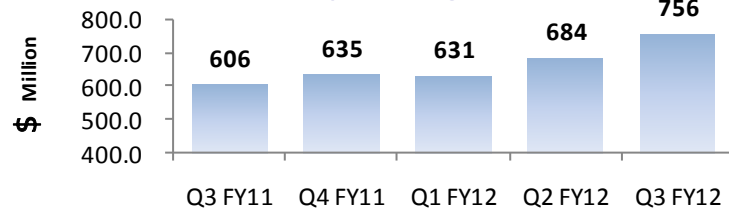


IFRS Growth Summary USD

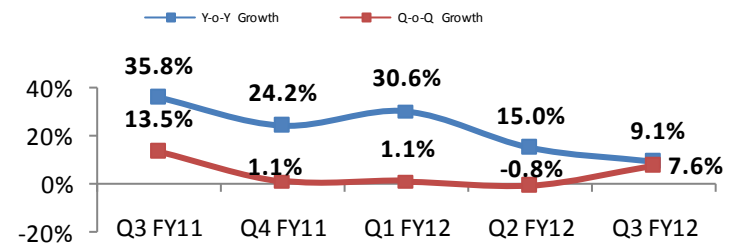
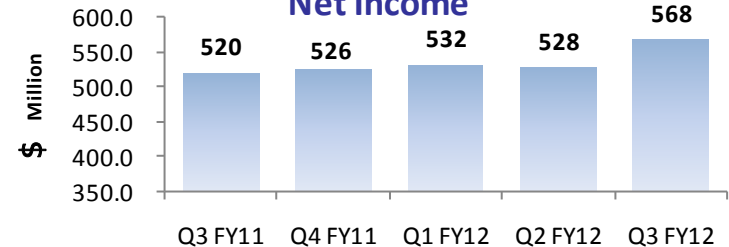
Revenue



Operating Income

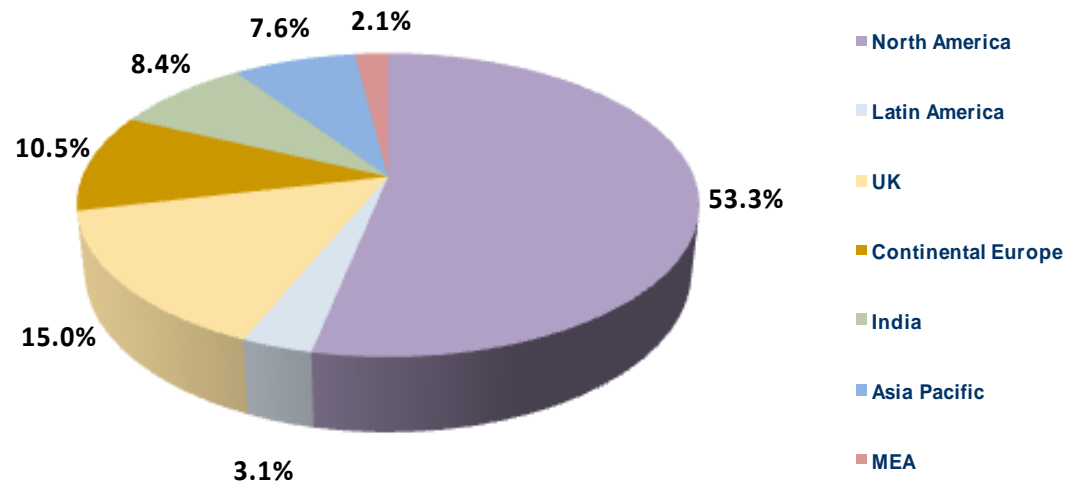


Net Income



Operational Performance

Growth by Market

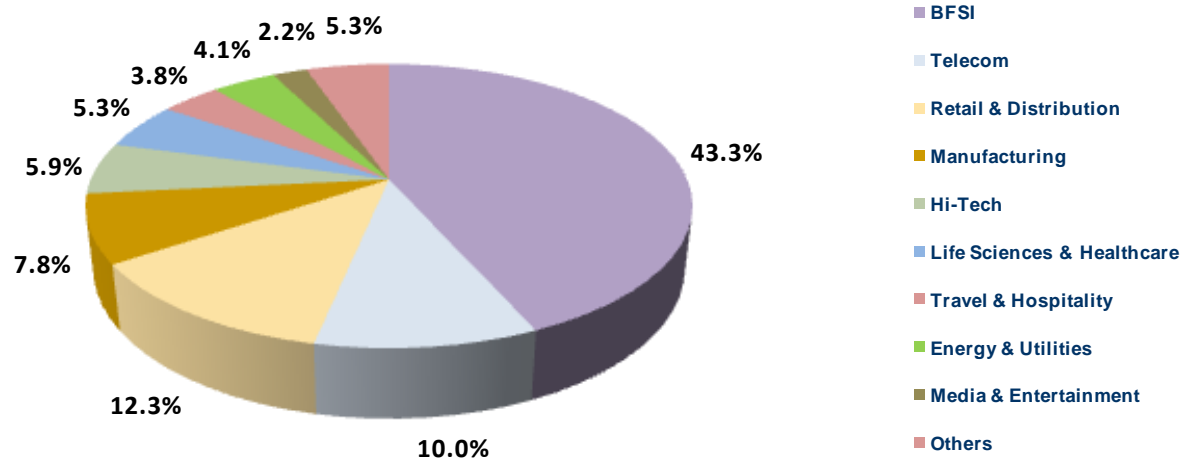


Geography (%)	Q3 FY12	Q2 FY12	Q-o-Q Growth	Q3 FY11	Y-o-Y Growth
Americas					
North America	53.3	53.4	13.3	53.5	36.0
Latin America	3.1	3.0	18.6	3.1	37.0
Europe					
UK	15.0	15.5	9.5	16.0	28.5
Continental Europe	10.5	10.1	18.1	9.3	54.2
India					
India	8.4	8.3	14.8	9.2	24.4
Asia Pacific					
Asia Pacific	7.6	7.5	15.7	6.9	52.0
MEA					
MEA	2.1	2.2	7.7	2.0	40.1
Total	100.0	100.0	13.5	100.0	36.6

Growth in INR terms

Note: The growth rates reported here are based on actual revenues in INR. Calculating growth using the % Rev figures might result in some variance due to rounding error.

Growth by Domain

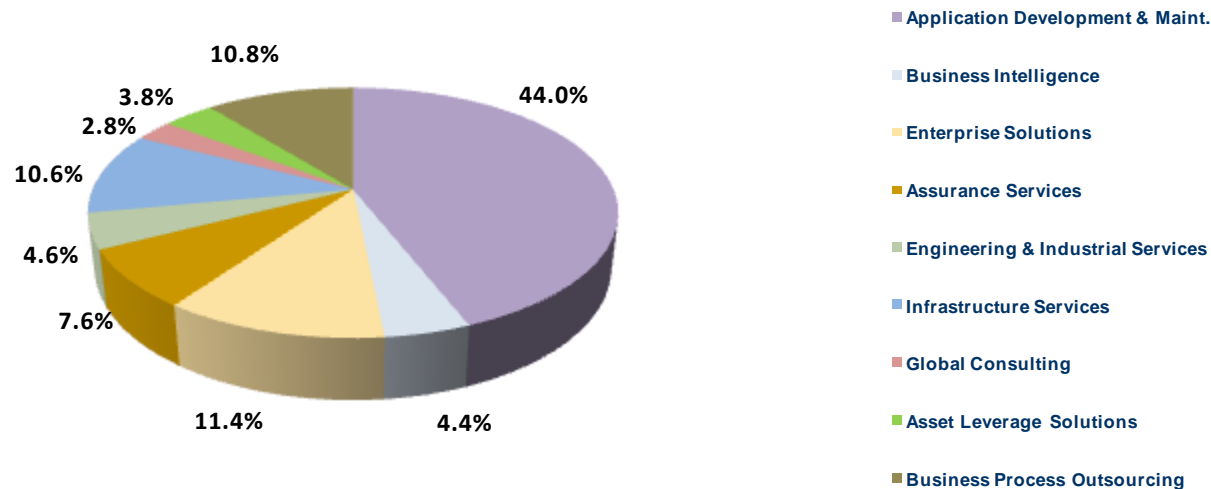


IP Revenue (%)	Q3 FY12	Q2 FY12	Q-o-Q Growth	Q3 FY11	Y-o-Y Growth
BFSI	43.3	43.5	12.5	44.6	32.5
Telecom	10.0	10.7	6.9	11.9	15.6
Retail & Distribution	12.3	12.1	15.1	10.9	53.8
Manufacturing	7.8	7.8	14.2	7.2	48.1
Hi-Tech	5.9	5.9	13.5	5.0	62.1
Life Sciences & Healthcare	5.3	5.3	14.8	5.2	39.2
Travel & Hospitality	3.8	3.8	13.9	3.4	50.5
Energy & Utilities	4.1	4.3	10.5	4.4	29.0
Media & Entertainment	2.2	2.1	19.8	2.3	28.3
Others	5.3	4.5	31.5	5.1	42.1
Total	100.0	100.0	13.5	100.0	36.6

Growth in INR terms

Note: The growth rates reported here are based on actual revenues in INR. Calculating growth using the % Rev figures might result in some variance due to rounding error.

Growth by Service Line



SP Revenue (%)	Q3 FY12	Q2 FY12	Q-o-Q Growth	Q3 FY11	Y-o-Y Growth
IT Solutions and Services					
Application Development & Maint.	44.0	44.7	11.7	45.0	33.6
Business Intelligence	4.4	4.7	6.8	5.3	13.4
Enterprise Solutions	11.4	11.1	17.6	9.6	63.1
Assurance Services	7.6	7.6	13.4	7.1	46.4
Engineering & Industrial Services					
Engineering & Industrial Services	4.6	4.8	7.1	4.8	29.2
Infrastructure Services					
Infrastructure Services	10.6	9.6	24.8	10.5	38.7
Global Consulting					
Global Consulting	2.8	2.6	22.5	2.3	63.8
Asset Leverage Solutions					
Asset Leverage Solutions	3.8	4.0	5.9	4.0	30.4
Business Process Outsourcing					
Business Process Outsourcing	10.8	10.9	13.1	11.4	29.3
Total	100.0	100.0	13.5	100.0	36.6

Growth in INR terms

Note: The growth rates reported here are based on actual revenues in INR. Calculating growth using the % Rev figures might result in some variance due to rounding error.

Client Parameters

	Q3 FY12	Q2 FY12
Clients Contribution *		
Revenue %		
Top 1	6.9	6.9
Top 5	19.6	20.0
Top 10	27.7	28.3
US\$ 1 mIn Clients	512	495
US\$ 5 mIn Clients	235	230
US\$ 10 mIn Clients	161	155
US\$ 20 mIn Clients	95	94
US\$ 50 mIn Clients	39	36
US\$ 100 mIn Clients	14	12

* Last Twelve Months

Operational Parameters

Revenue %	Q3 FY12	Q2 FY12
Delivery Location*		
Onsite	45.0	45.2
GDC/RDC	4.5	3.9
Offshore	50.5	50.9
Contract Type		
Time & Material	53.6	53.2
Fixed Price & Time	46.4	46.8

*** Excluding Domestic Clients**

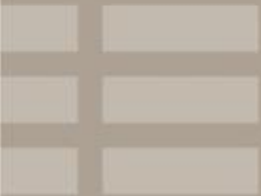
Client Acquisition and Expansion

Particulars	Q3 FY12	Q2 FY12
Active Clients	1,003	1,010
New Clients	40	35
Revenue %from Repeat Business	98.3	99.3
Revenue %from New Business *	1.7	0.7

* Reset at the beginning of Financial Year

Key Wins

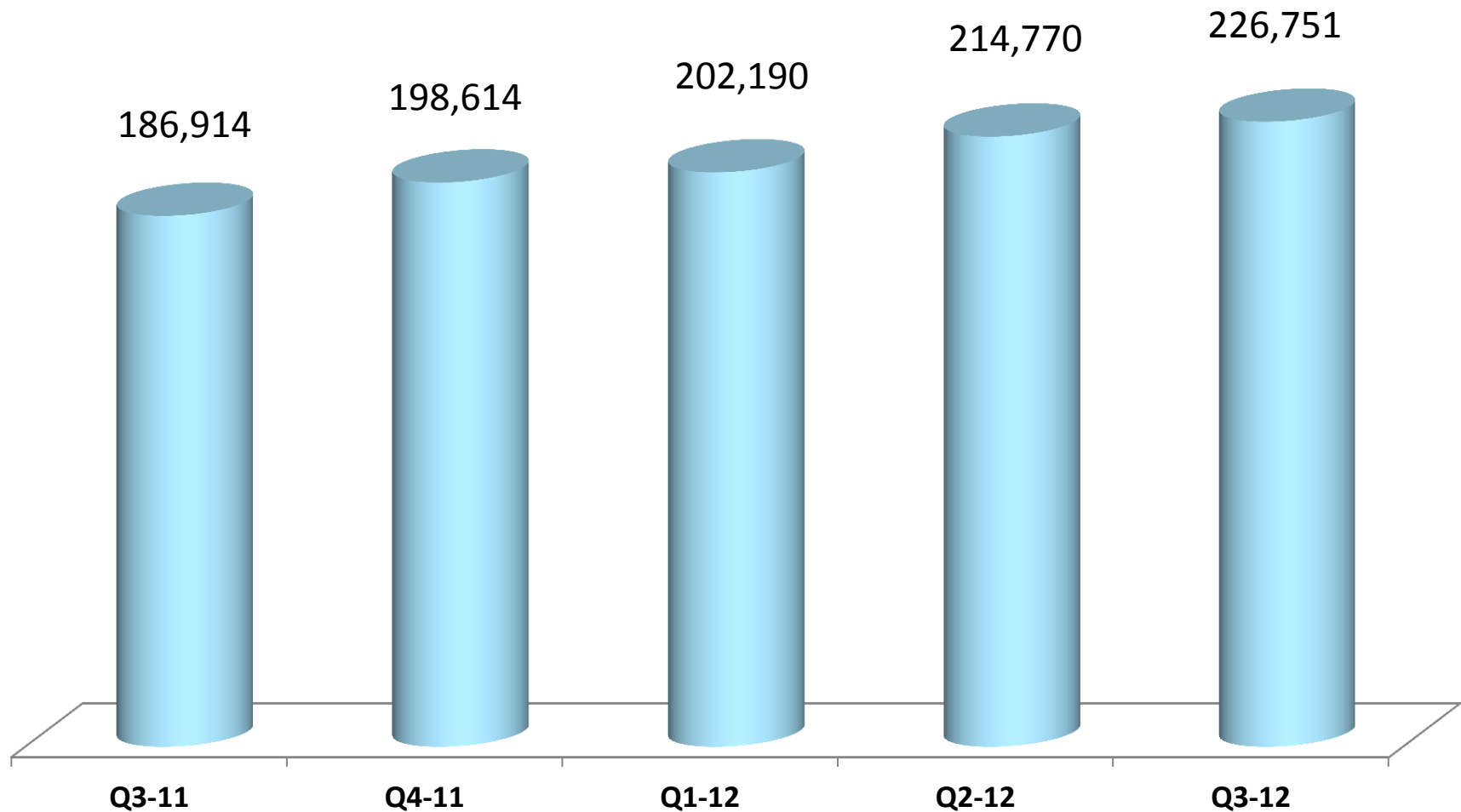
- TCS' cloud based non linear platform for Life and Pensions has been adopted by a large insurance provider in the UK.
- TCS has been awarded a multi million, multi year IT Infrastructure management contract by a leading measurement devices company.
- TCS has been selected as a strategic partner for application development and maintenance services for two leading retailers in North America.
- A large telecom service provider in APAC has selected TCS as its strategic BPO partner covering order to activate and billing processes.
- One of the Top European Pharmaceutical companies has selected TCS as a strategic partner for its drug safety operations in a multi-year, multi-million dollar deal.
- A leading retail bank in Europe has selected TCS for a multi-year managed services contract covering application development, maintenance and support of their Core Banking & Mortgages systems.
- One of the top European Utilities has chosen TCS as the sole partner in the Customer Services area to provide business process services and support them in enhancing their customer experience.
- A large filtration machinery and services company has engaged TCS in a multi-year, multi-million dollar deal for ERP services.
- TCS' core banking solution in the cloud paradigm "Bank in a box" has been selected as the core banking solution for a large number of district cooperative banks across states.



Human Resources

Total Employee Base

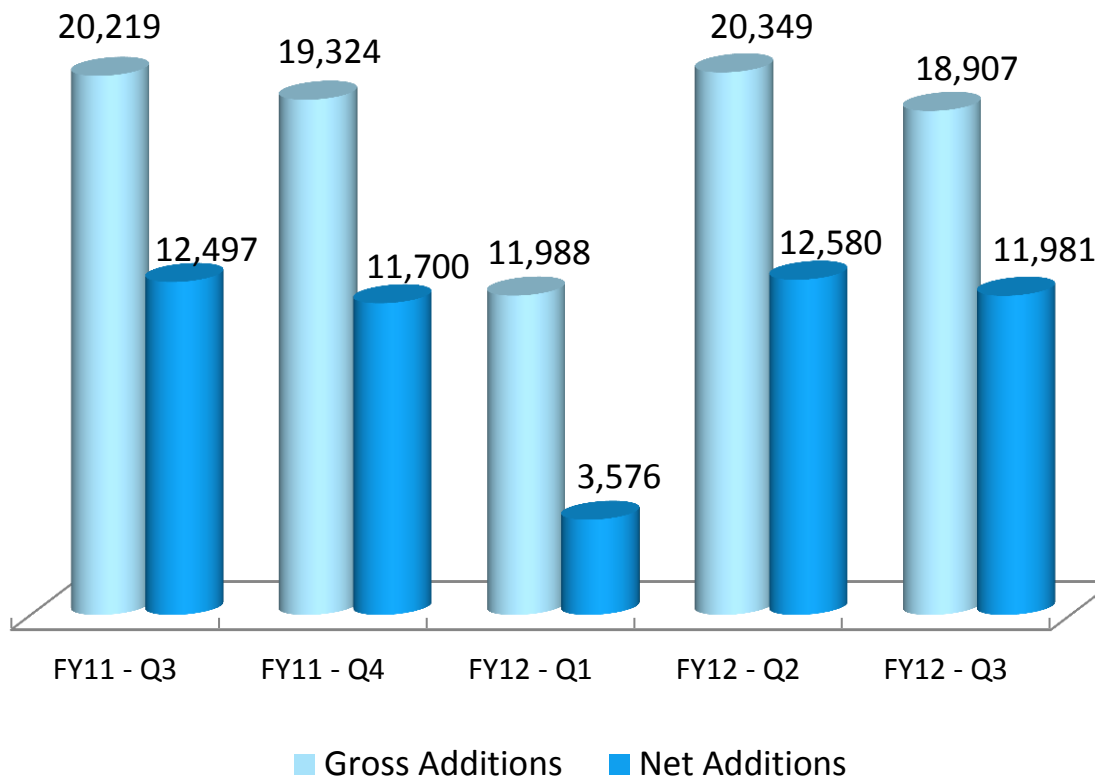
Total Employees : 226,751



Q3 Consolidated - Gross Additions 18,907 & Net Additions 11,981

Gross Additions:

- 10,341 Trainees & 6,763 Laterals in India
- 1,803 employees overseas



Attrition*:

- 12.8% (LTM), including BPO
- IT Services: 11.7% (LTM)
- BPO: 22.6% (LTM)

Utilization Rate*:

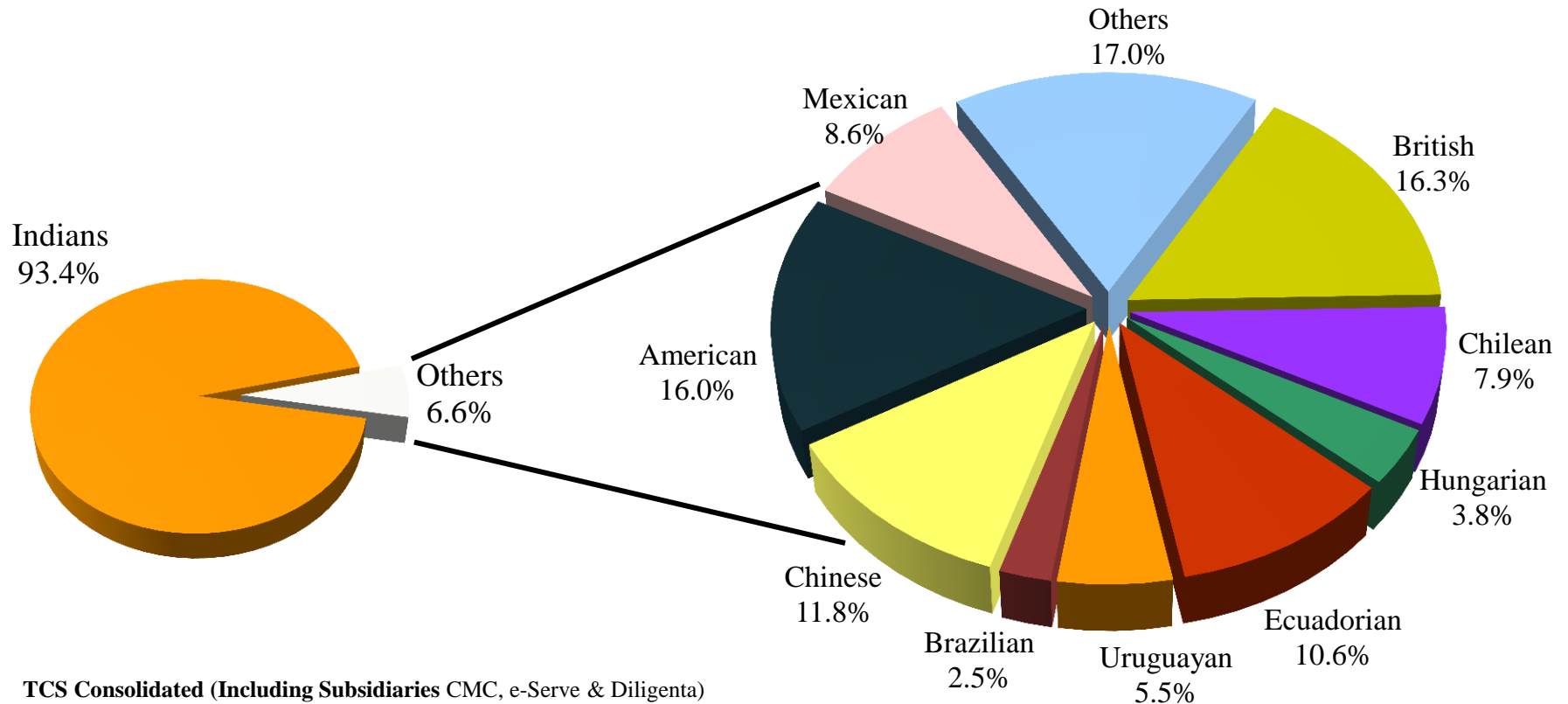
- 82.02% (excluding Trainees)
- 74.04% (including Trainees)

* Excluding Subsidiaries: CMC, e-Serve & Diligenta

Diversity

- 31% of our workforce are women
- 63.6% of our associates have more than 3 years of work experience
- Associates from 103 nationalities

Composition of International Workforce (Consolidated)



TCS Consolidated (Including Subsidiaries CMC, e-Serve & Diligenta)

Annexure

Indian GAAP Income Statement - Consolidated

Consolidated Indian GAAP	₹ Crore			% of Total Income		
	Q3 FY12	Q2 FY12	Q3 FY11	Q3 FY12	Q2 FY12	Q3 FY11
INCOME						
a) IT & Consultancy Services	12,723	11,290	9,331	96.36	97.05	96.57
b) Manufacturing, Sale of equipment and Licences	481	343	332	3.64	2.95	3.43
Total Income	13,204	11,633	9,663	100.00	100.00	100.00
EXPENDITURE						
a) Salaries & Wages	4,818	4,484	3,552	36.49	38.55	36.76
b) Overseas business expenditure	1,815	1,673	1,405	13.74	14.38	14.54
c) Other operating expenses	2,477	2,092	1,806	18.76	17.99	18.69
Total Expenditure	9,110	8,249	6,763	68.99	70.92	69.99
Profit Before Interest, Depreciation, Taxes & Other Income	4,094	3,384	2,900	31.01	29.08	30.01
Interest	5	9	5	0.04	0.08	0.05
Depreciation	235	232	188	1.78	1.99	1.95
Profit Before Taxes & Other Income	3,854	3,143	2,707	29.19	27.01	28.01
Other income (expense), net	(87)	122	194	(0.66)	1.05	2.01
Profit Before Taxes	3,767	3,265	2,901	28.53	28.06	30.02
Provision For Taxes	783	724	504	5.93	6.22	5.22
Profit Before Taxes on Dividend from foreign subsidiaries & Minority Interest	2,984	2,541	2,397	22.60	21.84	24.80
Provision for Taxes on Dividend from foreign subsidiaries	148	214	-	1.12	1.84	-
Profit After Tax & Before Minority Interest	2,836	2,327	2,397	21.48	20.00	24.80
Minority Interest	(33)	(26)	(27)	(0.25)	(0.23)	(0.28)
Net Profit	2,803	2,301	2,370	21.23	19.77	24.52

Indian GAAP Balance Sheet - Consolidated

Consolidated Indian GAAP	₹ Crore		%	
	31-Dec-11	31-Mar-11	31-Dec-11	31-Mar-11
Source of Funds				
Shareholders' Funds	29,707	24,505	95.93	96.22
Minority Interest	527	458	1.70	1.80
Loan Funds	63	69	0.20	0.27
Deferred Tax Liability	153	109	0.50	0.43
Non Current Liabilities	517	327	1.67	1.28
Total Liabilities	30,967	25,468	100.00	100.00
Application of Funds				
Fixed Assets (net)	6,151	5,441	19.86	21.36
Goodwill	3,570	3,232	11.53	12.69
Deferred Tax Asset	279	160	0.90	0.63
Investments	1,775	1,763	5.73	6.92
<i>Cash and Bank Balance</i>	<i>5,953</i>	<i>4,700</i>	<i>19.23</i>	<i>18.46</i>
<i>Current Assets, Loans and Advances</i>	<i>16,097</i>	<i>11,685</i>	<i>51.98</i>	<i>45.88</i>
<i>Current Liabilities and Provisions</i>	<i>8,069</i>	<i>7,213</i>	<i>26.06</i>	<i>28.32</i>
Net Current Assets	13,981	9,172	45.15	36.02
Non Current Assets	5,211	5,700	16.83	22.38
Total Assets	30,967	25,468	100.00	100.00

IFRS Income Statement

Consolidated IFRS	₹ Million			% of Revenue		
	Q3 FY12	Q2 FY12	Q3 FY11	Q3 FY12	Q2 FY12	Q3 FY11
Revenue	132,040	116,335	96,633	100.00	100.00	100.00
Cost of revenue	69,964	63,716	52,753	52.99	54.77	54.59
Gross margin	62,076	52,619	43,880	47.01	45.23	45.41
SG & A expenses	23,458	21,076	16,562	17.77	18.12	17.14
Operating income	38,618	31,543	27,318	29.24	27.11	28.27
Other income (expense), net	(920)	997	1,822	(0.70)	0.86	1.89
Income before income taxes	37,698	32,540	29,140	28.54	27.97	30.16
Income taxes	8,538	7,913	5,491	6.47	6.80	5.68
Income after income taxes	29,160	24,627	23,649	22.07	21.17	24.48
Minority interest	294	237	189	0.22	0.21	0.20
Net income	28,866	24,390	23,460	21.85	20.96	24.28
	INR	INR	INR			
Earnings per share in INR	14.75	12.46	11.99			

COR – SG&A Details

COR	₹ Million			% of Revenue		
	Q3 FY12	Q2 FY12	Q3 FY11	Q3 FY12	Q2 FY12	Q3 FY11
Employee cost	49,527	45,630	37,332	37.51	39.22	38.63
Fees to external consultants	5,682	5,121	3,467	4.31	4.40	3.59
Equipment & software	4,350	2,865	2,651	3.29	2.47	2.74
Depreciation	1,360	1,575	1,252	1.03	1.35	1.30
Travel	1,638	1,840	1,578	1.24	1.58	1.63
Communication	1,227	1,154	1,129	0.93	0.99	1.17
Facility expenses	2,782	3,008	2,525	2.11	2.59	2.61
Other expenses	3,398	2,523	2,819	2.57	2.17	2.92
Cost of Revenue	69,964	63,716	52,753	52.99	54.77	54.59

S G & A	₹ Million			% of Revenue		
	Q3 FY12	Q2 FY12	Q3 FY11	Q3 FY12	Q2 FY12	Q3 FY11
Employee cost	15,507	14,288	11,076	11.74	12.28	11.46
Fees to external consultants	642	665	482	0.49	0.58	0.50
Bad Debts	97	(32)	(316)	0.07	(0.03)	(0.33)
Depreciation	943	711	605	0.71	0.61	0.63
Facility expenses	2,124	1,732	1,643	1.61	1.49	1.70
Travel	1,184	1,289	885	0.90	1.11	0.92
Communication	480	438	378	0.36	0.38	0.39
Education, Recruitment and training	552	584	556	0.42	0.50	0.58
Marketing and Sales promotion	758	516	497	0.58	0.44	0.51
Other expenses	1,171	885	756	0.89	0.76	0.78
S G & A expenses	23,458	21,076	16,562	17.77	18.12	17.14

IFRS Balance Sheet

Consolidated IFRS	31-Dec-11		31-Mar-11	
	₹ Million	%	₹ Million	%
Assets				
Cash and cash equivalents	18,889	4.86	15,539	4.74
Accounts receivable	115,263	29.67	82,016	25.01
Unbilled revenues	20,425	5.26	13,489	4.11
Other current financial assets	54,345	13.99	39,297	11.99
Other non current financial assets	20,777	5.35	33,097	10.09
Property and equipment	60,663	15.62	51,996	15.86
Intangible assets and Goodwill	35,046	9.02	33,791	10.31
Investments	18,944	4.88	18,390	5.61
Other current assets	11,420	2.94	14,523	4.43
Other non current assets	32,665	8.41	25,745	7.85
Total assets	388,437	100.00	327,883	100.00
Liabilities and Shareholders' Equity				
Current liabilities	74,609	19.21	58,335	17.79
Short term borrowings	237	0.06	328	0.10
Redeemable preference shares	1,000	0.26	1,000	0.31
Long term borrowings	27	0.01	38	0.01
Other non-current liabilities	11,330	2.91	10,991	3.35
Minority interest	4,892	1.26	3,147	0.96
Shareholders' Funds	296,342	76.29	254,044	77.48
Total Liabilities	388,437	100.00	327,883	100.00

IFRS Income Statement – In USD

Consolidated IFRS	\$ Million			% of Revenue		
	Q3 FY12	Q2 FY12	Q3 FY11	Q3 FY12	Q2 FY12	Q3 FY11
Revenue	2,586	2,525	2,144	100.00	100.00	100.00
Cost of revenue	1,370	1,383	1,170	52.99	54.77	54.59
Gross margin	1,216	1,142	974	47.01	45.23	45.41
SG & A expenses	460	458	368	17.77	18.12	17.14
Operating income	756	684	606	29.24	27.11	28.27
Other income (expense), net	(18)	22	40	(0.70)	0.86	1.89
Income before income taxes	738	706	646	28.54	27.97	30.16
Income taxes	164	172	122	6.33	6.83	5.69
Income after income taxes	574	534	524	22.21	21.14	24.47
Minority Interest	6	6	4	0.25	0.24	0.19
Net Income	568	528	520	21.96	20.90	24.28
	USD	USD	USD			
Earnings Per Share in USD	0.29	0.27	0.27			

COR – SG&A Details – In USD

COR	\$ Million			% of Revenue		
	Q3 FY12	Q2 FY12	Q3 FY11	Q3 FY12	Q2 FY12	Q3 FY11
Employee cost	970	991	828	37.51	39.22	38.63
Fees to external consultants	111	111	77	4.30	4.40	3.59
Equipment & software	85	62	59	3.30	2.46	2.74
Depreciation	27	34	28	1.03	1.36	1.30
Travel	32	40	35	1.24	1.58	1.63
Communication	24	25	25	0.93	0.99	1.17
Facility expenses	54	65	56	2.11	2.59	2.61
Other expenses	67	55	62	2.57	2.17	2.92
Cost of Revenue	1,370	1,383	1,170	52.99	54.77	54.59

S G & A	\$ Million			% of Revenue		
	Q3 FY12	Q2 FY12	Q3 FY11	Q3 FY12	Q2 FY12	Q3 FY11
Employee cost	304	310	246	11.74	12.28	11.46
Fees to external consultants	13	14	11	0.49	0.57	0.50
Bad Debts	2	(1)	(7)	0.07	(0.03)	(0.33)
Depreciation	18	15	13	0.71	0.61	0.63
Facility expenses	42	38	37	1.61	1.49	1.70
Travel	23	28	20	0.90	1.11	0.92
Communication	9	10	8	0.36	0.38	0.39
Education, Recruitment and training	11	13	12	0.42	0.50	0.58
Marketing and Sales promotion	15	11	11	0.57	0.44	0.51
Other expenses	23	20	17	0.90	0.77	0.78
S G & A expenses	460	458	368	17.77	18.12	17.14

IFRS Balance Sheet in USD

Consolidated IFRS	31-Dec-11		31-Mar-11	
	\$ Million	%	\$ Million	%
Assets				
Cash and Cash equivalents	355	4.87	349	4.74
Accounts Receivable	2,162	29.67	1,839	25.01
Unbilled Revenues	383	5.26	303	4.11
Other current financial assets	1,020	13.99	881	11.99
Other non current financial assets	390	5.35	742	10.09
Property and equipment	1,138	15.61	1,166	15.86
Intangible assets and Goodwill	657	9.02	758	10.31
Investments	355	4.88	412	5.61
Other current assets	214	2.94	326	4.43
Other non current assets	613	8.41	577	7.85
Total assets	7,287	100.00	7,353	100.00
Liabilities and Shareholders' Equity				
Current liabilities	1,400	19.21	1,309	17.80
Short term borrowings	4	0.06	7	0.10
Redeemable Preference Shares	19	0.26	22	0.30
Long term borrowings	1	0.01	1	0.01
Other non-current liabilities	213	2.92	246	3.35
Minority Interest	91	1.25	71	0.96
Shareholders' Funds	5,559	76.29	5,697	77.48
Total Liabilities	7,287	100.00	7,353	100.00

Currency mix and average realized rates in INR

Currency	Average rates		% of Revenue	
	Q3 FY12	Q2 FY12	Q3 FY12	Q2 FY12
USD	51.07	46.07	59.50%	59.31%
GBP	80.53	74.22	12.44%	12.31%
EUR	68.88	65.31	7.49%	7.45%
Others			20.57%	20.93%
			100.00%	100.00%



Thank You