

Revenue at Rs 4,103 crore, up 22% YoY PAT at Rs 686 crore, up 27% YoY *Announces first set of results post merger*

Press Release - Mumbai, India, August 12, 2013 – Tech Mahindra Ltd. a specialist provider of connected solutions to the connected world, today announced its robust, audited consolidated financial results for the quarter ending June 30, 2013. Revenue stood at Rs 4,103 crore; up 21.7% YoY and 8.9% QoQ. Consolidated net profit after tax (PAT) for Q1 at Rs 686 crore up 27.0% YoY and 7.6% QoQ

Financial highlights for the quarter (INR)

- Revenue at Rs 4,103 crore; up 21.7% YoY and 8.9% QoQ
- Operating profit (EBITDA) at Rs 864 crore; up 16.9 % YoY and 12.1% QoQ.
- Consolidated PAT at Rs 686 crore; up 27.0% YoY & 36.2% QoQ (before exceptional reversal of impairment provision)
- Consolidated PAT at Rs 686 crore; up 27.0% YoY and 7.6% QoQ
- Earnings per Share (EPS) was Rs 29.60 for the quarter ended June 30, 2013

Financial highlights for the quarter (USD)

- Revenue at USD 724 mn; up 17.7% YoY and 3.7% QoQ
- Operating profit (EBITDA) at USD 152 mn; up 12.9% YoY and 6.5% QoQ
- Consolidated PAT at USD 121 mn; up 22.3% YoY & 29.2% QoQ (before exceptional reversal of impairment provision)
- Consolidated PAT at USD 121 mn; up 22.3% YoY and 2.1% QoQ

Other Highlights

- Total headcount for the year at 83,063. Software Professional headcount stood at 53,337, BPO at 23,269 and Sales & support at 6,457.
- Debt at Rs 747 crore as of June 30, 2013; down by Rs 413 crore during the quarter
- Cash and Cash equivalent at Rs 3,655 crore as of June 30, 2013
- Active Client count stood at 567 in Q1FY14 vs 516 in Q4FY13

Vineet Nayyar, Executive Vice Chairman, Tech Mahindra, said, *“We have completed one of the largest mergers in Indian corporate space this quarter in a seamless fashion, fulfilling the commitment we made in April 2009. Our robust performance reinforces our belief in the inherent strength and cross leveraging possibilities, for the integrated entity.”*

C P Gurnani, Managing Director of Tech Mahindra said, *“IT Consumerization, Unified Networks, Internet of Things, Big Data, Faster Analytics and Supercomputing have become the primary drivers of business efficiency now. We are leveraging our collective expertise in Cloud, Analytics, Social, Security, Mobility and Networks to create Digital Enterprises globally, powered by an entrepreneurial culture and the veritable power of a unified combine.”*

Key wins

- Tech Mahindra was selected by one of the largest reinsurers in Europe for a multi-year multi-million infrastructure outsourcing engagement. The scope involves infrastructure management including workspace, data centre, service desk communication and networks.
- A leading European mobile telephone major selected Tech Mahindra for a multi-country terminal testing deal in Europe which involves test engineering and consulting support
- One of the top 4 banks in Australia has selected Tech Mahindra for its non-linear Workspace-as-a-Service (WaaS) solution. Scope includes delivering a fully re-architected module enabling best in class virtualization capability and higher levels of scalability and performance
- Tech Mahindra signed an engagement with a wireless broadband services provider in Africa for the deployment and management of overall IT infrastructure of Long Term Evolution (LTE) Greenfield Operations.
- A leading South Africa based fashion retail company has chosen Tech Mahindra as a strategic partner to drive an Oracle Retail based enterprise business transformation program.
- A US based Fortune 500 managed healthcare company has selected Tech Mahindra to build and operate its WaaS platform
- Tech Mahindra has been engaged by a leading mobile commerce solution company in New Zealand for launching Mobile Wallet Service in the Value Added Services (VAS) space
- Tech Mahindra was chosen by leading global Nutrition, Health and Wellness Company to manage its IT Application development and maintenance services including support to infrastructure services for its North American business unit.
- Tech Mahindra won a deal from a strategic energy & utilities account for infrastructure and application support from a Fortune 10 Energies & Utilities organization on back of proven experience in large scale support engagements.
- A Fortune 10 Energies & Utilities Company selected Tech Mahindra for its major transformational initiative to consolidate various data centers and applications portfolio.
- Won an application development deal from a leading US wireless services provider.
- Tech Mahindra was awarded a multi-million dollar system integration and managed services deal across 6 – 7 countries in Asia and Africa by a leading emerging market Telco

Business Highlights for the Quarter ended June 30, 2013

- Tech Mahindra Limited announced the launch of its new branch in Istanbul. TechM aims to develop Turkey as a near shore centre for providing specialized services to its customers in the region. This branch will serve as a hub for Turkey and Central Asia.
- Tech Mahindra established its first European Testing Lab in Sweden which is in continuation with its efforts to provide end to end test solutions to device manufacturers
- Tech Mahindra inaugurated a new Development Centre at Toronto, Canada for one of its leading banking clients in the geography. The onsite ODC model offers significant cost and operational efficiency.
- Entered into a global partnership with ThingWorx. The partnership will enable Tech Mahindra to deliver innovative Machine-to-Machine (M2M) solutions at minimized cost, risk and time to its customers worldwide by utilizing ThigWorx platform.
- Tech Mahindra and CollabNet announced a strategic alliance agreement to jointly develop and deliver Enterprise Cloud Development, Agile and DevOps solution in the cloud services space.
- Aspect Software chose Tech Mahindra Limited to be their channel partner for APAC and EMEA. The partnership is aimed at creating an enhanced and superior level of infrastructure service for customers in communication space with the widest portfolio of interaction management and workforce optimization products.
- Signed a MoU with 'Navigation Information Systems', a company that offers dual systems navigation based equipment to the India market and will help identify and develop potential opportunities and expand footprint in the emerging markets.

Awards and Recognitions

- 🏆 Tech Mahindra won CA Innovation award for mEMS (Modular Enterprise Managed Network Service) Platform and was also awarded runner-up for CA Partner of the Year.
- 🏆 At PegaWORLD 2013 Partner Awards, Tech Mahindra won the "Best sell With – For Customer Success" award for its partnership with Pegasystems in developing and delivering a Global Warranty Solution for a Fortune 10 manufacturing major.
- 🏆 TeliaSonera, Europe's 5th largest operator, awarded Tech Mahindra with the "Most Engaged Business Partner" for its M2M Business unit. This award is recognition for the partner who has helped TeliaSonera drive new business through differentiated M2M offerings.
- 🏆 Tech Mahindra won "Best Indian ITES Company" award from ITsAP (IT and ITES Industry Association of AP). ITsAP represents IT industry concerns and works towards the development of IT industry in Andhra Pradesh.

🏆 Tech Mahindra was recognized as the “Gold Certified Partner” in the Indian sub-continent by Cisco and will give Tech Mahindra advantages and brand equity amongst other partners and customers.

About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology services and solutions, enabling Enterprises, Associates and the Society to Rise™. We are a USD 2.7 billion company with ~84,000 professionals across 49 countries, helping over 500 global customers including Fortune 500 companies. Our Consulting, Enterprise and Telecom solutions, platforms and reusable assets connect across a number of technologies to derive tangible business value.

We are part of the USD 16.2 billion Mahindra Group that employs more than 155,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in [tractors](#), [utility vehicles](#), [after-market](#), [information technology](#) and [vacation ownership](#).

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Disclaimer

Certain statements in this release concerning the future prospects of Tech Mahindra Limited (“the Company” or “TechM”) are forward-looking statements. These statements by their nature involve risks and uncertainties that could cause Company’s actual results differ materially from such forward looking statements. The Company, from time to time, makes written and oral forward-looking statements based on information available with the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company

Financials

Audited consolidated financial results for the quarter ended June 30, 2013

Consolidated Income Statement *

(in INR million)

Particulars	Quarter Ending		
	June-13	Mar-13	June-12
Revenue from services	41,032	37,673	33,727
Cost of Services	25,693	23,968	21,007
Gross Profit	15,339	13,705	12,720
SGA	6,694	5,992	5,328
Operating Profit	8,645	7,714	7,392
Other Income	2,073	381	1,129
Interest Expense	223	253	251
Depreciation	1,174	1,207	915
Profit before Tax	9,321	6,635	7,356
Provision for taxes	2,328	1,461	1,911
Profit after tax before Exceptional Items, earlier period item and minority interest	6,993	5,174	5,446
Non Recurring / Exceptional Items	-	1,340	-
Minority Interest	(130)	(137)	(40)
Profit after tax	6,863	6,377	5,405
EPS (Rs) – excluding nonrecurring/exceptional items			
Basic	29.60	21.75	23.40
Diluted	29.00	21.22	22.88
EPS (Rs) – including non recurring / exceptional items			
Basic	29.60	27.54	23.40
Diluted	29.00	26.86	22.88

* We have not obtained the audit opinion on the merged entity's consolidated financials for FY 2012-13