

Tech Mahindra Posts Robust Top-line & Bottom-line Growth

*Revenue at INR 4,771 crore; up 16.3% QoQ & 35.4% YoY
EBITDA up 28.5% QoQ; margins at 23.2% improved by 220 bps QoQ*

Mumbai – November 7, 2013 – Tech Mahindra Ltd. a specialist provider of connected solutions to the connected world and enabling future digital enterprises, today announced the audited consolidated financial results for its second-quarter ended September 30, 2013.

Financial highlights (INR)

- Revenue at INR 4,771 crore; up 35.4% YoY and 16.3% QoQ
- Operating profit (EBITDA) at INR 1,111 crore; up 46.8 % YoY and 28.5% QoQ.
- Consolidated PAT at INR 718 crore; up 57.6% YoY and 4.7% QoQ
- Earnings per Share (EPS) was INR 30.96 for the quarter ended September 30, 2013

Financial highlights (USD)

- Revenue at USD 758 mn; up 17.6% YoY and 4.7% QoQ
- Operating profit (EBITDA) at USD 176 mn; up 27.1% YoY and 15.5% QoQ
- Consolidated PAT at USD 114 mn; up 36.4% YoY

Other Highlights

- Total headcount for the year at 85,234. Software Professional headcount stood at 55,432, BPO at 23,225 and Sales & support at 6,577.
- Debt at INR 335 crore as of September 30, 2013; down by INR 412 crore during the quarter
- Cash and Cash equivalent at INR 3,273 crore as of September 30, 2013
- Active Client count stood at 576 in Q2FY14 vs 567 in Q1FY14

Vineet Nayyar, Executive Vice Chairman, Tech Mahindra, said, *“The Digital World is the next phase of our growth and we are ready to ride that wave. I am confident of our alignment with the needs of next generation consumers, with industry best practices and core strengths that our solutions bring.”*

C P Gurnani, Managing Director & CEO, Tech Mahindra said, *“The winning trio for us this quarter – growth across verticals, regions and practices reflects the Tech Mahindra’s new found energy and alignment to win large deals, as well as participate with customers in their transformation journey. Our judicious investments in building Connected Solutions and relentless focus on enhancing customer experience is showing results”*

Key Wins

- Won a multi-year sole supplier engagement for Application Management Services from a Fortune 500 Conglomerate. Under this deal, Tech Mahindra will provide services around application support.
- Tech Mahindra won a five year managed services contract from KPN Group’s BASE Company for operations and roll out of Base Network in Belgium. Tech Mahindra will be responsible for mobile site upgrades, maintenance, incident handling site construction and also data centre maintenance.
- Signed an outsourcing contract for Application, Maintenance and Development with Volvo Car Corporation. Tech Mahindra will maintain and develop wide range of applications across multiple domains including Manufacturing, Product Development, Marketing, Sales and Reporting for Volvo Cars
- Won a multi-year exclusive deal from an American multi-national corporation to build, support and deploy Application Infrastructure Middleware to enhance application awareness and user experience.

- Leading Oil & Gas major in the United States selected Tech Mahindra to be their IT Partner of Choice for Application Development in areas of Global Corporate functions. The client has taken up a 10 year transformation journey to prioritize, simplify and integrate the IT functions across the enterprise.
- Tech Mahindra won a deal in WaaS space. This engagement in Europe is in the area of Infrastructure Transformation Space.
- Selected by a leading South East Asian telecommunications company for its Infrastructure Management and Business Support services. Tech Mahindra will provide new setup of network support team and manage Database, system Administration and Level two Application Support.
- A Fortune 10 auto major selected Tech Mahindra to reengineer and support its Global Extended Services Business system. The platform would enable global delivery of content, while providing compatibility with the global claims payment system.
- A leading player in Telematics chose Tech Mahindra for setting up its India Engineering Centre. Tech Mahindra will service clients growing customer base in 16+ countries through a Offshore Engineering Centre
- Tech Mahindra's experience of running large transformation helped win a deal in billing from a leading Telco in Europe who is embarking on a large Enterprise transformation program.
- Awarded by a leading Singapore based Company serving marine, property and infrastructure verticals; to upgrade and provide Infrastructure support
- Tech Mahindra had signed multi-year contract extension to provide application maintenance, support and development services with a leading frozen food manufacturer in Europe
- Won a multi-million deal with a leading biotechnology company in North America to provide testing and related services

Business Highlights:

- Tech Mahindra launched a Testing Academy to cater to the needs of testing requirements across the organization. The academy will be rolled out in a phased manner with the objective of providing trained testing staff in areas like end-to-end testing, performance testing and network testing
- Formed strategic alliance with NEOTYS (a leader in easy-to-use, cost-effective performance testing tools for web and mobile applications). This will strengthen Tech Mahindra's Performance Engineering offerings and enhance the value proposition of end customers.
- Announced Strategic Alliance with Juniper Networks. This alliance brings formidable joint solutions for Mobile4G Networks, SDN, Next Generation Enterprise Networks and Data Centres.

Awards and Recognitions

- 🏆 Achieved TMMi Level 5 Certification. Tech Mahindra is the first Indian IT services company and second in the world to be getting the TMMi Level 5 Certification for Global Test Factory. TMMi (Test Maturity Model integrated) is the international standard that measures processes, activities technique, operation, design and execution of Testing and Software Quality Assurance activities
- 🏆 Won the iCGMWorld award for BT engagement in the category "IT Landscape Rationalization" for the year 2013. The recognition was awarded to BT and Tech Mahindra for 'Generic Architecture Complex Contract Management' program. This award recognizes excellence shown in leveraging architecture principles and architecture innovation to rationalize IT estate

- 🏆 Was conferred the FY 2013 Strategic Deal Partner Excellence Award by Oracle Corporation in the FY 2014 Oracle India Partner Kick Off and Partner Appreciation Ceremony. This award is in recognition of Tech Mahindra's continued commitment to Oracle and the value-add provided in key Oracle deals.
- 🏆 Positioned in the Gartner "Leaders" Quadrant for IT Services for CSPs. This Magic Quadrant helps large and midsize Communication Service Providers (CSP's) identify and evaluate suppliers for their operational IT Service needs
- 🏆 Selected as the InformationWeek EDGE winners. EDGE awards are given to those 'Enterprises Driving Growth and Excellence'. The award honours and recognises best use of technology.
- 🏆 Declared winner of the Partner of the Year Award – Quality & Service Excellence at the Microsoft Supplier Meet held recently.
- 🏆 Won the Best Blended Learning Program (Gold) Award, at the TISS-LeapVault CLO Summit 2013. This award recognizes top contributors to learning in India and is declared during CLO, an annual meet that aims at evangelizing and promoting individual and organizational learning and development.

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 2.6 billion company with ~84,000 professionals across 49 countries, helping over 600 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

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

Consolidated Income Statement

(INR Mn)

Particulars	Quarter Ending		
	Sept-13	June-13	Sept-12 [#]
Revenue from services	47,715	41,032	35,237
Cost of Services	28,826	25,693	22,271
Gross Profit	18,889	15,339	12,965
SGA	7,779	6,694	5,397
Operating Profit	11,110	8,645	7,569
Other Income	380	2,073	(697)
Interest Expense	241	223	214
Depreciation	1,222	1,174	908
Profit before Tax	10,028	9,321	5,749
Provision for taxes	2,840	2,328	1,176
Non Recurring / Exceptional Items	-	-	-
Minority Interest	(4)	(130)	(15)
Profit after tax	7,184	6,863	4,558
EPS (Rs) – including exceptional items			
Basic	30.96	29.60	19.72
Diluted	30.27	29.00	19.27

[#]Company has not obtained the audit opinion on the merged entity's consolidated financials for Q2FY13. However the basis and the Financials of Merged entity for FY13 have been uploaded on Company's website in the investor relations section.