

## Tech Mahindra Q2 PAT up 60% YoY at INR 240 crores

### Press Release - Mumbai, India, November 15, 2011

Tech Mahindra, India's fifth largest software exporter today announced consolidated financial results for the second quarter ended September 30, 2011.

#### Financial highlights for the Quarter (INR)

- Revenue at INR 1,333 crores; up 3.2% QoQ
- Operating Profit (EBITDA) was INR 204.2 crores; down 15.5% QoQ
- Earnings per Share (EPS) was INR 18.98 for the quarter ended September 30, 2011

#### Financial highlights for the Quarter (USD)

- Revenue at USD 296.2 mn; up 2.2% QoQ
- Revenue on constant currency basis was at USD 298.6 mn, up 3% QoQ
- Operating Profit (EBITDA) was USD 45.3 mn; down 16.2% QoQ
- PAT was USD 52.8 mn; up 64% YoY

#### Other Highlights for the quarter ended September 30, 2011

- Total headcount at 43,657. Software Professional headcount stood at 26,665, BPO at 15,875 and Support staff at 1,117
- Added 807 personnel during the quarter
- Debt was Rs 1,422 crores as of September 30, 2011
- Cash and Cash equivalent stood at Rs 278 crores on balance sheet as of September 30, 2011

**Vineet Nayar, Vice Chairman, MD and CEO of Tech Mahindra** said, "We have seen yet another quarter of steady growth. Our investment in capabilities has enabled us to achieve this in spite of some headwinds. We remain anchored to building and enhancing our service offerings to meet the needs of the changing market place."

#### Key wins and operational highlights

- ❑ Tech Mahindra has been engaged with a Tier One Telco in the US for providing Performance Testing and Test Management services across their Consumer applications. This win leverages Tech Mahindra's Testing Centre of Excellence and provides enhanced customer experience and improved operational efficiencies
- ❑ Tech Mahindra was selected by a leading North American Telecom Equipment Manufacturer (TEM) as a development and testing partner in the Optical networking domain. Tech Mahindra will assist the customer in reducing time-to-market for one of their state-of-the-art Packet Optical Transport products
- ❑ Tech Mahindra has won a multiyear Managed Services engagement with a telecom operator in the Middle East. Tech Mahindra will also assist the operator in transforming its billing system to ensure greater efficiencies

- ❑ Tech Mahindra signed an agreement with one of the leading Equipment Vendor in the Asia Pacific, to focus on proactive propositions to various initiatives in the Networks
- ❑ Tech Mahindra has formed a partnership with a leading IT provider in North America. As a preferred “service partner”, Tech M will cater to the customer’s internal and external needs along their product R&D services, IT application development managed Services areas.

### **Business Highlights for Quarter ended September 30, 2011**

- Inaugurates Mobile Innovation Lab in Bellevue, WA. New facility to help Next Generation mobile devices to become compliant with the stringent standards of North American Operators.
- Tech Mahindra has been recognised with 2011 Microsoft Communications Sector Partner of the Year Award. It was honoured amongst a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft technology
- Tech Mahindra inaugurated its development centre in Bonn, Germany with enhanced facilities. The state-of-the art facility located in Sirius Business Park, encompasses fully-equipped infrastructure to service clients in Germany as well as Central Europe.

### **Awards and Recognitions**

- 🏆 Voice and Data has ranked Tech Mahindra as India's Top Telecom Software Company for the Year 2010 -11
- 🏆 Tech Mahindra has been ranked amongst top 3 at the ‘DSCI excellence award for security in IT services company for 2011’
- 🏆 Tech Mahindra tops 2011 Global Services 100 in the following categories:
  - Global ITO Vendors
  - ADM Vendors
  - IM Vendors
  - Speciality Product Engineering Vendors Contact Centre and Customer Management Vendors
- 🏆 Tech Mahindra has been ranked 9<sup>th</sup> in the NASSCOM Top 20 IT-BPO employers, 2010-2011

## Financials

Audited consolidated financial results for the quarter ended September 30, 2011 drawn under Indian GAAP

### Consolidated Income Statement

(in INR million)

Particulars	Quarter Ending		
	Sep-11	Jun-11	Sep-10
<b>Revenue from services</b>	<b>13,333</b>	<b>12,925</b>	<b>15,339</b>
Cost of Services	9,069	8,540	10,701
<b>Gross Profit</b>	<b>4,264</b>	<b>4,385</b>	<b>4,638</b>
SGA	2,222	1,967	1,820
<b>Operating Profit</b>	<b>2,042</b>	<b>2,417</b>	<b>2,818</b>
Other Income	972	460	83
Interest Expense	721	223	270
Depreciation	507	334	347
Profit before Tax	1,786	2,320	2,285
Provision for taxes	393	509	418
Profit after tax before Exceptional Items, earlier period item and minority interest	1,394	1,812	1,867
Non Recurring / Exceptional Items	-	-	-
Minority Interest	(5)	(7)	7
Share of profit/(loss) including earlier period items in Associate: Satyam Computer Services Limited	1,016	960	(367)
<b>Profit after tax</b>	<b>2,404</b>	<b>2,765</b>	<b>1,507</b>
<b>EPS (Rs) – excluding nonrecurring/exceptional items</b>			
<b>Basic</b>	<b>18.98</b>	<b>21.89</b>	<b>12.17</b>
<b>Diluted</b>	<b>18.22</b>	<b>20.95</b>	<b>11.57</b>
<b>EPS (Rs) – including non recurring/exceptional items</b>			
<b>Basic</b>	<b>18.98</b>	<b>21.89</b>	<b>12.17</b>
<b>Diluted</b>	<b>18.22</b>	<b>20.95</b>	<b>11.57</b>

## Key Operating Metrics

Particulars	Quarter Ending		
	Sep-11	Jun-11	Sep-10
<b>Total Headcount (As at period-end)</b>			
S/w Professionals	26,665	27,920	24,449
BPO Professionals	15,875	13,804	8,489
Sales and Support	1,117	1,126	1,069
<b>Total Employees</b>	<b>43,657</b>	<b>42,850</b>	<b>34,007</b>
<b>Revenue by Geography (%)</b>			
North America	33%	32%	25%
Europe	47%	51%	43%
Rest of World	20%	17%	32%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>No. of Active Clients</b>	<b>128</b>	<b>128</b>	<b>124</b>
<b>No. of Million \$ Clients</b>			
≥ \$1 million clients	60	57	52
≥ \$2 million clients	41	37	39
≥ \$5 million clients	27	24	21
≥ \$10 million clients	14	16	14
≥ \$15 million clients	8	7	8
≥ \$20 million clients	6	6	7
≥ \$25 million clients	4	4	5
≥ \$50 million clients	2	3	3
<b>Client contribution to revenue</b>			
Top client	37%	40%	35%
Top 5	68%	69%	77%
Top 10	78%	78%	84%
<b>Revenue On/Off Break-up (in %)</b>			
Onsite	37%	37%	30%
Offshore	63%	63%	70%
IT Utilization % (Including Trainees, Internal Projects)	72%	71%	75%



## About Tech Mahindra

Tech Mahindra is a leading provider of solutions and services to the telecommunications industry with a majority stake owned by Mahindra & Mahindra Limited, in partnership with British Telecommunications plc.

Tech Mahindra serves telecom service providers, equipment manufacturers, software vendors and systems integrators worldwide and their proven delivery models, distinctive IT skills and decades of domain expertise enable clients to maximize returns on their IT investment. Tech Mahindra registered revenue of USD 1,126.6 million in the year ended March 31, 2011 and is ably supported by 43,000 professionals who provide a unique blend of culture, domain expertise and in-depth technology skill-sets.

A SEI-CMMi Level 5 organization, Tech Mahindra's development centers are ISO 9001:2008 and BS7799 certified. Tech Mahindra has principal offices in the UK, United States, Germany, UAE, Egypt, Singapore, India, Thailand, Taiwan, Malaysia, Philippines, Canada and Australia. Tech Mahindra Ltd is part of the US \$12.5 billion Mahindra Group, a global industrial federation of companies and one of the top 10 business houses based in India. The Group's interests span automotive products, aviation, components, farm equipment, financial services, hospitality, information technology, logistics, real estate and retail.

For more information on the financials, please refer to the fact sheet and the results advertisement on the investor section of the website: [www.techmahindra.com](http://www.techmahindra.com) or contact the following

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