

Tech Mahindra's Q3 PAT up 67% YoY

Press Release – Mumbai, India, February 6th, 2013

Tech Mahindra, India's sixth largest software exporter today announced its audited consolidated financial results for the third quarter ended December 31st, 2012.

Financial highlights for the Quarter (INR)

- Revenue at INR 1,791 crore; up 24% YoY and 10% QoQ
- Operating Profit (EBITDA) at INR 376 crore; up 61% YoY and 11% QoQ
- PAT before share of Associate at INR 242 crore up 67% YoY and 36% QoQ
- PAT including share of Associate at INR 276 crore
- Earnings per Share (basic EPS) was INR 21.6 for the quarter ended December 31st, 2012

Financial highlights for the Quarter (USD)

- Revenue at USD 329 mn; up 14.% YoY and 10.% QoQ
- Operating Profit (EBITDA) was USD 69 mn; up 49% YoY and 12 % QoQ
- PAT before share of Associate at USD 44 mn; up 56% YoY and 36% QoQ
- PAT including share of Associate at USD 51 mn

Other Highlights for the quarter ended December 31, 2012

- Acquisition of Comviva was completed in Q3. Total headcount stood at 49,059
 - Software Professional were at 25,009, BPO at 22,565 and Support staff at 1,485
 - Total headcount includes 1,546 employees of Comviva and 10,748 of HGS
- Debt at INR 1,318 crore as of December 31, 2012 vs INR 1,286 crore in Q2
- Cash and Cash equivalent stood at INR 482 crores as of December 31, 2012 versus INR 359 crores in Q2FY13
- Active client count at 140 vs 126 in Q2

Vineet Nayyar, Executive Vice Chairman of Tech Mahindra said, *"Our growth trajectory continues. Tech Mahindra has been consistently performing with key wins and partnerships, supplemented by non organic initiatives. As we look forward we continue to see opportunities to help our customers in their strategic objectives, through innovative solutions"*

C P Gurnani, Managing Director of Tech Mahindra said, *"We continue our journey to be a preferred partner in our customer's transformation initiatives. Our recent wins demonstrate our capability in helping our clients to streamline their IT portfolio while achieving the benefits of optimization and linkage to outcomes."*

Key wins

- ❑ Tech Mahindra and a **Leading European international telecommunications service provider** signed a multi-year Managed Services engagement which covers IT Applications and Data Center Operations for one of their business unit.
- ❑ Chosen by a leading Asia Pacific Telecom Service provider for an **End to End Managed Services deal** for its IT, BSS & VAS platforms
- ❑ Won a multi-million contract from a leading Dutch Telecommunication & Internet services provider **for its Business process re-design and Maintenance support** of Billing & Mediation Environments
- ❑ Won a contract from a **Major Canadian** quadruple play **Telco**; for supporting their SMB and Enterprise **Service Assurance Operations. The deal is on a transaction based pricing model** with compensation tied to customer experience
- ❑ Awarded a **Siebel transformation project** from a **US based cloud and communications services provider**

Business Highlights

- **Tech Mahindra and iTelecom Wholesale Pty Ltd**, a leading wholesale only aggregator and mobile virtual network enabler (MVNE) to CSP's, **announced a strategic partnership to provide integrated Virtual Network Operator (iVNO) solutions to the Australian market.**
- Tech Mahindra announces a **partnership with Symantec**. The Global Master Professional Services and Reseller agreement will enable the company to provide to customers with professional services around their DC/Cloud, Security & Mobility product suites for a range of Telco & Enterprise applications

Awards and Recognitions

- 🏆 Tech Mahindra **wins 'The TOP-125 Training Award, 2013'**.
- 🏆 TechM **wins the DSCI Excellence Award 2012 for Security in IT Services (large)**
- 🏆 CanvasM **wins Special Mention Award at the Manthan Awards South Asia & Asia pacific 2012 under the category e-Financial Inclusion & Livelihood**
- 🏆 **Comviva** - a recent acquisition of Tech Mahindra **was awarded its first ever World Communication Award in the category "Best New Service" for its mobiquity® mTicketing services** to Bangladesh Railways in collaboration with Grameenphone and Banglalink.
- 🏆 Tech Mahindra **wins Aegis Graham Bell Award** for A counter-intuitive model to accelerating Cloud Computing adoption by SMEs in the category "Innovation in Cloud Service"

Financials

Audited consolidated financial results for the quarter ended December 31, 2012 drawn under Indian GAAP

Consolidated Income Statement

(in INR million)

Particulars	Quarter Ending		
	Dec-12	Sept-12	Dec-11
Revenue from services	17,911	16,314	14,449
Cost of Services	11,246	10,336	9,861
Gross Profit	6,665	5,978	4,588
SGA	2,902	2,601	2,245
Operating Profit	3,763	3,377	2,343
Other Income	301	(640)	147
Interest Expense	263	228	338
Depreciation	505	481	390
Profit before Tax	3,297	2,029	1,762
Provision for taxes	808	251	294
Profit after tax before Exceptional Items, earlier period item and minority interest	2,488	1,778	1,468
Non Recurring / Exceptional Items	-	-	-
Minority Interest	(71)	-	(24)
Share of profit/(loss) including earlier period items in Associate: Satyam Computer Services Limited	341	1,185	1,315
Profit after tax	2,758	2,963	2,760
EPS (Rs) – excluding nonrecurring/exceptional items			
Basic	21.6	23.2	21.8
Diluted	20.7	22.3	20.9
EPS (Rs) – including non recurring/exceptional items			
Basic	21.6	23.2	21.8
Diluted	20.7	22.3	20.9

Key Operating Metrics

Particulars	Quarter Ending		
	Dec-12	Sept-12	Dec-11
Total Headcount (As at period-end)			
S/w Professionals	25,009	24,224	25,218
BPO Professionals	22,565	25,003	16,419
Sales and Support	1,485	1,252	1,109
Total Employees	49,059	50,479	42,746
Revenue by Geography (%)			
North America	31%	33%	33%
Europe	46%	46%	45%
Rest of World	23%	20%	22%
Total	100%	100%	100%
No. of Active Clients	140	126	130
No. of Million \$ Clients			
≥ \$1 million clients	58	57	63
≥ \$2 million clients	39	41	41
≥ \$5 million clients	25	27	28
≥ \$10 million clients	13	12	15
≥ \$15 million clients	7	7	9
≥ \$20 million clients	7	7	7
≥ \$25 million clients	6	6	4
≥ \$50 million clients	4	3	2
Client contribution to revenue			
Top client	29%	33%	35%
Top 5	74%	71%	67%
Top 10	82%	81%	77%
Revenue On/Off Break-up (in %)			
Onsite	40%	39%	39%
Offshore	60%	61%	61%
IT Utilization %	76%	74%	73%



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 1,156 million in the year ended March 31, 2012 and is ably supported by 40,700 + professionals who provide a unique blend of culture, domain expertise and in-depth technology skill-sets.

Tech Mahindra's Development centers are ISO 9001:2008, ISO 27001:2005, ISO 20001:2005, BS 25999-2: 2007 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 \$15.4 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 or contact the following

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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.