

Q4 PAT at Rs 377 crores, up 37% QoQ

Annual revenue up 25% and PAT up 18%

Press Release - Mumbai, India, May 21, 2013

Tech Mahindra, India's leading software exporter today announced audited consolidated financial results for its fourth-quarter and year ended March 31, 2013. Fourth quarter revenue was at Rs 1,907 crore; up 34.4% YoY and full year revenue was at Rs 6,873 crore; up 25.2% YoY. Tech Mahindra's consolidated net profit after tax (PAT) for Q4 was at Rs 377 crore and full year PAT at Rs 1,288 crore.

Financial highlights for the quarter (INR)

- Revenue at Rs 1,907 crore; up 34.4% YoY and 6.5% QoQ
- Operating profit (EBITDA) at Rs 380 crore; up 58.9 % YoY and 1% QoQ.
- Consolidated PAT at Rs 377 crore; up 24.7% YoY and 36.8% QoQ
- Earnings per Share (EPS) was Rs 29.54 for the quarter ended March 31, 2013

Financial highlights for the quarter (USD)

- Revenue at USD 353 mn; up 25.4% YoY and 7.2% QoQ
- Operating profit (EBITDA) at USD 70 mn; up 47.3% YoY and up 1.6% QoQ
- Consolidated PAT at USD 70 mn; up 13% YoY and up 37.3% QoQ

Financial highlights for the year (INR)

- Revenue at Rs 6,873 crore; up 25.2% YoY
- EBITDA at Rs 1,424 crore; up 54.9% YoY
- Consolidated PAT at Rs 1,288 crore; up 17.6% YoY
- Earnings per Share (EPS) was at Rs 100.85 for the year ended March 31, 2013

Financial highlights for the Year (USD)

- Revenue at USD 1,263 mn; up 9.2% YoY
- EBIDTA at USD 262 mn; up 35.1% YoY
- PAT at USD 237 mn up 3% YoY

Other Highlights

- The Board of Directors have recommended a dividend of Rs 5/- per share (50 %) for FY 13
- Total headcount for the year at 47,498. Software Professional headcount stood at 24,410, BPO at 21,552 and Support staff at 1,536
- Debt at Rs 1,380 crore as of March 31, 2013
- Cash and Cash equivalent at Rs 710 crore as of March 31, 2013; up Rs 228 crore QoQ
- Active Client count stood at 151 vs 130 in FY12

Vineet Nayar, Executive Vice Chairman of Tech Mahindra said, "I am satisfied that we have *delivered profitable growth for FY13, with significant margin improvement. I am confident that with our deep domain expertise in Telecom and a full portfolio of offerings, we would be able to leverage our leadership position to deliver higher value, for all our stakeholders.*"

C P Gurnani, Managing Director of Tech Mahindra said, *“We are optimistic about FY14, buoyed by our deal pipeline, business traction from recent acquisitions and leverage of business synergies with Mahindra Satyam. Our focus on non-linear growth alternatives like Platforms and Customer co-innovation continues to portend a steady future for us.”*

Key wins

- Signed a 3 year deal with a leading US wireless carrier to offer end to end testing of digital music platform and contribute towards designing, architecture and development of new applications on various platforms like iOS, Android and Windows Mobile.
- Selected by a leading middle east telecom operator for providing consultancy services for IT transformation
- Chosen by a leading emerging market Telco to help develop its Predictive Analysis, Business Intelligence (BI) support and Customer Relationship Management
- A leading US based cloud and communications services provider awarded contract in area of corporate systems, which involves application development and maintenance of Enterprise application.
- Mahindra Comviva (a subsidiary of Tech Mahindra) signed a mobile banking deal with a leading commercial bank in Kyrgyzstan. This deal will empower customers of the bank to conduct a range of financial and non-financial transactions.

Business Highlights for the Quarter ended March 31, 2013

- Tech Mahindra opened a new development centre at The Hague, Netherlands. The New centre will help company deepen its relationship with its customers in Benelux region
- Tech Mahindra and Mahindra Satyam announced the launch of its innovative “Young CEO” Program. “The program is designed to nurture young leaders to take on significant roles with ‘end-to-end’ responsibility in areas of M&A, new business, platforms or developing a new geography.
- CanvasM Technologies (a wholly owned VAS subsidiary) launched comprehensive framework for Mobile Application Testing Ecosystem (MATE). The framework aims to enable an efficient and consistent approach to test mobile applications across multiple devices, platforms and from multiple geographic locations.
- CanvasM set up 2nd world class Device Testing lab at New Jersey. The operating of this lab enables CanvasM to cater to most of the North American Telco operators

Awards and Recognitions

- 🏆 Tech Mahindra's commitment to excellence over the past year earned recognition as a 2013 **AT&T Supplier Award** winner for its support of affiliates of AT&T, one of the world's leading data, voice, wireless and Internet services provider.
- 🏆 Mahindra Comviva (a subsidiary of Tech Mahindra) **won GSMA Global Mobile Awards 2013** in the Best Consumer Mobile Service category for their mobility services to Bangladesh Railways in collaboration with two leading mobile service providers.
- 🏆 Tech Mahindra received the **"Training Top 125" Award**. Tech Mahindra's focus on learning and employee development through its flagship training initiatives , leadership programs and their alignment to business goals through were the critical parameters for receiving the award
- 🏆 Tech Mahindra ranked **among the Top 3 companies in KPMG's Client Satisfaction Rankings** in Europe.
- 🏆 Mahindra Comviva **won Golden Peacock Award 2012 for Managed VAS Services**.

Financials

Audited consolidated financial results for the quarter and year ended 31st March, 2013 drawn under Indian GAAP

Consolidated Income Statement

(in INR million)

Particulars	Quarter Ending			Year Ending	
	Mar-13	Dec-12	Mar-12	Mar-13	Mar-12
Revenue from services	19,072	17,911	14,190	68,731	54,897
Cost of Services	12,119	11,246	9,312	43,386	36,782
Gross Profit	6,953	6,665	4,879	25,345	18,115
SGA	3,152	2,902	2,487	11,103	8,921
Operating Profit	3,801	3,763	2,392	14,242	9,194
Other Income	(234)	301	(211)	(747)	982
Interest Expense	299	263	131	1,030	1,026
Depreciation	594	505	383	2,000	1,613
Profit before Tax	2,673	3,297	1,668	10,465	7,537
Provision for taxes	712	808	242	2,356	1,437
Profit after tax before Exceptional Items	1,961	2,488	1,426	8,110	6,099
Non Recurring / Exceptional Items	-	-	(679)	-	(679)
Minority Interest	(125)	(71)	-	(196)	(36)
Share of profit/(loss) including earlier period items in Associate: Satyam Computer Services Limited	1,936	341	2,278	4,964	5,570
Profit after tax	3,772	2,758	3,025	12,878	10,954
EPS (Rs) – excluding nonrecurring/exceptional items					
Basic	29.54	21.61	29.16	100.85	87.92
Diluted	28.32	20.73	28.03	96.68	84.52
EPS (Rs) – including non recurring/exceptional items					
Basic	29.54	21.61	27.49	100.85	86.25
Diluted	28.32	20.73	26.43	96.68	82.91

Consolidated Balance Sheet

(in INR Million)

Particulars	As on 31 st Mar 13	As on 31 st Mar 12
Equity and Liabilities		
Shareholder's Funds		
Share Capital	1,281	1,275
Reserves and Surplus	52,972	39,234
Share Application money pending allotment	3	-
Minority Interest	1,089	-
Non Current Liabilities		
(A) Long term borrowings	3,000	6,000
(B) Other Long term liabilities	2,255	4,295
(C) Long term provisions	2,063	1,886
Current Liabilities		
(A) Short term borrowings	7,804	5,266
(B) Trade payables	6,401	3,649
(C) Other current liabilities	9,805	6,242
(D) Short term provisions	3,171	1,506
Total	89,844	69,353
Assets		
Non Current Assets		
(A) Fixed Assets	9,383	8,463
(B) Non Current Investments	39,242	34,271
(C) Deferred Tax asset	1,511	998
(D) Long term loans and advances	5,390	3,384
(E) Goodwill on consolidation	3,407	33
Current Assets		
(A) Current Investments	1,745	1,605
(B) Inventories	110	
(C) Trade Receivables	17,036	13,172
(D) Unbilled Revenue	2,376	2,286
(E) Cash and cash equivalents	5,357	2,418
(F) Short term Loans and Advances	4,287	2,723
Total	89,844	69,353

Key Operating Metrics

Particulars	Quarter Ending		
	Mar-13	Dec-12	Mar-12
Total Headcount (As at period-end)			
S/w Professionals	24,410	25,009	24,833
BPO Professionals	21,552	22,565	14,792
Sales & Support	1,536	1,485	1,138
Total Employees	47,498	49,059	40,763
Revenue by Geography (%)			
North America	29%	31%	34%
Europe	43%	46%	46%
Rest of World	27%	23%	20%
Total	100%	100%	100%
No. of Active Clients	151	140	130
No. of Million \$ Clients			
≥ \$1 million clients	59	58	60
≥ \$2 million clients	42	39	38
≥ \$5 million clients	23	25	28
≥ \$10 million clients	13	13	15
≥ \$15 million clients	8	7	9
≥ \$20 million clients	7	7	7
≥ \$25 million clients	6	6	5
≥ \$50 million clients	4	4	2
Client contribution to revenue			
Top client	25%	29%	37%
Top 5	71%	74%	71%
Top 10	81%	82%	80%
Revenue On/Off Break-up (in %)			
Onsite	41%	40%	39%
Offshore	59%	60%	61%
IT Utilization %	77%	76%	74%



About Tech Mahindra

Tech Mahindra is a leading provider of solutions and services to the telecommunications industry, majority stake owned by Mahindra & Mahindra Limited. With total revenue of INR 6,873 crores in the year ended March 31, 2013, Tech Mahindra serves telecom service providers, equipment manufacturers, software vendors and systems integrators. Tech Mahindra solutions enable clients to maximize returns on IT investment by achieving fast time to market reduced total cost of ownership and high customer satisfaction. Tech Mahindra achieves this through its domain and process expertise, distinctive IT skills, research and development, proven innovative delivery models and approach to off-shoring.

Assessed at SEI-CMMi Level 5, Tech Mahindra's track record for value-delivery is supported by 47,500 professionals who provide a unique blend of culture, domain expertise and in-depth technology skill-sets. Its development centers are ISO 9001:2000 & BS7799 certified. Tech Mahindra has principal offices in the UK, United States, Germany, UAE, Egypt, Singapore, India, Thailand, Taiwan, Malaysia, Philippines, Canada & Australia.

Tech Mahindra Ltd is part of the \$15.9 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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