

Tech Mahindra continues on its growth trajectory

Revenue at ₹5,488 crore, up 15% YoY & 7.2% QoQ

3 large deals signed during the quarter

Communication, Manufacturing & Retail verticals drive growth

Mumbai – October 29, 2014: Tech Mahindra Ltd. a specialist in digital transformation, consulting and business re-engineering today announced the audited and consolidated financial results for its second quarter ended September 30, 2014. Revenue stood at ₹ 5,488 crore; up 15.0% YoY and 7.2% QoQ; Net profit after tax (PAT) for Q2 at ₹ 720 crore, up 14.1% QoQ

Financial highlights for the quarter (₹)

- Revenue at ₹ 5,488 crore; up 15.0% YoY and up 7.2% QoQ
- Operating profit (EBITDA) at ₹ 1,097 crore; up 18.2% QoQ
- Consolidated PAT at ₹ 720 crore, up 14.1% QoQ
- Earnings per Share (EPS) was ₹ 30.71 for the quarter ended Sep 30, 2014

Financial highlights for the quarter (USD)

- Revenue at USD 900 mn; up 18.7% YoY and up 5.2% QoQ
- Operating profit (EBITDA) at USD 180 mn; up 16.1% QoQ
- Consolidated PAT at USD 118 mn, up 12.2% QoQ

Other Highlights

- Total headcount at 95,309; adds 2,580 professionals during the quarter
 - Software headcount stood at 66,175; BPO at 22,433
- Cash and Cash equivalent at ₹ 3,434 crore as of Sep 30, 2014
- Active Client count stood at 649 in Q2 vs 632 in Q1FY15

“Robust growth in key verticals this quarter underpins our belief in our strategy of continuous investment in capabilities. We are also heartened by the growth in our larger customers which demonstrates their trust and faith in our partnership,” **said Vineet Nayar, Executive Vice Chairman, Tech Mahindra.**

“We are seeing increasing interest in digital enablement in our customer base, and our unique combination of capabilities in both the Communications domain and the Enterprise domain positions us well in the marketplace. Our Q2 performance is a reflection of our strength in both these areas,” **said, CP Gurnani, MD & CEO, Tech Mahindra.**

Key Wins:

- Tech Mahindra has been selected by a leading fiber based material company to manage its Information Technology operations. The multi-million, multi-Euro agreement; will aim to increase efficiency, harmonize service levels and lower IT costs.
- Tech Mahindra signed an agreement with Global Aerospace and Transportation Company for providing engineering solutions. As part of the deal, Tech Mahindra will develop new products in a cost effective manner, while improving efficiency of existing platforms.
- Won a large deal from a leading global specialty chemical supplier in the area of managing IT Infrastructure and Applications. Tech Mahindra will help in transitioning, set up and build an independent IT infrastructure, and manage their entire IT operations.
- A leading European Communication Service provider has selected Tech Mahindra for its global roll outs and integration of its Global Data Service Platform (GDSP) which will enable the client to launch its machine to machine services globally for corporates, SME's and retail customers.
- Engaged by a US fortune 500 Company in area of Global IT Infrastructure Project management as a service.. Tech Mahindra will enable the creation of a central

Project Management Office organization that will act as a Center of Excellence (COE) for project management.

- A fortune 25 conglomerate selected Tech Mahindra to work in the Area of Business Intelligence (BI) and Risk & Liquidity application support. Tech Mahindra will help consolidate support services and improve performance issues of customer in BI and data support services.
- Tech Mahindra won a deal from a leading telecommunication tower company for implementation of its Smart Tower Operation Center (TOC), enabling customer to transform and upgrade its infrastructure.
- A leading Global Innovative wellbeing and healthcare company selected Tech Mahindra for Quality Assurance. As part of the deal Tech Mahindra will help customer align its healthcare platforms and bring in cost efficiencies.
- Engaged by a leading Global Software and Devices company in the area of hardware engineering. Tech Mahindra will provide services around hardware product development and testing.

Business Highlights:

- Tech Mahindra and Bosch Software Innovations signed an agreement to work together and enable innovative solutions in the Internet of things ecosystem. The alliance will focus on developing connected solutions for smart cities, enterprises and smart homes.
- Announced establishment of its new Canadian Aerospace Headquarters in Greater Montréal. The company will offer innovative Engineering and Information Technology services and anticipates creation of approximately 300 jobs over the next three years, mainly in the aerospace industry.
- The Texas A&M Engineering Experiment Station (TEES) and Tech Mahindra signed a Memorandum of Understanding (MoU) to open a Joint Innovation Center for Computer Science in Houston.
- Signed Memorandum of Understanding (MoU) with Wichita State University, a state educational institution in Kansas in the areas of aerospace engineering, certification, information technology and automotive testing.

Awards and Recognitions:

- Declared winner of the “Golden Peacock Award for Excellence in Corporate Governance” for the year 2014. This award reinforces our belief in core values and in the way Corporate Governance is practiced in day-to-day activities.
- Made its debut into the Forbes Asia Fab 50 List. The Fab 50 is chosen from a pool of 1,300 companies in the region and is a compilation of the biggest listed companies from the Asia Pacific region based on revenues, market capitalization, stock appreciation and projected earnings.
- Tech Mahindra’s MOVES (Motor Vehicles Enterprise System) solution, a Microsoft CRM based solution designed specifically for modernizing a State’s Department and Motor Vehicle (DMV) systems recognized as a U.S. State & Local Solution Partner of the Year by Microsoft.
- Tech Mahindra won the “Porter Prize” for exploiting tradeoffs. The award recognized strategic management practices of the company.
- Awarded “Partner of the Year in Manufacturing” by Kronos USA for delivering value added services to its customers. The award reinforces Tech Mahindra’s ability in enabling customers with the right workforce management tools.
- Tech Mahindra wins the “InformationWeek EDGE Award” for Knowledge Management. EDGE - Enterprises Driving Growth and Excellence (using IT). The award honors end-user companies in India that have demonstrated the best use of technology to solve a business problem, improve business competitiveness, and deliver quantifiable ROI to stakeholders.
- Tech Mahindra and Ziggo won “European Outsourcing Association” (EOA) award in the outsourcing services category. The award is given to the buyer of outsourcing services who through their submission, demonstrate a true outsourcing partnership and shared vision with their provider.
- Won the “Solution SI of the Year” award from NetApp for its solutions from IMS – Workspace as a Service (WaaS). Tech Mahindra created a scalable and efficient architecture to jointly develop a “Workspace as a Service” solution to meet the needs of their customers.

- Tech Mahindra Business Services Group (BSG) awarded the “Most Successful Partnership” Award at the Shared Services & Outsourcing Excellence Awards 2014. This award is recognition of BSG’s successful engagement and outsourced partnership with its clients.

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About Tech Mahindra

Tech Mahindra is a specialist in digital transformation, consulting and business re-engineering solutions. We are a USD 3.4 billion company with 95,300+ professionals across 51 countries. We provide services to 649 global customers including Fortune 500 companies. Our innovative platforms and reusable assets connect across a number of technologies to deliver tangible business value to all our stakeholders. Tech Mahindra is also amongst the Fab 50 companies in Asia as per the Forbes 2014 List.

We are part of the USD 16.5 billion Mahindra Group that employs more than 180,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, financial services and vacation ownership.

Connect with us on www.techmahindra.com

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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, 2014 drawn under India GAAP

Consolidated Income Statement

(₹ Mn)

| Particulars | Quarter Ending | | |
|--|----------------|---------------|---------------|
| | Sept-14 | June-14 | Sept-13 |
| Revenue | 54,879 | 51,215 | 47,715 |
| Cost of Services | 36,160 | 34,392 | 28,826 |
| Gross Profit | 18,720 | 16,823 | 18,889 |
| SG&A | 7,746 | 7,539 | 7,779 |
| Operating Profit | 10,973 | 9,284 | 11,110 |
| Other Income | 576 | 893 | 380 |
| Interest Expense | 41 | 41 | 241 |
| Depreciation | 1,425 | 1,492 | 1,222 |
| Profit before Tax | 10,083 | 8,643 | 10,028 |
| Provision for taxes | 2,807 | 2,308 | 2,840 |
| Non Recurring / Exceptional Items | - | - | - |
| Minority Interest | (80) | (29) | (4) |
| Profit after tax | 7,197 | 6,307 | 7,184 |
| EPS (₹) – including exceptional items | | | |
| Basic | 30.71 | 26.98 | 30.96 |
| Diluted | 29.81 | 26.15 | 30.27 |