



## Tech Mahindra Q1 Revenue up 14%

**Press Release - Mumbai, India, August 12, 2011**

Tech Mahindra, India's fifth largest software exporter today announced consolidated financial results for its first quarter ended June 30, 2011.

### Financial highlights for the Quarter (INR)

- Revenue at INR 1292.5 crores; up 14% YoY and 2.5% QoQ
- Operating Profit (EBIDTA) was INR 241.7 crores; up 13.7 % YoY
- PAT excluding share of associate company's profit was Rs 181.2 crores; up 25% YoY
- PAT was INR 276.5 crores; up 91.6% YoY and 199.9% QoQ;
- Earnings per Share (EPS) was Rs 21.89 for the quarter ended June 30, 2011

### Financial highlights for the Quarter (USD)

- Revenue at USD 289.8mn; up 15.4% YoY and 4.1% QoQ
- Revenue on constant currency basis was at USD 284.1mn, up 2% QoQ
- Operating Profit (EBIDTA) was USD 54.1mn; up 16.6% YoY
- PAT excluding share of associate company's profit was USD 40.5mn; up 28.4% YoY
- PAT was USD 61.7mn; up 96.3% YoY and 203.6% QoQ

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

- Total headcount at 42,850. Software Professional headcount stood at 27,920, BPO at 13,804 and Support staff at 1,126
- Added 4,517 personnel during the quarter, of which 2,793 were in BPO
- Debt was Rs 1282.2 crores as of June 30, 2011
- Cash and Cash equivalent stood at Rs 194.4 crores on balance sheet as of June 30, 2011
- Active client count at 128

### Business Highlights for Quarter ended June 30, 2011

- Tech Mahindra has inaugurated its Innovation Center for Mobility Solutions in Toronto. The Toronto Innovation Center will initially provide device certification services to Canadian wireless operators and further expand its services to provide enterprise mobility solutions on current and next generation mobile devices for the benefit of North American customers in general and Canadian carriers specifically.
- Tech Mahindra has declared Nigeria as the headquarters for its BPO operations in Africa ; and commenced operations in Gabon.
- Selected by Microsoft to setup an authorized Encoder Conformance Testing Lab (ECT Lab) for video encoders used in deployment of IPTV solutions on Microsoft Media room based platforms.

**Anand Mahindra, Chairman, Tech Mahindra** said, “We continue to build our business portfolio at a measured pace, despite low discretionary spend in the telecom vertical. This has been enabled by our diversification into new geographies and customers”

**Vineet Nayar, Vice Chairman, MD and CEO of Tech Mahindra** said, “We have aligned ourselves with changing customer priorities and needs, which has helped us navigate in these volatile times. Our continued focus on core competencies, has enabled us to show sustained growth across our key clients and geographies. The changing macro economic conditions could pose new challenges which we are closely monitoring”

## Key wins

Tech Mahindra engaged with one of the leading telecom operator in Europe for developing Integrated Network Capacity Management (ICM) solution. This solution enabled to enhance, automate and consolidate various networks of the operator and bring it under one strategic system thereby resulting in improved operational efficiencies.

Selected by a leading telecom operator in Europe as the preferred supplier for its data migration program which will help transform its IT estate, and reduce total cost of ownership.

Tech Mahindra has been chosen by one of the leading Indian telecom operators to provide customer support to its subscribers. With its proven methodologies, Tech Mahindra will enable the operator to enhanced customer experience and realize operational efficiencies.

Selected by a leading Telecom Equipment Manufacturer (TEM) in Europe for a performing test and validation activity, for its provisioning platform.

## Awards and Recognitions

- 🏆 Tech Mahindra has been ranked as No.1 Telecom Software Service Provider by Voice & Data, India’s leading communications magazine. According to the latest V&D100 Annual Survey conducted by the magazine, Tech Mahindra leads the Rs. 23,533 crore Indian telecom software services market in 2010-11 with 20.1 % market share.
- 🏆 CanvasM has won the CMAI 5th National Telecom Award for ‘Excellence in Innovation with Rural Telecom Focus’
- 🏆 Tech Mahindra has been recognised with 2011 Microsoft Communications Sector Partner of the Year Award. It was honored amongst a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft technology

## Financials

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

Consolidated Income Statement (in INR million)Particulars	Quarter Ending		
	Jun-11	Mar-11	Jun-10
<b>Revenue from services</b>	<b>12,925</b>	<b>12,615</b>	<b>11,337</b>
Cost of Services	8,540	7,987	7,458
<b>Gross Profit</b>	<b>4,385</b>	<b>4,628</b>	<b>3,879</b>
SGA	1,967	2,038	1,752
<b>Operating Profit</b>	<b>2,417</b>	<b>2,590</b>	<b>2,126</b>
Other Income	460	317	253
Interest Expense	223	213	264
Depreciation	334	387	354
Profit before Tax	2,320	2,307	1,761
Provision for taxes	509	226	312
Profit after tax before Exceptional Items	1,812	2,082	1,449
Non Recurring / Exceptional Items	0	0	0
Minority Interest	(7)	(16)	(6)
Share of profit/(loss) including earlier period items in Associate: Satyam Computer Services Limited	960	(1,144)	0
<b>Profit after tax</b>	<b>2,765</b>	<b>922</b>	<b>1,443</b>
<b>EPS (Rs) – (not annualized)</b>			
<b>Basic</b>	<b>21.89</b>	<b>7.39</b>	<b>11.71</b>
<b>Diluted</b>	<b>20.95</b>	<b>7.06</b>	<b>11.07</b>

## Key Operating Metrics

Particulars	Quarter Ending		
	Jun-11	Mar-11	Jun-10
<b>Total Headcount (As at period-end)</b>			
S/w Professionals	27,920	26,282	25,711
BPO Professionals	13,804	11,011	8,426
Sales & Support	1,126	1,040	1,130
<b>Total Employees</b>	<b>42,850</b>	<b>38,333</b>	<b>35,267</b>
<b>Revenue by Geography (%)</b>			
North America	31.9%	32.4%	31.7%
Europe	50.7%	51.8%	55.4%
Rest of World	17.5%	15.8%	12.9%
<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>117</b>
<b>No. of Million \$ Clients</b>			
≥ \$1 million clients	57	55	52
≥ \$2 million clients	37	37	36
≥ \$5 million clients	24	21	20
≥ \$10 million clients	16	15	13
≥ \$15 million clients	7	8	8
≥ \$20 million clients	6	7	6
≥ \$25 million clients	4	4	4
≥ \$50 million clients	3	3	2
<b>Client contribution to revenue</b>			
Top client	40.0%	40.9%	45.2%
Top 5	69.4%	70.1%	73.8%
Top 10	78.2%	78.5%	82.4%
<b>Revenue On/Off Break-up (in %)</b>			
Onsite	37%	37%	37%
Offshore	63%	63%	63%
IT Utilization % (Including Trainees, Internal Projects)	71%	74%	69%



## 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 38,333 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 & 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 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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