Tech Mahindra: Mahindra Satyam
Creation of a new IT Services Leader

March 2012
Safe Harbor
This document may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements, if any, contained herein are subject to risks and uncertainties that could cause actual results to differ materially from what may be understood based on such forward-looking statements. The Company undertakes no duty to update any forward-looking statements.
Executive Summary

► The Board of Directors of Mahindra Satyam and Tech Mahindra have approved the merger of Mahindra Satyam with Tech Mahindra through a Share Swap

► The swap ratio for the merger is 2 shares of Tech Mahindra (face value of Rs. 10 each), for every 17 shares of Mahindra Satyam (face value of Rs. 2 each)

► Rationale for the merger:
  • Creation of a single ‘go-to-market’ strategy with benefits of scale and enhanced depth and breadth of capabilities, translating into increased business opportunities and reduced expenses
  • Stronger merged entity – financially and in industry positioning
  • Unified management focus and fungible talent pool
  • De-risked business profile
  • Optimized costs and productivity improvement with benefits of scale

► Pro forma combined entity:
  • LTM Revenue \(^{(1)}\): US$ 2,432 MM
  • LTM EBITDA \(^{(1,2)}\): US$ 392 MM
  • Total Headcount \(^{(1)}\): 75,026

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1. Unaudited pro forma – does not incorporate any benefit from potential synergies and no adjustments made for inter company transactions
2. Excluding impact of exceptional items
Tech Mahindra’s Journey: FY 2006 to FY 2009

- Leadership in the Telecom vertical with industry leading growth
- Strong Non-BT franchise
- Landmark engagements: Barcelona, Andes, US Tier-1 Telecom leader

### Revenue (US$ MM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2006</td>
<td>280</td>
</tr>
<tr>
<td>FY 2007</td>
<td>191</td>
</tr>
<tr>
<td>FY 2008</td>
<td>89</td>
</tr>
<tr>
<td>FY 2009</td>
<td>191</td>
</tr>
</tbody>
</table>

### EBITDA (US$ MM)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2006</td>
<td>60</td>
</tr>
<tr>
<td>FY 2007</td>
<td>233</td>
</tr>
<tr>
<td>FY 2008</td>
<td>596</td>
</tr>
<tr>
<td>FY 2009</td>
<td>410</td>
</tr>
</tbody>
</table>

### Client Contribution to Revenue

- Top Client: 68% (FY 2006), 58% (FY 2009)
- Others: 32% (FY 2006), 42% (FY 2009)

1. Excluding impact of exceptional items
April 2009: Mahindra Satyam Opportunity

► Rationale for the acquisition

• Diversification into multiple verticals like BFSI, Manufacturing and Retail

• Ability to offer a wide range of service offerings like Enterprise Services and Engineering Services to current and future customers

• De-risked business model with balanced exposure across geographies

• Utilize Mahindra Satyam’s pool of highly experienced, well trained professional employees

• Scale benefits due to substantially larger size of the business

► Stated strategy to merge the two companies
Mahindra Satyam’s Journey

**April 2009**
- Acquisition

**FY 2010**
- Stabilization
  - Customer & Associate confidence reinforced
  - New deals & extensions
    - Embargo lifted
    - New logos added
    - Existing client extensions
  - Progress on regulatory and legal issues
  - Cash flow stabilised

**FY 2011**
- Investment
  - Core rebuilt with investments in
    - Core delivery platforms and capabilities
    - Vertical expertise & skills
  - Core extended by
    - Investments in shared services
    - Launch of alternative delivery models
  - Right leadership put in place

**FY 2012**
- Growth
  - Focus on profitable growth and top quartile industry operating metrics
  - Special initiatives focus on emerging technologies
  - Complete integration
    - Go-to-market and solution integration
    - Back office and legal integration
Tech Mahindra and Mahindra Satyam:
Creation of a New Offshore Services Leader

► Pro forma LTM EBITDA: US$ 392 MM (3); Pro forma LTM EBITDA Margin: 16.1% (3)
► Leadership in digital convergence and enterprise solutions
► 347 active clients (3)
  • ~180 > US$ 1 MM clients (3)
  • ~72 > US$ 5 MM clients (3)
  • ~45 > US$ 10 MM clients (3)

1. Latest available annual financials and operating metrics
2. 1 US$ = 49.5 INR
3. Unaudited pro forma – does not incorporate any benefit from potential synergies and no adjustments made for inter company transactions, excludes impact of exceptional items
4. Consolidates revenues from Patni post acquisition on May 14, 2011 as per iGate filings
Tech Mahindra and Mahindra Satyam: Deep Capabilities across Verticals

1. Q3 FY 2012 consolidated financials
2. Q3 FY 2012 standalone financials
3. Unaudited pro forma – does not incorporate any benefit from potential synergies and no adjustments made for inter company transactions

- 12 out of top 20 global wireless telecom service providers
- 4 out of top 10 retail banks
- 2 out of top 3 in cards
- 5 of top 10 in Motor Vehicle and Parts
Tech Mahindra and Mahindra Satyam: Full Suite of Offerings

Service Lines & Industry Verticals

- Enterprise Business Solutions
- Application Development and Management Services
- Infrastructure Management Services
- Integrated Engineering Solutions
- Business Process Outsourcing
- Enterprise Mobility, Cloud and Security Solutions

Industry Focused Solutions

- Consulting & Enterprise Solutions
Tech Mahindra and Mahindra Satyam: De-risked Business Profile

Well Balanced Geographic Exposure

Significant Client Diversification

1. Q3 FY 2012 consolidated financials
2. Q3 FY 2012 standalone financials
3. Unaudited pro forma – does not incorporate any benefit from potential synergies and no adjustments made for inter company transactions
Tech Mahindra and Mahindra Satyam: Combined Strategy

Leverage
- Existing Clients
- Existing Offerings
- Merger Synergies
- M Cube (M3)
- Lost Customers

Enhance
- Joint Offerings
- Solution Sets
- Alliance & Partnerships

Growth Strategy

Acquire
- Inorganic
- New Logos

Innovate
- Customer Innovation
- Delivery Excellence
- Platform
Tech Mahindra and Mahindra Satyam: Foundations for Growth

1. **End-to-End Manufacturing**
   - Manufacturing heritage enhances value proposition (Art-to-Part)
   - **100+ Manufacturing Accounts**
     - 25 F500 Relationships in Manufacturing

2. **Strong Telecom Capabilities**
   - Specialist focus on Telecom; Market Leader
   - Synergies evident in other verticals through enterprise mobility, CRM & billing solutions
   - **~130 Active Customers**
     - Globally 15 major Greenfield rollouts and 8 Transformations

3. **Enterprise Services Expertise**
   - **Strong credentials** across SAP & Oracle
     - CoE Focus
     - Vertical Solution Templates
     - IP Based Solutions
   - Deep expertise in BI & Analytics
   - **IP Solution Platform: iDecisions**
   - Investments in Cloud offerings

4. **Vertical BPO that leverages Enterprise Expertise**
   - Telecom
   - Retail
   - Manufacturing
   - Financial Services
   - Healthcare & Life Sciences
   - Public Services

**Automotive, Aerospace, Chemicals & Consumer Electronics**

**Wireline, Wireless, Cable, Satellite**
Our Goal: Driving Growth and Profitability

<table>
<thead>
<tr>
<th>Revenue Growth</th>
<th>Operating Metrics</th>
<th>Co-Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>► Account mining</td>
<td>► Benefiting from cost synergies</td>
<td>► Continue dominance in mature practices</td>
</tr>
<tr>
<td>► Wider portfolio of service offerings to Telecom clients</td>
<td>► Multi-lever approach for volume-led margin improvement</td>
<td>► Accelerate new service offerings</td>
</tr>
<tr>
<td>► Focus on growth verticals</td>
<td>► Right-sizing the talent pyramid</td>
<td>► GTM with alliances</td>
</tr>
<tr>
<td>► Focus on emerging markets</td>
<td>► Leveraging scale for better utilization</td>
<td>► New offerings / markets along with customers</td>
</tr>
</tbody>
</table>
Tech Mahindra and Mahindra Satyam: Significant Cross-Pollination of Offerings

Shared Services
Shared Infrastructure
Synergy & Integration – EBS

Mahindra Satyam and Tech Mahindra for EBS

- OSS
- BSS
- Enterprise Applications
- DSS

Enterprise Apps

BSS

OSS

Recent journey together in EBS Space

100+ TechM Customers Landscape

20+ Focused Account mining

10+ New wins for MSAT EBS

Focused GTM outlook in EBS Space

Joint GTM Offering in EBS Space for Telco’s

Larger Landscape for account penetration & mining

Mahindra Satyam

Tech Mahindra
Pro Forma Combined Metrics

**LTM Revenue**
- **US$ 2,432 MM** (1)
- **1,153**
- **1,279**

**LTM EBITDA**
- **US$ 392 MM** (1,2)
- **189**
- **203**

**Headcount**
- **75,026** (1)
- **32,280**
- **42,746**

1. Unaudited pro forma – does not incorporate any benefit from potential synergies and no adjustments made for inter company transactions
2. Excluding impact of exceptional items
# Pro Forma Shareholding Structure

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promoters Shareholding</strong></td>
<td></td>
</tr>
<tr>
<td>Mahindra &amp; Mahindra Ltd</td>
<td>26.3%</td>
</tr>
<tr>
<td>British Telecommunications Plc</td>
<td>12.8%</td>
</tr>
<tr>
<td>TML Benefit Trust</td>
<td>10.4%</td>
</tr>
<tr>
<td><strong>Tech M Public Shareholding</strong></td>
<td></td>
</tr>
<tr>
<td><strong>MSAT Public Shareholding</strong></td>
<td>34.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Merger
Key Details

► Appointed date of 1\textsuperscript{st} April 2011

► Merger ratio of 2 shares of Tech Mahindra (face value of Rs. 10 each), for every 17 shares of Mahindra Satyam (face value of Rs. 2 each) is approved by both the boards

► 204 mn shares of Mahindra Satyam held by Venturbay to be transferred to a trust, to be held as treasury stock.

► Rest of the shareholding held in Mahindra Satyam to be cancelled

► Tech Mahindra to issue 10.34 crore shares to Mahindra Satyam shareholders

► Increase in equity base to Rs 230.8 crore
Process / Approvals

- Board of directors
- Stock exchanges (BSE, NSE)
- Competition Commission of India
- Shareholders and creditors of TechM and Transferor Companies
  - Majority in number and 75% in value of the shareholders / creditors – present in the respective meetings
- Regulatory authorities
  - Registrar of Companies (Maharashtra and AP)
  - Regional Director (West and South)
  - Official Liquidator (Maharashtra and AP)
- Bombay High Court, Andhra Pradesh High Court
- Other regulatory authorities
Key Advisors

► Joint valuation advisors
  • Ernst & Young
  • KPMG

► Independent fairness opinion bankers
  • Tech Mahindra: Morgan Stanley
  • Mahindra Satyam: J.P. Morgan

► Advisors
  • Enam
  • Barclays

► Legal Advisors
  • AZB & Partners
Appendix
Update on Mahindra Satyam’s Contingent Liabilities

✓ Upaid Systems
✓ Class Action Settlement
   ✓ Erstwhile Satyam Family Claims
   ✓ Income Tax Claims
   ✓ Aberdeen action (USA)
   ✓ Aberdeen action (UK)
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