

**Q1 PAT at INR 338 crore; up 22% YoY;
EBITDA at INR 330 Crore, up 37% YoY;
EBIDTA margins at 21.4%, expand by 440bps QoQ**

Press Release – Mumbai, India, August 9th, 2012

Tech Mahindra, India's sixth largest software exporter and the No 1 Telecom Software Company*; today announced its audited consolidated financial results for the first quarter ended June 30th, 2012. Revenues were at INR 1,543 crore; up 19% YoY and PAT before share of associate, at INR 188 crore; up 152% QoQ.

Financial highlights for the Quarter (INR)

- Revenue at INR 1,543 crore; up 9% QoQ
- Operating Profit (EBITDA) at INR 330 crore; up 38% QoQ
- PAT before share of Associate at INR 188 crore up 152% QoQ
- PAT including share of Associate at INR 338 crore up 12% QoQ
- Earnings per Share (EPS) was INR 26.5 for the quarter ended June 30th, 2012

Financial highlights for the Quarter (USD)

- Revenue at USD 281 mn; flat QoQ
- Revenue on constant currency basis was at USD 284 mn
- Operating Profit (EBIDTA) was USD 60 mn; up 26% QoQ
- PAT before share of Associate at USD 34 mn; up 128% QoQ
- PAT including share of Associate at USD 61mn; flat QoQ

Other Highlights for the quarter ended June 30, 2012

- Total headcount stood at 40,630. Software Professional headcount at 24,768, BPO at 14,608 and Support staff at 1,254
- Debt at INR 886 crores as of June 30, 2012; a decrease of INR 240 crores during the quarter
- Cash and Cash equivalent stood at INR 280 crores on balance sheet as of June 30, 2012

Vineet Nayar, Vice Chairman, MD and CEO of Tech Mahindra said, *“Our focus on operational efficiencies has led to margin improvement, we continue to focus on expansion of our service offerings and increasing business momentum through customer centricity and increased market coverage.”*

Key wins

- ❑ **Chosen by a leading European Telco** for End-to-End services to be delivered via a global test factory. The scope of work will include traditional OSS / BSS, Networks and Infrastructure
- ❑ **Won an End-to-End application production support contract with one of the leading US Telco** and the scope covers second level operational support for the critical suite of client applications.
- ❑ **Selected by a leading European Telco** to provide Network Platform and Application development. The transformation engagement will encompass migration and up gradation of the current platforms to optimize the customer call flows.
- ❑ **Awarded a System Integration project by a leading Middle East Telco** to implement their Mobile Number Portability (MNP) solution

Business Highlights

- The Merger of Tech Mahindra and Mahindra Satyam announced on 21st March 2012 is progressing as per schedule. During the quarter, Tech Mahindra has **got approval from Competition Commission of India (CCI)**, while the **shareholders gave their approval** in the court convened meeting held on 7th June 2012.
- Tech Mahindra inaugurated its **6th SEZ facility** with a delivery and development centre in Noida, Uttar Pradesh. The new facility **inaugurated by Anand Mahindra**, Chairman, is build to attain a fine balance between technology and a good eco system for the associates. The Noida campus has attained the highest assessment of SEI-CMMI-DEVv1.3 Maturity Level 5
- **Mahindra Satyam, Tech Mahindra and CA Technologies** entered into a global partnership, through completion of a Global Framework Agreement (GFA). The partnership **facilitates provision of shared and managed services** to new and existing customers through a joint, strategic approach. Further, Tech Mahindra and Mahindra Satyam established the **Mahindra CA research centre at Pune** which will enable co-innovation and delivery of joint offerings
- Tech Mahindra and Mahindra Satyam announced the **setting-up of BMC Software-Mahindra Center of Excellence (CoE)** at Tech Mahindra's Hinjewadi facility at Pune. The CoE is focused around developing solutions leveraging BMC's Business Service Management (BSM) portfolio and Cloud Lifecycle Management solutions. This center **will enable co-innovation and delivery of joint offerings**

- **Tech Mahindra signed the channel partner reseller agreement with EMC Information systems** International, a global leader in enabling business and service providers to transform their operations and deliver information technology as a service. This agreement is a major step towards strengthening the strategic partnership between the two companies

Awards and Recognitions

- 🏆 * **Voice & Data ranked Tech Mahindra as No 1** company in Telecom Software Category for FY12
- 🏆 **Canvas M** won award in “Innovation in Value Added Services” at the 6th National Telecom Award ceremony

Financials

Audited consolidated financial results for the quarter ended June 30, 2012 drawn under Indian GAAP

Consolidated Income Statement

(in INR million)

Particulars	Quarter Ending		
	June-12	Mar-12	June-11
Revenue from services	15,434	14,190	12,925
Cost of Services	9,684	9,312	8,540
Gross Profit	5,750	4,879	4,385
SGA	2,448	2,487	1,967
Operating Profit	3,302	2,392	2,417
Other Income	(174)	(211)	460
Interest Expense	240	131	223
Depreciation	421	383	334
Profit before Tax	2,467	1,668	2,320
Provision for taxes	585	242	509
Profit after tax before Exceptional Items, earlier period item and minority interest	1,883	1,426	1,812
Non Recurring / Exceptional Items	-	(679)	-
Minority Interest	-	-	-
Share of profit/(loss) including earlier period items in Associate: Satyam Computer Services Limited	1,502	2,278	960
Profit after tax	3,385	3,025	2,765
EPS (Rs) – excluding nonrecurring/exceptional items			
Basic	26.5	29.2	21.9
Diluted	25.5	28.0	21.0
EPS (Rs) – including non recurring/exceptional items			
Basic	26.5	27.5	21.9
Diluted	25.5	26.4	21.0

Key Operating Metrics

Particulars	Quarter Ending		
	June-12	Mar-12	June-11
Total Headcount (As at period-end)			
S/w Professionals	24,768	24,833	27,920
BPO Professionals	14,608	14,792	13,804
Sales and Support	1,254	1,138	1,126
Total Employees	40,630	40,763	42,850
Revenue by Geography (%)			
North America	35%	34%	32%
Europe	45%	46%	51%
Rest of World	19%	20%	17%
Total	100%	100%	100%
No. of Active Clients	130	130	128
No. of Million \$ Clients			
≥ \$1 million clients	56	60	57
≥ \$2 million clients	38	38	37
≥ \$5 million clients	28	28	24
≥ \$10 million clients	14	15	16
≥ \$15 million clients	8	9	7
≥ \$20 million clients	7	7	6
≥ \$25 million clients	5	5	4
≥ \$50 million clients	2	2	3
Client contribution to revenue			
Top client	36%	37%	40%
Top 5	73%	71%	69%
Top 10	82%	80%	78%
Revenue On/Off Break-up (in %)			
Onsite	38%	39%	37%
Offshore	62%	61%	63%
IT Utilization %	74%	74%	71%



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 1,156million in the year ended March 31, 2012 and is ably supported by 40,000 + 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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