

## **Q2 Revenue at 1,631 crore up 22% YoY; EBITDA at INR 338 Crore, up 65% YoY**

### **Press Release – Mumbai, India, November 5<sup>th</sup>, 2012**

Tech Mahindra, India's sixth largest software exporter today announced its audited consolidated financial results for the second quarter ended September 30<sup>th</sup>, 2012.

#### **Financial highlights for the Quarter (INR)**

- Revenue at INR 1,631 crore; up 22% YoY
- Operating Profit (EBITDA) at INR 338 crore; up 65% YoY
- PAT before share of Associate at INR 178 crore up 28% YoY
- PAT including share of Associate at INR 296 crore up 23% YoY
- Earnings per Share (EPS) was INR 23.2 for the quarter ended September 30<sup>th</sup>, 2012

#### **Financial highlights for the Quarter (USD)**

- Revenue at USD 299 mn; up 1% YoY
- Revenue on constant currency basis was at USD 298 mn
- Operating Profit (EBITDA) was USD 62 mn; up 37% YoY
- PAT before share of Associate at USD 33 mn; up 6% YoY
- PAT including share of Associate at USD 55 mn; up 4% YoY

#### **Other Highlights for the quarter ended September 30, 2012**

- Hutchison Global Services (HGS) was consolidated from this quarter. HGS had employee strength of 12,011 as of 30<sup>th</sup> Sept 2012
- Total headcount (including HGS) stood at 50,479. Software Professional headcount at 24,224, BPO at 25,003 and Support staff at 1,252
- Debt at INR 1,286 crore as of September 30, 2012; vs INR 886 crore in Q1
- Cash and Cash equivalent stood at INR 359 crores as of September 30, 2012 versus INR 280 crores in Q1
- Won two key customers in Europe

**Vineet Nayar, Executive Vice Chairman of Tech Mahindra** said, *"This has been an eventful quarter for us with some wins and key non organic initiatives. Our focus on expanding capabilities to service our customers better has helped us gain traction in the market place and deliver a robust performance."*

**C P Gurnani, Managing Director of Tech Mahindra** said, *"Tech Mahindra has delivered another stable quarter. Our key wins showcase the confidence our customers are reposing in us.. Our non organic growth journey has started well with two key additions to our portfolio. We continue with our focus on development of new platforms with our NMACS strategy as a key differentiator"*

## Key wins

- ❑ **Tech Mahindra and Royal KPN N.V. (“KPN”)** entered in to an **International partnership to further improve KPN’s efficiency** and effectiveness in its IT environment and operational processes and to jointly address strategic growth areas. As a first step **both companies have signed a multi-million, multi-year** contract for development and support of over 150 applications in the operational IT systems of KPN
- ❑ **Won a multi-year multi-million dollar Managed services contract from a leading Telco in UK.** As part of the contract, TechM will be providing ICT Operations Managed Services along with running a Service Operations transformation program over the contract duration
- ❑ **Partnered with a MVNO to assist them** in their global service roll out across multiple countries
- ❑ **Awarded a System Integration and Managed services project by a Middle East Telco** to help transform its existing billing system and migrate to a new platform

## Business Highlights

- **Tech Mahindra limited announced the 100 % acquisition of Hutchison Global Services (HGS)** for \$ 87.1 Mn. This acquisition will give Tech M an edge in customer life cycle operations to clients in UK, Ireland and Australia. The major operating centres will be Mumbai and Pune and is amongst the largest captives in the Telecom domain
- Announced the **acquisition of 51% stake in Comviva Technologies Ltd, a Bharti group Company.** This acquisition will leverage Comviva’s expertise in providing mobile Value added Services, Mobile money and Mobile payment solutions. The new brand identity will be Mahindra Comviva reflecting the combined strength and spirit of both entities
- Announced a **partnership with Aeris Communications,** a leading cellular carrier built exclusively for machine-to-machine communication. This partnership will catapult Tech Mahindra's ability to offer the leading M2M platform to cellular operators globally

## Awards and Recognitions

- 🏆 **Tech Mahindra wins ‘Top Telecom Software Company’ award** at Cybermedia ICT awards. The awards, now in their 20th year, are given by Dataquest and Voice & Data to honor top IT & Telecom companies for their performance
- 🏆 **Tech Mahindra wins the “ASTD BEST” 2012 award.** The American Society for Training and Development is the training industry’s most rigorous and coveted recognition. The award recognizes organizations that demonstrate enterprise-wide success through employee learning and development
- 🏆 **Canvas M** was awarded the **CMO Asia – Best CIO** award for use of IT for social cause and use of CSR practices in IT Industry
- 🏆 **Canvas M** awarded the **National Telecom Award** for Fightback 2012

## Financials

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

### Consolidated Income Statement

(in INR million)

Particulars	Quarter Ending		
	Sept-12	June-12	Sept-11
<b>Revenue from services</b>	<b>16,314</b>	<b>15,434</b>	<b>13,333</b>
Cost of Services	10,336	9,684	9,069
<b>Gross Profit</b>	<b>5,978</b>	<b>5,750</b>	<b>4,264</b>
SGA	2,601	2,448	2,222
<b>Operating Profit</b>	<b>3,377</b>	<b>3,302</b>	<b>2,042</b>
Other Income	(640)	(174)	586
Interest Expense	228	240	334
Depreciation	481	421	507
Profit before Tax	2,029	2,467	1,787
Provision for taxes	251	585	393
Profit after tax before Exceptional Items, earlier period item and minority interest	1,778	1,883	1,394
Non Recurring / Exceptional Items	-	-	-
Minority Interest	-	-	(5)
Share of profit/(loss) including earlier period items in Associate: Satyam Computer Services Limited	1,185	1,502	1,016
<b>Profit after tax</b>	<b>2,963</b>	<b>3,385</b>	<b>2,405</b>
<b>EPS (Rs) – excluding nonrecurring/exceptional items</b>			
<b>Basic</b>	<b>23.2</b>	<b>26.5</b>	<b>19.0</b>
<b>Diluted</b>	<b>22.3</b>	<b>25.5</b>	<b>18.2</b>
<b>EPS (Rs) – including non recurring/exceptional items</b>			
<b>Basic</b>	<b>23.2</b>	<b>26.5</b>	<b>19.0</b>
<b>Diluted</b>	<b>22.3</b>	<b>25.5</b>	<b>18.2</b>

## Key Operating Metrics

Particulars	Quarter Ending		
	Sept-12	June-12	Sept-11
<b>Total Headcount (As at period-end)</b>			
S/w Professionals	24,224	24,768	26,665
BPO Professionals	25,003	14,608	15,875
Sales and Support	1,252	1,254	1,117
<b>Total Employees</b>	<b>50,479</b>	<b>40,630</b>	<b>43,657</b>
<b>Revenue by Geography (%)</b>			
North America	33%	35%	33%
Europe	46%	45%	47%
Rest of World	20%	19%	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>No. of Active Clients</b>	<b>126</b>	<b>130</b>	<b>128</b>
<b>No. of Million \$ Clients</b>			
≥ \$1 million client	57	56	60
≥ \$2 million clients	41	38	41
≥ \$5 million clients	27	28	27
≥ \$10 million clients	12	14	14
≥ \$15 million clients	7	8	8
≥ \$20 million clients	7	7	6
≥ \$25 million clients	6	5	4
≥ \$50 million clients	3	2	2
<b>Client contribution to revenue</b>			
Top client	33%	36%	37%
Top 5	71%	73%	68%
Top 10	81%	82%	78%
<b>Revenue On/Off Break-up (in %)</b>			
Onsite	39%	38%	37%
Offshore	61%	62%	63%
IT Utilization %	74%	74%	72%



## 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 1,156 million in the year ended March 31, 2012 and is ably supported by 40,700 + 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](http://www.techmahindra.com) or contact the following

### Pathik Vakil, CFA (ICFAI)

#### Investor Relations

[pathik.vakil@techmahindra.com](mailto:pathik.vakil@techmahindra.com)

+91 904 99 89902

#### Corporate Communications

[corporate.communications@techmahindra.com](mailto:corporate.communications@techmahindra.com)

#### **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.*