

Tech Mahindra Q3 Revenue up 19% YoY at INR 1445 crores

Press Release – Mumbai, India, February 8, 2012

Tech Mahindra, India's fifth largest software exporter today announced Audited consolidated financial results for the third quarter ended December 31, 2011.

Financial highlights for the Quarter (INR)

- Revenue at INR 1,445 crores; up 8.4% QoQ
- Operating Profit (EBITDA) was INR 234 crores; up 14.7% QoQ
- Profit After Tax at INR 276 crores up 14.8% QoQ
- Earnings per Share (EPS) was INR 21.8 for the quarter ended December 31st, 2011

Financial highlights for the Quarter (USD)

- Revenue at USD 289 mn; up 7.4% YoY
- Revenue on constant currency basis was at USD 295 mn
- Operating Profit (EBIDTA) was USD 46 mn; up 2.3% QoQ
- PAT was USD 54 mn; up 1.5% QoQ

Other Highlights for the quarter ended December 31, 2011

- Total headcount at 42,746. Software Professional headcount stood at 25,218, BPO at 16,419 and Support staff at 1,109
- Debt was Rs 1,376 crores as of December 31, 2011
- Cash and Cash equivalent stood at INR 321 crores on balance sheet as of December 31, 2011

Vineet Nayar, Vice Chairman, MD and CEO of Tech Mahindra said, *"We have had a satisfactory quarter, with growth in both revenue and margins. This is a result of our investments in growth markets, and in emerging technologies. We continue to focus on delivering enhanced value to our customers in an uncertain economic environment"*

Key wins and operational highlights

- ❑ Tech Mahindra has been appointed by a major media company in Latin America to provide maintenance and support to the client's legacy applications in telecom billing domain.
- ❑ Won a strategic multiyear contract as a system Integration partner for one of the largest cable operator (providing digital and analog cable television, Broadband & Telephony services) in Benelux region. Tech Mahindra will develop new systems to provide integration, fulfilment, and Identity management and mediation services. As an SI TechM will drive the delivery of IT systems stack for MVNO Converged Services.
- ❑ Chosen by a telecom service provider in Europe on a multiyear contract for implementation of BI services and also execute a multiyear managed services engagement.
- ❑ Won a deal from a Tier I telecom operator in North America on Wi-Fi services in Network Support Systems area. Tech Mahindra will provide managed public and private networking services for the Wi-Fi network and the customers of the telecom operator.

Partnerships

- **Tech Mahindra signed a MOU with SITRONICS India** to promote the OSS/BSS-solutions of SITRONICS India. In the framework of the agreement, Tech Mahindra will promote the OSS/BSS-solutions of SITRONICS India in the Indian market and both the parties would mutually explore and leverage their expertise in development, implementation and support of different IT solutions.
- **CanvasM Technologies, Tech Mahindra's VAS subsidiary and Polaris Wireless, have entered a strategic partnership** to introduce the first high-accuracy, network based wireless location solution for the Indian market. The solution would enable increased revenue opportunities for mobile operators, in value added services and location-based services.
- **Tech Mahindra signed a MOU with Kaspersky Lab.** Under the MOU Kaspersky Lab, along with Tech Mahindra and Mahindra Satyam will leverage their strengths in security products and services to develop joint security solutions in the areas of Mobility and Endpoint Security and Cloud Security Services
- **CanvasM launched 'Saral Rozgar' in collaboration with TATA DOCOMO.** It's a first of its kind mobile VAS solution from CanvasM targeted at providing flexible and end-to-end solution utility based services for to bottom of the pyramid, the Blue Collar job segment.

Awards and Recognitions

- 🏆 Voice & Data ranks CanvasM, Tech Mahindra's VAS subsidiary, amongst India's Top 10 VAS players
- 🏆 MIS Asia has ranked Tech Mahindra in the Regional Top 20 coveted group

Financials

Audited consolidated financial results for the quarter ended December 31, 2011 drawn under Indian GAAP

Consolidated Income Statement

(in INR million)

Particulars	Quarter Ending		
	Dec-11	Sep-11	Dec-10
Revenue from services	14,449	13,333	12,111
Cost of Services	9,861	9,069	7,882
Gross Profit	4,588	4,264	4,229
SGA	2,245	2,222	1,731
Operating Profit	2,343	2,042	2,498
Other Income	147	586	521
Interest Expense	338	334	252
Depreciation	390	507	347
Profit before Tax	1,762	1,787	2,420
Provision for taxes	294	393	359
Profit after tax before Exceptional Items, earlier period item and minority interest	1,468	1,394	2,061
Non Recurring / Exceptional Items	-	-	-
Minority Interest	(23)	(5)	(6)
Share of profit/(loss) including earlier period items in Associate: Satyam Computer Services Limited	1,315	1,016	515
Profit after tax	2,760	2,405	2,570
EPS (Rs) – excluding nonrecurring/exceptional items			
Basic	21.76	18.98	20.65
Diluted	20.91	18.22	19.73
EPS (Rs) – including non recurring/exceptional items			
Basic	21.76	18.98	20.65
Diluted	20.91	18.22	19.73

Key Operating Metrics

Particulars	Quarter Ending		
	Dec-11	Sep-11	Dec-10
Total Headcount (As at period-end)			
S/w Professionals	25,218	26,665	24,673
BPO Professionals	16,419	15,875	8,489
Sales and Support	1,109	1,117	1,046
Total Employees	42,746	43,657	34,208
Revenue by Geography (%)			
North America	33%	33%	32%
Europe	45%	47%	54%
Rest of World	22%	20%	14%
Total	100%	100%	100%
No. of Active Clients	130	128	126
No. of Million \$ Clients			
≥ \$1 million clients	63	60	53
≥ \$2 million clients	41	41	39
≥ \$5 million clients	28	27	20
≥ \$10 million clients	15	14	15
≥ \$15 million clients	9	8	8
≥ \$20 million clients	7	6	6
≥ \$25 million clients	4	4	5
≥ \$50 million clients	2	2	3
Client contribution to revenue			
Top client	35%	37%	44%
Top 5	67%	68%	72%
Top 10	77%	78%	81%
Revenue On/Off Break-up (in %)			
Onsite	39%	37%	37%
Offshore	61%	63%	63%
IT Utilization % (Including Trainees, Internal Projects)	73%	72%	76%



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 1,127 million in the year ended March 31, 2011 and is ably supported by 42,500 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 and BS7799 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 \$14.4 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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