

Tech Mahindra to acquire Target Group - to augment Platform BPaaS offerings in BFSI

Strategic move strengthens capabilities to capitalize from the burgeoning FinTech market, with Automation and Straight through Processing.

Move consolidates Tech Mahindra's competitive advantage to better service the UK Banking, Financial Services and Insurance (BFSI) outsourcing market. Synergies include expansion of the Platform to other global markets, and significant cross-selling opportunities.

Target Group's three-year revenue CAGR of 22%, their IP and long term client contracts and relationships represent significant revenue synergy opportunities.

Mumbai, 27 May 2016: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business re-engineering, has entered into an agreement to acquire Target Group, one of the leading processing platform companies in the UK. The transaction is expected to close in Q2 FY17, subject to the receipt of regulatory approvals.

The acquisition strengthens Tech Mahindra's BFSI practice by access to IP and platform which helps automate end-to-end processes in the lending, investments and insurance market. The acquisition will enhance Tech Mahindra's capabilities and allow Tech Mahindra to capture a larger share of the GBP 45-60 billion annual spend by UK BFSI companies on software and services. Tech Mahindra intends to leverage its global footprint and enhance the platform to service other markets.

The acquisition is in line with Tech Mahindra's strategy of expanding its Fintech capabilities and adding IP and platforms to drive non linearity and play aggressively in the BFSI sector. Target Group's proprietary platform automates complex and critical processing, servicing and administration of loans, investments and insurance. The platform helps deliver high quality services with built in compliance in a highly complex and regulated environment. Its capabilities are easily transferrable to new markets.

Headquartered in the UK, Target Group has about 740 employees and a strong client franchise, including leading financial institutions such as Goldman Sachs, Morgan Stanley and Credit Suisse, specialist lenders such as Shawbrook and mutual organisations, such as Yorkshire Building Society. Target Group had revenues of GBP 51 Million in 2015. Target Group's strong client relationships help it generate significant recurring revenues. Target Group also has a strong pipeline which provides for high earnings visibility and cash flow generation.

As part of the agreement, Tech Mahindra has agreed to purchase 100% of the shares of Target Group for an Enterprise Value of GBP 112 million. Target Group will remain a standalone entity retaining its existing brand, which has a strong reputation in the marketplace. The entire management team at Target will stay with the business and continue to have full operational responsibility.

Proprietary platform: differentiated offerings

Target Group provides BpaaS offerings in the areas of lending and investment products servicing to its clients, on variable pricing models. Its platform operates at considerable volume with high levels of automation, with 95% straight through processing’.

The combination of proprietary software, strong regulatory compliance practice and domain knowledge is a key differentiator for Target Group.

Significant Synergies

Target Group’s capabilities are highly complementary to Tech Mahindra’s strong BFSI IT services capabilities and significantly enhances its Fintech offerings. The acquisition catapults Tech Mahindra to one of the top 3 processors in the UK Financial Services for certain complex lending and investment product categories. It also strengthens Tech Mahindra’s European presence and adds several new clients.

The acquisition will help Tech Mahindra to expand its offerings in the lending, savings and investment and insurance sectors. There is also a significant opportunity to cross-sell Tech Mahindra/ Target offerings in each other’s client base and extend the platform to other markets.

CP Gurnani, MD & CEO, Tech Mahindra, says *“Target Group’s strong IP and disruptive proprietary platform significantly enhances our Fintech offerings. This acquisition will make us a formidable player in the UK BFSI market with over 50 major financial institutions as clients. The acquisition lies at the confluence of several of our strategic priorities – add IP, double BFSI revenue and expand European footprint. We look forward to welcoming Target Group’s employees into the Tech Mahindra family”.*

Paddy Byrne, Chairman, Target Group, says *“Target Group has been focused on building expertise in the lending, investments and insurance sectors, becoming a market leading player in each of our verticals. We have delivered significant growth over the last three years, with the support of our current shareholder, Pollen Street Capital. We now look forward to the next stage in our growth and by joining with the USD 4 billion Tech Mahindra. It will allow us to serve our clients better by greatly expanding the solutions and services we provide. Over the last three years we have built a strong and extremely credible management team which has enabled us to create a strong brand in our chosen markets, and we relish the opportunity to take the combined Target Group, Tech Mahindra proposition to broader sectors and geographies within BFSI.”*

About Target Group

Target Group is a leading provider of Business Process Outsourcing (BPO) and software solutions for over 50 major financial institutions across the globe, including clients such as Goldman Sachs, Morgan Stanley, Credit Suisse, Barclays and Shawbrook Bank.

Our leading fintech platform manages assets in excess of £24 billion, enabling our clients to automate complex critical processing, servicing and administration of loans, as well as investments and insurance. We deliver competitive advantage and

enable scalable growth. Alongside BPO and software solutions, Target leverages deep domain expertise to advise on process improvement, due diligence, and regulatory compliance.

Target systems currently process over 18 million accounts and collect £3billion of direct debit payments each year on behalf of both private and public sector clients.

For further information about Target Group, please visit www.targetgroup.com

Editor's Notes:

Vikas Jadhav

Head - Investor Relations

Phone +91 20 42252839

Email: vikas.jadhav@techmahindra.com

investor.relations@techmahindra.com

Chris Tuite

Associate Director

MRM

0203 326 9925 / 07471 350 810

chris.tuite@mrm-london.com

Kirsten Scott

Account Director

Éclat Marketing

T: +44 (0)1276 486 000, M: +44 (0)7799 824158

Kirsten@eclat.co.uk

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.