Tech Mahindra

Press Release

Q1 Revenue at ₹ 5,122 crore up 25% YoY

USD revenue at 855 mn up 3.6% QoQ and 18.1% YoY

Revenue growth trajectory continues into FY15

Mumbai - July 31, 2014: Tech Mahindra Ltd. a specialist in digital transformation, consulting and business re-engineering today announced the audited consolidated financial results for its first quarter ended June 30, 2014. Revenue stood at ₹ 5,122 crore; up 24.8% YoY and 1.3% QoQ. Net profit after tax (PAT) for Q1 at ₹ 631 crore up 2.7% QoQ

Financial highlights for the quarter (₹)

- Revenue at ₹ 5,122 crore; up 24.8% YoY and 1.3% QoQ
- Operating profit (EBITDA) at ₹ 928 crore; down 13.4% QoQ
- Consolidated PAT at ₹ 631 crore, up 2.7% QoQ
- Earnings per Share (EPS) was ₹ 27.0 for the quarter ended June 30, 2014

Financial highlights for the quarter (USD)

- Revenue at USD 855 mn; up 18.1% YoY and 3.6% QoQ
- Operating profit (EBITDA) at USD 155 mn; down 11.9% QoQ
- Consolidated PAT at USD 105 mn, up 4.3% QoQ

Other Highlights

- Total headcount at 92,729; adds 3,288 professionals during the quarter
    - Software headcount stood at 64,095; BPO at 21,936
- Debt at ₹ 86 crore as of June 30, 2014; repaid debt of ₹ 277 crore during Q1
- Cash and Cash equivalent at ₹ 3,669 crore as of June 30, 2014
- Active Client count stood at 632 in Q1 vs 629 in Q4FY14

"The growth momentum for Tech Mahindra continues to be powered by strategic investments and capability building. Our agility to perform in rapidly changing economic conditions speaks volumes about the trust shown by our customers in us. The results are aligned favorably towards us becoming a 'partner of choice' for developing transformational solutions and making enterprises future ready." **Said, Vineet Nayyar, Executive Vice Chairman, Tech Mahindra.**

"Our robust performance during the quarter sets the tone for rest of the year," **said CP Gurnani, MD & CEO, Tech Mahindra.** *"Our customers have shown a remarkable appetite for the "connectedness revolution" and are readying themselves for the disruptions in future. Tech Mahindra with Telecom as a horizontal differentiator augurs well with the customers in this potentially disruptive landscape."* **CP Gurnani** added.

Key Wins:

- Entered into a managed services agreement with a Tier 1 telecom operator in European region for complete IT and Infra transformation. Tech Mahindra would help the client evolve as a digital enterprise by keeping pace of change, sustain business demand and improve customer experience in a highly competitive market

- Won a global applications development deal from a European food and beverage major. Tech Mahindra will develop global and regional applications enabling client to adopt an end to end managed services model ensuing optimized cost

- Selected by one of largest US devices and software firm to provide Applications Support Services on managed outcome model facilitating automation along with process and cost optimization

- Chosen by a leading telecom provider in UK to provide design, development and testing support in the IP VPN (Virtual Private Network) domain.

- Won a Business Intelligence data foundation deal from a Fortune 10 Global Oil major

- Engaged by a leading telecom equipment manufacturer to provide Global Infrastructure Support Services. Tech Mahindra will provide seamless support to scale the business needs of the client.

- A leading European Telco has chosen Tech Mahindra for its Digital Online Transformation. The deal encompasses digitalization of online channels and consolidation of its multiple portal interfaces

- Selected by an American Technology Multinational Corporation for providing customized supply chain planning and solutions to manage its new product portfolios.

- Chosen by a leading US Telco for its Infrastructure Management support services.

- Won a deal from a Leading Utilities Company in Middle East for a Oracle based Transformational project on Utility application Systems and Enhancement

- A Dutch diversified wellbeing Company has chosen Tech Mahindra in area of Structural analysis of its integrated landscape, facilitating risk analysis manageability and maintainability of its ICT backbone.

- Won a deal from a leading Indian information service provider company in the area of providing Inbound Voice Services, Data as a Service, and Project Consultancy.

- Won a SAP Maintenance and Support deal from a leading Brazilian Company in Chemicals & Agro business industry

- Selected by a leading Global telecommunications Company for its M2M Machine to Machine) deployment and System Integration support

- Engaged by a leading UK fashion retailer for its software testing services

Business Highlights:

- Announced opening of second near shore delivery center in Antwerp, Belgium. The new facility has a capacity of 120 work stations and would bring the company closer to some of its key customers in the Benelux region

- Tech Mahindra and Informatica announced Global Alliance to bring value to customers through its new data management services. This alliance will offer Platform-Based Solutions for the Informatica's Intelligent Data Platform

- Announced a strategic global services alliance agreement with HPS, the market-leading provider of mission-critical solutions to the cards and payments industry. The alliance will enable Tech Mahindra's financial institutions and payment processing customers of all sizes to improve their cards and payments businesses by replacing legacy hardware and software with a single, flexible and cost processing effective platform

- Launched the next generation Internet of Things (IoT) Lab in Noida. The well-equipped lab will be used to showcase Tech Mahindra's competency in Internet of Things (IoT) and machine-to-machine (M2M) capabilities

Awards and Recognitions:

- Awarded the Prestigious Best ICT Delivery Partner – Land Transport Excellence Award 2014 in Singapore

- Tech Mahindra BSG team was awarded the Prestigious Golden Peacock National Quality Award for 2014 in the BPO category. This award is regarded as a benchmark of Corporate Excellence worldwide and stands out as unique for recognizing achievements of those who create sustainable business by providing Quality Product / Services

- Won two major awards at the Global Telecoms Business Innovation Awards 2014 for innovation in consumer services PayPlus solution, which accelerates digital payment growth by offering card acceptance to a diverse merchant base and for managing Airtel's complete VAS services portfolio across 17 operating countries in Africa

- Won the Digital Humanitarian Award for Fightback, the women safety mobile application. The Digital Humanitarian Award honors the most innovative and impactful use of digital technology to save lives, alleviates suffering and maintain and protect human dignity.

- Awarded "Business Transformation in Manufacturing" at PegaWORLD 2014. The Award recognizes partner organizations for their ability to use Pega to help drive extraordinary customer success.

- Recognized as "Value Added Reseller of the Year" by Kronos India in recognition of outstanding performance and contribution towards Kronos India's success. Tech Mahindra's Kronos Practice is the largest Practice outside of Kronos Inc. serving customers across the globe

 # END #

TECH MAHINDRA LIMITED

About Tech Mahindra

Tech Mahindra is a specialist in digital transformation, consulting and business re-engineering solutions. We are a USD 3.2 billion company with 92,000+ professionals across 51 countries. We provide services to 632 global customers including Fortune 500 companies. Our innovative platforms and reusable assets connect across a number of technologies to deliver tangible business value to all our stakeholders.

We are part of the USD 16.5 billion Mahindra Group that employs more than 180,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, financial services and vacation ownership.

Connect with us on www.techmahindra.com

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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

Tech Mahindra

Audited consolidated financial results for the quarter ended June 30, 2014 drawn under India GAAP

Consolidated Income Statement (₹ Mn)

Particulars	Quarter Ending		
	June-14	Mar-14	June-13
Revenue from services	**51,215**	**50,581**	**41,032**
Cost of Services	34,392	32,470	25,693
Gross Profit	**16,823**	**18,111**	**15,339**
SGA	7,539	7,393	6,694
Operating Profit	**9,284**	**10,718**	**8,645**
Other Income	893	(867)	2,073
Interest Expense	41	97	223
Depreciation	1,492	1,429	1,174
Profit before Tax	**8,643**	**8,325**	**9,321**
Provision for taxes	2,308	2,092	2,328
Non Recurring / Exceptional Items	-	-	-
Minority Interest	(29)	(91)	(130)
Profit after tax	**6,307**	**6,142**	**6,863**
EPS (₹) – including exceptional items			
Basic	26.98	26.41	29.60
Diluted	26.15	25.71	29.00

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