

Press Release

TechM FY14 revenues up by 17.7%; profits by 38.6%

*Key Verticals drive strong growth, Next-Gen Solutions playing for customers
Annualized Revenue at USD 3,098 mn; Profit at USD 498 mn (up 38.6%);
INR PAT at Rs. 3,029 crore (up 55%)*

New York - May 14, 2014: Tech Mahindra Ltd., an enabler of future digital enterprises today announced the audited consolidated financial results for its fourth quarter and year ended March 31, 2014

Financial highlights for the quarter (INR)

- Revenue at INR 5,058 crore; up 34.3% YoY and 3.3% QoQ
- Operating profit (EBITDA) at INR 1,072 crore; up 39.0% YoY
- Profit after Tax (PAT) at INR 614 crore
- Earnings per Share (EPS) was INR 26.4 for the quarter ended March 31, 2014

Financial highlights for the quarter (USD)

- Revenue at USD 825 mn; up 18.2% YoY and 4.3% QoQ
- Operating profit (EBITDA) at USD 176 mn; up 22.8% YoY, margins at 21.3%
- Profit after Tax (PAT) at USD 101 mn, PAT margin at 12.2%

Financial highlights for the year (INR)

- Revenue at INR 18,831 crore; up 31.4% YoY
- EBITDA at INR 4,184 crore; up 36.6% YoY.
- Profit after Tax (PAT) at INR 3,029 crore; up 54.9% YoY.
- Earnings per Share (EPS) was at INR 130.25 for the year ended March 31, 2014
- The Board of Directors has proposed a dividend of INR 20/- per share (200%) for FY14.

Financial highlights for the Year (USD)

- Revenue at USD 3,098 mn; up 17.7% YoY
- EBIDTA at USD 687 mn; up 22.1% YoY. EBITDA margin at 22.2%
- Profit after Tax (PAT) at USD 498 mn; up 38.6% YoY. PAT margin at 16.1%

Other Highlights

- Total headcount for the year at 89,441; adds 6,333 professionals during the year
 - Software headcount stood at 60,997, BPO at 21,830 and Support at 6,614
- Debt at INR 363 crore as of March 31, 2014; repaid INR 796 crore in FY14
- Cash and Cash equivalent at INR 3,599 crore as of March 31, 2014
- Active Client count stood at 629 vs 516 in FY13

Vineet Nayyar, Executive Vice Chairman, Tech Mahindra, said *"This has been a landmark year for Tech Mahindra with the creation of an integrated entity through one of the largest mergers in India. Our superior execution capabilities and ability to offer expanded service lines to our customers will help in aiding our future growth"*

C P Gurnani, Managing Director & CEO, Tech Mahindra said. *"Our result this year is a reflection of our commitment towards growth and our passion to help our customers deal with the needs of a dramatically changing world, fuelled by hyper connectivity, and decisions at the speed of thought. I want the world to know that TechM is well tuned to these aspects of modern business and we look at this a differentiator for growth".*

Key Wins:

- Tech Mahindra won a landmark deal with Volvo Car Corporation, one of the leading automotive companies in Nordics to manage its end to end IT infrastructure. Deal encompassed providing operational excellence, delivering key projects successfully to support growth and business value realization
- Engaged by one of the top financial services company based in USA to provide managed services in areas of customer operations support, customer implementation services, security and testing.
- A leading European aerospace and defense Company has chosen Tech Mahindra for its after-market services. Tech Mahindra's offshore customer services center would facilitate management of multiple suppliers of customer while achieving cost optimization this aiding growth.
- Selected by a leading mobile service provider in New Zealand for implementation and managed services of its Business Support System (BSS). Tech Mahindra will help streamline customers systems, functionalities and cost; thus enabling it to achieve a competitive edge in a saturated market.
- A state-level government agency in the United States chose Tech Mahindra to implement its Motor Vehicle Enterprise System (MOVES), a configurable Microsoft Dynamics CRM-based solution. The solution will help replace and modernize the organization's existing legacy system.
- Entered into a managed services agreement with a leading UK based telco for managing its Information Communication Technology (ICT) operations. Tech Mahindra as a Technology partner will operate and enhance the legacy ICT stack.
- Engaged by a fortune 25 Global Conglomerate to provide infrastructure support. Tech Mahindra will provide seamless support to all the businesses within the client

organization by consolidating the infrastructure, processes, tools and vendors, helping instill end to end ownership, automate processes and high service delivery.

- A Fortune 500 Healthcare products Company selected Tech Mahindra for Managed Services of its Operations, Project management and Change management services encompasses enabling business change, continuous improvement and IT enabled transformation projects.
- A global Australian resources company has selected Tech Mahindra to provide Support Services for its integration middleware enterprise software.
- Chosen by a Fortune 500 organization and one of the largest banks in ANZ region, to implement FATCA Solution to help them observe complex regulatory requirements and meet stringent timelines as set up by government agencies.
- Selected by a Fortune 500 Banking and Investment Group to implement Enterprise Datawarehouse on Microsoft BI Technology using iDecisions.

Business Highlights:

- Tech Mahindra GmbH, Düsseldorf, a wholly owned business subsidiary of Tech Mahindra, signed an agreement with BASF Business Services Holding GmbH to acquire its business with third party customers. The acquisition will help strengthen Company's footprint in Germany
- Tech Mahindra Ltd has entered in to an agreement to acquire a majority stake in Fixed Stream Networks Inc (FSNI), a technology startup company

- Launched a new branch in Istanbul. The branch will serve as a hub for Turkey and Central Asia and aims to provide specialized services to Tech Mahindra's customers from this near shore center.
- Announced the opening of a new Belgian delivery center in Antwerp. This new facility is an important milestone in the growth journey of Company with its emergent presence in the European markets.
- Launched Reference Data Management Solution in, a fully managed end-to-end reference data management Business Process as a Service (BPaaS) solution for the financial services industry in North America.
- Inaugurated Texas Instrument lab in Bangaluru. The lab will allow Tech Mahindra to launch innovative solutions based on the concept of Internet of Things (IoT) in Industrial, Medical and Automotive sectors.
- Launched Near Field Communication (NFC) Testing Lab which marks TechM's foray into Enterprise Device Testing. The lab will cater to the fast-growing needs of chipset manufacturers, OEMs, Service Providers, Acquires and Issuers from the banking industry

Awards and Recognitions:

- Tech Mahindra won the Best ICT Delivery Partner – Land Transport excellence Award 2014. The award recognizes industry partners and individuals who have played a pivotal role in developing and transforming Singapore's transport system.
- Tech Mahindra won 'Voice and Data Top Telecom Software company of the year'.
- Netgear honored Tech Mahindra BSG (vCustomer) with 'Best Supplier Award' of the Year.



- Recognized with 'Top Telecom Software Company of the Year' award by Amity.
- Recognized as Indian Most Admired Knowledge Enterprise (MAKE) Winner for the year 2013.

About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology services and solutions, enabling Enterprises, Associates and the Society to Rise™. We are a USD 3.1 billion company with 89,000+ professionals across 51 countries, helping over 629 global customers including Fortune 500 companies. Our Consulting, Enterprise and Telecom solutions, platforms and reusable assets connect across a number of technologies to derive tangible business value.

We are part of the USD 16.7 billion Mahindra Group that employs more than 180,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership.

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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

Audited consolidated financial results for the quarter and year ended March 31, 2014 drawn under India GAAP

Consolidated Income Statement

(INR Mn)

Particulars	Quarter Ending			Year Ending	
	Mar-14	Dec-13	Mar-13 [#]	Mar-14	Mar-13 [#]
Revenue from services	50,581	48,985	37,673	188,314	143,320
Cost of Services	32,470	30,012	23,968	117,001	90,006
Gross Profit	18,111	18,974	13,705	71,313	53,313
SGA	7,393	7,610	5,992	29,476	22,681
Operating Profit	10,718	11,363	7,714	41,837	30,633
Other Income	(867)	(457)	381	1,130	2,122
Interest Expense	97	236	253	798	921
Depreciation	1,429	1,396	1,207	5,222	3,896
Profit before Tax	8,325	9,274	6,635	36,948	27,937
Provision for taxes	2,092	264	1,461	7,524	6,479
Non Recurring / Exceptional Items	-	1,200	1,340	1,200	(1,601)
Minority Interest	(91)	(111)	(137)	(336)	(301)
Profit after tax	6,142	10,099	6,377	30,288	19,556
EPS (Rs) – including exceptional items					
Basic	26.44	43.47	27.54	130.25	84.45
Diluted	25.80	42.41	26.86	126.78	82.36

[#] Company has not obtained the audit opinion on the merged entity's consolidated financials for Q4FY13 and FY13. However the basis and the financials of the merged entity for FY13 have been uploaded on the Company's website in the investor relations section