Hexaware announces robust 4.1% revenue growth in USD; 5.1% growth in constant currency

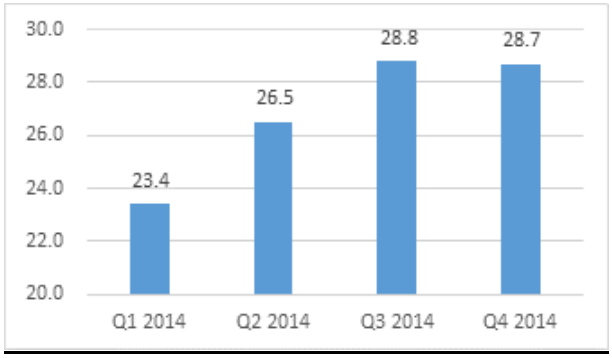
Profitability outgrows Revenue

EBIT at $21 Mn; up 16.6% QoQ. EBIT margin up 190 bps QoQ

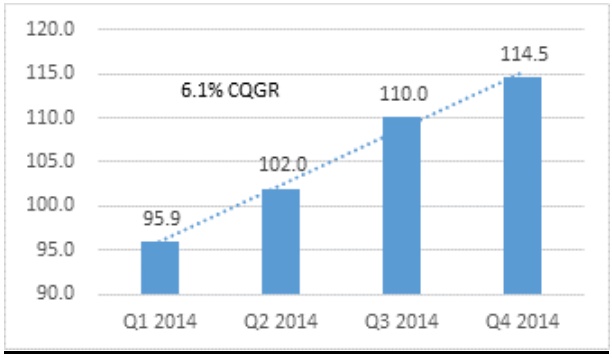
USD MN	Q4 14	QoQ Growth
Revenue	114.5	**4.1%**
EBIT	21.0	**16.6%**

₹ Mn	Q4 14	QoQ Growth
Revenue	7,118.0	**6.1%**
EBIT	1,304.5	**18.9%**

Return on Equity (%)



Revenue (US$) performance during 2014



Performance Highlights in US$ terms

Revenue

- ***Q4 2014***
  - ***Revenue at $114.5 Mn; up 4.1% QoQ & 14.4% YoY***
  - ***Revenue up 5.1% in constant currency terms***
- ***FY 2014***
  - ***Revenue at $422.4 Mn; up 8.9% YoY.***
  - ***Revenue up 9.1% in constant currency terms***

Profitability

- ***Gross margin for Q4 2014 increased 10 bps from Q3 2014 to 37.4%***
- ***EBITDA for Q4 2014 at $22.82 Mn ; up 15.1% from $19.83 Mn in Q3 2014***
- ***EDITDA margin for Q4 2014 was 19.9%; up 190 bps from 18.0% in Q3 2014***
- ***EBIT at $21.0 Mn; up 16.6% from $18.0 Mn last quarter***
- ***EBIT margin for Q4 2014 at 18.3% expanded 190 bps from 16.4% in Q3 2014***
- ***Q4 2014 PAT at $14.05 Mn; PAT margin at 12.3%***
- ***Return on Equity (RoE) at 28.7% at the end of Q4 2014***

Cash

- ***Cash & Cash equivalents at the end of December 2014 at US$ 78.35 mn***
- ***Days of Sales Outstanding (DSO) was 47 days at the end of Q4 2014***
- ***Fourth Interim Dividend of ₹2.50 (125%) for Q4 2014***

New Wins

- ***10 new clients added in Q4 2014; 44 new clients added in 2014***

Human Capital

- ***Headcount stood at 10,016 at the end of 2014; up 319 QoQ and 1,162 YoY***
- ***614 fresh graduate engineers added in 2014; 53% of all net additions***
- ***Utilisation improved to 73% (including trainees) in the quarter***
- ***Attrition at the end of December 2014 remained low at 14.1%***

Performance highlights in ₹terms

- ***Q4 2014 revenue at ₹711.8 Crores; up 6.1% QoQ & 14.8% YoY***
- ***FY 2014 revenue at ₹2581.7 Crores; up 13% YoY.***
- ***EBITDA for Q4 2014 at ₹141.8 crores; up 17.4% from ₹120.8 crores in Q3 2014***
- ***EBIT for Q4 2014 at ₹130.5 crores; up 18.9% from ₹109.7 crores last quarter***
- ***Q4 2014 PAT at ₹87.3 crores; PAT margin at 12.3%***
- ***Cash & Cash equivalents at the end of December 2014 at ₹494 crores***

Mumbai – February 10, 2015: Hexaware Technologies Limited, a leading global provider of IT, BPO and Consulting services has just reported strong performance for the fourth quarter of the calendar year ended December 31, 2014.

"This quarter, Hexaware had robust QoQ Revenue growth of 4.1% and 190 basis points increase in EBITDA margin. This is a validation of the company's strategic direction." remarked **Atul Nishar**, **Chairman**, **Hexaware Technologies Limited**.

"We are pleased with the broad based growth that we had across multiple verticals and service lines. We continue to work hard on the sustainability of our growth. ", stated **R Srikrishna, CEO & Executive Director, Hexaware Technologies Limited.**

Fourth Interim Dividend of 2014

The Board of Directors declared a fourth interim dividend of ₹ 2.50 per share (125%) on equity shares of ₹ 2.00 each. The record date is fixed as Saturday, 21st February, 2015 for determining the shareholders entitled for this fourth interim dividend of the year 2014. The payment shall be made on February 26, 2015. This would result in a cash outflow of ₹ 90.63 Crores for dividend payment including tax, amounting to a dividend payout ratio of 104% for Q4 2014.

Earlier in the year, the Board of Directors declared a first interim dividend of ₹ 3.00 per share (150%), a second interim dividend of ₹ 1.60 per share (80%), and a third interim dividend of ₹

2.35 per share (117.5%) on equity shares of ₹ 2.00 each. Including the fourth interim dividend, the dividends declared including tax for the first four quarters of 2014 total to ₹ 337.46 Crores, amounting to a dividend payout ratio of 105%. This brings the interim dividends for the first four quarters of 2014 to ₹ 9.45 per share (472.5%).

Business Update

The revenue growth during Q4 2014 was broad-based. Europe led the geographic growth while Healthcare and Insurance led growth among verticals. Business Intelligence & Analytics and Remote Infrastructure Management Services led the growth among service lines.

During the previous quarter, the Company added 10 new clients across all its key focus areas. Of these, 3 clients each were added in the Healthcare and Insurance (H&I) Vertical and Travel & Transportation vertical. The company added 2 clients each in Banking and Financial Services and Emerging Segments. Of the 10 clients added in Q4 2014, 3 customers are based in Americas, 6 in Europe and 1 in Asia Pacific (APAC) region.

From a horizontal service line perspective, 6 clients were added in Enterprise Solutions Space, 2 clients in Infrastructure Management Services (IMS); 1 client each in Applications Development & Maintenance (ADM) and Business Process Services (BPS).

Foreign Exchange Cover

The Company has hedges worth $ 183.86 mn at an effective rate of ₹ 64.54 and € 2.74 mn at an effective exchange rate of ₹ 76.43 maturing over the course of the next eight quarters (from Jan 2015 to Dec 2016).

Awards and Recognition

During the last quarter, Hexaware was presented the IDC Insights Award 2014 for "Excellence in Employee Engagement".

Hexaware's data scientists have been very active in various crowdsourcing analytics forums and data analytics challenges, such as Kaggle, CrowdAnalytix, Dextra, etc., tackling a wide range of problems, such as copper spot price prediction, crime rate prediction in US cities, marketing buzz prediction, IPL cricket results prediction, product opinion prediction, etc. Hexaware has recently won multiple prizes and awards in such forums, which serves as a testimony to the depth of the Company's expertise and capability in advanced analytics and data science.

Hexaware has been mentioned in the Ovum report titled, "Midsize Services Vendors: Providing Specialized Services and Flexibility", dated 04 December 2014, by analyst Hansa Iyengar.

Hexaware has been mentioned as one of the providers with delivery capabilities based in Mexico, in the Gartner report titled, "Leading Offshore Services Locations in the Americas, 2015: Capabilities Mature, but IP Protection and Security Remain a Concern", dated 18 December 2014, by analysts Daniel Barros, Frances Karamouzis, Allie Young, William Maurer and Helen Huntley.

Hexaware has been mentioned as one of the SAP Application Management Service Providers that may present alternatives for customers' business requirements in the Gartner report titled, "Critical Capabilities for SAP Application Management Service Providers, Worldwide", dated 21 October 2014, by analysts Frances Karamouzis, Gilbert van der Heiden and Kris Doering.

Hexaware has been mentioned as one of the Oracle Application Management Service Providers that may present alternatives for customers' business requirements, in the Gartner report titled "Critical Capabilities for Oracle Application Management Service Providers, Worldwide", dated 27 October 2014, by analysts Gilbert van der Heiden, Frances Karamouzis and Ian Marriott.

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About Hexaware

Hexaware is a leading global provider of IT, BPS and consulting services. The Company focuses on key domains such as Banking, Financial Services, Capital Market, Healthcare, Insurance, Travel, Transportation, Logistics, Manufacturing and Consumer. Our business philosophy, "Your Success is Our Focus", is demonstrated through the success we ensure for our clients. Hexaware focuses on delivering business results and leveraging technology solutions by specializing in Application Development & Maintenance, Enterprise Solutions, Human Capital Management, Business Intelligence & Analytics, Quality Assurance and Testing Services, Remote Infrastructure Management Services and Business Process Services. Founded in 1990, Hexaware has a well-established global delivery model armed with proven proprietary tools and methodologies, skilled human capital and SEI CMMI-Level 5 certification. For additional information logon to: www.hexaware.com

Safe Harbor Statement

Certain statements in this press release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hexaware has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

For more information contact:

Sreedatri Chatterjee

Hexaware Technologies Limited

Tel: +91 (22) 6654 2682 / 83

e-mail: sreedatric@hexaware.com