February 2, 2012

Hexaware TECHNOLOGIES
YOUR SUCCESS IS OUR FOCUS

National Stock Exchange of India Limited
Exchange Plaza, 5th floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Kind Attn: - Mr. Hari K.

Dear Sir,

Sub: Clause 41 / 20 a of the Listing Agreement

Pursuant to Clause 41 of the Listing Agreement, we are enclosing herewith the Audited Consolidated and Standalone Financial Results of Hexaware Technologies Limited for the quarter and year ended December 31, 2011 approved by the Board of Directors at its meeting held today.

We also wish to inform you that the Board of Directors of the Company have today recommended payment of final dividend @ Re 1.50 per share (75%) on equity shares of Rs. 2/- each, subject to the approval of shareholders in Annual General Meeting.

Nineteenth Annual General Meeting (AGM) of the Company will be convened on April 27, 2012.

The final dividend on equity shares as recommended by the Board in its Meeting today and approved by the shareholders in the AGM to be held on April 27, 2012 shall be paid on May 2, 2012.

The Board also approved the change in the manner of preparation and submission of financial results from 'limited reviews' to 'audited' quarterly results starting quarter ending March 31, 2012.

Kindly acknowledge receipt and take the same on your record.

Thanking you,
Yours faithfully,
For **Hexaware Technologies Limited**

Gunjan Methi
Company Secretary

Encl: as above

Hexaware TECHNOLOGIES
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A) CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2011

(Rupees in Lakhs except per share data)

PARTICULARS	QUARTER ENDED 31st DEC'2011 UNAUDITED	QUARTER ENDED 30th SEP'2011 UNAUDITED	QUARTER ENDED 31st DEC'2010 UNAUDITED	YEAR ENDED 31st DEC'2011 AUDITED	YEAR ENDED 31st DEC'2010 AUDITED
INCOME					
INCOME FROM OPERATIONS	43,188.40	36,600.04	29,962.62	145,051.23	105,456.38
EXPENDITURE					
EMPLOYMENT EXPENSES	22,767.60	21,256.75	18,474.63	82,102.70	67,548.82
SOFTWARE AND DEVELOPMENT EXPENSES	6,284.21	4,725.23	4,375.53	20,982.20	15,305.77
ADMINISTRATION AND OTHER EXPENSES	4,295.05	3,838.62	3,757.12	15,816.84	13,546.95
DEPRECIATION AND AMORTIZATION	629.14	636.62	662.23	2,470.35	2,423.18
TOTAL EXPENDITURE	**33,976.00**	**30,457.22**	**27,269.51**	**121,372.09**	**98,824.72**
PROFIT FROM OPERATIONS BEFORE OTHER INCOME, EXCHANGE RATE DIFFERENCE, INTEREST, & EXCEPTIONAL ITEMS	**9,212.40**	**6,142.82**	**2,693.11**	**23,679.14**	**6,631.66**
OTHER INCOME (NET)	1,367.35	1,337.46	896.60	4,821.00	5,545.63
EXCHANGE RATE DIFFERENCE (NET) GAIN / (LOSS)	(525.09)	379.78	953.17	2,482.56	(2,475.48)
PROFIT BEFORE INTEREST, EXCEPTIONAL ITEM AND TAX	**10,054.66**	**7,860.06**	**4,542.88**	**30,982.70**	**9,701.81**
INTEREST	118.84	33.98	29.65	214.93	260.36
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	**9,935.82**	**7,826.08**	**4,513.23**	**30,767.77**	**9,441.45**
EXCEPTIONAL ITEM (NET)	-	-	-	-	2,240.78
PROFIT BEFORE TAX	**9,935.82**	**7,826.08**	**4,513.23**	**30,767.77**	**11,682.23**
TAX EXPENSE	1,110.96	1,355.98	552.82	4,065.09	923.36
PROFIT AFTER TAX	**8,824.86**	**6,470.10**	**3,960.41**	**26,702.68**	**10,758.87**
PAID UP EQUITY SHARE CAPITAL (FACE VALUE OF RS. 2/- PER SHARE)	5,867.17	5,861.43	2,904.02	5,867.17	2,904.02
RESERVES AND SURPLUS				95,751.15	93,632.12
EARNINGS PER SHARE (Rupees) (Refer note 3 below)					
BASIC	3.01	2.21	1.37	9.13	3.72
DILUTED	2.95	2.16	1.34	8.92	3.62
PUBLIC SHAREHOLDING					
NUMBER OF SHARES OF RS 2/- EACH	210,760,292	210,473,492	103,941,912	210,760,292	103,941,912
PERCENTAGE OF SHAREHOLDING	71.84%	71.82%	71.58%	71.84%	71.58%
PROMOTERS AND PROMOTER GROUP SHAREHOLDING					
A) PLEDGED/ENCUMBERED					
- NUMBER OF SHARES	-	-	-		
- PERCENTAGE OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP	0.00%	0.00%	0.00%		
- PERCENTAGE OF THE TOTAL SHARE CAPITAL OF THE COMPANY	0.00%	0.00%	0.00%		
B) NON-ENCUMBERED					
- NUMBER OF SHARES	82,598,136	82,598,136	41,259,068		
- PERCENTAGE OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP	100.00%	100.00%	100.00%		
- PERCENTAGE OF THE TOTAL SHARE CAPITAL OF THE COMPANY	28.16%	28.18%	28.42%		

B) CONSOLIDATED SEGMENT REPORTING

PARTICULARS	QUARTER ENDED 31st DEC'2011 UNAUDITED	QUARTER ENDED 30th SEP'2011 UNAUDITED	QUARTER ENDED 31st DEC'2010 UNAUDITED	YEAR ENDED 31st DEC'2011 AUDITED	YEAR ENDED 31st DEC'2010 AUDITED
REVENUE BY INDUSTRY SEGMENT					
TRAVEL AND TRANSPORTATION	8,498.09	8,025.69	6,530.04	31,710.71	22,026.41
BANKING AND FINANCIAL SERVICES	11,606.48	9,852.13	8,379.24	38,651.64	29,653.60
INSURANCE AND HEALTHCARE	6,689.40	4,664.50	3,537.62	18,983.68	13,687.82
MANUFACTURING AND SERVICES	10,908.74	8,682.06	7,043.00	34,836.17	23,611.28
OTHERS	5,485.69	5,375.66	4,472.72	20,869.03	16,477.27
NET REVENUE FROM OPERATIONS	**43,188.40**	**36,600.04**	**29,962.62**	**145,051.23**	**105,456.38**
SEGMENT RESULT BEFORE TAX					
TRAVEL AND TRANSPORTATION	1,483.58	1,357.73	275.14	4,359.03	1,119.19
BANKING AND FINANCIAL SERVICES	2,628.67	1,854.90	906.96	7,070.18	1,217.98
INSURANCE AND HEALTHCARE	1,263.82	655.37	276.47	2,868.51	1,201.96
MANUFACTURING AND SERVICES	3,122.41	1,954.80	908.69	7,986.82	2,736.90
OTHERS	1,343.06	956.64	988.08	3,864.95	3,026.59
TOTAL	**9,841.54**	**6,779.44**	**3,355.34**	**26,149.49**	**9,302.62**
ADD :OTHER INCOME	1,367.35	1,337.46	896.60	4,821.00	5,545.63
ADD: EXCHANGE RATE DIFFERENCE (NET) GAIN / (LOSS)	(525.09)	379.78	953.17	2,482.56	(2,475.48)
ADD: EXCEPTIONAL ITEM (NET)	-	-	-	-	2,240.78
LESS : INTEREST	118.84	33.98	29.65	214.93	260.36
LESS : OTHER UN-ALLOCABLE EXPENDITURE	629.14	636.62	662.23	2,470.35	2,670.96
PROFIT BEFORE TAX	**9,935.82**	**7,826.08**	**4,513.23**	**30,767.77**	**11,682.23**

Notes on segment information

Principal segments

1. Primary business segments have been identified taking into account the services offered to customers globally operating in different industry segments, differing risks and returns, the organisational structure and the internal reporting system.
2. The company has realigned its industry segments and has disclosed Insurance and Healthcare as a separate segment and accordingly the figures for the previous quarter and year have been regrouped to conform to the current period.

Segmental capital employed

Assets and liabilities contracted have not been identified to any of the reportable segments as the assets are used interchangeably between segments and it is not practicable to reasonably allocate the liabilities to individual segments. Accordingly no disclosure relating to segment assets, and segment liabilities are made.

Regd. office : Hexaware Technologies Ltd.,#152, Millennium Business Park, Sector-III, 'A' Block, TTC Industrial Area, Mahape, Navi Mumbai- 400 710. India. Tel.: 91-22-6791 9595 Fax : 91-22-6791 9500
URL : www.hexaware.com

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C) HEXAWARE TECHNOLOGIES LIMITED - INDIA - STANDALONE BASIS
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER' 2011

(Rupees in Lakhs except per share data)

PARTICULARS	QUARTER ENDED 31st DEC'2011 UNAUDITED	QUARTER ENDED 30th SEP'2011 UNAUDITED	QUARTER ENDED 31st DEC'2010 UNAUDITED	YEAR ENDED 31st DEC'2011 AUDITED	YEAR ENDED 31st DEC'2010 AUDITED
INCOME					
INCOME FROM OPERATIONS	20,949.12	17,336.09	12,585.17	67,857.95	42,365.08
EXPENDITURE					
EMPLOYMENT EXPENSES	9,477.65	8,718.15	6,870.71	33,353.39	24,608.65
SOFTWARE AND DEVELOPMENT EXPENSES	1,213.22	1,332.34	1,502.58	6,070.00	5,680.76
ADMINISTRATION AND OTHER EXPENSES	2,105.10	1,944.23	1,839.38	7,772.43	6,264.09
DEPRECIATION AND AMORTIZATION	492.03	489.59	498.70	1,889.66	1,762.02
TOTAL EXPENDITURE	**13,288.00**	**12,484.31**	**10,711.37**	**49,085.48**	**38,315.52**
PROFIT FROM OPERATIONS BEFORE OTHER INCOME, EXCHANGE RATE DIFFERENCE, INTEREST, & EXCEPTIONAL ITEMS	**7,661.12**	**4,851.78**	**1,873.80**	**18,772.47**	**4,049.56**
OTHER INCOME (NET)	1,252.16	1,197.62	757.26	4,493.71	5,190.71
EXCHANGE RATE DIFFERENCE (NET) GAIN / (LOSS)	(350.13)	415.47	869.47	2,333.11	(2,586.10)
PROFIT BEFORE INTEREST, EXCEPTIONAL ITEM AND TAX	**8,563.15**	**6,464.87**	**3,500.53**	**25,599.29**	**6,654.17**
INTEREST	100.74	19.26	4.31	143.95	144.12
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	**8,462.41**	**6,445.61**	**3,496.22**	**25,455.34**	**6,510.05**
EXCEPTIONAL ITEM (NET)	-	-	-	-	3,663.97
PROFIT BEFORE TAX	**8,462.41**	**6,445.61**	**3,496.22**	**25,455.34**	**10,174.02**
TAX EXPENSE	625.34	898.94	233.00	2,257.23	891.36
PROFIT AFTER TAX	**7,837.07**	**5,546.67**	**3,263.22**	**23,198.11**	**9,282.66**
PAID UP EQUITY SHARE CAPITAL (FACE VALUE OF RS. 2/- PER SHARE)	5,867.17	5,861.43	2,904.02	5,867.17	2,904.02
RESERVES AND SURPLUS				79,987.04	84,516.19
EARNINGS PER SHARE (Rupees) (Refer note 3 below)					
BASIC	2.68	1.89	1.13	7.94	3.21
DILUTED	2.62	1.85	1.10	7.75	3.13
PUBLIC SHAREHOLDING					
NUMBER OF SHARES OF RS 2/- EACH	210,760,292	210,473,492	103,941,912	210,760,292	103,941,912
PERCENTAGE OF SHAREHOLDING	71.84%	71.82%	71.58%	71.84%	71.58%
PROMOTERS AND PROMOTER GROUP SHAREHOLDING					
A) PLEDGED/ENCUMBERED					
- NUMBER OF SHARES	-	-	-		
- PERCENTAGE OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP	0.00%	0.00%	0.00%		
- PERCENTAGE OF THE TOTAL SHARE CAPITAL OF THE COMPANY	0.00%	0.00%	0.00%		
B) NON-ENCUMBERED					
- NUMBER OF SHARES	82,598,136	82,598,136	41,259,068		
- PERCENTAGE OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP	100.00%	100.00%	100.00%		
- PERCENTAGE OF THE TOTAL SHARE CAPITAL OF THE COMPANY	28.16%	28.18%	28.42%		

D) Notes:-

1) The Consolidated audited financial results and stand alone audited financial results of the Company, reviewed and recommended by the Audit Committee, were taken on record by the Board of Directors of the Company at its meeting held on February 2, 2012.

The Company has opted to publish only consolidated financial results, along with information on Stand alone results as per the amended guidelines issued by the Securities and Exchange Board of India. Standalone results are available on the Company's website.

2) The board of directors have recommended a payment of final dividend of Re. 1.50 per share (75%) on an equity share of Rs. 2/- each, at its meeting held on February 2, 2012.

3) The Company allotted 145,545,781 equity shares of face value of Rs 2/- each as fully paid up bonus shares on March 2, 2011 in accordance with shareholders resolution passed in the Extra Ordinary General meeting held on February 15, 2011. Earnings per share for all periods presented has been adjusted for such bonus issue.

4) Information on segments has been disclosed on a consolidated basis in accordance with Accounting Standard 17 (Segment Reporting)

5) Information on investor complaints pursuant to clause 41 of the listing agreement for the quarter ended December 31, 2011

Particulars	Opening Balance		Additions	Resolved	Closing Balance
Complaints	Nil		Nil	Nil	Nil

6) Figures for the previous period/year have been regrouped wherever necessary to conform to the current period.

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STATEMENT OF ASSETS AND LIABILITIES (CONSOLIDATED AUDITED)

(Rs. In lakhs)

PARTICULARS		AS AT 31ST DEC 2011	AS AT 31ST DEC 2010
SHAREHOLDERS' FUNDS			
SHARE CAPITAL / SHARE APPLICATION MONEY		5,867.17	2,914.92
RESERVES AND SURPLUS		95,751.15	93,632.12
LOAN FUNDS		-	1,117.63
DEFERRED TAX LIABILITIES		324.09	132.28
	Total	**101,942.41**	**97,796.95**
FIXED ASSETS		47,851.49	40,783.98
INVESTMENTS		2,287.75	3,970.68
DEFERRED TAX ASSETS		1,945.27	1,817.95
CURRENT ASSETS LOANS AND ADVANCES			
SUNDRY DEBTORS		29,929.87	19,190.42
CASH AND CASH EQUIVALENTS		43,771.89	43,557.36
LOANS AND ADVANCES		12,724.04	9,755.42
OTHER CURRENT ASSETS		6,740.08	6,566.34
	Sub-total	93,165.88	79,069.54
LESS: CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES		28,911.81	14,751.64
PROVISIONS		14,396.17	13,093.56
	Sub-total	43,307.98	27,845.20
NET CURRENT ASSETS		49,857.90	51,224.34
	Total	**101,942.41**	**97,796.95**

STATEMENT OF ASSETS AND LIABILITIES (STAND ALONE AUDITED)

PARTICULARS		AS AT 31ST DEC 2011	AS AT 31ST DEC 2010
SHAREHOLDERS' FUNDS			
SHARE CAPITAL / SHARE APPLICATION MONEY		5,867.17	2,914.92
RESERVES AND SURPLUS		79,987.04	84,516.19
	Total	**85,854.21**	**87,431.11**
FIXED ASSETS		29,378.92	24,226.72
INVESTMENTS		22,984.41	24,412.17
CURRENT ASSETS LOANS AND ADVANCES			
SUNDRY DEBTORS		19,642.87	10,771.51
CASH AND CASH EQUIVALENTS		35,104.66	36,680.71
LOANS AND ADVANCES		14,311.43	9,041.01
OTHER CURRENT ASSETS		2,578.31	3,890.11
	Sub-total	71,637.27	60,383.34
LESS: CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES		27,374.10	12,364.34
PROVISIONS		10,772.29	9,226.78
	Sub-total	38,146.39	21,591.12
NET CURRENT ASSETS		33,490.88	38,792.22
	Total	**85,854.21**	**87,431.11**

For Hexaware Technologies Limited

R. V. Ramanan
Executive Director and President Global Delivery

Place : Mumbai
Date : February 2, 2012

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Financial Release December 31, 2011

Hexaware reports Q4 2011 revenue growth of 44% Y-o-Y; 18% Q-o-Q

Q-o-Q: EBITDA Margin up 430 bps at 23%; PAT Margin up 270 bps at 20.4%

PAT for the year 2011: ₹267 Crore; For Q4 2011: Rs 88 Crore

- ***Hexaware Q4 2011 revenue surpassed the quarterly guidance of $ 82.5 mn and grew to $ 84.1 mn up 6.7% sequentially in $ terms (up 18.0% in ₹ terms to ₹ 431.9 Crore); up 7.8% Q-o-Q sequentially on a constant currency basis***
- ***In Q4 2011, EBITDA margins improved 430 basis points to 23.0%***
- ***EBIT margins increased 460 basis points from 17.0% in Q3 to 21.6% in Q4 2011***
- ***Q4 2011 Profit after Tax (PAT) grew to ₹88 Crore up 36% Q-o-Q and 123% Y-o-Y***
- ***Signed the largest contract to date with estimated value of $ 250 mn in Q4 2011; Expect the team size to ramp up to 800+ in CY 2012 for this existing client***
- ***15 new clients added in Q4 2011; 51 in CY 2011 cutting across all focus areas***
- ***Global Headcount increased to 8,317 at the end of December 2011; 1,806 employees added during the year 2011; Attrition declined sequentially to 13.9%***
- ***Hexaware is a zero-debt company as of December 2011, Cash & cash equivalents improved to ₹460 Crore***
- ***Board recommends final dividend of ₹1.50 per share (75%); Total dividend for 2011 is ₹4.00 per share (200%) on double the equity share capital post 1 : 1 issue of bonus shares in 2011 as against ₹3.00 per share (150%) for 2010***
- ***2011 revenue grew by 37.5% Y-o-Y to ₹1450 Crore; in $ terms, up 33.3% Y-o-Y at $ 308 mn ahead of the annual guidance revised upwards thrice during 2011***
- ***EBITDA margins doubles in CY 2011 to 18.2% up from 8.9% in 2010***
- ***EBIT margins up 990 basis points in CY 2011 to 16.5% up from 6.6% in 2010***
- ***2011 PAT margins expanded to 18.4% up 820 basis points from 10.2%***
- ***Diluted Earnings Per Share (EPS) improved from ₹3.62 in 2010 to ₹8.92 in 2011***

Mumbai – February 02, 2012: Hexaware Technologies Limited, a leading global provider of IT, BPO and Consulting services has reported strong performance for the fourth quarter of the calendar year ended December 31, 2011.

Highlights of Q4 ended December 31, 2011

- Revenue from operations increased to $ 84.1 mn (₹ 431.9 Crore) well ahead of the quarterly revenue guidance of $ 82.0 mn - $ 82.5 mn
  - Q-o-Q increase of 6.7% in $ terms and 18.0% in ₹ terms
  - Q-o-Q increase of 7.8% in $ terms on a constant currency basis
  - Y-o-Y increase of 26.3% in $ terms and 44.1% in ₹ terms
- Gross margins improved by 250 basis points Q-o-Q to 40.7%
- EBITDA margins improved to 23.0%; up 430 basis points from Q3 2011
- Operating Profit (EBIT) Margins continued its expansion to 21.6%; sequential increase of 460 basis points from 17.0% in Q3 2011
- Profit after Tax increased to ₹ 88.2 Crore; up 36.4% from ₹ 64.7 Crore reported in Q3 2011; while PAT margins went up 270 bps on a Q-o-Q basis to 20.4%

- Days of Sales Outstanding (DSO) remained low at 62 days at the end of Q4 2011
- 15 new clients added during the quarter; 192 active clients at the end of Q4 2011
- Global headcount increased to 8,317; net addition of 1,806 during 2011
- Added 225 fresh graduate engineers in January 2012; undergoing Training and Induction currently

Highlights of Financial year ended December 31, 2011

- Revenue from operations increased to ₹ 1,450.5 Crore, up 37.5% from ₹ 1,054.6 Crore in CY 2010
- Revenue from operations at $ 308.1 mn were ahead of the previously upgraded annual revenue guidance of $ 306 mn; registering a growth of 33.3% on an annual basis
    - Revenue outlook provided in February 2011 $ 290 mn
    - Revenue outlook revised in April 2011 to $ 295 mn
    - Revenue outlook upgraded in July 2011 to $ 302 mn
    - Revenue outlook raised in October 2011 to $ 306 mn
    - Revenue reported for CY 2011 $ 308 mn
- Gross margins improved by 400 basis points Y-o-Y to 38.4%
- EBITDA margins expanded to 18.2%; up 930 basis points from 8.9% in CY 2010
- Operating Profit (EBIT) Margins continued its expansion to 16.5%; sequential increase of 990 basis points from 6.6% in CY 2010
- Profit after Tax increased to ₹ 267 Crore; up 148% from ₹ 107.6 Crore in CY 2010
- Company invested ₹ 63.3 Crore towards capital expenditure for physical infrastructure mainly in Chennai SEZ campus and for technical/ IT infrastructure.
- Dividend Payout including the taxes amounted to ₹ 136.3 Crore; equating to 51% payout ratio of the annual Profit after Tax of ₹ 267 Crore

Over the last 7 quarters, we have delivered industry leading revenue growth of 8.1% CQGR and have guided for strong growth for the 8th successive quarter. With our superior track-record of delivering 22% CAGR over the last 9 years, we remain confident of sustaining our above industry revenue growth rate over the medium term. While the profitability margins have surged in 2011, Hexaware has several levers left to maintain or even improve operating margins in 2012 from our current levels on a constant currency basis." said **Atul Nishar**, Chairman, Hexaware Technologies Limited.

"This has been a remarkably strong quarter on all fronts including 7.8% revenue growth in constant currency; 460 basis points expansion in EBIT margin, improvement in operational metrics such as increased headcount, healthy bill rates and continued optimization of Selling, General and Administration (SG&A) spend. Through the year 2011, we have continued to make investments in strengthening our vertical capabilities and enhancing the depth in our horizontal competencies. With this, we have established the perfect platform to deliver above-industry performance in 2012. To meet our growth plan, we intend to add 1,500+ employees during the year ahead", remarked **P. R. Chandrasekar**, CEO and Vice Chairman, Hexaware Technologies Limited.

CY 2012 Revenue Guidance

Revenue for CY 2012 is likely to be at least $ 370 mn or more (exchange rates taken at 1 £ = 1.58 $, 1 € = 1.31 $ and 1 $ = ₹ 49.27); a Y-o-Y increase of minimum 20% annual revenue growth

Q1 2012 Revenue Guidance

Revenue for Q1 2012 is likely to be a minimum of $ 87.5 mn (exchange rates taken at 1 £ = 1.57 $, 1 € = 1.31 $ and 1 $ = ₹ 49.27); a Q-o-Q sequential revenue growth of at least 4.0%

Final Dividend Recommendation

The Board of Directors has recommended a final dividend of ₹ 1.50 per share (75%) subject to the approval of the shareholders at the Annual General Meeting scheduled for April 27, 2012. This brings the total dividend for the year 2011 to ₹ 4.00 per share (200%) on double the equity share capital post 1:1 bonus issue of equity shares in 2011, up from ₹ 3.00 per share (150%) for the year 2010.

In line with the Dividend Policy announced earlier in 2011, the Board of Directors declared three interim dividends of ₹ 0.50 per share (25%) for Q1 2011 and ₹ 1.00 per share (50 %) twice for Q2 2011 and Q3 2011 respectively on equity shares of ₹ 2 each. This resulted in a cash outflow of ₹ 136.3 Crore for dividend payment including tax, amounting to a dividend payout ratio of 51% for the year 2011

Financial Review

The financial metrics for **Q4 2011**:

- Gross Margin increased by 250 basis points on a Q-o-Q basis sequentially to 40.7%
- EBITDA Margin increased by 430 basis points to 23.0%; from 18.7% in Q3 2011
- Operating Margin (EBIT) increased by 460 basis points to 21.6%; from 17.0% in Q3 2011
- Profit after Tax Margin (PAT) improved to 20.4%; compared with 17.7% in Q3 2011

The financial metrics for **CY 2011**:

- Gross Margin increased by 400 basis points on a Y-o-Y basis sequentially to 38.4%
- EBITDA Margin increased by 930 basis points to 18.2%; up from 8.9% in CY 2010
- Operating Margin (EBIT) increased by 990 basis points to 16.5%; from 6.6% in CY 2010
- Profit after Tax Margin (PAT) stood at 18.4%; compared with 10.2% in CY 2010

Launch of Healthcare and Insurance as a new Vertical

In 2011, Hexaware witnessed healthy growth in the emerging business domains of Healthcare and Insurance. As a result, the revenue share from the above mentioned vertical aggregates to 16% in Q4 2011. In light of this, Healthcare and Insurance has been carved out as the third focus vertical for Hexaware following Banking and Capital Markets and Travel and Transportation (GTT). Given the inherent market size & visible growth potential, Hexaware is committed to investing to strengthen the domain capabilities and develop new service offerings tailored to unique customer requirements in this recently launched vertical segment globally.

Scaling up Remote IMS

On the back of large deals won in 2010 and in 2011, Remote Infrastructure Management Services (Remote IMS) contributes nearly 4% of the company's global revenue. In line with the Strategic Plan, Hexaware will continue to strengthen its competencies and invest in newer market niches within Remote IMS such as Enterprise Security Solutions and emerging areas such as Virtualization and Cloud Services. Hexaware expects Remote IMS to grow ahead of the company's growth rate in 2012 and consequently, the revenue share from Remote IMS to increase to 6+% in 2012.

Large Deal Update

In the last quarter, Hexaware signed its largest contract till date with value estimated at $ **250** million for an additional period of 5 years starting 1st January 2012. Under this contract, Hexaware is expected to ramp the team up to size of 800+ personnel by the end of 2012, offering services cutting across all the major focus horizontals – Enterprise Solutions (ERP), Business Intelligence / Business Analytics (BI / BA), Quality Assurance and Testing Services (QATS), Application Management Services (ADM) and Remote Infrastructure Management Services (Remote IMS).

Significant Business Updates

During the previous quarter, the Company added 15 new clients across all its key focus areas. Of these, 3 clients were added in the Travel and Transportation Vertical and 2 in Banking, Financial Services (BFS) domain. In the newly launched Healthcare and Insurance Vertical, 2 new clients were added during Q4 2011. From a horizontal service line perspective, 4 clients were won in Enterprise Solutions space, 2 clients added in Quality Assurance & Testing Services (QATS), 2 clients in Business Intelligence & Business Analytics (BI/ BA) horizontal, and 2 clients in Business Process Outsourcing (BPO) space.

Of the 15 clients added in Q4 2011, 10 customers are based in Americas and 5 in Asia Pacific (APAC) region. For the quarter just completed, 64.4% of revenues originated from Americas, 28.7% from Europe, and the remaining 6.9% from the Asia Pacific region. Repeat business stood at 94.1%.

During the year 2011, Hexaware added 12 front-end personnel in the field sales organization. These additions comprised of a healthy combination of domain consultants, technology practitioners and sales professionals in the identified areas of specialization such as Capital Markets, Travel & Transportation, Enterprise Solutions, QATS, BI/BA and Remote IMS. These investments in the sales and marketing organization enhance Hexaware's potential to win new business and deliver robust performances.

The unwavering focus on account management and adding value to the customer through each engagement has resulted in stronger client mining. The number of clients registering annual revenues in excess of $ 20 mn each remained steady at 3; 2 clients in the $ 10 mn - $ 20 mn range, 7 clients in the $ 5 mn - $ 10 mn range, 40 clients in the $ 1 mn - $ 5 mn category and the clients with $ 1 mn+ increased further to 52 – all on a trailing twelve months basis. At the end of the quarter, the number of active clients improved to 192.

Alliances and Partnerships

During Q4 2011, Hexaware entered into a strategic alliance with Banking Business Intelligence (BI) specialist, iCreate Software, to build a Centre of Excellence (CoE) to enhance iCreate's flagship Banking BI product, Biz$core. Setting up Biz$core practice is a win-win proposition with Hexaware's focus in BI Services and Banking Domain.

In recognition for Hexaware's continued commitment to excellence and leadership and proven expertise in creative problem-solving, solutions development, innovative services and IBM technologies, IBM has certified Hexaware as its Premium Business Partner.

Organizational Event Updates

During Q4 2011, Hexaware conducted its largest employee congregation, The Tech Summit. Tech Summit is a platform that brings all Hexaware employees to share knowledge through success stories delivered to our customers through innovative use of technology. The theme for the Tech Summit was "*Accelerate Creativity and Drive Innovation*".

Besides interactions with Industry Leaders, there were Panel Discussions on emerging technology trends and display of Thought Leadership through Whitepapers presentation. The prime event included real time demonstration of Hexaware's Intellectual Property (IP) assets and solution frameworks from the Centre of Excellences (COEs) showcasing expertise in the focus Verticals and Horizontals followed by a Technology Quiz program.

Facility Updates

In line with the corporate road-map, Hexaware has been expanding its presence in its Green Campus expanding over 27 acres in Siruseri SEZ at Chennai. During the course of the year gone by, the workforce operating out of these SEZ facilities has doubled from 1,400 in December 2010 to 2,888 in December 2011. Further, the SEZ campus at Nagpur, a Tier-II city in the state of Maharashtra, seats in excess of 350 employees employed by Caliber Point Business Solutions, 100% wholly owned subsidiary of Hexaware.

During the last quarter, Hexaware launched a new delivery center unit within the same SEZ campus at Chennai to cater to the expansion plans envisaged for 2012. Further, a new building with a seating capacity of 150 seats was inaugurated in Mumbai

Foreign Exchange Cover

The Company has forward contracts worth $ 181.3 mn at an average rate of ₹ 48.30 and hedges worth € 9.4 mn at an average exchange rate of ₹ 69.61 maturing over the course of the next eight quarters (from January 2012 till December 2013).

Pricing

The average bill rate per hour for Q4 2011 increased sequentially to $ 73.0 for onsite services and remained firm at $ 23.0 for offshore locations.

Human Capital

Hexaware has been steadily ramping up its delivery capability to cater to the demand uptake visible in the market place. The global headcount at the end of Q4 2011 increased to 8,317; an increase of 1,806 compared with December 2010. Technical personnel comprised 91.7% of the total work force. Attrition for Q4 2011 reduced further to 13.9%.

At the start of the year 2011, the Company had indicated plans to add 1,500 personnel during the calendar year. The company has exceeded these forecasts by inducting 1,806 employees through the year.

In the month of January 2012, Hexaware has inducted 225 fresh graduate engineers from engineering campuses. These freshers are currently undergoing induction program and boot camp training at Hexavarsity, an in-house Learning and Development institute. They will be deployed in to the mainstream delivery organization with effect from Q2 2012.

Industry Recognition

Hexaware has regularly featured in the *Economic Times Wealth Top 100 stocks* through 2011 and has recently been ranked in the Top 10 in the Top stocks list. The company has been rated high consistently on parameters such as "Stocks with highest dividend yield".

Hexaware has been mentioned in The Gartner Business Intelligence Service Vendor Guide, 2011 by Susanne Matson, Alex Soejarto, Twiggy Lo and Neil Chandler, 3rd Oct 2011.

Hexaware has been mentioned in a Gartner report 'Competitive Landscape: Consulting and System Integration Providers for Oracle Applications' by Alex Soejarto, 11th Nov 2011.

Hexaware has been mentioned in The Gartner CRM Vendor Guide, 2012 by Jim Davies, Michael Maoz, Kimberly Collins, Robert P. Desisto, Gene Alvarez, Ed Thompson, John Radcliffe, Sharon A. Mertz, Adam Sarner, Chris Fletcher, Praveen Sengar, Steve Cramoysan, Tsuyoshi Ebina, Gareth Herschel, Johan Jacobs, Drew Kraus and Twiggy Lo, 29th Nov 2011.

About Hexaware

Hexaware is a leading global provider of IT & BPO and consulting services. The Company focuses on key domains such as Banking, Financial Services, Insurance, Travel, Transportation, Logistics, Life Sciences and Healthcare. 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 Business Intelligence & Analytics, Enterprise Solutions, Quality Assurance and Testing Services, Remote Infrastructure Management Services and Legacy Modernization. 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.

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