



Mastek Q1FY15 Total Income at Rs. 228 crore

- 8 client wins during the quarter
- 12 month Order Backlog increase to Rs. 549.8 crore

Mumbai, India – 24th July 2014: Mastek, an IT solutions player with global operations providing new technology and IP-led enterprise solutions with a focus on the Insurance and Government verticals worldwide, announced its financial results for the fourth quarter and financial year ended 30th June, 2014 today.

Review of financial performance for the quarter ended 30th June, 2014

On quarter-on-quarter basis:

- The operating revenue was Rs 220.9 crore during the quarter under review as compared to Rs 223.9 crore during the previous quarter reflecting a decrease of 1.3% in rupee terms and an increase of 0.7% in constant currency terms.
- Total income was Rs 227.6 crore during the quarter under review as compared to Rs 230.0 crore during the previous quarter, down 0.9% on Q-o-Q basis.
- The Company reported an EBITDA of Rs 9.3 crore (4.1% of total income) compared to Rs 18.1 crore (7.8% of total income) in Q4FY14.
- The drop in the operating revenue and EBITDA is directly related to the reassessment of project timelines of a North American client resulting in the restatement of revenues to the extent of Rs. 10.0 crore.
- Net profit stood at Rs 0.9 crore in Q1FY15 as against Rs 11.3 crore in Q4FY14.
- The product research & development spends during the quarter was stable at Rs 16.7 crore as compared to Rs 16.9 crore in Q4FY14.

On year-on-year basis:

- The operating revenue was Rs 220.9 crore during the quarter under review as compared to Rs 222.3 crore during the corresponding quarter of previous year reflecting a drop of 0.6% in rupee terms and a decline of 9.3% in constant currency terms.

Note (i): All references to Mastek's financial results in this release pertain to the company's consolidated operations.

Note (ii): Mastek has changed its fiscal year end to 31st March effective FY2012-13.

Note (iii): Rs 1 crore (cr.) = Rs 10 million (mn.).

- Total income was Rs 227.6 crore during the quarter under review as compared to Rs 227.3 crore during the corresponding quarter of previous year an increase of 0.1% in rupee terms.
- The company reported an EBITDA of Rs 9.3 crore (4.1% of total income) compared to an EBITDA of Rs 18.6 crore (8.2% of total income) compared to the same period last year.
- Net profit stood at Rs 0.9 crore in Q1FY15 as against a profit of Rs 7.1 crore in corresponding quarter of previous year.
- The product development spends during the quarter was Rs 16.7 crore as compared to Rs 11.6 crore in the same period last year.

Operating highlights

- **New accounts billed during the quarter:** The Company added 8 new clients during Q1FY15. Total client count as of 30th June, 2014 was 133 (LTM).
- **12m order backlog:** The 12-month order backlog was Rs 549.8 crore (\$ 91.4 mn) as on 30th June, 2014 and in constant currency stood at Rs 542.2 crore (\$ 90.5mn) as compared to Rs 541.8 crore (\$ 90.4mn) at the end of Q4FY14, reflecting an increase of 1.5% QoQ in rupee terms (increase of 0.1% QoQ in constant currency).
- **TLS Joint Venture:** During the current quarter, Mastek (UK) Limited a 100% subsidiary of Mastek Limited has entered into a 'Shareholders Agreement' with The Law Society of England and Wales (TLS), United Kingdom to establish a jointly controlled entity in United Kingdom named Legal Practice Technologies Limited (LPTL). LPTL is in the process of building a portal for use by third parties on a subscription basis. Mastek (UK) Limited owns 40% of the issued share capital of LPTL which amounts to Rs. 410 lakhs (GBP 400K). As per the contractual agreement, both the parties exercise joint control over the economic activity of LPTL. Accordingly in the consolidated results, Mastek group has reported its interest in the LPTL using proportionate consolidation method as prescribed in Accounting Standard (AS) 27.
- **Employees:** As on 30th June, 2014, the company had a total of 3,223 employees, of which 2,368 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31st March, 2014 was 3,123.
- **Billable utilization:** The Company's billable utilization stood at 85.4% during the quarter under review as compared to 82.5% in Q4FY14.
- **Cash & Cash Equivalent:** The total cash/cash equivalent stands at Rs 169.8 crore as on 30th June, 2014 as compared to Rs 171.1 crore at the end of 31st March, 2014.
- **Management Update:** Vinay Rajadhyaksha, President – Delivery, Operations and India Asia, has decided to move on and the next level of management has been stepped up to manage the portfolio.

Commenting on the results, Mr. Sudhakar Ram, Group CEO & Managing Director, Mastek, said: "Although there has been an exceptional impact to the financials in the quarter, the business momentum remains intact with 8 new accounts added in the quarter. The UK Geography has shown good improvement and we expect to announce few more deals in the coming quarter. The continued investment in the North America Insurance market is expected to see conversions in the second half of the fiscal year".

Mr. Farid Kazani, Group CFO and Finance Director, Mastek, said: "The Quarter has been quite challenging on the financial front. The right shifting of the project milestones on a project has led to an impact of Rs.10 crore on the revenue and profits for the quarter. However, once the project is executed successfully within the revised timelines, the company will be able to realise profits out of the contingency held back on the said project in subsequent period."

About Mastek

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to insurance, government, and financial services organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates across North America, Europe, and Asia Pacific regions. Incorporated in 1982, Mastek has been at the forefront of technology and has made significant investments in creating intellectual property, which along with proven methodologies and processes, increase IT value generation to its customers through onsite and offshore deliveries. For more information and past results & conference call transcripts, please visit our web site www.mastek.com (and/or the Investors section at <http://www.mastek.com/investors.html>). Updated disclosures regarding corporate governance may also be accessed in the web site's Investors section at: <http://www.mastek.com/investors/corporate-governance.html>.

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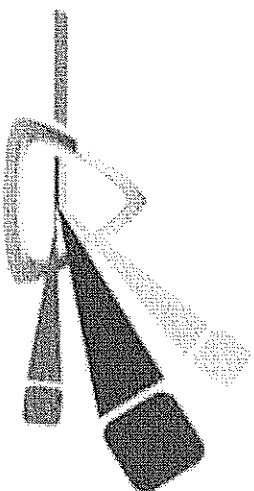
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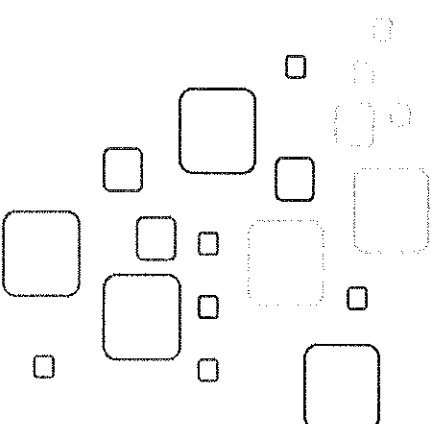
Shareholders may also contact Mastek via email at Investor_grievances@mastek.com, which has been specifically created for the redressal of investor grievances. You may also contact the Investor Relations team by email at investor.relations@mastek.com.

Note: Except for the historical information and discussion contained herein, statements included in this release may constitute forward looking statements. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from those that be projected by these forward looking statements. These risks and uncertainties include, but not limited to such factors as competition, growth, pricing environment, recruitment and retention, technology, wage inflation, law and regulatory policies etc. Such risks and uncertainties are detailed in the Annual Report of the company which is available on the website www.mastek.com. Mastek Ltd. undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.



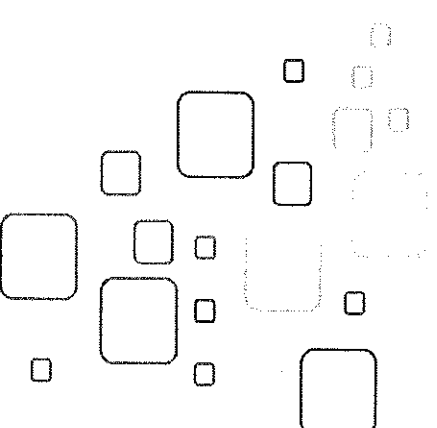
MastekTM

A high end provider of Enterprise Technology Solutions
that enable Business Transformation in selected verticals



Analyst Presentation

24 July 2014



Disclaimer:

Certain statements in this presentation 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 the sectors we operate including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professional, time and cost overruns on fixed-price, client concentration, our ability to manage growth, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, performance of our subsidiaries, withdrawal of government fiscal incentives, political instability, legal restrictions on raising capital, unauthorized use of our intellectual property and general economic conditions affecting our industry. Mastek may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company

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Business Updates - Q1 FY 2014-15

- The quarter financials were impacted by the reassessment of project timelines in one of the projects in North America resulting in restatement of revenue by Rs 10 crore
- Added 8 new logos with contribution almost equally by all geographies
- 12 Month Order backlog at Rs 549.8 crore, marginally up from last quarter of Rs 542.2 crore
- Joint Venture with The Law Society of England and Wales (TLS) - JV signed in the United Kingdom named Legal Practice Technologies Limited (LPTL) with 40% participation from Mastek. LPTL is in the process of building a conveyancing portal for use by third parties on a subscription basis. This enables Mastek to enter in a completely new space
- Continued focus on the product investment in North America
- Overall, business momentum continues to be bullish in UK. In NA, the Mid Market P&C revenues grew 8.4% over the previous quarter. Few deals in pipeline to significantly strengthen our strategic positioning

Key Financials

Particulars	Metrics	30-Jun-14	31-Mar-14	QoQ Growth	30-Jun-13	YoY Growth
		Q1 FY15	Q4 FY14		Q1 FY14	
Revenue	Income from Operations (INR Cr.)	218.7	220.8	-0.9%	216.7	0.9%
	Other Operating Income (INR Cr.)	2.2	3.1	-28.7%	5.6	-60.8%
	Total Income from operations (INR Cr.)	220.9	223.9	-1.3%	222.3	-0.6%
	Other Income (INR Cr.)	6.7	6.1	9.8%	5.1	32.4%
	Total Income (INR Cr.)	227.6	230.0	-1.0%	227.4	0.1%
Margins	EBITDA (INR Cr.)	9.3	18.1	-48.6%	18.6	-50.0%
	PBT (INR Cr.)	0.3	9.3	-96.8%	10.9	-97.3%
	PAT (INR. Cr.)	0.9	11.3	-92.0%	7.1	-87.3%
	EBITDA	4.1%	7.9%		8.2%	
Margin (%)	PBT	0.1%	4.0%		4.8%	
	PAT	0.4%	4.9%		3.1%	
EPS	Basic (INR)	0.38	4.64		2.88	
	Diluted (INR)	0.37	4.59		2.87	

Operating Metrics - Revenue

Revenue	Q1FY15	Q4FY14	Q1FY14
By Region			
North America	36.8%	39.9%	47.7%
UK	55.3%	51.7%	44.4%
Others	7.9%	8.3%	7.9%
By Quadrant			
Solutions	46.5%	42.6%	32.5%
Vertical Product	38.4%	42.4%	43.2%
IT Services	15.1%	15.0%	24.3%
By Industry			
Insurance	42.6%	47.1%	48.3%
Government	34.0%	30.7%	26.3%
Other Financial Services	10.1%	8.7%	12.9%
IT & Other Services	13.4%	13.6%	12.5%

Operating Metrics - Manpower

Manpower Statistics	Q1FY15	Q4FY14	Q1FY14
Onsite	855	808	758
Offshore	2368	2315	2370
Total	3223	3123	3128
Technical	2,678	2,596	2,590
Technical Support	267	245	258
Marketing	85	86	84
Support	193	196	196
Total	3,223	3,123	3,128
Billable Utilization	85.4%	82.7%	81.2%

Way Forward

Business Model

- Vertical solutions provider with deep domain capabilities, reusable assets / platforms, industry specific services
- Continued focus on high end products and solutions and continue product spends in P&C and L&A
- Long term relationships, developing into trusted partnerships with every client

Growth Strategy

- To continue investment in insurance products, sales & marketing
- To specialize in niche markets
- Acquisitions as the preferred strategy for entering new verticals / markets

Geographies

- Focus on Insurance segment in North America
- Focus on government and retail segment in UK
- Substantial portion of revenues to come from new business/ new markets

Financial

- Improve Sales and Operating efficiency
- Cost improvement to improve profitability
- Majority of revenues to come through high end, high margin business

THANK YOU

About Mastek

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to insurance, government, and financial services organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates across North America, Europe, and Asia Pacific regions. Incorporated in 1982, Mastek has been at the forefront of technology and has made significant investments in creating intellectual property, which along with proven methodologies and processes, increase IT value generation to its customers through onsite and offshore deliveries. For more information and past results & conference call transcripts, please visit our web site www.mastek.com (and/or the Investors section at <http://www.mastek.com/investors.html>). Updated disclosures regarding corporate governance may also be accessed in the web site's Investors section at: <http://www.mastek.com/investors/corporate-governance.html>

