

For Immediate Release



**Mastek Q2FY13 Total Income at Rs. 229.8 crore;
up 1.1% QoQ and 30.9% YoY**

- 12 month order backlog grows 28% to Rs 538 crore
- EBITDA margin improves by 140 bps to 9.4%

Mumbai, India – 21st January 2013: 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 second quarter ended 31st December, 2012 today.

Review of financial performance for the quarter ended 31st December, 2012

On a quarter-on-quarter basis:

- The operating revenue was Rs 224.6 crore during the quarter under review as compared to Rs 223.3 crore during the sequential previous quarter reflecting an increase of 0.6% in rupee terms and 0.5% in constant currency terms.
- Total income was Rs 229.8 crore during the quarter under review as compared to Rs 227.4 crore during the sequential previous quarter, up 1.1% on QoQ basis.
- The Company reported EBITDA of Rs 21.6 crore (9.4% of total income) compared to Rs 18.1 crore (8.0% of total income) in Q1FY13.
- Net profit stood at Rs 7.6 crore in Q2FY13 as against Rs 6.5 crore in Q1FY13, up 16.3% sequentially.
- The product development spends during the quarter was Rs 9.6 crore as compared to Rs 10.1 crore in Q1FY13.

For the half year ended 31st December, 2012:

- The operating revenue was Rs 447.9 crore during the quarter under review as compared to Rs 328.5 crore during the corresponding period of previous year reflecting an increase of 36.3 % in rupee terms and 21.3% in constant currency terms.
- Total income was Rs 457.2 crore for the six month period ended December 2012 as compared to Rs 333.8 crore in the corresponding period of the previous year.

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

Note (ii): Mastek follows a July 01-to-June 30 financial year.

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



- The Company posted the EBITDA of Rs 39.7 crore (8.7% of total income) as compared to an EBITDA loss of Rs 6.1 crore in the corresponding period of the previous year.
- Net profit stood at Rs 14.0 crore in H1FY13 as against a loss of Rs 28.8 crore in H1FY12.
- The product development spends during the H1FY13 was Rs 19.7 crore as compared to Rs 22.4 crore in H1FY12.

Operating highlights

- **New deal win:** The Q2 new deal wins included a notable deal in the Insurance segment in North America, Gerber Life Insurance Company which has selected MajescoMastek's Elixir North America for modernization of its Policy Administration Platform as well as deliver other services involved in the two year transformation initiative. This deal will cover all US lines of business of Gerber.
- **New accounts billed during the quarter:** The Company added 3 new clients during Q2FY13. The total number of clients on a trailing 12 month basis was 114.
- **12m order backlog at Rs 538 crore:** Mastek's 12-month order backlog was Rs 538 crore (\$98 mn) as on 31st December 2012, compared to Rs 421 crore (\$80 mn) at the end of the previous quarter ended 30th September 2012, reflecting an increase of 28% in rupee terms (22% in dollar terms).
- **Update on Board:** The Mastek Ltd Board has inducted Mr. Atul Kanagat as an Independent Director. Mr. Kanagat, who retired from McKinsey and Company as a partner after 16 years, brings with him strategic insights and deep experience of the US markets. He is a B. Tech in Mechanical Engineering from IIT, Bombay and a MBA from Harvard Business School.
- **People:** As on 31st December 2012, the company had a total of 3,296 employees, of which 2,415 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 30th September 2012 was 3,277 employees.
- **Utilization:** The Company has started reporting billable utilization starting Q2FY13, which stood at 76.7%.
- **Buyback details:** The Company till date has completed 75% of the buyback value. Out of the approved amount of Rs. 36 crore, it has purchased 18.05 lakhs shares @ avg price of Rs. 149.5 per share totalling to Rs. 27.0 crore.
- **Change in Accounting Period:** The Company has decided to change its statutory accounts closure date from June 30 to March 31. Accordingly, the statutory accounts for the current period will be drawn for the nine months ending March 31, 2013.



Commenting on the results, Mr. Sudhakar Ram, Chairman and Group CEO, Mastek, said: "We have had a steady quarter. What gives me pleasure is the strong order backlog of Rs.538 crore, which is a historical high. The North America Insurance business is showing robust growth with significant deals signed up in Q2 ended December 2012 and the same is expected to drive growth for the year ahead."

Mr. Farid Kazani, Group CFO and Finance Director, Mastek, said: "The Company continues to drive operational efficiencies and various cost saving initiatives which has resulted in 140 bps improvement in EBITDA margin to 9.4% more than offsetting the salary impact in this quarter."

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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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.