

Tech Mahindra Net Up 9.6% Y-o-Y

Press Release - Mumbai, India, July 26, 2010

Key Highlights

Highlights for the Quarter (INR)

- Revenue at INR 11,337 mn; up 1.9% YoY
- Operating Profit at INR 2,126 mn; down 24.2% YoY
- PAT at INR 1,443 mn; up 9.6% YoY
- Added 1,743 personnel during the quarter, taking the headcount to 35,267
- Added 4 new clients during the quarter
- Forays into Latin American markets with it's first win

Highlights for the Quarter (USD)

- Revenue at USD 251.1 mn; up 10.3% YoY
- Revenue on constant currency basis, up 11.0% YoY
- Operating Profit at USD 46.4 mn; down 20.0% YoY
- PAT at USD 31.4 mn; up 16.0% YoY

Mr. Anand Mahindra, Chairman, Tech Mahindra said, "In the previous quarter, we saw prolonged decision making cycles at key customers. We believe this to be temporary, and expect that our investments in capability will position us to respond quickly to customer needs during the demand resurgence".

Mr. Vineet Nayyar, Vice Chairman, Tech Mahindra said, "It's been a quarter where our performance has been impacted among others by adverse currency movements. However we continue to pursue our long term objectives of creating differentiated service offerings, and optimizing our operations to combat the margin pressures".

Mr. Sanjay Kalra, CEO, Tech Mahindra said, "We have added four new customer relationships in the quarter which has been the highest in the last nine quarters. This augurs well for the future and is indicative of the strength of our offerings. We have increased engagement levels with our customers and the number of customers contributing more than \$ 10 m annually now stands at 13".



Key Wins

Tech Mahindra has partnered with one of the leading US based telecommunication equipment companies. Tech Mahindra will assist the customer in migrating their products for VoIP and IMS networks from the IPv4 to the IPv6 protocol, thereby improving time-to-market in a competitive business environment.

Tech Mahindra successfully implemented a Service Fulfillment and Assurance solution for a large customer in the Asia Pacific region. This implementation will enable the customer to monitor their entire wireless network from a central location with improved performance management. This will improve network availability for the operators customer and mitigate service disruptions.

Tech Mahindra has been selected by one of the government agencies in Asia Pacific for implementing and managing a location based service platform. The platform will integrate with all the mobile operators, allowing customer's access across operators.

TechMahindra has entered into a contract with a Latin American telecommunications company to optimize the performance of their IT Environment. TechMahindra will assist the customer in establishing and implementing performance engineering life cycle processes, which will help them in reducing their IT development cycle times and improving IT infrastructure performance. This will enable the customer to improve their time-to-market capabilities and launch new products at a faster pace.

Rewards & Recognition

- 1st Runner-up for the Best Service Enablement Implementation at the BOSS Conference & Expo 2010
- Leapvault Change Leadership Award 2010 for Game Changing M&A – Domestic Category
- In the 'Leaders' Category in the '2010 Global Outsourcing 100' (IAOP's Annual List of the Best Outsourcing Service Providers)
- 'Software Solution of the Year Middle East' by TMT Finance & Investment Middle East Awards



Financials

Audited consolidated financial results for the quarter ended 30th June, 2010 drawn under Indian GAAP

Consolidated Income Statement

(in INR million)

Particulars	Quarter Ending			% Changes	
	June-10	Mar-10	June-09	Q-o-Q	Y-o-Y
Revenue from services	11,337	11,833	11,130	-4.2	1.9
Cost of Services	7,458	7,373	6,838	1.2	9.1
Gross Profit	3,879	4,460	4,292	-13.0	-9.6
SGA	1,752	1,672	1,487	4.8	17.8
Operating Profit	2,126	2,788	2,805	-23.7	-24.2
Other Income	253	739	(261)	-65.8	-196.7
Interest Expense	264	311	571	-15.2	-53.8
Depreciation	354	399	296	-11.4	19.7
Profit before Tax	1,761	2,817	1,677	-37.5	5.0
Provision for taxes	312	542	268	-42.3	16.6
Profit after tax before Exceptional Items	1,449	2,275	1,409	-36.3	2.8
Non Recurring / Exceptional Items	0	0	(85)	-	-
Minority Interest	(6)	(6)	(8)	9.5	-22.8
Profit after tax	1,443	2,270	1,316	-36.4	9.6
EPS (Rs) – excluding non recurring/exceptional items					
Basic	11.71	18.60	11.51	-37.0	1.8
Diluted	11.07	17.41	10.84	-36.4	2.1
EPS (Rs) – including non recurring/exceptional items					
Basic	11.71	18.60	10.81	-37.0	8.3
Diluted	11.07	17.41	10.19	-36.4	8.7

Key Operating Metrics

Particulars	Quarter Ending		
	Jun-10	Mar-10	Jun-09
Total Headcount (As at period-end)			
S/w Professionals	25,711	24,405	20,227
BPO Professionals	8,426	8,067	4,189
Sales & Support	1,130	1,052	1,066
Total Employees	35,267	33,524	25,482
Revenue by Geography (%)			
North America	32%	30%	29%
Europe	55%	57%	61%
Rest of World	13%	13%	10%
Total	100%	100%	100%
No. of Active Clients	117	113	110
No. of Million \$ Clients			
≥ \$1 million clients	52	48	47
≥ \$2 million clients	36	33	29
≥ \$5 million clients	20	18	15
≥ \$10 million clients	13	11	8
≥ \$15 million clients	8	8	8
≥ \$20 million clients	6	5	4
≥ \$25 million clients	4	4	4
≥ \$50 million clients	2	2	2
Client contribution to revenue			
Top client	45%	46%	52%
Top 5	74%	72%	78%
Top 10	82%	81%	86%
Revenue On/Off Break-up (in %)			
Onsite	37%	38%	38%
Offshore	63%	62%	62%
IT Utilization %	69%	73%	71%



About Tech Mahindra

Tech Mahindra is a leading provider of solutions and services to the telecommunications industry, majority stake owned by Mahindra & Mahindra Limited, in partnership with British Telecommunications plc. With total revenues of INR 46,254 million in the year ended March 31, 2010, Tech Mahindra serves telecom service providers, equipment manufacturers, software vendors and systems integrators. Tech Mahindra solutions enable clients to maximize returns on IT investment by achieving fast time to market, reduced total cost of ownership and high customer satisfaction. Tech Mahindra achieves this through its domain and process expertise, distinctive IT skills, research and development, proven innovative delivery models and approach to off-shoring.

Assessed at SEI-CMMi Level 5 and PCMM Level 5, Tech Mahindra's track record for value-delivery is supported by 35,000 professionals who provide a unique blend of culture, domain expertise and in-depth technology skill-sets. Its development centres are ISO 9001:2000 & BS7799 certified. Tech Mahindra has principal offices in the UK, United States, Germany, UAE, Egypt, Singapore, India, Thailand, Taiwan, Malaysia, Philippines, Canada & Australia.

For more information on the financials, please refer to the fact sheet and the results advertisement on the investor section of the website: www.techmahindra.com or contact Namrata Parikh at namrata.parikh@techmahindra.com

