

Large Deals support Tech Mahindra's growth momentum

**Q3 constant currency revenue growth at 4.9% QoQ 19.6% YoY
Board approves 1:1 bonus and 2:1 stock split**

Mumbai – January 30, 2015: Tech Mahindra Ltd. a specialist in digital transformation, consulting and business re-engineering today announced the audited and consolidated financial results for its third quarter ended December 31, 2014.

Financial highlights for the quarter (₹)

- Revenue at ₹ 5,752 crore; up 17.4% YoY and up 4.8% QoQ
- Operating profit (EBITDA) at ₹ 1,160 crore; up 5.7% QoQ
- Consolidated PAT at ₹ 805 crore, up 11.9% QoQ
 - PAT includes special adjustment of ₹ 28.5 crore of H1FY15 profits of Mahindra Engineering Services Ltd (MESL) in Q3FY15 nos
- Earnings per Share (EPS) was ₹ 33.69 for the quarter ended Dec 31, 2014

Financial highlights for the quarter (USD)

- Revenue at USD 924 mn; up 16.8% YoY and up 2.7% QoQ
 - Revenue in constant currency up 4.9% QoQ
- Operating profit (EBITDA) at USD 186 mn; up 3.6% QoQ
- Consolidated PAT at USD 129 mn, up 9.5% QoQ

Other Highlights

- The Board of Directors of the company at its meeting held today approved the proposal to issue 1:1 Bonus shares and sub-division of its equity shares in the ratio of 2:1 (i.e., two equity shares of Rs.5/- each fully paid up for every one equity share of Rs.10/- each fully paid up) at a Record Date to be fixed, subject to the approval of shareholders and Regulatory Authorities.



- Total headcount at 98,009; adds 2,700 professionals during the quarter
 - Software headcount stood at 67,592; BPO at 23,566
- Cash and Cash equivalent at ₹ 4,214 crore; up by ₹ 780 crore in Q3
- Active Client count stood at 674 in Q3 vs. 649 in Q2FY15

"Despite seasonal weakness of the third quarter and currency volatility, Tech Mahindra turned in a fairly robust performance. Our continued focus on operational excellence is yielding tangible results for our stakeholders." **said Vineet Nayyar, Executive Vice Chairman, Tech Mahindra.**

"We believe our service portfolio coupled with the tuck-in acquisitions like MES have augmented our growth aspirations well, this quarter. We will make greater investments into Digital Transformation and ride the wave of opportunities that spot the business landscape Today " **said CP Gurnani, MD & CEO, Tech Mahindra.**

Key Wins:

- A major airline in the Asia Pacific region has selected Tech Mahindra to manage its end-to-end Infrastructure Management. Through its infrastructure management program, Tech Mahindra will not only manage customer's complete Data Centre Operations and End-User Computing but also help streamline its operations while reducing costs.
- Chosen by a large European Automotive company to provide end-to-end managed services for its applications and systems. Tech Mahindra will drive value add to the customer, while it undergoes business transformation.
- Chosen by a leading European communications company to boost its customer's service operations and help deliver a market-leading Customer support & services.

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- Selected by a global leader in storage solutions for its multi-year SAP application and maintenance support services. Tech Mahindra will also act as a strong technology partner and will help identify, adopt and leverage newer technologies in SAP, improving the customer's operational and business performance enhancing user experience.
- Engaged by a leading aerospace and defense company to develop flight test software. The deal contour not only encompasses development and maintenance of aircraft programs but also migration of few applications to new platforms and development of customized data analytics solutions
- A North American medical device maker has selected Tech Mahindra for its engineering development support. We will help the customer in developing hospital and patient monitoring systems
- Won a deal from a leading European FMCG major's division, to provide application support and testing services globally
- A leading ASEAN retail operator selected Tech Mahindra for its customer loyalty management implementation project, encompassing an enterprise wide scalable and robust Customer Relationship Management (CRM) packaged applications
- Selected by a leading South Asian capital market regulator in areas of design, development, implementation and support of their portal and ERP system. The scope envisages a major overhaul and transformation of IT Systems which will help enhance its customer experience
- Selected by a leading global consumer goods company in Latin America for managing its SAP IT service application helping bring in cost efficiencies.



Business Highlights:

- Merger with Mahindra Engineering Services (MES) was approved by the Hon'ble Bombay High Court on 31st October 2014 and the subject order was filed with the registrar of companies, Mumbai on 8th December 2014, thus completing the merger. MES is a global engineering consultant and service provider catering to automotive, aerospace, defense & manufacturing industries
- Signed a definitive agreement to acquire global network services leader Lightbridge Communications Corporation (LCC) subject to regulatory approvals. This will help Tech Mahindra being positioned as the largest and most comprehensive provider of technology services to Communications Service Providers
- Collaborated with Milton Keynes City Council and The Open University to target MK: Smart City project
- Tech Mahindra Business Services Group (BSG) launched CartFULL, the latest e-retail platform for the Retail and Consumer goods companies at ReConNext 2014 in Hyderabad

Awards and Recognitions:

- Ranked as leader in Global Engineering R&D Service Providers Rating. Tech Mahindra has been recognized in the leadership zone for the third consecutive year
- Debuts in IDC Financial Insights Fintech rankings Top 25 Enterprise
- Tech Mahindra amongst BT500 Top 50 Companies in Business Today's India's Most Valuable Companies rankings
- Three UK awarded Tech Mahindra with CIO Partner Award 2014.
- Bagged the Partner Application Award from Malaysia for commitment and contribution towards MSC Malaysia initiatives. It is the only Indian IT company to receive this recognition
- Tech Mahindra receives BEST award ranking #5 from ATD (The Association for Talent Development)

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About Tech Mahindra

Tech Mahindra is a specialist in digital transformation, consulting and business re-engineering solutions. We are a USD 3.5 billion company with 98,000+ professionals across 51 countries. We provide services to 674 global customers including Fortune 500 companies. Our innovative platforms and reusable assets connect across a number of technologies to deliver tangible business value to all our stakeholders. Tech Mahindra is also amongst the Fab 50 companies in Asia as per the Forbes 2014 List.

We are part of the USD 16.5 billion Mahindra Group that employs more than 200,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, information technology, financial services and vacation ownership.

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Disclaimer

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Audited consolidated financial results for the quarter ended December, 2014 drawn under India GAAP

Consolidated Income Statement

(₹ Mn)

Particulars	Quarter Ending		
	Dec-14	Sept-14	Dec-13
Revenue	57,517	54,879	48,985
Cost of Services	37,656	36,160	30,012
Gross Profit	19,861	18,720	18,794
SG&A	8,260	7,746	7,610
Operating Profit	11,601	10,973	11,363
Other Income	190	576	(457)
Interest Expense	38	41	236
Depreciation	1,441	1,425	1,396
Profit before Tax	10,311	10,083	9,274
Provision for taxes	2,512	2,807	2,64
Non Recurring / Exceptional Items	-	-	1,200
Minority Interest	(31)	(80)	(111)
Special adjustments (H1 FY15 MESL profits)	285	-	-
Profit after tax	8,053	7,197	10,099
EPS (₹) – including exceptional items			
Basic	33.69	30.71	38.31
Diluted	32.76	29.81	37.37


