



Mastek FY 2010-11 Total Income at Rs 614 crore

- **12-month order backlog at Rs 309 crore**
- **14 new customers added during the year**
- **Traction building in UK after a dry spell of two years**

Mumbai, India – 25 July 2011: 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 audited financial results for the quarter and full-year ended 30 June 2011 today.

Review of full year FY 2011 performance

The Company's performance for the financial year ended June 30, 2011 reflects the challenging demand environment as a result of the global economic crisis and changes in the UK government that impacted transformational initiatives both in the private and the public sector. This apart, ramp-down of Capita, elongation of sales cycles and product development expenses also impacted the financial performance.

On a consolidated basis, the company registered a total income of Rs 614 crore in FY2011. This represents a 15% decline compared to Rs 721 crore in the preceding year. As a consequence, the company had a loss of Rs. 55.9 crore in FY 2011 compared to a profit of Rs 67.7 crore in FY 2010. The loss for FY 11 is after considering an exceptional item of Rs. 27.2 crore on account of impairment of the goodwill of Vector Insurance Services.

Commenting on the results, Mr. Sudhakar Ram, Chairman and Group CEO, Mastek, said: "The past year was a challenging one for Mastek. Our revenue and earnings performance for the full year have gone down on the back of subdued demand for discretionary spends and transformational initiatives by clients. A client ramp down during the year as well as above normal wage hikes to retain employees impacted the margins.

Despite the slowdown in growth, we have continued to make investments into our insurance product portfolio and sales and marketing, we are confident that these will bear results in the foreseeable future. Our confidence is further boosted by a couple of strategic wins that we have had in UK in this quarter. Our focus remains on sustaining the momentum we have achieved in order-booking and starting the new financial year with a strong order backlog position to deliver topline growth at better margins during the coming year."

Operating highlights

- **New account addition:** The Company added 3 new client accounts during the fourth quarter FY 2011 taking the total number of client additions to 14 this financial year. The new client additions have been across all key verticals including Insurance and Government.

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.).



- **12m order backlog at Rs 309 cr:** Mastek's 12-month order backlog was Rs 309 crore as on 30 June 2011, compared to Rs 279 crore at the end of the sequentially preceding quarter. The order backlog increase as well as the pipeline of opportunities gives us confidence that we should witness meaningful growth in the next financial year.
- **Update on board:** During the year under review, Mr. Venkatesh Chakravarty, Ms. Priti Rao and Mr. Rajendra Sisodia were inducted as Directors of the Company. Mr. Chakravarty has more than 25 years of experience in the Insurance industry spanning Life Insurance, Management Consulting and Reinsurance. He has worked for LIC, Eagle Star International in the Middle East and for KPMG India. His current role is as Director and Head of Life and Health businesses for Swiss Re Services in India. Ms. Priti Rao has more than 24 years of experience building and delivering a range of IT services of customers located across five continents, Rao has held senior positions with global teams. She has also worked with Infosys, as a senior executive heading the Pune development centre and heading their infrastructure services business. Dr. Rajendra Sisodia is a Professor of Marketing at Bentley University and Founder and Chairman of Conscious Capitalism Institute. He was cited as one of the "50 Leading Marketing Thinkers" was named to the "Guru-Gallery" by Chartered Institute of Marketing (in 2003). Mr. Diwan Arun Nanda, Non-executive and Independent Director resigned from the board in July 2011.
- **Update on leadership team:** In June 2011, Mr. Mrinal Sattawala, Group President, resigned from the organization. Mr. Sudhakar Ram, the company's Chairman & Managing Director has now taken over responsibility of all Operations and the senior leadership team reports to him directly.
- **People:** As on 30th June 2011, the company had a total of 2,905 employees, of which about 26% were based on-site while the rest were at various offshore locations. The company continues to recruit of fresh talent and intends to add more technical resources at various levels during the new fiscal. This salary increase is to be implemented for employees in specified grades at both offshore and onsite locations, and will come into effect starting July 1st, 2011.

Outlook

FY2012 promises to be a better year with increased traction across our key geographies in UK and North America. Positive signals of our momentum can be witnessed from the deal wins in UK, increasing pipeline of opportunities in the P & C space in US, improved order backlog position and some exciting developments on the Government side in India. The initiatives that were put in place at the start of the year are expected to translate into revenue growth while we continue to pay close attention to getting back to profitability in the forthcoming quarters.

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.