For Immediate Release

Mastek Jan-March 2008 quarter PAT up 65% year-on-year at Rs 35 cr

Revenues for quarter up 22% year-on-year at Rs 239 cr

EBITDA margins expand to 19.3%, EPS (non-annualised) at Rs 12.33

In dollar terms:

- ***Revenues for quarter grow by 33% year-on-year to US$ 59.9 mn***
- ***PAT for quarter up 80% year-on-year to US$ 8.8 mn***

Strong full year FY2008 and FY2009 growth outlook driven by:

- **Addition of 11 new customers including new partnership with Thales UK**
- **Expansion of order book (to Rs 406 cr) and opportunity pipeline**
- **Growing acceptance of Elixir™ enterprise solution in insurance vertical**
- **Entry into the non life segment of Insurance vertical through STG acquisition**
- **Continued benefits from productivity & efficiency enhancement initiatives**

Mumbai, India – April 09, 2008: Mastek, a high-end IT solutions player with global operations providing new technology and IP-led enterprise solutions to insurance, government, and financial services organizations worldwide, announced its unaudited financial results for the quarter and nine months ended March 31, 2008 today.

Review of quarterly financial performance*

Mastek's revenue performance during the quarter under review was driven by sustained growth in its existing accounts and contributions from accounts added in the past few quarters as well as the newly acquired STGMastek, which has been consolidated with the company's overall operations with effect from January 01, 2008. Mastek's earnings performance was driven by better than anticipated benefits of the ongoing productivity and efficiency improvement initiatives put in place earlier during the current financial year, resulting in higher operating margins.

On a year-on-year basis, the company's total income for the quarter was higher by 22% at Rs 238.9 crore compared to Rs 195.3 crore in the similar quarter last year (after excluding contributions from the erstwhile Deloitte JV). This was driven by a noticeable improvement in revenues in the US operations which now include STGMastek, strong growth in the Asia-Pacific operations, and sustained contribution in the UK operations. Fixed-bid contracts accounted for about 50% of the revenues during the quarter.

EBITDA for the quarter under review increased to Rs 45.1 crore, translating into a noticeably higher EBITDA margin of 19.3% compared to 16.2% in the similar period last year. This significant expansion in margin was driven by the ongoing productivity and operational efficiency enhancement initiatives

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* All references to Mastek's financial results in this release pertain to the company's consolidated operations and comparisons with the corresponding periods in the preceding financial year are after excluding the erstwhile DC JV (that ended in March 2007), unless otherwise mentioned. Please note that the company's performance for Q3 & 9M FY2008 includes contributions from STGMastek that was acquired on March 8, 2008 and has been consolidated with effect from Jan. 1, 2008, and is therefore not strictly comparable with previous year's performance.

Note: (i) Mastek follows a July 01-June 30 financial year; (ii) Rs 1 crore (cr.) = Rs 10 million (mn.).

that the company has been implementing over the past few months. Profit After Tax (PAT) increased 65% from the similar period last year (excluding Deloitte JV) to Rs 35.08 crore, indicating a net profit margin of 14.7%.

In dollar terms, the company's total income increased 33% from US$44.9 million last year to US$59.9 million in the quarter under review. PAT was higher by 80% at US$8.8million compared to US$4.9 million last year.

On a quarter-on-quarter basis, Mastek's total income for the quarter under review represents a 11% increase from Rs 215.9 crore in the preceding quarter. EBITDA was higher by 23% and EBITDA margin improved from 17.3% to 19.3% compared to the sequentially preceding quarter. PAT for the quarter was higher by 29% compared to the sequentially preceding quarter.

Review of financial performance for the nine months ended 31 March 2008

Strong revenue contributions from both the UK and US operations that now include the recently acquired STGMastek enabled the company to deliver a 19.8% growth in total income for the nine months ended 31 March 2008 (9MFY2008) which increased to Rs 666.4 crore from Rs 556.3 crore in the corresponding period last year.

EBITDA for 9MFY2008 was higher by 10.3% at Rs 111.1 crore, compared to Rs 100.7 crore in 9MFY2007. The company's performance for the nine months under review includes the impact of wage hikes implemented in the first quarter of the current financial year starting July 1, 2007 and substantial productivity improvements. PAT for 9MFY2008 increased 39.7% from Rs 62.5 crore last year to Rs 87.3 crore.

In dollar terms, total income increased by 35% to US$167 million in the nine months under review from US$124 million last year, and PAT was up 58% to US$22 million from US$14 million last year.

During 9MFY2008, Mastek added 17 new customers (including one added by STGMastek post acquisition but excluding the multiple existing accounts and customers that came with STGMastek as a result of its acquisition). Mastek's 12-month order book expanded 47% from Rs 276 crore to Rs 406 crore during the nine-month period.

Commenting on the results, Mr. Sudhakar Ram, Chairman and Managing Director, Mastek, said: *"This has been another strong quarter for Mastek, where the company has reported both operations and earnings-led progress. At the heart of our growth strategy is our focus on the IP-led enterprise applications market, and during the quarter we made commendable progress in addressing opportunities in the global IP-led solutions space. This is reflected in the addition of one more large insurance customer Legal & General for our Elixir™ solution, a new partnership with Thales UK to deliver IP-based solutions, and the acquisition of STGMastek that expands our footprint in the non life segment of the insurance vertical.*

In addition to concurrently growing our existing accounts and adding new ones in both the Insurance and Government verticals during the quarter, as manifested in our increased order book, we also continued to realize the benefits of productivity and cost efficiency improvements that exceeded our expectations. We believe that these benefits and the resulting healthy margin levels should be sustainable. We remain focused on and continue to implement our growth plans and expect to deliver a 35% growth in dollar terms for the full year."

Operating performance review

11 new customers added, including a new Elixir™ solution deal with Legal & General and a new partnership with Thales in UK, in addition to 35 existing customers of the newly acquired STGMastek: During the quarter under review, Mastek was able to leverage the opportunity pipeline that it has built over the past few quarters, adding multiple new customers (including some Global Fortune 500 companies) across multiple geographies and a new partnership in the UK. The company also deepened its relationships with many of its existing customers in its focus verticals of insurance & financial services and government.

- The company added **11 new accounts** during the quarter, of which one was added by STGMastek post acquisition. These new accounts do not include the multiple existing STG accounts that accrued to Mastek after it acquired STG. Among the accounts added during the quarter were two insurance customers in the US.
- Mastek's new SOA-based Elixir™ solution for the insurance industry gained further traction after the UK's **Legal & General** selected it for the administration of some of its products in the UK.
- Mastek also won a deal in the UK with **Thales UK** for Ministry of Defence, UK (UK MoD). The Thales-led partnership of Mastek, Fujitsu Services and Flyware has developed the "Swift2Move" software solution to meet the UK MoD's requirement to manage and schedule the global air movements of troops and cargo which will be deployed over its Defence Information Infrastructure (DII). The total contract win for the consortium is about £27million. Given the high end, high value nature of solutions that Thales focuses on and the manner in which the global Military, Defence and Aerospace sector is evolving, this Mastek and Thales partnership could open up additional opportunities going forward.

Order book expands to Rs 406 crore: In line with the expansion of existing client relationships and robust account addition, Mastek has also been able to strengthen its order book during the quarter under review, which expanded 12% from Rs 362 crore at end of the sequentially preceding quarter to Rs.406 crore as on March 31, 2008.

Outlook

Mastek's performance during the period under review reflects the company's ability to differentiate itself as a player with strong IP-led solutions delivery and programme management capabilities that is able to meet rigorous quality and timeline benchmarks. The company has been able to increase its productivity and operational efficiency, deliver a healthy performance in the UK, increase its presence in the US & other markets, and expand its order book. Resultantly, the growth outlook is strong for the full current year (FY2008) as well as the next year FY2009.

For the April-June 2008 quarter, Mastek expects its consolidated total income (which is inclusive of other income) to be in the range of Rs 245 to Rs 250 crore. Net profit after tax and minority interest is likely to be in the range of Rs 37 to Rs 38 crore.

For the full year FY2008, the company is expected to deliver a 35% growth in dollar terms over FY2007 (after excluding contributions from the erstwhile Deloitte JV).

About Mastek

Mastek, is a Rs. 810 crore, US $184 million (FY 2007) publicly held, 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 US, Europe, Japan and Asia Pacific regions. Incorporated in 1982, Mastek has been in the forefront of technology, which along with proven methodologies and processes, increase IT value generation to its customers through onsite and offshore deliveries.

For more information and detailed results, please visit our Web Site http://www.mastek.com

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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.

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.