



## **Mastek Q1FY12 Total Income at ₹158 crore**

- **12-month order backlog at ₹326 crore**
- **4 new customers added during the quarter**

Mumbai, India – 19 October 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 unaudited financial results for the quarter ended 30<sup>th</sup> September 2011 today.

### **Review of quarterly financial performance**

On a quarter-on-quarter basis:

- The operating revenue was ₹155.3 crore during the quarter under review as compared to ₹144.2 crore during the sequential previous quarter reflecting an increase of 7.7% in rupee terms. The growth in dollar terms was 3.6%.
- Total income was ₹158.2 crore during the quarter under review as compared to ₹147.7 crore during the sequential previous quarter.
- Mastek's operating EBITDA for the quarter was down by ₹11.6 crore compared to the previous quarter due to the annual salary hike and transition costs associated with deal won in UK.
- During the quarter under review, the company's post-tax earnings included the impact of the mark to market losses to the tune of ₹7.3 crore on forex exposures. Excluding this, the net loss for the quarter is ₹19.9 crore.

During Q1FY12, Mastek added 4 new customers. As on 30<sup>th</sup> September 2011, 12-month order backlog stood at ₹326 crore, higher by 5.5% in rupee terms over the previous quarter. The company continues to have a healthy balance sheet and had ₹120.6 crore in cash & equivalents (including liquid investments) as on 30<sup>th</sup> September 2011 as compared to ₹159.0 crore in the previous quarter.

### **Operating highlights**

- **New account addition:** The Company added 4 new client accounts during the first quarter FY 2012 taking the total number of clients to 91. The wins were in the P&C Insurance business in North America and in the other verticals within UK.

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**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 ₹326crore:** Mastek's 12-month order backlog was ₹326crore as on 30<sup>th</sup> September 2011, as compared to ₹309crore at the end of the previous quarter ended 30<sup>th</sup> June 2011, reflecting an increase of 5.5% in rupee terms. The healthy increase in order book gives us the confidence that we should witness improved performance going ahead into the year.
- **Update on board:** The Board of Directors of Mastek Ltd have accepted the resignation of Mr. Anil Singhvi, independent director. Mr. Singhvi has decided to step down due to his other personal commitments.
- **Update on leadership team:** Mr. Vilas Kanyal, Head of the India Asia Pacific business resigned during the quarter. Mr. Vinay Rajadhyaksha, Global Delivery Officer has been made responsible for the India Asia Pacific business.
- **People:** As on 30<sup>th</sup> September 2011, the company had a total of 2894 employees as compared to 2905 employees at the end of 30<sup>th</sup> June 2011, of which about 2087 employees were based offshore in India while the rest were at various onsite locations outside India. During the quarter under review the company undertook the annual salary hikes which was an average of approx. 11% for offshore and 3.5% for onsite employees.

**Commenting on the results, Mr. Sudhakar Ram, Chairman and Group CEO, Mastek, said:** "The last quarter has seen some revival in demand which is reflected in our revenue figures. However, profitability has been impacted due to operational (salary hikes and project transition costs.) and non-operational (forex movement) factors. We are hopeful that the losses sustained this quarter would be recouped to a large extent by the end of the year through increased revenue contribution and operational efficiencies that we continuously focus on.

*The economic scenario in Europe continues to be fluid and we are keeping a close watch on the changing market scenario. As mentioned in the last quarter, the traction from UK continues to be on the upswing and the growth this quarter from UK is a reflection of the same"*

#### **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](http://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>.

**Investor/analyst contact:**  
Yash Gadodia



Christensen IR  
+919820730931  
[ygadodia@christensenir.com](mailto:ygadodia@christensenir.com)

**Media contact:**  
Sanjay Mudnaney  
+91 22 2824-7745  
[sanjay.mudnaney@mastek.com](mailto:sanjay.mudnaney@mastek.com)

Shareholders may also contact Mastek via email at [Investor\\_grievances@mastek.com](mailto: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](mailto: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](http://www.mastek.com). Mastek Ltd. undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.*