



Mastek Q3FY16 Total Income at Rs 140.7 crore

- Declares Interim Dividend of 30%
- 12 month Order Backlog stood at Rs 210.0 crore

CLARIFICATION NOTE

With respect to the financial results for the third quarter ended 31st December, 2015 (Q3FY16) for Mastek Limited, please note that the current quarter figures are not comparable with the corresponding quarter of the previous year, consequent to demerger of Insurance Products and Services business of Mastek Limited into "Majesco Limited" effective from 1st April 2014.

Mumbai, India – 14th January 2016: Mastek, the technology solution provider for digital transformation programs in the Government, Retail and Financial Services worldwide, announced today its financial results for the **third quarter and nine months of FY16**.

Review of financial performance for the quarter ended 31st December, 2015

On a quarter-on-quarter basis:

- The operating revenue was Rs 137.8 crore during the quarter under review as compared to Rs 131.6 crore during the previous quarter reflecting an increase of 4.7% in rupee terms and a growth of 6.4% in constant currency terms.
- Total income was Rs 140.7 crore during the quarter under review as compared to Rs 137.0 crore during the previous quarter, up 2.7% on Q-o-Q basis.
- The Company reported EBITDA of Rs 3.6 crore (2.6% of total income) in Q3FY16 as compared to Rs. 8.9 crore (6.5% of total income) in Q2FY16.
- Net profit stood at Rs 0.8 crore in Q3FY16 as against Rs 2.7 crore in Q2FY16.

For the Nine Month ended 31st December, 2015:

- The operating revenue was Rs 402.7 crore during the nine month period under review as compared to Rs. 736.5 crore during the corresponding period of previous year.
- Total income was Rs 416.8 crore during the nine month period under review as compared to Rs 752.4 crore during the corresponding period of previous year.

Note (i): All references to Mastek's financial results in this release pertain to the company's consolidated operations.

Note (ii): Current quarter figures are not comparable with the corresponding quarter figures of the previous year, consequent to demerger of Insurance Product and Services business effective 1st April 2014.

Note (iii): Rs 1 crore (cr.) = Rs 10 million (mn.).



- The company reported an EBITDA of Rs 29.1 crore (7.0% of total income) for the nine month period under review as compared to an EBITDA of Rs 46.2 crore (6.1% of total income) during the corresponding period of previous year.
- Net profit stood at Rs 7.9 crore for the nine month period under review as against a profit of Rs 11.3 crore in corresponding period of previous year.

Operating highlights

- **New accounts billed during the quarter:** The Company added 6 new clients during Q3FY16. Total client count as of 31st December, 2015 was 82 (LTM).
- **12m Order Backlog:** Mastek's 12-month order backlog was Rs 210.0 crore (\$ 31.7mn) as on 31st December, 2015 and in constant currency stood at Rs 213.2 crore (\$32.0mn) as compared to Rs 224.2 crore (\$34.2mn) at the end of Q2FY16, reflecting a decline of 6.34% QoQ in rupee terms (a decrease of 4.9% QoQ in constant currency).
- **Employees:** As on 31st December 2015, the company had a total of 1,302 employees, of which 921 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 30th September, 2015 was 1,276.
- **Billable utilization:** The Company's billable utilization stood at 81.7% in Q3FY16 as compared to 82.8% in Q2FY16.
- **The LPT JV:** The LPT JV share of losses for the quarter was Rs 5.9 crore as compared to Rs 2.0 crore in Q2FY16.
- **Exceptional Items:** On 31st October, 2015, Mastek sold its entire investment in its wholly owned subsidiary, Mastek Asia Pacific Pte Ltd, Singapore ("MAP") i.e. 2.85 million equity shares of SGD 1 each to Majesco Sdn Bhd. Malaysia ("MSC") for Rs. 180 Lakhs. This sale resulted in a gain of Rs. 51 Lakhs representing the difference between the sale consideration and networth of MAP.
- **Dividend:** The Board of Directors have declared an interim dividend @ 30 % (Rs. 1.5 per share) at the meeting held on 14th January, 2016.
- **Cash & Cash Equivalents:** The total cash & cash equivalent stands at Rs 110.3 crore as on 31st December, 2015 as compared to Rs.130 crore at the end of 30th September, 2015.
- **Cost Overruns:** Cost overruns on account of onsite security cleared resources led to major losses on a specific project amounting to Rs. 7.7 crore for Q3FY16 and Rs. 26.2 crore for the nine month period, impacting the profits. However, we have taken steps to reduce the onsite contractor staffing and with the first release going live in early FY17, the losses on the project should start tapering down in the coming quarters.

Commenting on the results, Mr. Sudhakar Ram, Managing Director & Group CEO, Mastek, said:

“We saw good account additions this quarter with our first new account in the US post the demerger and a break into a UK challenger Bank. With the US win we have established a presence in the US, incorporating Digility Inc. While the revenue growth was good, it includes the final billing on LPT. The closure of the LPT JV with TLS was a disappointment. While we are facing issues of profitability due to a struggling program, we are confident of growing revenues & profits in the coming quarters.”

About Mastek

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to government, retail and financial services organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates in the UK 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>.

Investor / Analyst contact:

Asha Gupta
Christensen IR
+91-22-4215-0210
agupta@christensenir.com

Media Contact

Sanjay Mudnaney
Mastek Ltd
+91-22-2824-7827
sanjay.mudnaney@mastek.com

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.