



Mastek Q1FY13 Operating Income at Rs. 223.3 crore; up 6.1% QoQ and 43.6% YoY

- **4 new clients added during the quarter**
- **194 employees added on a sequential basis**

Mumbai, India – 19th October'2012: 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 financial results for the first quarter ended 30th September, 2012 today.

Review of financial performance for the quarter ended 30th September 2012

On a quarter-on-quarter basis:

- The operating revenue was Rs 223.3 crore during the quarter under review as compared to Rs 210.5 crore during the sequential previous quarter reflecting an increase of 6.1% in rupee terms and 5.2% in constant currency terms.
- The company reported EBITDA of Rs 18.1 crore (8.0% of total income) compared to Rs 29.6 crore (13.6% of total income) in Q4FY12. The EBITDA during the quarter included impact of wage hikes undertaken by the company to the extent of 1.5% whereas the previous quarter had yearend positive adjustment of 5.3% on account of incentive reversals.
- Net profit stood at Rs 6.5 crore in Q1FY13 as against Rs 22.2 crore in Q4FY12, down 70.8% sequentially.
- The product development spends during the quarter was Rs 10.1 crore as compared to Rs 10.3 crore in Q4 FY12.

On a Year-on-Year basis:

- The operating revenue was Rs 223.3 crore during the quarter under review as compared to Rs 155.5 crore during the corresponding quarter of previous year an increase of 43.6% in rupee terms.
- Strong operating performance helped the company post an EBITDA of Rs 18.1 crore (8.0% of total income) compared to an EBITDA loss of Rs 11.7 crore (-7.4% of total income) in Q1FY12.

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.).



- Net profit stood at Rs 6.5 crore in Q1FY13 as against a loss of Rs 27.3 crore in Q1FY12.
- The product development spends during the quarter was Rs 10.1 crore as compared to Rs 10.8 crore in Q1FY12.

Operating highlights

- **New account addition:** The Company added 4 new clients during Q1FY13. The total number of clients on a trailing 12 month basis was 114 in Q1FY13 compared to 112 in Q4FY12.
- **12m order backlog at Rs 421 crore:** Mastek's 12-month order backlog was Rs 421 crore (\$80 mn) as on 30th September 2012, compared to Rs 485 crore (\$87 mn) at the end of the previous quarter ended 30th June 2012, reflecting a drop of 13.2% in rupee terms (8% in dollar terms).
- **People:** As on 30th September 2012, the company had a total of 3,277 employees, of which 73% employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 30th June 2012 was 3,083 employees.

Commenting on the results, Mr. Sudhakar Ram, Chairman and Group CEO, Mastek, said:

"I am pleased with the continued growth in our revenues this quarter. Our insurance business in North America is gaining market share on the back of favourable analyst reports. The business in UK is also growing on the back of existing partner relationships. The order booking was lower this quarter, with a few critical deals shifting right, but we expect to make up for it in the coming quarter. Overall, the business outlook remains positive."

Mr. Farid Kazani, Group CFO and Finance Director, Mastek, said: *"This quarter has seen an improved operational performance on a like to like basis with the EBIDTA at 8.0%. This is after the wage hike for employees upto a particular level. The balance wage hike will take effect from Oct 2012 and will impact margins to the extent of 1.8% in the coming quarter. This impact is likely to be made good with various profitability initiatives undertaken by the company."*

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.

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