



Mastek FY15 Total Income at Rs. 1,030 crore; up 10.2% Y-o-Y basis

- **Q n Q Revenue grows 4.7% in constant currency**
- **12 month Order Backlog increase by 7.3% to Rs. 526.8 crore**
- **Declares Final Dividend of 20%**

Mumbai, India – 22nd April 2015: 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 **fourth quarter and financial year** ended 31st March, 2015 today.

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

On a quarter-on-quarter basis:

- The operating revenue was Rs 276.1 crore during the quarter under review as compared to Rs 268.7 crore during the previous quarter reflecting an increase of 2.8% in rupee terms and increase of 4.7% in constant currency terms.
- Total income was Rs 277.3 crore during the quarter under review as compared to Rs 273.1 crore during the previous quarter, up 1.6% on Q-o-Q basis.
- The Company reported EBITDA of Rs 14.8 crore (5.4% of total income) in Q4FY15 as compared to Rs 20.9 crore (7.6% of total income) in Q3FY15.
- Net profit stood at Rs 6.4 crore in Q4FY15 as against Rs 8.7 crore in Q3FY15.
- The product research & development spends during the quarter was at Rs 17.1 crore (6.2% of operating revenue) as compared to Rs 14.3 crore (5.3% of operating revenue) in Q3FY15.

For the financial year ended 31st March, 2015:

- The operating revenue was Rs 1,012.6 crore for FY 2014-15 as compared to Rs. 923.0 crore in FY 2013-14 reflecting an increase of 9.7% in rupee terms and 8.1% in constant currency terms
- Total income was Rs 1,029.7 crore for FY 2014-15 as compared to Rs 934.3 crore in FY 2013-14, up 10.2% on Y-o-Y basis.

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

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



- The Company posted an EBITDA of Rs 61.0 crore (5.9% of total income) for FY 2014-15 as compared to an EBITDA of Rs 101.3 crore (10.8% of total income) in FY 2013-14.
- Net profit stood at Rs 17.7 crore for FY 2014-15 as against a net profit of Rs 51.8 crore for FY 2013-14.
- The product research & development spends during the period under review was Rs 63.6 crore (6.3% of operating revenue) as compared to Rs 58.5 crore (6.3% of operating revenue) in FY 2013-14.

Operating highlights

- **New accounts billed during the quarter:** The Company added 3 new clients during Q4 FY 2014-15. Total client count as of 31st March 2015 was 153 (LTM) including customers from the Agile Technologies acquisition.
- **12m order backlog:** Mastek's 12-month order backlog was Rs 526.8 crore (\$ 84.3 mn) as on 31st March 2015 and in constant currency stood at Rs 544.8 crore (\$ 86.4mn) as compared to Rs 490.9 crore (\$77.9mn) at the end of Q3FY15, reflecting an increase of 7.3% QoQ in rupee terms (increase of 11% QoQ in constant currency).
- **Dividend:** The Board of Directors have declared a final dividend @ 20% (Rs. 1.00 per share) at the meeting held on April 22nd 2015. Total Dividend for the year including Interim Dividend works out to 50%
- **Exceptional costs:** The Company has incurred the following exceptional cost during the quarter and for the year ended 31 March, 2015

Cost Item (Rs. Crore)	For the quarter Jan-Mar, 2015	For the quarter Oct-Dec 2014	For the Year ended March 31, 2015
Restructuring Costs	2.63	3.86	11.62
Loss on JV – Legal Practice Technologies (LPT) (Note 1)	3.74	3.30	11.27
Reversal of accrued revenue (Note 2)	8.64	0.0	8.64

Note 1: Related to the development cost in the start up phase

Note 2: Provision for reversal of accrued revenue in respect of a project in the India Asia Pacific geography which could potentially result in termination of project by client.

- **Employees:** As on 31st March 2015, the company had a total of 3,352 employees, of which 2,535 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31st December 2014 was 3,352.
- **Billable utilization:** The Company's billable utilization stood at 82.9% during the quarter under review as compared to 86.2% in Q3FY15.
- **Cash & Cash Equivalents:** The total cash/cash equivalent stands at Rs 214.3 crore as on 31st March, 2015 as compared to Rs 173.8 crore at the end of 31st December, 2014. Net cash

balance after setting off the debt stands at Rs. 185.0 crore as of 31st March 2015 as compared to Rs. 172.4 crore at the end of 31st December, 2014

Commenting on the results, Mr. Sudhakar Ram, Group CEO & Managing Director, Mastek, said: “We have had significant strategic developments this year for Mastek in terms of performance and development on the business front. While we grew our revenues by 10% to cross the Rs. 1000 cr. turnover for the first time in our history, the year also saw some significant developments at the group level. The demerger of the insurance business followed by two acquisitions in the insurance business sets Majesco up to address the opportunities in the North American market. At the Mastek Solutions level, the growth strategy has been laid out and we see some exciting developments which would be a precursor to a strong growth in the future.”

Mr. Ketan Mehta, Founder Director and CEO, Majesco, said: “It has been a milestone year for Majesco. The exclusive focus on insurance is showing very good traction both internally and externally. The Agile team is now part of Majesco Consulting Group which is very well received by the customers and industry. We see a good new deal momentum and continue to invest aggressively in our insurance products and solutions to fully tap exciting growth opportunities”.

Mr. Farid Kazani, Group CFO and Finance Director, Mastek, said: “It has been a year of consolidation and value creation with strategic moves made by Mastek. On the operational front there has been steady revenue growth quarter on quarter and I am quite pleased with the overall performance on a yearly basis. The UK geography exhibited a good pull back in this quarter and augurs well for the solutions business of Mastek. While the higher product development expenses and the exceptional & onetime costs have had an impact on the margins, the twelve month order backlog saw strong growth of 11% in constant currency in the quarter.”

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>.

Investor / Analyst contact:

Diwakar Pingle
Christensen IR
+91-22-4215-0210
dpingle@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.

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