

Hexaware reports stellar quarter

Q3 Constant Currency Revenue at \$125.5mn; up 3.5% QoQ; up 16.4% YoY

Profitability outgrows Revenue; EBITDA* Margin up 100 bps QoQ

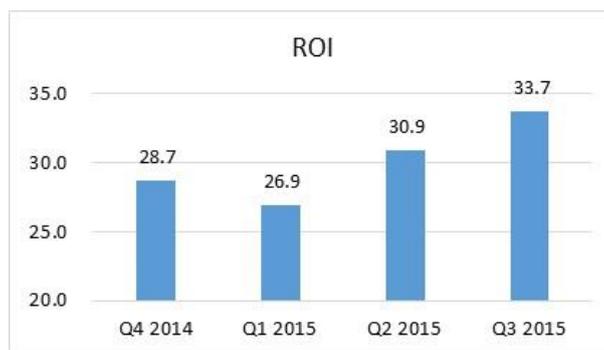
PAT at \$17.1 Mn, up 9.9% QoQ; up 20.7% YoY

USD Mn	Q3 15	Growth	
		QoQ	YoY
Revenue (Constant Currency)	125.5	3.5%	16.4%

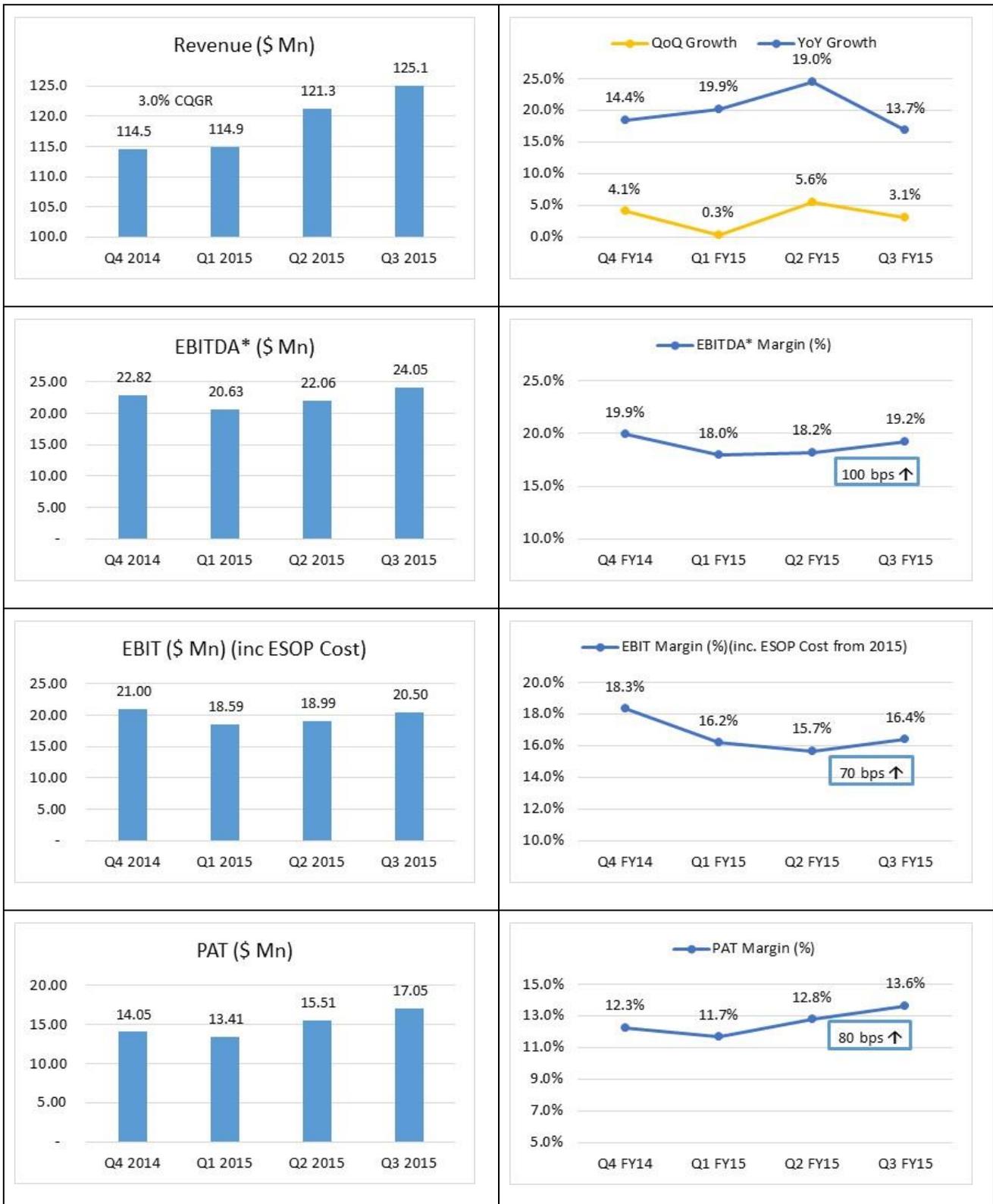
₹ Mn	Q3 15	Growth	
		QoQ	YoY
Revenue	8,184	6.0%	22.0%
EBITDA*	1,572	12.0%	30.2%
EBIT	1,340	10.9%	22.2%
PAT	1,116	12.9%	29.8%

USD Mn	Q3 15	Growth	
		QoQ	YoY
Revenue	125.1	3.1%	13.7%
EBITDA*	24.0	9.0%	21.3%
EBIT	20.5	7.9%	13.8%
PAT	17.1	9.9%	20.7%

EBITDA* - Excludes ESOP Cost



Performance Highlights in US\$ terms



EBITDA* - Excludes ESOP Cost

Performance Highlights in ₹ terms



EBITDA* - Excludes ESOP Cost

Cash

- **Cash & Cash equivalents at the end of September 2015 at US\$ 58.19 Mn; ₹ 382 crores**
- **Days of Sales Outstanding (DSO) was 54 days at the end of Q3 2015**
- **Third Interim Dividend of ₹2.25 (112.5%) for Q3 2015**

New Wins

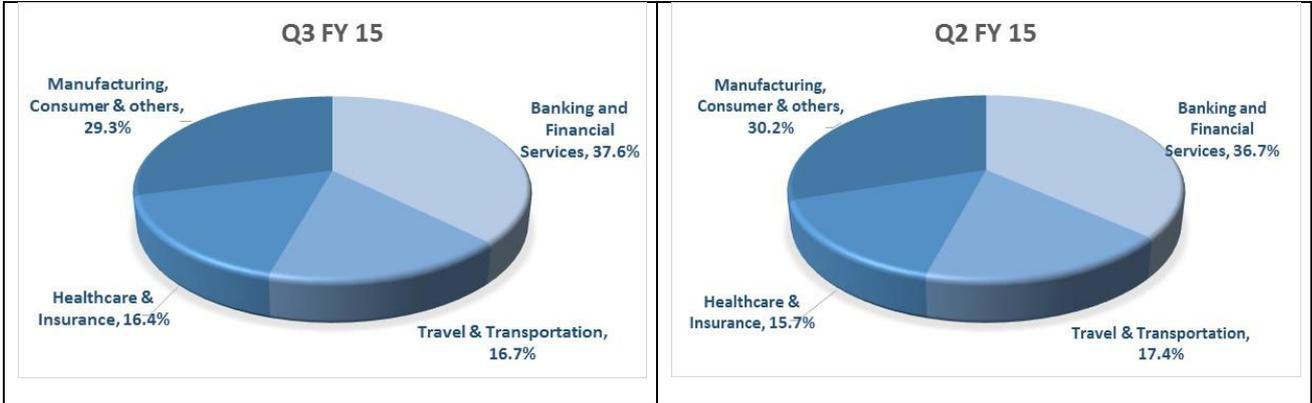
- **9 new clients added in Q3 2015**

Human Capital

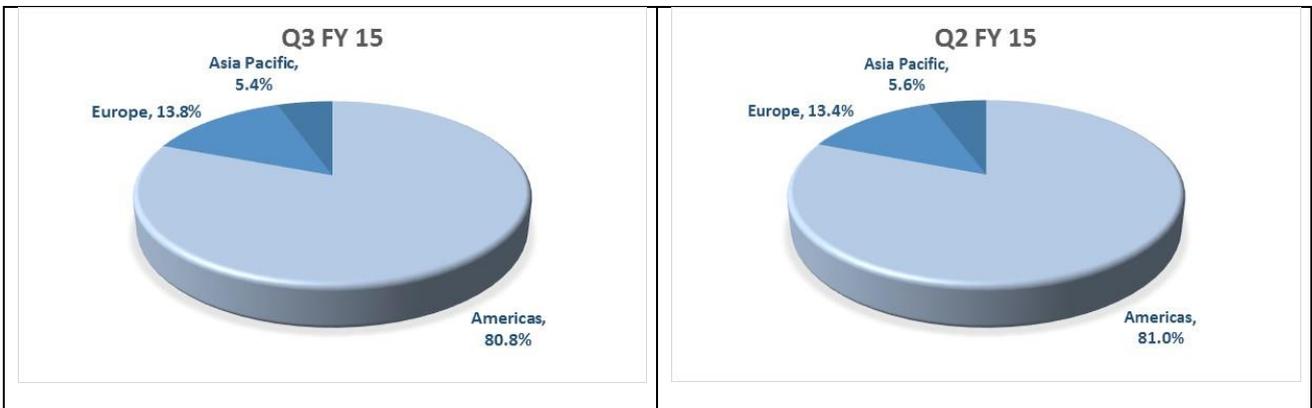
- **Headcount stood at 11,341 at the end of Q3 2015; up 332 QoQ & 1,644 YoY**
- **231 fresh trainees added in Q3 2015**
- **Utilization stood at 70.4% (including trainees) in the Quarter**
- **Attrition at the end of September 2015 was at 17.4%**

Revenue Split

Vertical Split



Geography Split



Service Lines Split



Revenue Growth

Particulars	Segments	30-Sep-15	
		Q o Q	Y o Y
Consolidated	Company	3.1%	13.7%
Geography	Americas	2.9%	16.6%
	Europe	6.0%	9.6%
	Asia Pacific	-0.5%	-10.4%
Service Lines Split	Application Devt & Maint (ADM)	1.7%	15.2%
	Enterprise Solutions	5.3%	-3.0%
	Testing / QATS (Quality Assurance and Testing Services)	2.9%	16.9%
	Business Intelligence & Analytics	0.0%	9.6%
	Business Process Services (BPS)	14.1%	56.5%
	Infrastructure Management Services (IMS)	6.4%	21.8%
Vertical Split	Banking and Financial Services	5.6%	17.9%
	Travel & Transportation	-0.9%	17.7%
	Healthcare & Insurance	7.8%	17.8%
	Manufacturing, Consumer & others	0.1%	4.9%

Mumbai – November 3, 2015: Hexaware Technologies Limited, a leading global provider of IT, BPO and Consulting services has just reported robust performance for the third quarter of the calendar year ended September 30, 2015.

“This Quarter, the Company has for the first time achieved a milestone of a run rate of half a billion dollar revenue. This revenue growth has been combined with a significant improvement across the gross as well as EBITA margins.” remarked **Atul Nishar, Chairman, Hexaware Technologies Limited.**

“Our investments in new services over the past year are helping us acquire a greater share of wallet from our customers in their journey from **Data to Digital.**” stated **R Srikrishna, CEO & Executive Director, Hexaware Technologies Limited.**

Third Interim Dividend of 2015

The Board of Directors declared a third interim dividend of ₹ 2.25 per share (112.5%) on equity shares of ₹ 2.00 each. The record date is fixed as Tuesday, November 17, 2015 for determining the shareholders entitled for this third interim dividend of the year 2015. The payment shall be made on November 20, 2015. This would result in a cash outflow of ₹ 81.65

Crores for dividend payment including tax, amounting to a dividend payout ratio of 73% for Q3 2015.

Earlier in the year, the Board of Directors declared a first interim dividend of ₹ 2.00 per share (100%) and a second interim dividend of ₹ 2.00 per share (100%) on equity shares of ₹ 2.00 each. Including the third interim dividend, the dividends declared including tax for the first three quarters of 2015 total to ₹ 226.5 Crores, amounting to a dividend payout ratio of 77%. This brings the interim dividends for the first three quarters of 2015 to ₹ 6.25 per share (312.5%).

Business Update

Europe led the geographic growth at 6.0% while Americas grew at company average. Banking & Financial Services and Healthcare & Insurance showed a healthy growth of 5.6% and 7.8% QoQ respectively. Business Process Services (BPS) clocked the highest QoQ growth of 14.1% among service lines in Q3 2015, followed by IMS at 6.4%.

During the previous quarter, the Company added 9 new clients across all its key focus areas. The company added 5 clients in the Manufacturing and Consumer Vertical, 2 clients were added in Banking and Financial Services Segment and 1 client each was added in Healthcare & Insurance and Global Travel and Transportation vertical. Of the 9 clients added in Q3 2015, 4 customers each are added in Americas and Europe and 1 in Asia Pacific (APAC) region.

From a horizontal service line perspective, 3 clients were added in Quality Assurance and Testing Services (QATS) and 2 clients each in Infrastructure Management Services (IMS), Applications Development & Maintenance (ADM) and Enterprise Solutions (ES).

Foreign Exchange Cover

The Company has hedges worth \$ 147.3 mn at an average exchange rate of ₹ 68.17 and € 5.7 mn at an average exchange rate of ₹ 75.63 maturing over the course of the next seven quarters (from October 2015 to April 2017).

Awards and Recognition

During the last quarter, Hexaware has been declared as the Winner of 'Golden Peacock Award for Excellence in Corporate Governance' for the year 2015, by the Golden Peacock Awards Secretariat - Institute of Directors.

Hexaware has been mentioned in the Ovum report titled, "India IT Services Vendor Quarterly, 2Q15" dated 31 August 2015, by analyst Hansa Iyengar.

Hexaware has been mentioned as one of the Sample Vendors in Application Testing Services and Knowledge Services category, in the Gartner report titled, "Hype Cycle for Application Services, 2015" dated 16 July 2015 by analyst Frances Karamouzis

Hexaware has been mentioned as one of the Sample Vendors in Knowledge Services in the Gartner report titled, "Hype Cycle for Business Process Services and Outsourcing, 2015", dated 29 July 2015, by analyst Morgan Yeates.

Hexaware has been recognized as a Representative Vendor for BI and Analytics Service Providers based in India, in the Gartner report titled, "Market Guide for BI and Analytics Service Providers" dated 06 August 2015 by analysts Neil Chandler, Alex Soejarto and Ehtisham Zaidi.

Hexaware has been mentioned in the Gartner report titled, "Innovation Insight for Digital Insurance Services in the P&C and Life Insurance Market" dated 27 August 2015 by analysts Kimberly Harris-Ferrante and Juergen Weiss.

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About Hexaware

Hexaware is a leading global provider of IT, BPS and consulting services. The Company focuses on key domains such as Banking, Financial Services, Capital Market, Healthcare, Insurance, Travel, Transportation, Logistics, Manufacturing and Consumer. Our business philosophy, "Your Success is Our Focus", is demonstrated through the success we ensure for our clients. Hexaware focuses on delivering business results and leveraging technology solutions by specializing in Application Development & Maintenance, Enterprise Solutions, Human Capital Management, Business Intelligence & Analytics, Quality Assurance and Testing Services, Remote Infrastructure Management Services and Business Process Services. Founded in 1990, Hexaware has a well-established global delivery model armed with proven proprietary tools and methodologies, skilled human capital and SEI CMMI-Level 5 certification. For additional information logon to: www.hexaware.com

Safe Harbor Statement

Certain statements in this press release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hexaware has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

For more information contact:

Sreedatri Chatterjee

Hexaware Technologies Limited

Tel: +91 (22) 6654 2682 / 83

e-mail: sreedatric@hexaware.com