

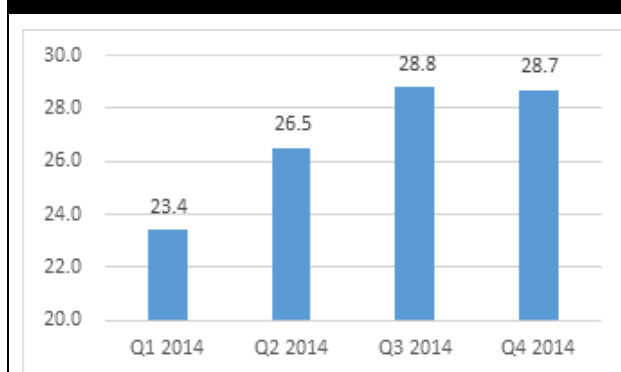
Hexaware announces robust 4.1% revenue growth in USD; 5.1% growth in constant currency

Profitability outgrows Revenue

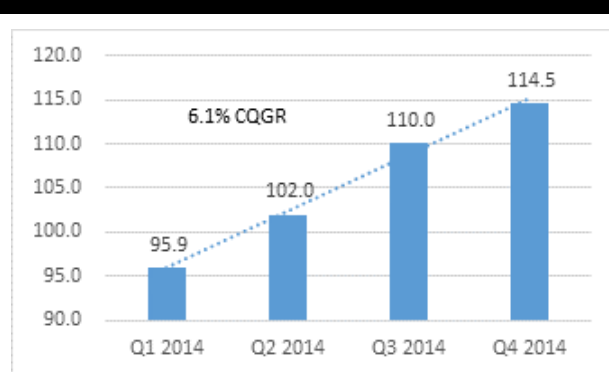
EBIT at \$21 Mn; up 16.6% QoQ. EBIT margin up 190 bps QoQ

USD MN	Q4 14	QoQ Growth	₹ Mn	Q4 14	QoQ Growth
Revenue	114.5	4.1%	Revenue	7,118.0	6.1%
EBIT	21.0	16.6%	EBIT	1,304.5	18.9%

Return on Equity (%)



Revenue (US\$) performance during 2014



Performance Highlights in US\$ terms

Revenue

- **Q4 2014**
 - Revenue at \$114.5 Mn; up 4.1% QoQ & 14.4% YoY
 - Revenue up 5.1% in constant currency terms
- **FY 2014**
 - Revenue at \$422.4 Mn; up 8.9% YoY.
 - Revenue up 9.1% in constant currency terms

Profitability

- Gross margin for Q4 2014 increased 10 bps from Q3 2014 to 37.4%
- EBITDA for Q4 2014 at \$22.82 Mn ; up 15.1% from \$19.83 Mn in Q3 2014
- EDITDA margin for Q4 2014 was 19.9%; up 190 bps from 18.0% in Q3 2014
- EBIT at \$21.0 Mn; up 16.6% from \$18.0 Mn last quarter
- EBIT margin for Q4 2014 at 18.3% expanded 190 bps from 16.4% in Q3 2014
- Q4 2014 PAT at \$14.05 Mn; PAT margin at 12.3%
- Return on Equity (RoE) at 28.7% at the end of Q4 2014

Cash

- **Cash & Cash equivalents at the end of December 2014 at US\$ 78.35 mn**
- **Days of Sales Outstanding (DSO) was 47 days at the end of Q4 2014**
- **Fourth Interim Dividend of ₹ 2.50 (125%) for Q4 2014**

New Wins

- **10 new clients added in Q4 2014; 44 new clients added in 2014**

Human Capital

- **Headcount stood at 10,016 at the end of 2014; up 319 QoQ and 1,162 YoY**
- **614 fresh graduate engineers added in 2014; 53% of all net additions**
- **Utilisation improved to 73% (including trainees) in the quarter**
- **Attrition at the end of December 2014 remained low at 14.1%**

Performance highlights in ₹ terms

- **Q4 2014 revenue at ₹711.8 Crores; up 6.1% QoQ & 14.8% YoY**
- **FY 2014 revenue at ₹2581.7 Crores; up 13% YoY.**
- **EBITDA for Q4 2014 at ₹141.8 crores; up 17.4% from ₹120.8 crores in Q3 2014**
- **EBIT for Q4 2014 at ₹130.5 crores; up 18.9% from ₹109.7 crores last quarter**
- **Q4 2014 PAT at ₹87.3 crores; PAT margin at 12.3%**
- **Cash & Cash equivalents at the end of December 2014 at ₹494 crores**

Mumbai – February 10, 2015: Hexaware Technologies Limited, a leading global provider of IT, BPO and Consulting services has just reported strong performance for the fourth quarter of the calendar year ended December 31, 2014.

“This quarter, Hexaware had robust QoQ Revenue growth of 4.1% and 190 basis points increase in EBITDA margin. This is a validation of the company’s strategic direction.” remarked **Atul Nishar, Chairman, Hexaware Technologies Limited.**

“We are pleased with the broad based growth that we had across multiple verticals and service lines. We continue to work hard on the sustainability of our growth. ”, stated **R Srikrishna, CEO & Executive Director, Hexaware Technologies Limited.**

Fourth Interim Dividend of 2014

The Board of Directors declared a fourth interim dividend of ₹ 2.50 per share (125%) on equity shares of ₹ 2.00 each. The record date is fixed as Saturday, 21st February, 2015 for determining the shareholders entitled for this fourth interim dividend of the year 2014. The payment shall be made on February 26, 2015. This would result in a cash outflow of ₹ 90.63 Crores for dividend payment including tax, amounting to a dividend payout ratio of 104% for Q4 2014.

Earlier in the year, the Board of Directors declared a first interim dividend of ₹ 3.00 per share (150%), a second interim dividend of ₹ 1.60 per share (80%), and a third interim dividend of ₹

2.35 per share (117.5%) on equity shares of ₹ 2.00 each. Including the fourth interim dividend, the dividends declared including tax for the first four quarters of 2014 total to ₹ 337.46 Crores, amounting to a dividend payout ratio of 105%. This brings the interim dividends for the first four quarters of 2014 to ₹ 9.45 per share (472.5%).

Business Update

The revenue growth during Q4 2014 was broad-based. Europe led the geographic growth while Healthcare and Insurance led growth among verticals. Business Intelligence & Analytics and Remote Infrastructure Management Services led the growth among service lines.

During the previous quarter, the Company added 10 new clients across all its key focus areas. Of these, 3 clients each were added in the Healthcare and Insurance (H&I) Vertical and Travel & Transportation vertical. The company added 2 clients each in Banking and Financial Services and Emerging Segments. Of the 10 clients added in Q4 2014, 3 customers are based in Americas, 6 in Europe and 1 in Asia Pacific (APAC) region.

From a horizontal service line perspective, 6 clients were added in Enterprise Solutions Space, 2 clients in Infrastructure Management Services (IMS); 1 client each in Applications Development & Maintenance (ADM) and Business Process Services (BPS).

Foreign Exchange Cover

The Company has hedges worth \$ 183.86 mn at an effective rate of ₹ 64.54 and € 2.74 mn at an effective exchange rate of ₹ 76.43 maturing over the course of the next eight quarters (from Jan 2015 to Dec 2016).

Awards and Recognition

During the last quarter, Hexaware was presented the IDC Insights Award 2014 for "Excellence in Employee Engagement".

Hexaware's data scientists have been very active in various crowdsourcing analytics forums and data analytics challenges, such as Kaggle, CrowdAnalytix, Dextra, etc., tackling a wide range of problems, such as copper spot price prediction, crime rate prediction in US cities, marketing buzz prediction, IPL cricket results prediction, product opinion prediction, etc. Hexaware has recently won multiple prizes and awards in such forums, which serves as a testimony to the depth of the Company's expertise and capability in advanced analytics and data science.

Hexaware has been mentioned in the Ovum report titled, "Midsize Services Vendors: Providing Specialized Services and Flexibility", dated 04 December 2014, by analyst Hansa Iyengar.

Hexaware has been mentioned as one of the providers with delivery capabilities based in Mexico, in the Gartner report titled, "Leading Offshore Services Locations in the Americas, 2015: Capabilities Mature, but IP Protection and Security Remain a Concern", dated 18 December 2014, by analysts Daniel Barros, Frances Karamouzis, Allie Young, William Maurer and Helen Huntley.

Hexaware has been mentioned as one of the SAP Application Management Service Providers that may present alternatives for customers' business requirements in the Gartner report titled, "Critical Capabilities for SAP Application Management Service Providers, Worldwide", dated 21 October 2014, by analysts Frances Karamouzis, Gilbert van der Heiden and Kris Doering.

Hexaware has been mentioned as one of the Oracle Application Management Service Providers that may present alternatives for customers' business requirements, in the Gartner report titled "Critical Capabilities for Oracle Application Management Service Providers, Worldwide", dated 27 October 2014, by analysts Gilbert van der Heiden, Frances Karamouzis and Ian Marriott.

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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.

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Consolidated Audited Income Statement (as per Indian GAAP)

₹ Mn

Head	Quarterly Data				
	Q4 14	Q3 14	QoQ%	Q4 13	YoY%
Revenues	7,118	6,706	6.1%	6,200	14.8%
Direct Costs	4,456	4,206	5.9%	3,729	19.5%
Gross Profit	2,662	2,500	6.5%	2,471	7.7%
Selling / General And Administration	1,244	1,292	-3.7%	1,077	15.5%
EBITDA	1,418	1,208	17.4%	1,394	1.7%
Depreciation and Amortization	113	111	2.4%	101	12.2%
Operating Profit = EBIT	1,305	1,097	18.9%	1,293	0.9%
Other Income (net)	36	24	47.5%	106	-65.9%
Forex Gains / (Losses)	(148)	(35)	330.1%	(108)	38.0%
Exceptional Item	(66)				
Profit Before Tax	1,126	1,087	3.6%	1,291	-12.7%
Provision for Tax	254	227	11.9%	259	-1.9%
Profit After Tax	873	860	1.4%	1,032	-15.5%

Key Ratios	Q4 14	Q3 14	QoQ%	Q4 13	YoY%
Gross Margin	37.4%	37.3%	0.1%	39.8%	-2.4%
SG&A to Revenue	17.5%	19.3%	-1.8%	17.4%	0.1%
EBITDA	19.9%	18.0%	1.9%	22.5%	-2.6%
Operating / EBIT Margin	18.3%	16.4%	1.9%	20.8%	-2.5%
Profit before tax	15.8%	16.2%	-0.4%	20.8%	-5.0%
Profit after Tax	12.3%	12.8%	-0.5%	16.6%	-4.3%
EPS-INR					
Basic	2.90	2.86	0.04	3.44	(0.54)
Diluted	2.89	2.85	0.04	3.42	(0.53)

Consolidated Income Statement (as per Indian GAAP)

₹ Mn

Head	FY14	FY13	YoY%
Gross Revenues	25,817	22,853	13.0%
Direct Costs	16,279	13,827	17.7%
Gross Profit	9,538	9,026	5.7%
Selling / General And Administration	4,762	3,904	22.0%
EBITDA	4,776	5,122	-7%
Depreciation and Amortization	440	386	13.9%
Operating Profit = EBIT	4,336	4,736	-8%
Other Income (net)	219	371	-41.0%
Forex Gains / (Losses)	(308)	(312)	-1.3%
Exceptional Item	(66)		
Profit Before Tax	4,181	4,795	-12.8%
Provision for Tax	980	1,004	-2.4%
Profit After Tax	3,202	3,791	-15.6%

Key Ratios	FY14	FY13	YoY%
Gross Margin	36.9%	39.5%	-2.6%
SG&A to Revenue	18.4%	17.1%	1.4%
EBITDA	18.5%	22.4%	-3.9%
Operating / EBIT Margin	16.8%	20.7%	-3.9%
Profit before tax	16.2%	21.0%	-4.8%
Profit after Tax	12.4%	16.6%	-4.2%
EPS-INR			
Basic	10.66	12.70	(2.04)
Diluted	10.60	12.59	(1.99)

Consolidated Audited Balance Sheet (as per Indian GAAP) ₹ Mn

Head	As at Dec 31 2014	As at Sept 30 2014	As at Dec 31 2013
Equity & Liabilities			
Equity Share Capital	602	602	601
Reserves	12,557	12,539	12,631
Forex MTM	(253)	(429)	(1,239)
Non Current Liability	294	227	205
Deferred Tax Liability (Net)			48
Liability - Forex (MTM)	77		53
Dividend Pending Payout	906	852	2,986
Other Current Liabilities	3,353	3,090	2,800
Total Sources of Funds	17,536	16,880	18,084
Assets			
Net Fixed Assets	5,489	5,393	5,371
Deferred Tax Asset (Net)	175	90	-
Long Term Loans and Advances	1,399	1,440	1,291
Non Current Assets / Investments	109	12	6
Cash and cash equivalent	4,939	4,187	6,564
Current Assets			
Debtors	3,656	3,476	3,236
Current Asset - Forex (MTM)		198	
Others	1,768	2,083	1,617
Total Current assets	5,424	5,758	4,853
Total Uses of Funds	17,536	16,880	18,084

Financial and Operational Metrics
Performance Review

Revenue Growth	₹, Mn	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
Revenue from Operations		7,118	6,706	6,104	5,889	6,200	25,817	22,853
%, q-o-q		6	10	4	(5)	(0)	13	17
Other Income		36	24	73	85	106	219	371

Vertical Split	%	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
Banking and Financial Services		39.0	38.9	36.5	34.8	36.3	37.5	35.5
Travel & Transportation		17.5	17.7	19.2	19.4	18.6	18.4	19.1
Healthcare & Insurance		13.9	13.5	14.3	15.4	16.7	14.2	16.3
Manufacturing & Others		29.6	29.9	30.0	30.4	28.4	29.9	29.1
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0

Service Lines Split	%	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
Application Development & Maintenance (ADM)		33.3	34.8	36.9	36.6	36.4	35.3	37.2
Enterprise Solutions		29.5	29.3	28.4	29.7	29.7	29.2	29.3
Quality Assurance and Testing Services(QATS) / Testing		11.3	11.0	11.8	12.6	13.9	11.6	13.3
Business Intelligence & Analytics		12.1	11.5	10.9	10.8	10.0	11.3	10.3
Business Process Services (BPS)		4.3	4.2	4.1	3.8	3.8	4.1	4.1
Infrastructure Management Services (IMS)		9.5	9.2	7.9	6.5	6.2	8.5	5.8
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0

Geography	%	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
Americas		64.2	64.6	64.9	64.5	66.1	64.6	66.4
Europe		29.5	28.1	27.4	28.1	27.5	28.3	27.1
Asia Pacific		6.3	7.3	7.7	7.4	6.4	7.1	6.5
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0

Onsite: Offshore Mix	%	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
Onsite		57.6	56.2	54.8	52.9	53.3	55.5	53.0
Offshore		42.4	43.8	45.2	47.1	46.7	44.5	47.0
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0

Client data

Repeat Business	%	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13
		95.5	95.7	94.8	94.5	95.5

Clients billed	No	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13
		236	233	238	235	233

Clients added	No	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
		10	10	13	11	10	44	48

DSO	Days	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13
	Billed	47	47	51	48	48
Including Unbilled Accruals	63	68	69	70	63	

Revenue Concentration	%	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
	Top 1	14.9	14.4	13.4	14.1	14.4	14.2	14.2
Top 5	40.0	38.2	37.4	38.2	39.2	37.6	38.5	
Top 10	53.1	51.4	50.9	50.7	53.4	51.3	53.0	

Client Size	Nos (Last Twelve Months)	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13
	More than \$ 1 Mn +	61	61	56	56	55
Between \$ 1 to 5 Mn	40	42	40	41	39	
Between \$ 5 to 10 Mn	13	11	8	6	7	
Between \$ 10 to 20 Mn	3	4	4	5	5	
Over \$ 20 Mn	5	4	4	4	4	

People Numbers	IT Services %	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13
	Billable Personnel					
Onsite	21.1%	20.4%	19.7%	18.6%	18.6%	
Offshore	71.1%	71.7%	72.0%	73.1%	73.1%	
Total	92.2%	92.1%	91.7%	91.7%	91.7%	
Marketing (Incl. Sales Support)	2.1%	2.1%	2.3%	2.3%	2.1%	
Others (Incl. Tech. Support)	5.7%	5.8%	6.0%	6.0%	6.2%	
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	

Utilization	%	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
	Including Trainees	73.0	70.3	70.8	72.9	74.6	71.7	72.0

Attrition Rate	%	Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13
	Last Twelve Months	14.1	13.0	12.7	12.8	12.7

Rupee Dollar Rate		Q4 FY 14	Q3 FY 14	Q2 FY 14	Q1 FY 14	Q4 FY 13	FY 14	FY 13
	Period Closing rate	63.04	61.75	60.18	59.92	61.81	63.04	61.81
Period average rate	62.14	60.94	59.87	61.45	61.92	61.10	58.84	

Details of Cash and Cash Equivalents

₹ Mn

Bank / Institution Name	Current Account	Deposit Account	Total
Bank of America	1,531.05	-	1,531.05
IDBI Bank Ltd	861.19	115.20	976.39
Commerz bank	15.41	93.10	108.51
The Royal Bank of Scotland	29.36	59.90	89.26
National Australia Bank Ltd	70.66	-	70.66
HDFC Bank Ltd	62.35	-	62.35
Rabo	50.46	-	50.46
DBS bank	36.27	13.48	49.76
BANAMEX	43.15	-	43.15
CITI Bank	32.65	-	32.65
Banco Santander	17.61	-	17.61
Metropolitan Bank	12.46	-	12.46
UBS Bank	10.57	-	10.57
ICICI bank Ltd	7.26	-	7.26
Bank Of India	6.29	-	6.29
Kotak Bank	5.27	-	5.27
Societe Generale	3.49	-	3.49
ABN Amro Bank	2.48	0.79	3.27
Mizuho Bank	2.64	-	2.64
Andhra Bank	1.45	-	1.45
HSBC Bank Ltd	-	0.99	0.99
Bawag P.S.K. Bank	0.64	-	0.64
Handelsbanken	0.50	-	0.50
State Bank of India	0.42	-	0.42
IndusInd Bank	0.39	-	0.39
UCO Bank	0.23	-	0.23
Bradesco	0.21	-	0.21
Canara Bank	0.14	-	0.14
CASH	0.01	-	0.01
Remit In transit	0.31	-	0.31
Grand Total	2,804.93	283.47	3,088.40

Details of Investments in Mutual Funds

₹ Mn

Franklin Templeton Mutual Fund	405.42
Birla Sun Life Mutual Fund	401.59
Deutsche Mutual Fund	331.32
ICICI Prudential Mutual Fund	212.31
L&T Mutual Fund	200.03
JP Morgan Mutual Fund	100.25
Reliance Mutual Fund	100.02
HDFC Mutual Fund	100.02
Grand Total	1,850.96

Consolidated Audited Income Statement (as per Indian GAAP)

USD K

Head	Quarterly Data				
	Q4 14	Q3 14	QoQ%	Q4 13	YoY%
Revenues	114,539	110,031	4.1%	100,135	14.4%
Direct Costs	71,713	69,009	3.9%	60,234	19.1%
Gross Profit	42,826	41,022	4.4%	39,902	7.3%
Selling / General And Administration	20,003	21,196	-5.6%	17,390	15.0%
EBITDA	22,823	19,825	15.1%	22,512	1.4%
Depreciation and Amortization	1,825	1,819	0.3%	1,633	11.8%
Operating Profit = EBIT	20,998	18,007	16.6%	20,879	0.6%
Other Income (net)	581	403	44.3%	1,713	-66.1%
Forex Gains / (Losses)	(2,398)	(559)	329.1%	(1,737)	38.0%
Exceptional Item	(1,056)				
Profit Before Tax	18,125	17,851	1.5%	20,854	-13.1%
Provision for Tax	4,078	3,720	9.6%	4,189	-2.6%
Profit After Tax	14,047	14,130	-0.6%	16,665	-15.7%

Key Ratios	Q4 14	Q3 14	QoQ%	Q4 13	YoY%
Gross Margin	37.4%	37.3%	0.1%	39.8%	-2.4%
SG&A to Revenue	17.5%	19.3%	-1.8%	17.4%	0.1%
EBITDA	19.9%	18.0%	1.9%	22.5%	-2.6%
Operating / EBIT Margin	18.3%	16.4%	1.9%	20.9%	-2.6%
Profit before tax	15.8%	16.2%	-0.4%	20.8%	-5.0%
Profit after Tax	12.3%	12.8%	-0.5%	16.6%	-4.3%

Consolidated Income Statement (as per Indian GAAP)			USD K
Head	FY14	FY13	YoY%
Gross Revenues	422,404	387,790	8.9%
Direct Costs	266,382	234,900	13.4%
Gross Profit	156,022	152,890	2.0%
Selling / General And Administration	77,934	66,307	17.5%
EBITDA	78,087	86,583	-9.8%
Depreciation and Amortization	7,199	6,578	9.4%
Operating Profit = EBIT	70,888	80,005	-11.4%
Other Income (net)	3,583	6,350	-43.6%
Forex Gains / (Losses)	(4,981)	(4,884)	2.0%
Exceptional Item	(1,056)		
Profit Before Tax	68,434	81,471	-16.0%
Provision for Tax	16,056	17,037	-5.8%
Profit After Tax	52,378	64,434	-18.7%

Key Ratios	FY13	FY12	YoY%
Gross Margin	36.9%	39.4%	-2.5%
SG&A to Revenue	18.5%	17.1%	1.4%
EBITDA	18.5%	22.3%	-3.8%
Operating / EBIT Margin	16.8%	20.6%	-3.8%
Profit before tax	16.2%	21.0%	-4.8%
Profit after Tax	12.4%	16.6%	-4.2%