

Hexaware Reports First Quarter 2016 Financial Results
Strong TCV Booking of \$36 M from new customers led by Shrink IT & Digital Transformation
Launches the next generation ITO Service Delivery Platform – RAISE IT

Mumbai – May 4, 2016: Hexaware Technologies Limited, a leading global provider of IT, BPS and Consulting services has just reported results for the first quarter of the calendar year ended March 31, 2016 .

“Rapid technology changes and its implications are a sweeping reality and it is changing the way we conduct business. At Hexaware our goal is to transform our customers experience by differentiating ourselves with disruptive service offerings.” remarked **Atul Nishar, Chairman, Hexaware Technologies Limited.**

“While we had a challenging quarter for revenue and profitability, Bookings from new customers continued to be strong driven by Automation and Digital Transformation. Our overarching theme of **Shrink IT, Grow Digital** allows our customers to significantly shrink commodity IT spend while partnering with our customers to deliver their Digital initiatives.” stated **R Srikrishna, CEO & Executive Director, Hexaware Technologies Limited.**

He further added, “We have been investing significantly in creating a platform centric approach to deliver ITO Services for both Application and Infrastructure Management services. I am very happy today to announce the launch of **RAISE IT** as the platform that will fundamentally disrupt how ITO services are currently delivered.”

Introducing the RAISE IT Platform: Replacing Humans with Bots

There is a need for customers to shift and shift now from a traditional people centric approach of IT Build and Run to a Platform centric approach for ITO operations. Hexaware, in pioneering the next generation of ITO Service Delivery, has created RAISE IT as the Platform that allows its customers to go digital with their IT Operations.

RAISE IT leverages cutting edge Artificial Intelligence, Cognitive Analytical Engine, Big data platform for IT Operations coupled with Robotic Incident Management to disrupt the current state of IT Services delivery.

It is focused on helping customers that feel trapped in their current Gen 2.0 model of IT service delivery and are looking at unlocking the next wave of productivity by allowing them to seamlessly migrate to our next gen ITO operations model. In doing so, it shrinks the existing Application and Infrastructure spend by upto 2x and significantly improves the much needed agility and service visibility that our CIOs desire to deliver to their business.

USD Mn	Q1 16	Growth	
		QoQ	YoY
Revenue (Constant Currency)	121.8	-1.8%	6.5%

₹ Mn	Q1 16	Growth	
		QoQ	YoY
Revenue	8,202	0.1%	15.0%
EBITDA*	1,267	-3.3%	-1.2%
EBIT	1,055	-9.9%	-8.6%
PAT	842	-15.3%	1.0%

USD Mn	Q1 16	Growth	
		QoQ	YoY
Revenue	121.7	-2.0%	5.9%
EBITDA*	18.9	-4.8%	-8.4%
EBIT	15.8	-11.1%	-15.2%
PAT	12.6	-14.5%	-6.3%

EBITDA* - Excludes ESOP Cost

Cash

- Cash & Cash equivalents at the end of March 2015 at US\$ 46.47 Mn; ₹ 308 crores
- Days of Sales Outstanding (DSO) was 49 days at the end of Q1 2016
- First Interim Dividend of ₹ 2.50 (125%) for Q1 2016

New Wins

- 3 new clients signed in Q1 2016

Human Capital

- Headcount stood at 11,599 at the end of Q1 2016; up 224 QoQ & 1,499 YoY
- 12 fresh trainees added in Q1 2016
- Utilization stood at 69.6% (including trainees) in the Quarter
- Attrition at the end of March 2016 was at 16.0%

Booking Update

Strong TCV Booking of \$36 M from new customer:

- Automation led Multi-year Multi-million Procurement, Finance and HR Shared Services deal for a global logistics company
- Multi-year Multi-million Digital Transformation deal for a top ten pharmacy benefit manager and provider of prescription mail order and speciality pharmacy services
- Multi-year Multi-million Strategic HCM transformation deal for a leading pharma company

Business Update

APAC led the geographic growth at 16% in Q1 2016. Banking & Financial Services showed a healthy growth of 2.5%. Business Intelligence & Analytics clocked the highest QoQ growth of 6.3% among service lines in Q1 2016. Business Process Services (BPS) and Infrastructure Management Services (IMS) continue to deliver strong YoY growth of 28.5% and 27.6% respectively.

Corporate Update

Hexaware strengthened its board with the induction of an additional Director during Q1 2016. Meera Shankar was inducted on the Board of Directors of the Company in the capacity of an Independent Non- Executive Director. From the early stages in her career, she held critical responsibilities. She joined the Prime Minister's Office in 1985 and served there till 1991, dealing with foreign policy and security issues.

Her last assignment before retirement was as India's Ambassador to the US, when Indo US ties became much closer with the relationship being seen as one of the defining partnerships of the twenty first century.

First Interim Dividend of 2016

The Board of Directors declared a first interim dividend of ₹ 2.50 per share (125%) on equity shares of ₹ 2.00 each. The record date is fixed as Monday, May 16, 2016 for determining the shareholders entitled for this first interim dividend of the year 2016. The payment shall be made on May 19, 2016. This would result in a cash outflow of ₹ 90.8 Crores for dividend payment including tax, amounting to a dividend payout ratio of 108% for Q1 2016.

Foreign Exchange Cover

The Company has hedges worth \$ 147.01 mn at an average exchange rate of ₹ 70.68, € 5.00 mn at an average exchange rate of ₹ 77.95 and £ 4.20 mn at an average exchange rate of 106.69 maturing over the course of the next eight quarters (from April 2016 to March 2018).

Awards and Recognition

Hexaware has yet again proven its leadership in the Business Process Outsourcing industry by winning 5 awards at the recently concluded '**Asia Outsourcing Congress & Awards 2015-16**'.

The Company received the best recognitions and awards in the following categories:

- Fastest Growing Outsourcing Company of the Year 2015
- Best Customer Experienced Delivered by a Contact Center
- Excellence in Customer Services in the Outsourcing Industry
- Health Insurance BPO Provider
- Non-Voice Excellence Company of the Year

Hexaware also won an Award for Excellence in Customer Service and a Certification of Recognition for Outsourcing organization of the Year at the recently concluded Golden Globe Tiger Awards (For Outsourcing Excellence) in Malaysia.

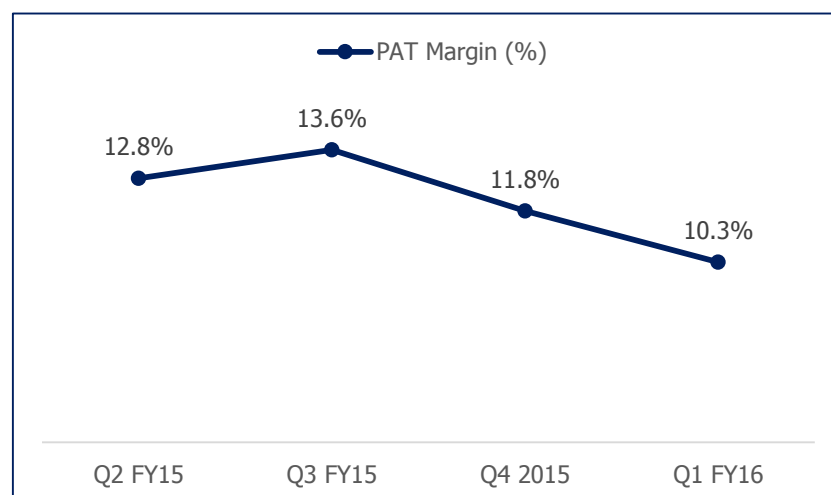
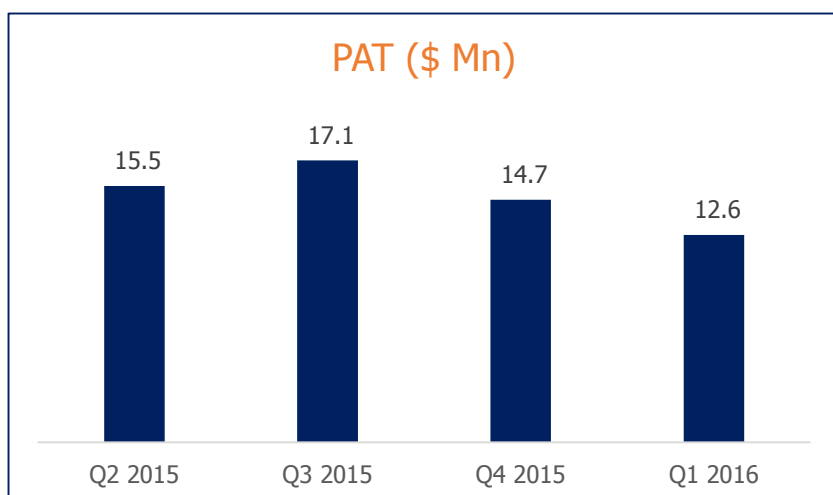
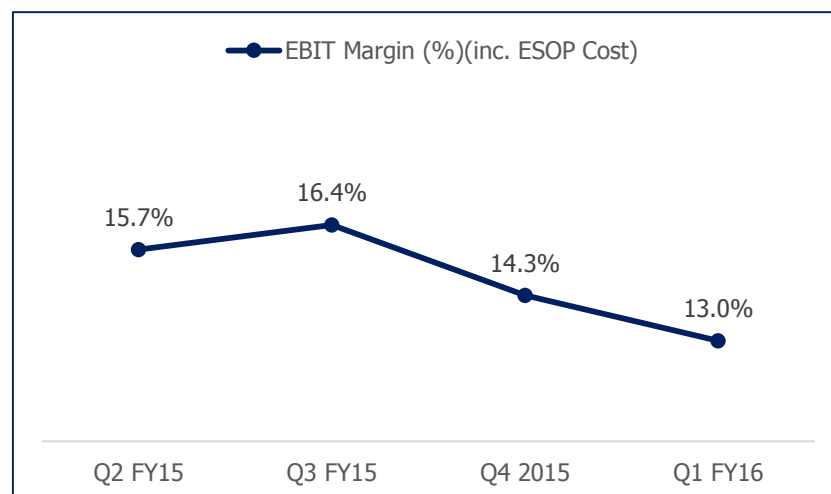
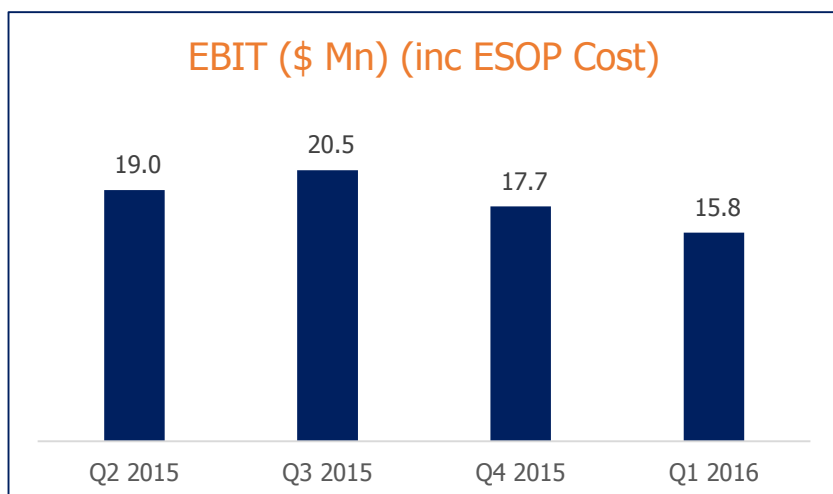
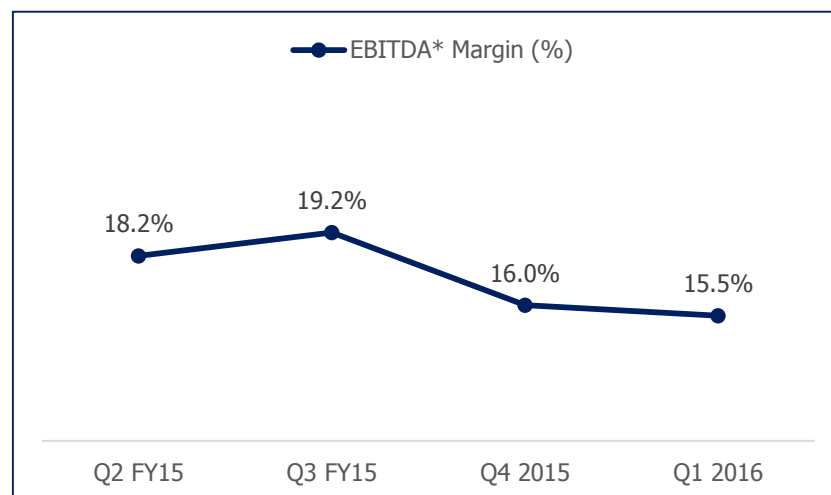
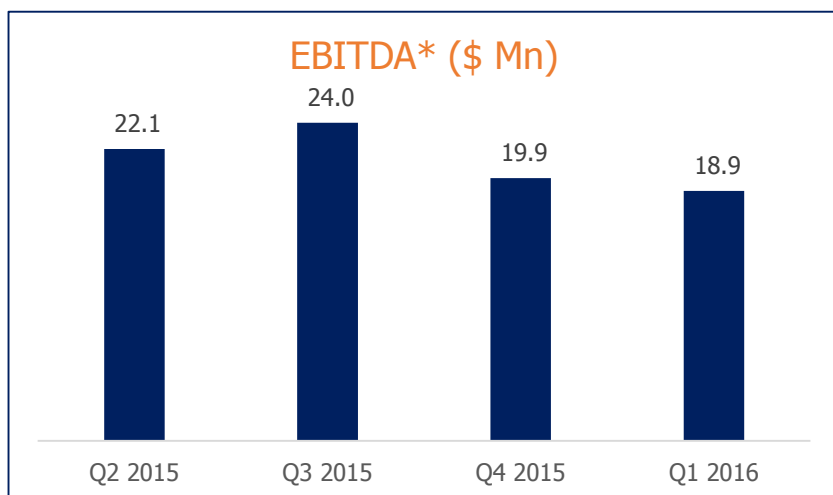
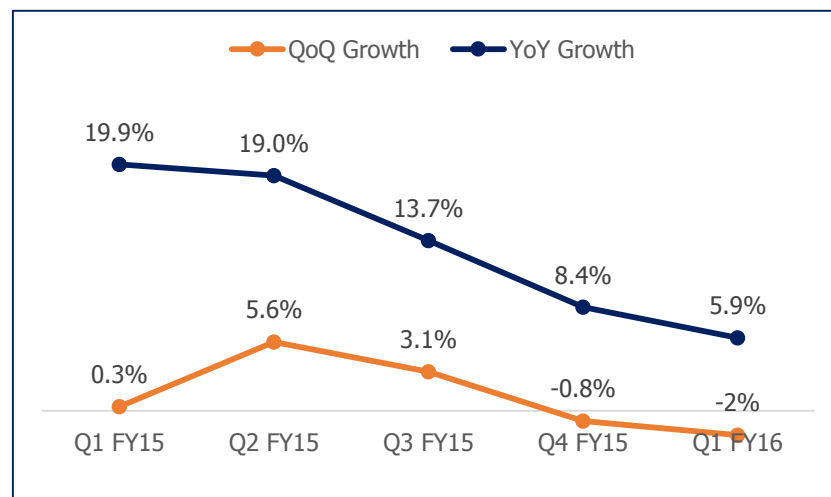
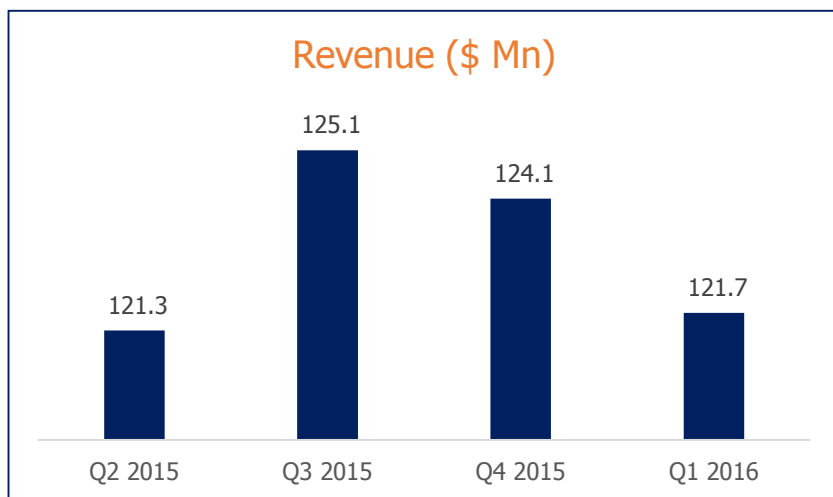
Hexaware has been mentioned as one of the major IT services providers to North American insurers in the Novarica report titled, "IT SERVICES PROVIDERS FOR INSURERS", dated February 2016, by analysts Rob McIsaac and Alex Effgen.

Hexaware has been mentioned in the Forrester report titled "The Future of Consulting Through 2020", dated 11 February 2016, by analyst Marc Cecere.

Hexaware's revenue has been mentioned to have recorded a 15% jump in the Ovum report titled "India IT Services Vendor Quarterly, 4Q15", dated 23 February 2016, by analyst Hansa Iyengar.

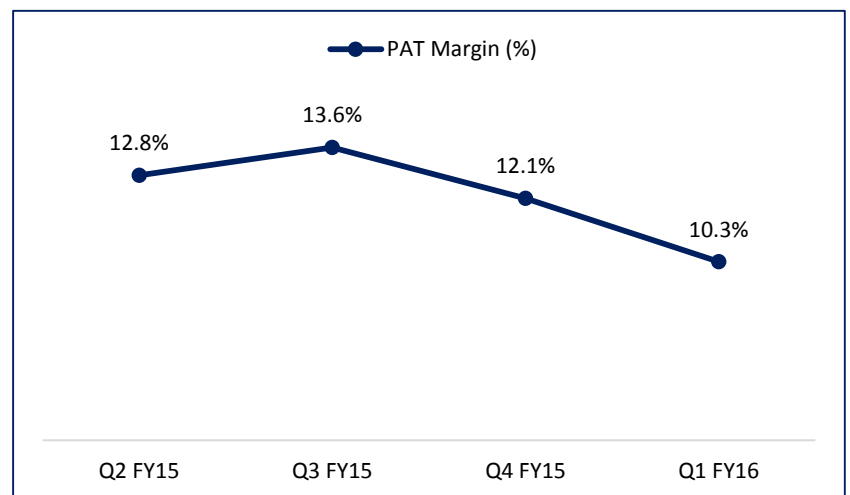
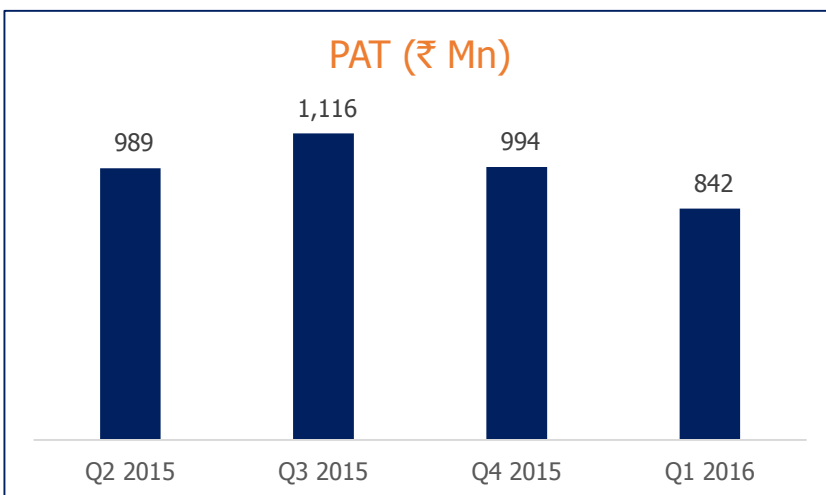
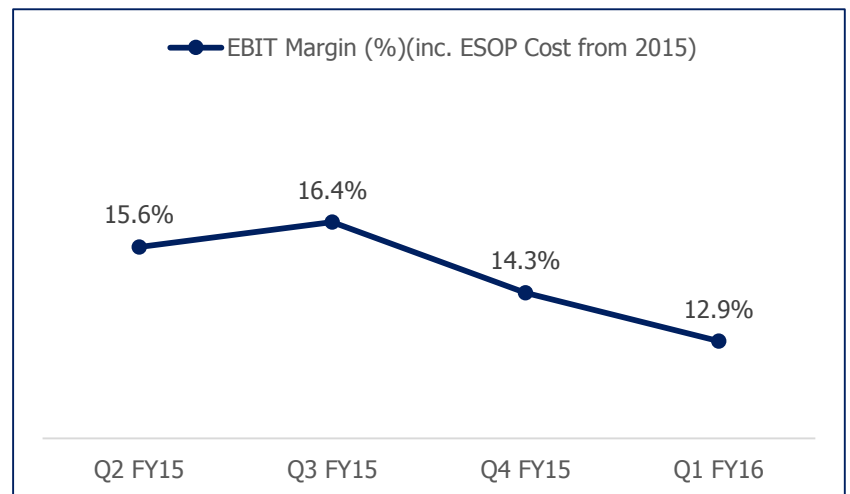
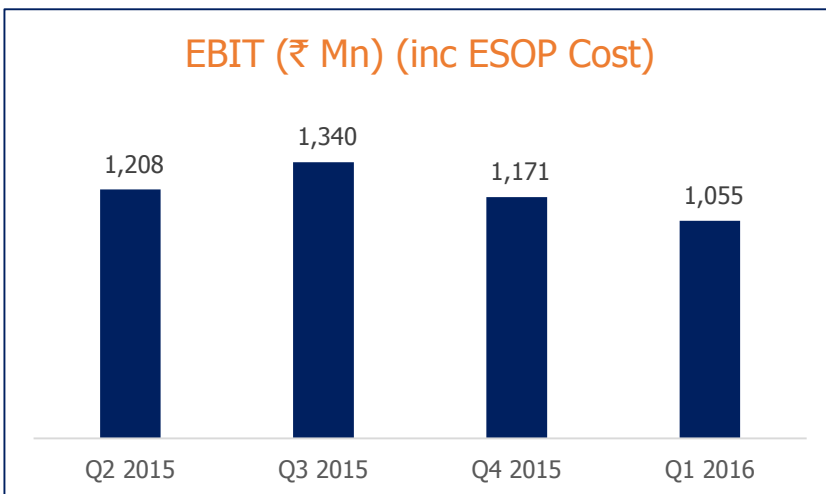
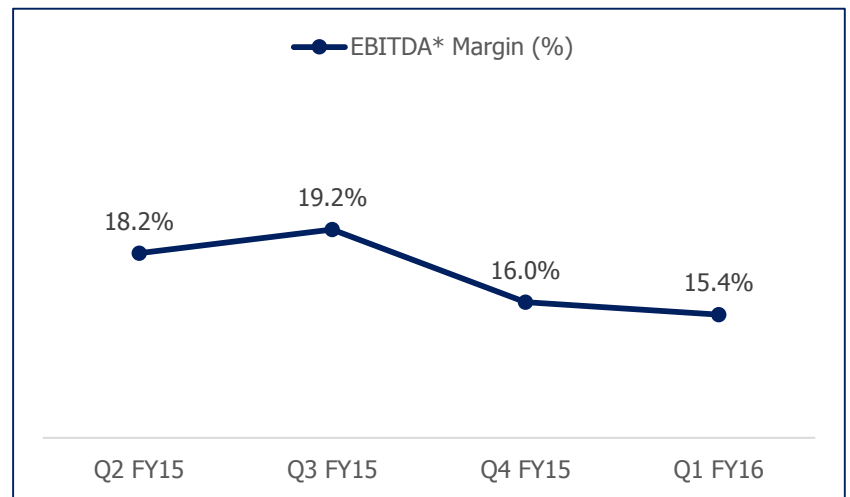
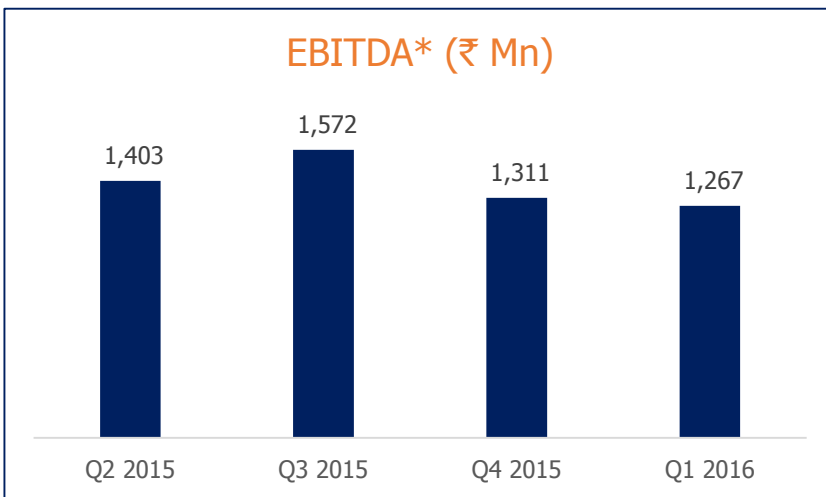
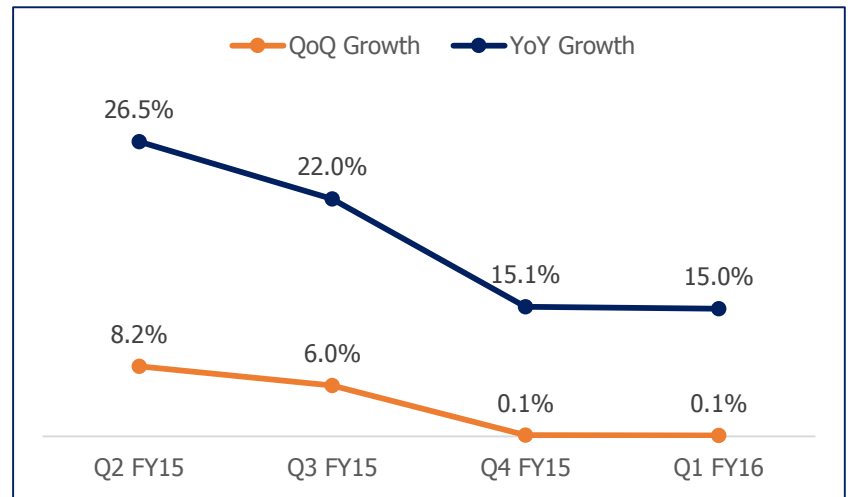
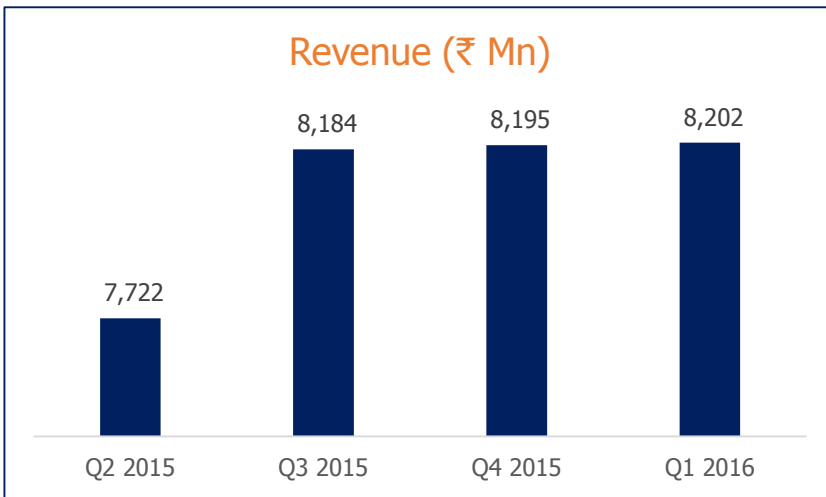
Hexaware has been mentioned in High potential quadrant in HfS Blueprint Grid for Successfactors services, dated March 2016, by analysts Khada De Souza and Charles Sutherland.

Q1 Performance Highlights in US\$ terms

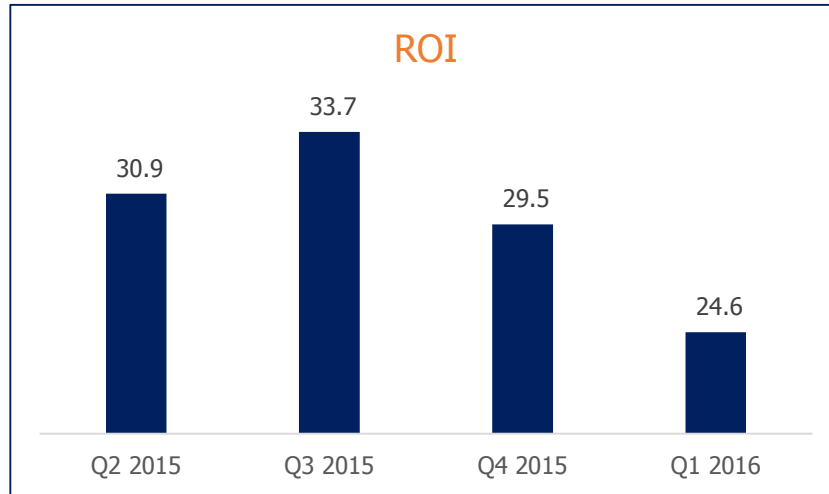


EBITDA* - Excludes ESOP Cost

Performance Highlights in ₹ terms

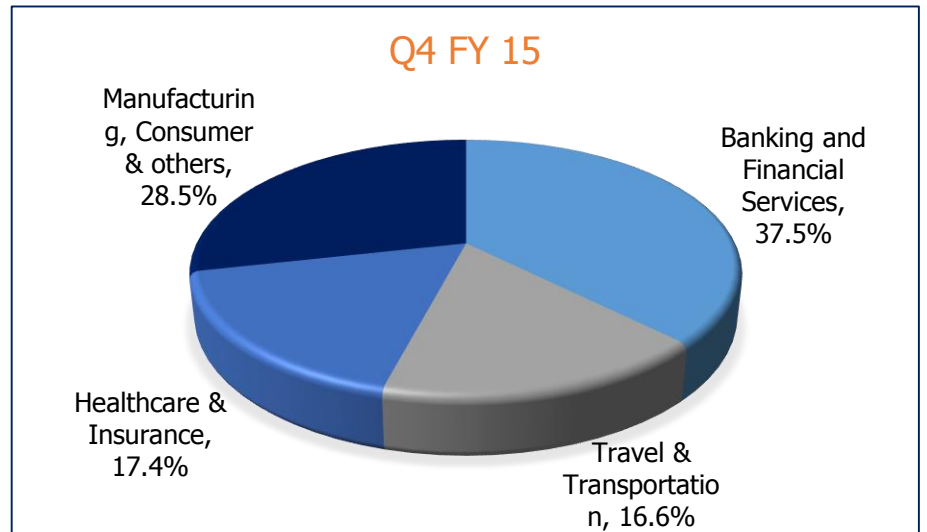
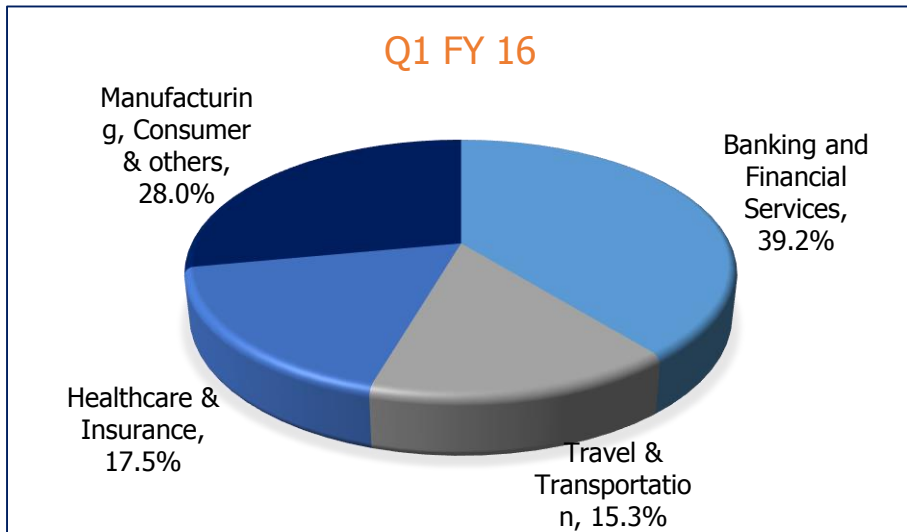


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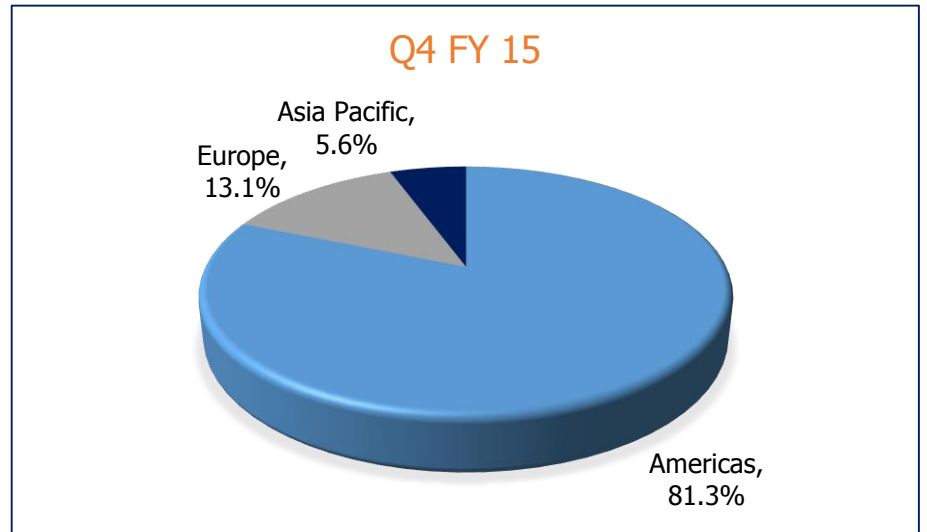
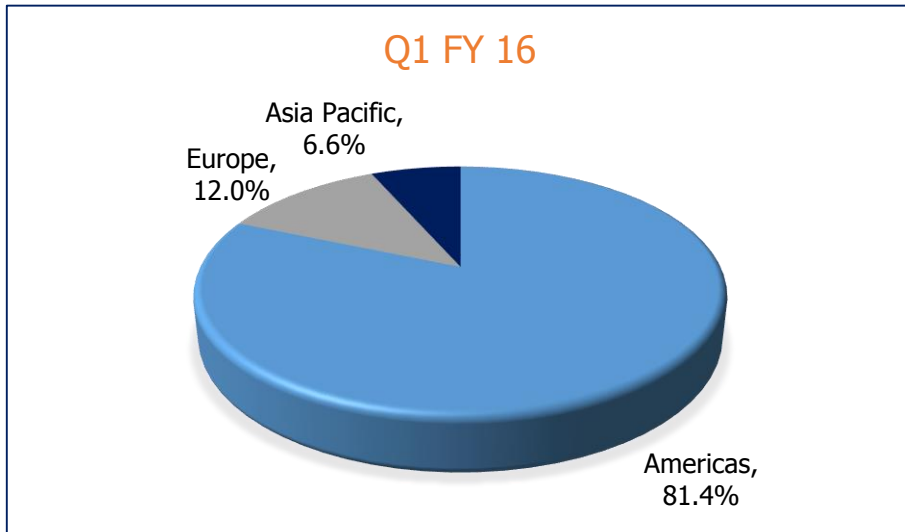


Revenue Split

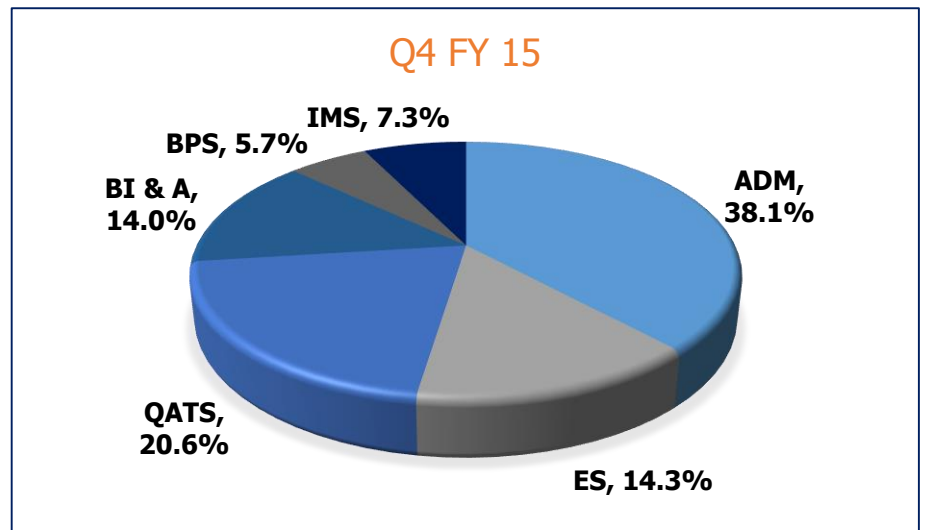
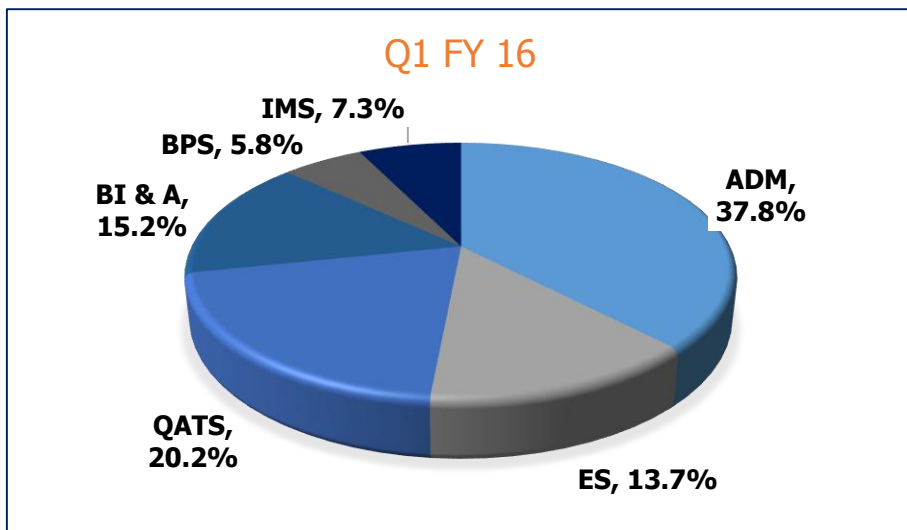
Vertical Split



Geography Split



Service Line Split



Revenue Growth

Particulars	Segments	31-Mar-16	
		Q o Q	Y o Y
Consolidated	Company	-2.0%	5.9%
Geography	Americas	-1.8%	6.7%
	Europe	-10.4%	-3.1%
	Asia Pacific	16.0%	15.2%
Service Lines Split	Application Devt & Maint (ADM)	-2.6%	6.7%
	Enterprise Solutions	-5.9%	-6.4%
	Testing / QATS (Quality Assurance and Testing Services)	-4.0%	3.0%
	Business Intelligence & Analytics	6.3%	4.7%
	Business Process Services (BPS)	-0.6%	28.5%
	Infrastructure Management Services (IMS)	-1.7%	27.6%
Vertical Split	Banking and Financial Services	2.5%	10.9%
	Travel & Transportation	-9.3%	-1.6%
	Healthcare & Insurance	-1.1%	18.8%
	Manufacturing, Consumer & others	-4.1%	-2.9%

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 Markets, Healthcare, Insurance, Travel, Transportation, Logistics, Hospitality, 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, Digital Assurance, Infrastructure Management Services, Digital 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.

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:

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Consolidated Audited Income Statement (as per Indian GAAP)

₹ Mn

Head	Quarterly Data				
	Q1 16	Q4 15	QoQ%	Q1 15	YoY%
Revenues	8,202	8,195	0.1%	7,134	15.0%
Direct Costs	5,376	5,346	0.6%	4,587	17.2%
Gross Profit	2,826	2,849	-0.8%	2,547	10.9%
Selling / General And Administration	1,559	1,539	1.3%	1,265	23.2%
EBITDA excluding ESOP Costs	1,267	1,311	-3.3%	1,282	-1.2%
ESOP Costs	73	8	857.1%	12	528.5%
EBITDA	1,194	1,303	-8.4%	1,270	-6.0%
Depreciation and Amortization	138	131	5.2%	115	19.8%
Operating Profit = EBIT	1,055	1,171	-9.9%	1,155	-8.6%
Other Income (net)	11	18	-34.9%	38	-69.6%
Forex Gains / (Losses)	44	70	-36.4%	(134)	-133.0%
Profit Before Tax	1,111	1,259	-11.7%	1,058	5.0%
Provision for Tax	269	265	1.6%	225	19.8%
Profit After Tax	842	994	-15.3%	833	1.0%

Key Ratios	Q1 16	Q4 15	QoQ%	Q1 15	YoY%
Gross Margin	34.5%	34.8%	-0.3%	35.7%	-1.2%
SG&A to Revenue	19.0%	18.8%	0.2%	17.7%	1.3%
EBITDA excluding ESOP Costs	15.4%	16.0%	-0.6%	18.0%	-2.6%
EBITDA	14.6%	15.9%	-1.3%	17.8%	-3.2%
Operating / EBIT Margin	12.9%	14.3%	-1.4%	16.2%	-3.3%
Profit before tax	13.5%	15.4%	-1.9%	14.8%	-1.3%
Profit after Tax	10.3%	12.1%	-1.8%	11.7%	-1.4%
EPS- INR					
Basic	2.79	3.30	(0.51)	2.77	0.02
Diluted	2.77	3.27	(0.50)	2.76	0.01

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

Head	As at Mar 31 2016	As at Dec 31 2015	As at Mar 31 2015
Equity & Liabilities			
Equity Share Capital	604	603	602
Reserves	13,759	13,713	12,608
Hedging Reserve	110	16	69
Non Current Liability	382	353	313
Dividend Pending Payout	908	871	725
Other Current Liabilities	4,648	4,649	3,535
Total Sources of Funds	20,411	20,206	17,852
Assets			
Net Fixed Assets	7,029	6,489	5,473
Deferred Tax Asset (Net)	277	256	241
Long Term Loans and Advances	1,991	1,813	1,696
Non Current Assets / Investments	45	45	80
Cash and cash equivalent	3,079	4,428	3,521
Current Assets			
Debtors	4,385	4,406	4,069
Current Asset - Forex (MTM)	136	21	137
Others	3,469	2,749	2,635
Total Current assets	7,991	7,175	6,841
Total Uses of Funds	20,411	20,206	17,852

Financial and Operational Metrics

Performance Review

Revenue Growth	₹, Mn	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
	Revenue from Operations		8,202	8,195	8,184	7,722	7,134
%, q-o-q		0	0	6	8	0	15
Other Income		11	18	14	21	38	90

Vertical Split#	%	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
	Banking and Financial Services		39.2	37.5	37.6	36.7	37.4
Travel & Transportation		15.3	16.6	16.7	17.4	16.5	16.8
Healthcare & Insurance		17.5	17.4	16.4	15.7	15.6	16.3
Manufacturing, Consumer & others		28.0	28.5	29.3	30.2	30.5	29.6
Total		100.0	100.0	100.0	100.0	100.0	100.0

Service Lines Split#	%	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
	Application Development & Maintenance (ADM)		37.8	38.1	37.3	37.8	37.6
Enterprise Solutions		13.7	14.3	14.6	14.3	15.5	14.7
Testing / QATS (Quality Assurance and Testing Services)		20.2	20.6	20.8	20.9	20.7	20.8
Business Intelligence & Analytics		15.2	14.0	14.7	15.1	15.4	14.8
Business Process Services (BPS)		5.8	5.7	5.7	5.2	4.8	5.4
Infrastructure Management Services (IMS)		7.3	7.3	6.9	6.7	6.0	6.6
Total		100.0	100.0	100.0	100.0	100.0	100.0

Geography#	%	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
	Americas		81.4	81.3	80.8	81.0	80.8
Europe		12.0	13.1	13.8	13.4	13.1	13.4
Asia Pacific		6.6	5.6	5.4	5.6	6.1	5.6
Total		100.0	100.0	100.0	100.0	100.0	100.0

Onsite: Offshore Mix	%	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
	Onsite		63.1	62.3	60.8	61.2	58.9
Offshore (Incl. Nearshore)		36.9	37.7	39.2	38.8	41.1	39.2
Total		100.0	100.0	100.0	100.0	100.0	100.0

Client data

Repeat Business	%	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15
			94.7	95.7	95.3	96.2

Clients billed	No	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15
			229	226	223	225

Clients added for billing	No	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
			10	9	9	9	10

DSO	Days	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15
	Billed		49	49	54	47
Including Unbilled Accruals		78	72	80	74	77

Revenue Concentration	%	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
	Top 5		42.9	42.2	42.7	44.4	42.8
Top 10		55.3	54.7	54.4	56.1	55.5	55.1

Client Size	Nos (Last Twelve Months)	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15
	More than \$ 1 Mn +		73	69	65	62
Between \$ 1 to 5 Mn		58	53	48	43	42
Between \$ 5 to 10 Mn		6	7	8	10	11
Between \$ 10 to 20 Mn		5	5	5	5	4
Over \$ 20 Mn		4	4	4	4	5

People Numbers	IT Services %	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15
	Billable Personnel					
Onsite		21.8%	20.5%	20.6%	20.8%	22.1%
Offshore		69.2%	69.2%	69.7%	70.0%	69.3%
Total		91.0%	89.7%	90.3%	90.8%	91.4%
Marketing (Incl. Sales Support)		4.2%	3.9%	3.7%	3.4%	3.1%
Others (Incl. Tech. Support)		4.8%	6.4%	6.0%	5.8%	5.5%
Grand Total		100.0%	100.0%	100.0%	100.0%	100.0%

Utilization	%	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
			69.6	69.7	70.4	72.1	73.6

Attrition Rate	%	Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15
	Last Twelve Months		16.0	16.9	17.4	17.1

Rupee Dollar Rate		Q1 FY 16	Q4 FY 15	Q3 FY 15	Q2 FY 15	Q1 FY 15	FY 15
	Period Closing rate		66.26	66.16	65.59	63.65	62.50
Period average rate		67.49	66.03	65.40	63.63	62.07	66.03

Consolidated Audited Income Statement (as per Indian GAAP)

USD K

Head	Quarterly Data				
	Q1 16	Q4 15	QoQ%	Q1 15	YoY%
Revenues	121,687	124,107	-2.0%	114,918	5.9%
Direct Costs	79,702	80,961	-1.6%	73,902	7.8%
Gross Profit	41,985	43,146	-2.7%	41,016	2.4%
Selling / General And Administration	23,078	23,292	-0.9%	20,384	13.2%
EBITDA excluding ESOP Costs	18,907	19,854	-4.8%	20,632	-8.4%
ESOP Costs	1,086	119	812.7%	187	481.4%
EBITDA	17,821	19,735	-9.7%	20,445	-12.8%
Depreciation and Amortization	2,051	1,988	3.1%	1,859	10.3%
Operating Profit = EBIT	15,770	17,746	-11.1%	18,586	-15.2%
Other Income (net)	169	267	-36.5%	605	-72.0%
Forex Gains / (Losses)	633	680	-6.9%	(2,171)	-129.2%
Profit Before Tax	16,572	18,693	-11.3%	17,020	-2.6%
Provision for Tax	4,015	4,014	0.0%	3,613	11.1%
Profit After Tax	12,557	14,679	-14.5%	13,407	-6.3%

Key Ratios	Q1 16	Q4 15	QoQ%	Q1 15	YoY%
Gross Margin	34.5%	34.8%	-0.3%	35.7%	-1.2%
SG&A to Revenue	19.0%	18.8%	0.2%	17.7%	1.3%
EBITDA excluding ESOP Costs	15.5%	16.0%	-0.5%	18.0%	-2.5%
EBITDA	14.6%	15.9%	-1.3%	17.8%	-3.2%
Operating / EBIT Margin	13.0%	14.3%	-1.3%	16.2%	-3.2%
Profit before tax	13.6%	15.1%	-1.5%	14.8%	-1.2%
Profit after Tax	10.3%	11.8%	-1.5%	11.7%	-1.4%