

MASTEK LIMITED



Company Background

Mastek Limited, established in 1982, is a global software solutions and integration services provider. It offers a wide range of IT solutions and services, including consulting, application management outsourcing, custom application development, legacy modernisation and migration, and system integration. The company is engaged in IT development and delivery processes, and has been awarded ISO 9001:2000, SEI-CMM Level 5 and P-CMM Level 3 certification.

Mastek has offices and subsidiaries in India, the US, the UK, Germany, Japan, Singapore and Malaysia, totalling 19 offices spread across major markets worldwide. The company presently employs 3,235 personnel, of which 1,463 are located in Europe.

For the financial year ended 30 June 2005, the company's sales grew by 27 per cent to reach EUR 109.9 million from EUR 86.5 million for the year ended 30 June 2004.

Mastek in the European Union (EU)

Mastek views the EU as one of its most important markets. The company has witnessed a rapid growth in the German and UK markets (including offshore clients from this region), which has helped it to emerge as a prominent pan-European IT services player. It has a minimal presence in Switzerland and is looking to expand its operations in the Scandinavian markets.

The EU operations of the company grew by 62 per cent in the 2004-05, and the contribution of the EU to total revenues of the company grew from 50 per cent in 2003-04 to 63 per cent in 2004-05.

Mastek in the UK

The UK operations of the company generated revenues of EUR 64.85 million in 2004-05.

Important contracts won in this region include the following:

- In February 2006, Capital Life & Pensions (UK) entered a 10-year agreement with Mastek, to provide BPO services to the former's insurance clients against a one-time payment.
- Mastek has implemented the London Congestion Charging Scheme (the largest dot-Net project in the world) for Capita.
- The company was awarded a EUR 51.8 million contract as a part of a national IT programme under the aegis of UK's National Health Service, in partnership with Syntegra, a BT group company.
- Mastek was also a member of the consortium that implemented the Connexions Card project, which was conceived as a part of the UK government's strategy to encourage young British school students to continue their studies beyond their compulsory schooling. Students were rewarded with earning points that could be used to claim rewards at a later date.

Mastek in France

In 2006, Mastek entered the French market with its partnership with Euriware, which is a part of the

Areva group. This partnership will enable Mastek to work exclusively with Euriware in India and France for three years, and also bid jointly for projects in these markets. It will provide the company with a foothold in France and strengthen Euriware's system integration capabilities and strategic offerings. Its projected revenue generation for the three-year period is around EUR 35 million.

Mastek in Germany

In 2004-05, Mastek GMBH entered into a partnership with a leading German manufacturer of industrial applications, and subsequently extended this relationship to the US market as well. The combined revenues of the Mastek Group from Germany, the Asia-Pacific region including Japan, India and the rest of the world amounted to EUR 2.82 million for the year 2004-05.

Factors for Success

High Proportion of Repeat Customers

Over 90 per cent of Mastek's business is repeat business. The company acquired 12 new clients in 2004-05. Europe contributed 63 per cent to the group's revenues. The company won many new contracts in the UK during this year.

Focus on Banking, Financial Services and Insurance (BFSI)

Mastek strengthened its position in the BFSI segment in 2004-05, especially in the insurance sector. It signed some big contracts with insurance majors in the US, the UK and the Asia-Pacific region and also expanded the scope of its existing relationships. Consequently, this segment of the company was able to double its revenues, as well as its headcount, during the year. It delivered more than 10 insurance projects in 2004-05, within the specified time and budgets.

Focus on Research & Development

Mastek has a technology cell, specialising in information governance, as well as a component-engineering group for component development. This technology cell has been a key driver in helping the company to adapt and incorporate new technology in its customer offerings.

Future Plans

Mastek aims to become a large player in the software solutions market. It plans to position itself as company, which, along with its partners, can deliver joint solutions, and not just as a supplier focussed on cost and quality. In line with this strategy, it has set up a Solutions and Strategy group, which works towards creating and implementing solutions for its customers.

The company plans to shift its focus away from English-speaking regions, such as the US and the UK, to other areas. It is actively considering entry into unexplored markets in the EU (especially France), in addition to Germany and the UK, which have been its major markets in 2004-05.

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