



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Earnings release

Third quarter ended December 31, 2015 (Q3 FY2016)

January 18, 2016

Welcome to possible

Contents

1. Press Release	3
2. Key Financial Metrics	6
3. Key Ratios	6
4. Key Revenue Metrics	7
5. Effort and Utilization	8
6. Key Client Metrics	8
7. Key Employee Metrics	9
8. Infrastructure	9
9. Statutory Financials	10

Earnings Conference Call for Analysts / Investors

January 18, 2016 (5:30 PM IST)

Primary Number: +91 22 3938 1087

Secondary number: +91 22 6746 4187

(The numbers listed above are universally accessible from all networks and all countries)

Toll free numbers:

Singapore: 800 101 2045

Hong Kong: 800 964 448

UK: 0 808 101 1573

US: 1 866 746 2133

Replay of conference call available until January 23, 2016

+91 22 3065 2322 (Playback id: 230712#)

Webcast – Participants have the option to attend the conference call by logging in to the online webcast, please note participants in webcast would be in **listen-only** mode. The webcast link is as below.

[Mindtree 3Q FY16 Webcast Link](#)

Transcript will be available on www.mindtree.com after January 23, 2016

Revenue growth of 2.3% Q-o-Q and 24.8% Y-o-Y in dollar terms; Recommends interim dividend and 1:1 issue of bonus shares

Bangalore (India) and Warren (NJ), January 18, 2016: [Mindtree](#), a global technology services company, announced its consolidated results today for the third quarter ended December 31, 2015, as approved by its Board of Directors.

“We saw good revenue growth in Q3 as we continue to strike the right chord with our clients. This broad-based result reflects the ongoing momentum of our key focus areas such as Digital and Managed Services. Those initiatives combined with our recent acquisitions and deal wins are creating a clear path to further our growth trajectory” said **Krishnakumar Natarajan, CEO & Managing Director, Mindtree.**

Key financial highlights:

- In USD terms:
 - Revenue at \$184.4 million (growth of 2.3% q-o-q / 24.8% y-o-y). Constant currency revenue growth of 3% q-o-q
 - Net profit at \$22.8 million (decline of 5.9% q-o-q / growth of 0.2% y-o-y)

- In Rupee terms:
 - Revenue at ₹ 12,145 million (growth of 3.9% q-o-q / 33.2% y-o-y)
 - Net profit at ₹ 1,509 million (decline of 4.6% q-o-q / growth of 7.2% y-o-y)

Other highlights:

- Clients:
 - 294 active clients as of December 31, 2015

- Employees:
 - 16,243 employees as of December 31, 2015
 - Added 1,306 employees during the quarter on a gross basis
 - Trailing 12 months attrition is at 16%.

- Multi-year and multi-million dollar wins with leading global clients
 - Leading travel management company. For this existing client, Mindtree will provide application development and support services
 - Global manufacturing and engineering company. Mindtree will provide infrastructure management services
 - International financial institution. Mindtree will provide IT services in multiple areas
- Awards and recognition:
 - Mindtree named in the leadership zone in Zinnov's Global Product Engineering Service Provider Ratings for the fourth time in a row
 - Mindtree has won the "Best Corporate Governance – Technology – Asia - 2015" by the Ethical Boardroom Corporation, for having exhibited exceptional leadership in the area of governance
 - Krishnakumar Natarajan, CEO & Managing Director, Mindtree has been named among India's Top 100 CEOs in an annual study conducted by Business Today and PwC
 - Mindtree has been placed among the top ten BEST Award Winners by the Association for Talent Development for its innovative talent development initiatives
- Issue of bonus shares:
 - The Board of Directors at their meeting held on January 18, 2016 recommended an issue of bonus shares in the ratio of 1:1, i.e. one additional equity share for every existing equity share. This is subject to shareholders approval. Bonus shares will be credited to the shareholders after completion of statutory formalities and within the prescribed statutory timelines. This is the second bonus shares issue in the last 2 years
- Dividend announcement:
 - The Board of Directors, at its meeting held on January 18, 2016 recommended an interim dividend of 40% (₹ 4 per equity share of par value ₹ 10 each) for the quarter ended December 31, 2015



About Mindtree

Mindtree [NSE: MINDTREE] delivers digital transformation and technology services from ideation to execution, enabling Global 2000 clients to outperform the competition. “Born digital,” Mindtree takes an agile, collaborative approach to creating customized solutions across the digital value chain. At the same time, our deep expertise in infrastructure and applications management helps optimize your IT into a strategic asset. Whether you need to differentiate your company, reinvent business functions or accelerate revenue growth, we can get you there. Visit www.mindtree.com to learn more.

Safe harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

Visit us at www.mindtree.com. For more information, contact:

INDIA

Priyanka Waghre

Mindtree

+91 98867 29295

Priyanka.Waghre@mindtree.com

UNITED STATES

Andrea Dunbeck

Matter Communications

978-518-4555

adunbeck@matternow.com

EUROPE

Kiran Farooque

PPR Worldwide

+44 0 207 300 6181

Kiran.Farooque@pprww.com

Mindtree Limited, Global Village, RVCE Post, Mysore Road, Bangalore-560059;
CIN: L72200KA1999PLC025564; Phone: + 91 80 6706 4000; Fax: +91 80 6706 4100;
E-mail: info@mindtree.com/investors@mindtree.com; Website: www.mindtree.com

Key Financial Metrics

(Rs. million)	Q3	Q2	Q3	Growth (%)	
	FY2015	FY2016	FY2016	Q-o-Q	Y-o-Y
Revenue	9,117	11,693	12,145	3.9%	33.2%
EBITDA	1,866	2,164	2,147	(0.8)%	15.1%
Net Profit	1,408	1,582	1,509	(4.6)%	7.2%
Diluted EPS (Rs.)	16.74	18.82	17.95	(4.6)%	7.2%

(\$ million)	Q3	Q2	Q3	Growth (%)	
	FY2015	FY2016	FY2016	Q-o-Q	Y-o-Y
Revenue	147.7	180.3	184.4	2.3%	24.8%
EBITDA	30.2	33.4	32.6	(2.3)%	7.7%
Net Profit	22.8	24.3	22.8	(5.9)%	0.2%

Rupee Dollar Rate	Q3	Q2	Q3
	FY2015	FY2016	FY2016
Period Closing rate	63.04	65.59	66.16
Period Average rate	61.73	64.91	65.90

Hedges outstanding at 31-Dec-15		
Currency	Value	Avg. Rate/INR
USD	34.5	66.9
EURO	4.3	74.0
GBP	2.0	102.3

Total hedges outstanding in USD terms is 42M at an average INR rate of 67. These are fair value hedges expiring within 31-Mar-16.

Key Ratios

Key Ratios	Q3	Q2	Q3
	FY2015	FY2016	FY2016
EBITDA Margin (%)	20.5%	18.5%	17.7%
Effective Tax Rate (%)	22.5%	22.5%	22.7%
Net Profit Margin (%)	15.4%	13.5%	12.4%
ROCE (%)	37.5%	37.4%	33.9%
DSO (Days)	70	77	71

Effective Tax Rate = Tax / PBT

ROCE = EBIT / Average Capital Employed. ROCE is annualized

Key Performance Highlights

- Revenue growth of 2.3% Q-o-Q, 24.8% Y-o-Y in Dollar terms. Constant Currency growth of 3% Q-o-Q. Excluding acquisitions during the year, revenue growth of 3.4% Q-o-Q, 17.3% Y-o-Y, constant currency growth of 4% Q-o-Q.
- BFSI increased by 4.1% Q-o-Q and 33.4% Y-o-Y., Travel and Hospitality increased by 15.5% Q-o-Q, 20.5% Y-o-Y.
- Gross Addition of 1,306 people in the Quarter.

Key Revenue Metrics

Revenue by Geography	Q3 FY2015	Q2 FY2016	Q3 FY2016
US	63.1%	63.2%	63.5%
Europe	24.2%	26.6%	26.4%
India	4.1%	3.2%	2.7%
Rest of the World	8.6%	7.0%	7.4%
Total	100.0%	100.0%	100.0%

Revenue by Industry	Q3 FY2015	Q2 FY2016	Q3 FY2016
Technology, Media and Services*	32.7%	30.4%	30.2%
BFSI	23.5%	24.7%	25.1%
Retail, CPG & Manufacturing	22.2%	20.6%	20.3%
Travel & Hospitality	16.2%	13.9%	15.6%
Others**	5.4%	10.5%	8.7%
Total	100.0%	100.0%	100.0%

*Formerly known as Hi-Tech & Media Services ** Revenues of Bluefin solutions included in Others

Revenue by Service Offering	Q3 FY2015	Q2 FY2016	Q3 FY2016
Development	23.7%	23.2%	23.7%
Engineering	10.3%	8.6%	8.3%
Maintenance	21.4%	21.0%	19.8%
Consulting	4.1%	2.8%	2.6%
Package Implementation	5.8%	13.3%	12.9%
IP Led Revenue	1.6%	1.3%	1.8%
Independent Testing	15.4%	12.8%	12.8%
Infrastructure Management & Tech Support	17.6%	17.0%	18.1%
Total	100.0%	100.0%	100.0%
Digital/SMAC	33.1%	36.6%	36.1%

Digital/SMAC includes Social Media, Mobility, Analytics, Cloud, Web-commerce.

Revenue by Project Type	Q3 FY2015	Q2 FY2016	Q3 FY2016
Fixed Cost, Fixed Monthly	46.5%	49.7%	50.0%
Time & Materials	53.5%	50.3%	50.0%
Total	100.0%	100.0%	100.0%

Revenue Mix	Q3 FY2015	Q2 FY2016	Q3 FY2016
Effort			
Onsite	18.2%	20.0%	21.1%
Offshore	81.8%	80.0%	78.9%
Total	100.0%	100.0%	100.0%
Revenue			
Onsite	45.8%	52.4%	54.5%
Offshore	54.2%	47.6%	45.5%
Total	100.0%	100.0%	100.0%

Effort and Utilization

Metrics	Q3 FY2015	Q2 FY2016	Q3 FY2016	Growth (%)	
				Q-o-Q	Y-o-Y
Billed Hours					
Onsite	880,982	1,152,159	1,193,345	3.6%	35.5%
Offshore	3,957,435	4,613,339	4,469,299	(3.1)%	12.9%
Total	4,838,418	5,765,498	5,662,644	(1.8)%	17.0%
Fee Revenue (\$ 000)					
Onsite	67,005	93,720	99,208	5.9%	48.1%
Offshore	79,334	85,030	82,885	(2.5)%	4.5%
Total	146,339	178,750	182,093	1.9%	24.4%
Utilization					
Including Trainees	71.8%	71.4%	68.5%		
Excluding Trainees	74.2%	73.3%	69.9%		

Utilization is calculated as Billed Hours by Available Hours. Available hours does not exclude leave hours.

Key Client Metrics

Metrics	Q3 FY2015	Q2 FY2016	Q3 FY2016
Client Details			
Number of Active clients	201	296	294
New Clients Added	5	18	23
\$1 mn clients	83	92	93
\$5 mn clients	27	29	29
\$10 mn clients	13	13	13
\$25 mn clients	5	6	5
\$50 mn clients	1	2	2

Million Dollar Clients are based on trailing 12 months revenue.

Client Contribution to Revenue	Q3 FY2015	Q2 FY2016	Q3 FY2016
Top Client	9.6%	10.7%	10.9%
Top 5 Clients	32.5%	31.8%	32.1%
Top 10 Clients	48.1%	45.5%	46.2%
Revenue from Repeat Business	99.4%	98.9%	98.5%

Contribution to revenues is based on revenues for the quarter.

Total Contract Value signed(TCV) (USD M)	Q3 FY2015	Q2 FY2016	Q3 FY2016
Renewals	106	130	153
New	46	63	51
Total	152	193	204
Expiring within 1 year	NA	157	180
Expiring > 1 year	NA	36	24
Digital	NA	105	82

Key Employee Metrics

Mindtree Minds	Q3 FY2015	Q2 FY2016	Q3 FY2016
Total Mindtree Minds	13,323	15,582	16,243
Software Professionals	12,500	14,655	15,296
Sales	207	211	216
Support	616	716	731
Gross Additions	1,016	1,801	1,306
Net Additions	305	1,155	661
Attrition (Last Twelve Months)	18.1%	17.1%	16.0%
Women employees	27%	28%	28%
Nationalities*	30	39	49

*Nationalities represent the count of countries to which Mindtree minds belong to.

Infrastructure

	Completed		Available for Expansion	
	Built up area (sq ft 000)	No. of Seats	Built up area (sq ft 000)	No. of Seats
As of Dec 31, 2015				
Bangalore	1,271	11,960	14	140
Chennai	391	3,385	47	455
Pune	149	1,347	-	-
Hyderabad	93	817	-	-
Bhubaneswar	65	240		
Total	1,969	17,749	61	595

Note: Land available for expansion - 12 acres in Bhubaneswar.

Audited Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2015
 (Rs. in millions, except per share data)

Particulars	Rs in million, except per share data					
	Quarter ended			Nine months ended		Year ended
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
Income from software services	12,145	11,693	9,117	33,654	26,438	35,619
Expenses						
Employee benefits expense	7,249	6,868	5,259	19,829	15,309	20,747
Depreciation and amortisation expense	345	317	260	984	723	1,018
Other expenses	2,749	2,661	1,992	7,780	5,823	7,780
Profit from operations before other income, foreign exchange gain and finance costs	1,802	1,847	1,606	5,061	4,583	6,074
Other income	52	131	140	350	352	656
Foreign exchange gain	95	64	70	361	309	179
Profit before finance costs	1,949	2,042	1,816	5,772	5,244	6,909
Finance costs	-	2	1	2	1	1
Profit before tax	1,949	2,040	1,815	5,770	5,243	6,908
Tax expense	440	458	407	1,297	1,167	1,545
Net profit for the period	1,509	1,582	1,408	4,473	4,076	5,363
Paid up equity share capital (face value Rs. 10/- each)	839	838	837	839	837	837
Reserves	22,679	21,593	18,996	22,679	18,996	19,287
Basic EPS (Rs.)	18.00	17.87	16.91	53.38	48.76	64.14
Diluted EPS (Rs.)	17.95	18.82	16.74	53.22	48.53	63.85

AUDITED SEGMENT WISE REVENUE AND RESULTS
Primary segment information

Particulars	Rs in million					
	Quarter ended			Nine months ended		Year ended
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
Segment revenue						
Retail, CPG and Manufacturing	2,473	2,408	2,020	7,045	5,728	7,720
Banking, Financial Services and Insurance	3,050	2,887	2,141	8,524	6,085	8,378
Technology, Media and Services	3,671	3,558	2,985	10,345	8,646	11,641
Travel and Hospitality	1,898	1,622	1,479	5,043	4,374	5,843
Others	1,053	1,218	492	2,697	1,605	2,037
Total	12,145	11,693	9,117	33,654	26,438	35,619
Segment operating income						
Retail, CPG and Manufacturing	542	584	396	1,603	1,083	1,503
Banking, Financial Services and Insurance	425	426	327	1,170	687	939
Technology, Media and Services	673	615	670	1,816	2,002	2,721
Travel and Hospitality	365	244	286	828	882	1,136
Others	142	295	187	628	652	793
Total	2,147	2,164	1,866	6,045	5,306	7,092
Unallocable						
Expenses	345	317	260	984	723	1,018
Finance costs	-	2	1	2	1	1
Other income (including foreign exchange gain)	147	195	210	711	661	835
Profit before tax	1,949	2,040	1,815	5,770	5,243	6,908

Notes on segment information
Principal segments

The Company is structured into five verticals –Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Technology, Media and Services (TMS), formerly known as Hitech and Media Services, Travel and Hospitality (TH) and Others. Accordingly, the Company has presented its segment results under these business segments.

Segment capital employed

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been carried out as the assets are used interchangeably between segments. Accordingly, no disclosure relating to segment assets and liabilities has been made.

Audited Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2015 (Rs. in millions, except per share data)

Particulars	<i>Rs in million</i>	
	As at	
	December 31, 2015	March 31, 2015
Shareholders' funds		
Share capital	839	837
Reserves and surplus	22,679	19,287
	23,518	20,124
Share application money pending allotment	-	4
Non-current liabilities		
Long-term borrowings	18	23
Other long-term liabilities	744	334
	762	357
Current liabilities		
Short-term borrowings	7	-
Trade payables	245	536
Other current liabilities	4,267	3,465
Short-term provisions	1,911	2,063
	6,430	6,064
Total	30,710	26,549
Non-current assets		
Goodwill on consolidation	5,015	922
Fixed assets		
Tangible assets	4,862	4,513
Intangible assets	102	120
Capital work-in-progress	181	354
Non-current investments	58	8
Deferred tax assets (net)	535	449
Long-term loans and advances	1,807	1,640
Other non-current assets	80	17
	12,640	8,023
Current assets		
Current investments	4,323	5,343
Trade receivables	8,923	6,963
Cash and bank balances	2,049	3,763
Short-term loans and advances	1,093	1,451
Other current assets	1,682	1,006
	18,070	18,526
Total	30,710	26,549

Notes to audited consolidated financial results for the quarter and nine months ended December 31, 2015

- The above results were reviewed by the Audit Committee and thereafter have been approved by the Board at its meeting held on January 18, 2016.
- EPS for the quarter/ period is not annualized.
- On January 18, 2016, the Company has entered into a definitive agreement to acquire 100% membership interest in Magnet 360 LLC, a US-based platinum salesforce partner specializing in multi-cloud solutions, consulting services and implementation, in an all cash transaction for USD 50 million. The consideration includes an upfront payment of USD 37 million and earn out and additional payout of up to USD 13 million over the next two years. This acquisition is subject to customary closing conditions.
- The Board of Directors at its meeting held on January 18, 2016 have recommended an issue of bonus shares in the ratio of 1:1 (one additional equity share for every existing equity share). The Company is in the process of complying with necessary formalities.
- The Board of Directors at its meeting held on January 18, 2016 have declared an interim dividend of 40% (Rs 4 per equity share of par value Rs 10 each) for the quarter ended December 31, 2015.

6 Audited financial results of Mindtree Limited (Standalone Information)

Particulars	<i>Rs in million</i>					
	Quarter ended			Nine months ended		Year ended March 31, 2015
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	
Revenues	11,209	10,682	9,117	31,514	26,438	35,474
Profit before tax	1,843	1,903	1,815	5,499	5,243	6,877
Profit after tax	1,435	1,469	1,408	4,274	4,076	5,343

Note: The audited results of Mindtree Limited for the above mentioned periods are available in the investors section in www.mindtree.com and also with the stock exchanges where it is listed. The information above has been extracted from the audited financial results as stated.

- The statement of consolidated financial results have been audited by the Company's auditors. The Company's auditors have issued an unqualified audit opinion on the consolidated financial results. The audit report has been filed with the stock exchanges and is also available on the Company's website.
- Previous period figures have been reclassified/ regrouped wherever necessary.



For more information please contact:

Sushanth Pai
Mindtree Limited
Sushanth.pai@mindtree.com

Safe Harbor:

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

Welcome to possible