



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Earnings release

Fourth quarter ended March 31, 2013 (Q4 FY2013)

April 22, 2013

Welcome to possible

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Earnings Conference Call for Analysts / Investors

April 22, 2013 (11:30 AM IST)

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

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Replay of conference call available until April 30, 2013

+91 22 3065 1212 (Playback id: 230712#)

Transcript will be available on www.mindtree.com after April 26, 2013

Mindtree's net profit surges 55% in rupee terms; recommends total dividend of 120%

Bangalore (India), April 22, 2013: Mindtree Limited, a global information technology solutions company, announced its results today for the fourth quarter and year ended March 31, 2013, as approved by its Board of Directors.

“FY 12-13 has been a landmark year for Mindtree. In a challenging year, we have delivered revenue growth and better margins. We have also delivered consistently quarter after quarter, setting up a platform for continued improvements. We have made solid investments in leadership development, brand building and sales force enhancement. We are confident that all these will help us create an expertise led organization that delivers sustained growth and shareholder value” said **Krishnakumar Natarajan, CEO & Managing Director, Mindtree Limited.**

Key financial highlights:

Quarter ended March 31, 2013

- In USD terms:
 - Revenue at \$113 million (growth of 2.9% q-o-q / 7.6% y-o-y)
 - Net profit at \$14.6 million (decline of 20.8% q-o-q / growth of 5.8% y-o-y)

- In Rupee terms:
 - Revenue at ₹ 6,124 million (growth of 3.8% q-o-q / 16.5% y-o-y)
 - Net profit at ₹ 789 million (decline of 20.1% q-o-q / growth of 14.0% y-o-y)

Year ended March 31, 2013

- In USD terms:
 - Revenue at \$435.7million (growth of 8.2%)
 - Net profit at \$62.5 million (growth of 36.1%)

- In Rupee terms:
 - Revenue at ₹ 23,618 million (growth of 23.3%)
 - Net profit at ₹ 3,389 million (growth of 55%)

Other highlights:

- Customers:
 - 232 active customers as of March 31, 2013
 - \$20 million customers increased by 1 to 5
- Employees:
 - 11,591 employees as of March 31, 2013
 - Added 974 employees during the quarter on a gross basis
- Major client wins:
 - A large deal from an infrastructure services provider in one of the largest emerging market economies. In partnership with an existing customer, Mindtree will provide cloud platform support, in a multi-year engagement.
 - A large hotel chain. Mindtree will provide managed services for application and infrastructure support.
 - A renowned non-profit, non-government organization. Mindtree will provide service desk and End User Computing (EUC) services for its users across multiple countries.
- Others:
 - Awarded 'Best Corporate Governance India', 2013 by World Finance magazine.
 - Ranked second in 'Best Overall for Corporate Governance (in India)' by Asiamoney and topped the category of 'Best for Investor Relations' in India.
 - A 7th time winner of India's Most Admired Knowledge Enterprise (MAKE) award.
 - Ranked the third best software company under the category of "Financial Sustainability Index", as part of the BS 1000 list released by the Business Standard magazine in 2012.
 - A global employee perception survey conducted by Glassdoor ranked Krishnakumar Natarajan at 28th in the list of Top 50 CEOs worldwide.
- Dividend:
 - The Board of Directors, at its meeting held on April 22, 2013, recommended an interim dividend of 40% (₹ 4 per equity share of par value ₹ 10 each) and a final dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for the year ended March 31, 2013, subject to approval by Shareholders at the forthcoming AGM. Along with the interim dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) declared in October 2012, the total dividend for the year comes to 120% (₹ 12 per equity share of par value ₹ 10 each).

- In view of the improved predictability and stability of the Company's operations, the Board intends to maintain similar or better levels of dividend payout over the next few years. However the actual dividend payout in each year will be subject to the investment requirements of the annual operating plan for the year and any other strategic priorities identified by the Company.

About Mindtree

Mindtree is a global information technology solutions company with revenues of over USD 400 million. Our experts are driven to engineer meaningful technology solutions to help businesses and societies flourish.

Mindtree's consulting-driven approach makes us a strategic partner to many Fortune 500 enterprises. Our domain expertise, unique culture and technical excellence help businesses thrive and be future-ready. We enable our customers achieve competitive advantage through flexible and next generation global delivery models, agile methodologies and expert frameworks.

Mindtree's ability to devise solutions is equally matched by our ability to execute them. Our differentiation stems from a unique balance of human perspective with deep strategic thinking.

Our values - collaborative spirit, unrelenting dedication and expert thinking help us see possibilities where others see a full stop.

Welcome to possible.

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.

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Key Financial Metrics

(Rs. million)	Q4	Q3	Q4	Growth (%)	
	FY2012	FY2013	FY2013	Q-o-Q	Y-o-Y
Revenue	5,257	5,901	6,124	3.8%	16.5%
EBITDA	985	1,204	1,163	(3.4)%	18.1%
Net Profit	692	988	789	(20.1)%	14.0%
Diluted EPS (Rs.)	16.88	23.80	18.89	(20.6)%	11.9%

(\$ million)	Q4	Q3	Q4	Growth (%)	
	FY2012	FY2013	FY2013	Q-o-Q	Y-o-Y
Revenue	105.0	109.9	113.0	2.9%	7.6%
EBITDA	19.7	22.4	21.5	(4.3)%	9.1%
Net Profit	13.8	18.4	14.6	(20.8)%	5.8%

Rupee Dollar Rate	Q4	Q3	Q4
	FY2012	FY2013	FY2013
Period Closing rate	50.88	55.00	54.29
Period Average rate	50.02	53.69	54.18

Key Ratios

Key Ratios	Q4	Q3	Q4
	FY2012	FY2013	FY2013
EBITDA Margin (%)	18.7%	20.4%	19.0%
Effective Tax Rate (%)	16.4%	21.8%	21.8%
Net Profit Margin (%)	13.2%	16.7%	12.9%
ROCE (%)	35.2%	41.0%	31.0%
DSO (Days)	73	73	70

Notes:

1 Effective Tax Rate = Tax / PBT

2 ROCE = EBIT / Average Capital Employed. ROCE is annualized

Key Performance Highlights

- For the full year, Net Profit margin increased by 290 bps, a growth of 55% in rupee terms. ROCE improved to 36% from 29% in FY12.
- Infrastructure Management and Technical Support (IMTS) increased by 8.8% q-o-q and 53.2% y-o-y. For the full year, IMTS grew by a robust 41%.
- Manufacturing & Retail increased by 8.0% q-o-q and 19.5% y-o-y.
- \$20 million customers increased by 1 to 5.
- Quarterly annualized attrition declined to 11.6% from 13.7% in Q3 FY13 and 15.9% in Q4 FY12.

Key Revenue Metrics

Revenue by Geography	Q4 FY2012	Q3 FY2013	Q4 FY2013
US	57.3%	55.8%	55.3%
Europe	27.7%	30.2%	29.3%
India	7.5%	6.3%	6.1%
Rest of the World	7.5%	7.8%	9.3%
Total	100.0%	100.0%	100.0%

Revenue by Business	Q4 FY2012	Q3 FY2013	Q4 FY2013
IT Services	67.2%	70.1%	70.2%
Product Engineering Services (PES)	32.8%	29.9%	29.8%
Total	100.0%	100.0%	100.0%

Revenue by Service Offering	Q4 FY2012	Q3 FY2013	Q4 FY2013
Development	24.5%	25.6%	25.2%
Engineering	18.2%	13.3%	12.5%
Maintenance	21.5%	21.7%	21.7%
Consulting	3.4%	3.2%	2.9%
Package Implementation	3.6%	4.1%	4.6%
IP Led Revenue	1.2%	1.3%	1.7%
Independent Testing	17.9%	17.7%	17.6%
Infrastructure Management & Tech Support	9.7%	13.1%	13.8%
Total	100.0%	100.0%	100.0%

Revenue by Industry	Q4 FY2012	Q3 FY2013	Q4 FY2013
ITS – Manufacturing & Retail	17.9%	18.9%	19.9%
ITS – BFSI	21.2%	22.8%	21.8%
ITS – Travel, Media & Services	20.6%	19.9%	19.9%
ITS – Others	7.5%	8.4%	8.6%
PES	32.8%	29.9%	29.8%
Total	100.0%	100.0%	100.0%

Revenue by Project Type	Q4 FY2012	Q3 FY2013	Q4 FY2013
Fixed Cost, Fixed Monthly	37.9%	42.3%	41.3%
Time & Materials	62.1%	57.7%	58.7%
Total	100.0%	100.0%	100.0%

Key Revenue Metrics (Continued)

Revenue Mix	Q4 FY2012	Q3 FY2013	Q4 FY2013
Effort			
Onsite	13.1%	14.6%	14.3%
Offshore	86.9%	85.4%	85.7%
Total	100.0%	100.0%	100.0%
Revenue			
Onsite	34.5%	37.6%	37.4%
Offshore	65.5%	62.4%	62.6%
Total	100.0%	100.0%	100.0%

Effort and Utilization

Metrics	Q4 FY2012	Q3 FY2013	Q4 FY2013	Growth (%)	
				Q-o-Q	Y-o-Y
Billed Hours					
Onsite	485,591	546,662	552,834	1.1%	13.8%
Offshore	3,234,430	3,189,092	3,322,392	4.2%	2.7%
Total	3,720,021	3,735,754	3,875,226	3.7%	4.2%
Fee Revenue (\$ 000)					
Onsite	35,908	40,961	41,637	1.6%	16.0%
Offshore	68,025	68,024	69,830	2.7%	2.7%
Total	103,933	108,985	111,467	2.3%	7.2%
Utilization					
Including Trainees	67.8%	71.4%	69.6%		
Excluding Trainees	72.1%	73.1%	70.9%		

Key Customer Metrics

Metrics	Q4 FY2012	Q3 FY2013	Q4 FY2013
Client Details			
Number of Active clients	237	245	232
New Clients Added	6	8	5
\$1 mn clients	77	70	74
\$5 mn clients	17	21	20
\$10 mn clients	7	9	9
\$20 mn clients	4	4	5
Client Contribution to Revenue			
Top Client	7.5%	8.2%	8.0%
Top 5 Clients	31.4%	33.7%	31.7%
Top 10 Clients	45.6%	47.1%	45.7%
Revenue from Repeat Business	99.6%	98.9%	99.4%

Key Employee Metrics

Mindtree Minds	Q4 FY2012	Q3 FY2013	Q4 FY2013
Total Mindtree Minds	11,000	10,952	11,591
Software Professionals	10,330	10,280	10,912
Sales and Support	670	672	679
Gross Additions	502	443	974
Net Additions	66	69	639
Attrition (LTM)*	18.2%	15.1%	13.4%

* Last Twelve Months

Infrastructure

As of March 31, 2013	Completed		Available for Expansion	
	Built up area (sq ft 000)	No. of Seats	Built up area (sq ft 000)	No. of Seats
Bangalore	1,079	9,137	101	857
Chennai	290	1,823	72	693
Pune	115	933	33	400
Hyderabad	51	389	-	-
Total	1,535	12,282	206	1,950

Note: Land available for expansion - 2 acres in Bangalore and 20 acres in Bhubaneswar

Audited Financial Results for the Quarter and Year Ended March 31, 2013

(Rs. in millions, except per share data)

Particulars	Standalone					Consolidated	
	Quarter ended		Year ended			Year ended	
	March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Income from software services	6,124	5,901	5,257	23,618	19,152	23,618	19,152
Expenses							
Employee benefit expenses	3,745	3,517	3,179	14,274	12,261	14,274	12,261
Depreciation	155	151	168	624	695	624	695
Other expenses	1,216	1,180	1,093	4,484	3,958	4,480	3,961
Profit from operations before other income and interest	1,008	1,053	817	4,236	2,238	4,240	2,235
Other income	154	70	51	350	188	350	188
Foreign exchange gain/(loss)	(153)	142	(37)	(340)	196	(340)	197
Profit before interest	1,009	1,265	831	4,246	2,622	4,250	2,620
Interest	1	2	3	10	5	10	5
Profit before tax	1,008	1,263	828	4,236	2,617	4,240	2,615
Tax expense	219	275	136	847	430	847	430
Net profit for the period	789	988	692	3,389	2,187	3,393	2,185
Paid up equity share capital (face value Rs. 10/- each)	415	412	405	415	405	415	405
Reserves	12,722	12,029	9,171	12,722	9,171	12,722	9,167
Basic EPS (Rs.)	19.04	24.08	17.08	82.70	54.27	82.79	54.23
Diluted EPS (Rs.)	18.89	23.80	16.88	81.66	54.18	81.75	54.14
Aggregate non-promoter shareholding							
Number of shares	33,719,358	33,253,963	32,358,908	33,719,358	32,358,908	33,719,358	32,358,908
Percentage of shareholding	81.18%	80.70%	79.81%	81.18%	79.81%	81.18%	79.81%
Promoters and promoter group shareholding							
Pledged/Encumbered							
Number of shares	-	-	-	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-	-
Non-encumbered							
Number of shares	7,815,697	7,954,658	8,185,015	7,815,697	8,185,015	7,815,697	8,185,015
Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100%	100%	100%	100%	100%	100%	100%
Percentage of shares (as a % of the total share capital of the company)	18.82%	19.30%	20.19%	18.82%	20.19%	18.82%	20.19%

AUDITED SEGMENT WISE REVENUE AND RESULTS

Primary segment information (Rs in millions)

Particulars	Standalone					Consolidated	
	Quarter ended		Year ended			Year ended	
	March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Segment revenue							
PE Services	1,823	1,765	1,731	7,210	6,594	7,210	6,594
IT Services	4,301	4,136	3,526	16,408	12,558	16,408	12,558
Total	6,124	5,901	5,257	23,618	19,152	23,618	19,152
Segment operating income							
PE Services	420	426	297	1,666	838	1,666	835
IT Services	743	778	688	3,194	2,095	3,194	2,095
Total	1,163	1,204	985	4,860	2,933	4,860	2,930
Unallocable							
Expenses	308	151	168	964	695	960	695
Interest	1	2	3	10	5	10	5
Other income	154	212	14	350	384	350	385
Profit before tax	1,008	1,263	828	4,236	2,617	4,240	2,615

Notes on segment information

Principal segments

The Company's operations predominantly relate to providing IT services and Product Engineering services (PE services). Accordingly, revenues represented along IT services and PE services comprise the primary segment information.

Segmental 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 Financial Results for the Quarter and Year Ended March 31, 2013

(Rs. in millions, except per share data)

AUDITED STATEMENT OF ASSETS AND LIABILITIES

Particulars	Standalone		Consolidated	
	As at		As at	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Shareholders' funds				
Share capital	415	405	415	405
Reserves and surplus	12,722	9,171	12,722	9,167
	13,137	9,576	13,137	9,572
Non-current liabilities				
Long-term borrowings	32	37	32	37
Other long-term liabilities	57	46	57	46
	89	83	89	83
Current liabilities				
Short-term borrowings	217	407	217	407
Trade payables	189	107	189	104
Other current liabilities	2,166	2,455	2,166	2,456
Short-term provisions	1,112	724	1,112	724
	3,684	3,693	3,684	3,691
Total	16,910	13,352	16,910	13,346
Non-current assets				
Fixed assets				
Tangible assets	2,561	2,548	2,561	2,548
Intangible assets	28	43	28	43
Capital work-in-progress	571	85	571	85
Non-current investments	244	30	230	7
Deferred tax assets (net)	360	320	360	320
Long-term loans and advances	617	544	617	544
Other non-current assets	1,046	1,028	1,046	1,028
	5,427	4,598	5,413	4,575
Current assets				
Current investments	4,027	3,075	4,027	3,075
Trade receivables	4,508	4,078	4,508	4,078
Cash and bank balances	1,238	585	1,252	602
Short-term loans and advances	430	191	430	191
Other current assets	1,280	825	1,280	825
	11,483	8,754	11,497	8,771
Total	16,910	13,352	16,910	13,346

Notes to financial results for the quarter and year ended March 31, 2013

1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on April 22, 2013.

2 Item of expenditure exceeding 10% of total expenditure (Rs in millions)

Particulars	Standalone				Consolidated	
	Quarter ended		Year ended		Year ended	
	March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2012
Staff cost	3,703	3,481	3,145	14,138	12,160	14,138

3 Information on investor complaints pursuant to clause 41 of the Listing Agreement for the quarter ended March 31, 2013:

Nature of Investor complaints	Opening balance	Additions	Disposal	Closing balance
Allotment/Refund/others	-	27	27	-

4 During the quarter, 326,434 shares have been issued upon exercise of stock options by employees.

5 EPS for the quarter is not annualized.

6 The Board of Directors has declared an interim dividend of 40% (Rs 4 per equity share of par value Rs 10/- each) for the quarter ended March 31, 2013 and recommended a final dividend of 50% (Rs 5 per equity share of par value Rs 10/- each) for the year ended March 31, 2013.

7 The statement of financial results have been audited by the Company's auditors. The Company's auditors have issued an unqualified audit opinion on the financial results. The audit report has been filed with the stock exchanges and is also available on the Company's website.

8 Previous period figures have been reclassified/regrouped wherever necessary.



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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