



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

First quarter ended June 30, 2013 (Q1 FY2014)

July 24, 2013

*Welcome to possible*



Dear Shareholder,

We have evolved as an organization in the last few years. I am happy to share with you that we have delivered 15 consecutive quarters of revenue growth. This quarter's performance continues this trend and has been encouraging both from a revenue and profitability perspective. We will continue with our focus to establish Mindtree as a leader in chosen verticals, drive industry leading growth and predictable results.

We have been leveraging the expertise of several world leading external partners to help us achieve our aspirations. In this context, we have made some key changes to our strategy and structure to enhance our expertise led positioning and to build an agile organization.

Key highlights and summary financial results of the quarter are provided in the next section.

Thank you for your continued support.

Warm regards,

A handwritten signature in black ink that reads "N. Krishnakumar".

Krishnakumar Natarajan  
**CEO and Managing Director**

Bangalore  
July 24, 2013

**Key financial highlights:**

- In USD terms:
  - Revenue at \$117.7 million (growth of 4.1% q-o-q / 11.6% y-o-y)
  - Net profit at \$24.6 million (growth of 69% q-o-q / 47.3% y-o-y)
  
- In Rupee terms:
  - Revenue at ₹ 6,477 million (growth of 5.8% q-o-q / 15% y-o-y)
  - Net profit at ₹ 1,354 million (growth of 71.6% q-o-q / 51.8% y-o-y)

**Other highlights:**

- Customers:
  - 222 active customers as of June 30, 2013
  - \$10 million customers grow to 10
  
- Employees:
  - 12,239 employees as of June 30, 2013
  - Added 1,057 employees during the quarter on a gross basis
  
- Major client wins:
  - Two multi-year engagements with an existing customer who is a world leader in the computer and software technology industry. Mindtree will provide support services for their developer tools and cloud business.
  - A large multi-year engagement with an existing customer in the global financial services area. Mindtree will provide support services to their global business services and human resources technology portfolio.
  - A large human capital management software and services company based in Europe. Mindtree has been chosen as a strategic partner to provide a range of application, testing, BI and infrastructure services.
  - An existing customer who is a leading general-use vehicle rental company. Mindtree has been chosen as a system integration partner to build their next generation pan European digital platform.
  
- Others: Mindtree was listed in Top 100 best companies to work for in India. Mindtree ranked 40th among the 535 participating organizations, moving up 7 ranks as compared to last year. This survey was conducted by The Economic times & Great Place to Work® Institute.

**Extract of the Audited Consolidated Financial Results for the Quarter ended June 30, 2013**
**(Rs. in millions, except per share data)**

Particulars	Quarter ended			Year ended
	June 30, 2013	March 31, 2013	June 30, 2012	March 31, 2013
Income from software services	6,477	6,124	5,630	23,618
<b>Expenses</b>				
Employee benefits expense	3,824	3,745	3,442	14,274
Depreciation	181	155	159	624
Other expenses	1,462	1,216	1,014	4,480
<b>Profit from operations before other income and interest</b>	<b>1,010</b>	<b>1,008</b>	<b>1,015</b>	<b>4,240</b>
Other income	117	154	52	350
Foreign exchange gain/(loss)	618	(153)	88	(340)
<b>Profit before interest</b>	<b>1,745</b>	<b>1,009</b>	<b>1,155</b>	<b>4,250</b>
Interest	1	1	3	10
<b>Profit before tax</b>	<b>1,744</b>	<b>1,008</b>	<b>1,152</b>	<b>4,240</b>
Tax expense	390	219	260	847
<b>Net profit for the period</b>	<b>1,354</b>	<b>789</b>	<b>892</b>	<b>3,393</b>
Paid up equity share capital (face value Rs. 10/- each)	416	415	407	415
Reserves	13,406	12,722	9,793	12,722
Basic EPS (Rs.)	32.60	19.04	21.96	82.79
Diluted EPS (Rs.)	32.40	18.89	21.65	81.75

**AUDITED STATEMENT OF ASSETS AND LIABILITIES**
*Rs in million*

Particulars	As at	
	June 30, 2013	March 31, 2013
<b>Shareholders' funds</b>		
Share capital	416	415
Reserves and surplus	13,406	12,722
	<b>13,822</b>	<b>13,137</b>
<b>Non-current liabilities</b>		
Long-term borrowings	27	32
Other long-term liabilities	86	57
	<b>113</b>	<b>89</b>
<b>Current liabilities</b>		
Short-term borrowings	594	217
Trade payables	154	189
Other current liabilities	2,228	2,166
Short-term provisions	1,269	1,112
	<b>4,245</b>	<b>3,684</b>
<b>Total</b>	<b>18,180</b>	<b>16,910</b>
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	2,799	2,485
Intangible assets	87	104
Capital work-in-progress	504	571
Non-current investments	7	230
Deferred tax assets (net)	371	360
Long-term loans and advances	722	617
Other non-current assets	1,024	1,046
	<b>5,514</b>	<b>5,413</b>
<b>Current assets</b>		
Current investments	4,098	4,027
Trade receivables	5,986	4,508
Cash and bank balances	949	1,252
Short-term loans and advances	456	430
Other current assets	1,177	1,280
	<b>12,666</b>	<b>11,497</b>
<b>Total</b>	<b>18,180</b>	<b>16,910</b>

### Key Ratios

Key Ratios	Quarter ended		
	June 30, 2012	March 31, 2013	June 30, 2013
EBITDA Margin (%)	20.9%	19.0%	18.4%
Effective Tax Rate (%)	22.6%	21.7%	22.4%
Net Profit Margin (%)	15.8%	12.9%	20.9%
ROCE (%)	44.1%	31.0%	50.1%
DSO (Days)	73	70	77

Notes:

1 Effective Tax Rate = Tax / PBT

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

**Note:**

This report along with more information on our quarterly results is also available in the investors section of our website ([www.mindtree.com](http://www.mindtree.com)). This report is for information purposes. Investors should rely on their own analysis while taking investment decisions and not rely on this report alone.

In the spirit of sensitivity towards the environment we are circulating this over email to shareholders who have updated their e-mail addresses with the depository participant. Please update your email addresses with your depository participant.

For more information, please contact [investors@mindtree.com](mailto:investors@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.