



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

First quarter ended June 30, 2015 (Q1 FY2016)

July 23, 2015

*Welcome to possible*

Dear Shareholder,

We are happy to share that we achieved a significant milestone this quarter with revenues crossing \$150 million. We also had a great start to the year in terms of revenue growth, driven by multi-year, multi-million dollar deals and strong contract closures. Our Digital story has taken off. We see tremendous opportunities to partner with our clients for their digital transformation initiatives.

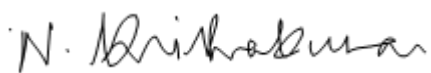
We are also happy to announce that Mindtree has acquired 100% equity interests in:

- Bluefin Solutions, a market leading independent consultancy specializing in SAP HANA, based in UK. Bluefin has an award-winning track record helping businesses manage digital transformations across the entire SAP portfolio. This acquisition will accelerate Mindtree's ability to help its SAP clients digitize the value chain, ensuring there is harmony between the front-end customer experience and back-end systems as businesses transition to fully digital organizations.
- Relational Solutions, Inc., a specialized provider of analytics for Consumer Packaged Goods (CPG) retail execution, based in US. Relational Solutions has proven expertise in analytics with solutions for supply chain optimization and trade promotions analytics. Mindtree's strong offerings for CPG companies will now be bolstered by Relational Solutions' complementary intellectual property and further enhance the digital transformation journey of our clients.

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

Thank you for your continued support and encouragement.

Warm regards,



Krishnakumar Natarajan  
**CEO and Managing Director**



Jagannathan Chakravarthi  
**CFO**

Bangalore  
July 23, 2015

**Key financial highlights:**

- In USD terms:
  - Revenue at \$154.9 million (growth of 4.8% q-o-q / 9.7% y-o-y). Constant currency revenue growth of 5.2% q-o-q and 13.3% y-o-y
  - Net profit at \$21.8 million (growth of 5.5% q-o-q / 0.6% y-o-y)
  
- In Rupee terms:
  - Revenue at ₹ 9,816 million (growth of 6.9% q-o-q / 16.4% y-o-y)
  - Net profit at ₹ 1,382 million (growth of 7.4% q-o-q / 6.8% y-o-y)

**Other highlights:**

- Clients:
  - 218 active clients as of June 30, 2015
  - \$50 million clients grow to 2
  
- Employees:
  - 14,427 employees as of June 30, 2015
  - Added 900 employees during the quarter on a gross basis
  - Trailing 12 months attrition is at 18.4%
  
- Multi-year and multi-million dollar wins with leading global clients:
  - A leading personal digital media company. Mindtree will provide Application and Infrastructure Management Services
  - World leader in computer software and technology. For this existing client, Mindtree will provide end-to-end services and support for its cloud offering
  - Leading global insurance company. For this existing client, Mindtree will provide maintenance and support services for its reinsurance applications
  
- Awards and recognition:
  - Declared the Gold category award winner of the LearningElite awards 2015 by the Chief Learning Officer Magazine, for its innovative learning and development practices.
  - Earned a special recognition in the Sustained Excellence Category of BML Munjal Awards -2015, organized by the Hero Group for demonstrating business excellence through its learning and development initiatives

- Awarded the Firm of the year in the Information Technology Sector at the CNBC-TV18 India Risk Management Awards
  
- Dividend announcement:
  - The Board of Directors, at its meeting held on July 16, 2015 recommended an interim dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) for the quarter ended June 30, 2015.

**Extract of the audited consolidated financial results for the quarter ended June 30, 2015**
**(Rs. in millions, except per share data)**

Particulars	Quarter ended			Year ended
	June 30, 2015	March 31, 2015	June 30, 2014	March 31, 2015
Income from software services	9,816	9,181	8,435	35,619
<b>Expenses</b>				
Employee benefits expense	5,712	5,407	4,859	20,747
Depreciation and amortisation expense	322	295	228	1,018
Other expenses	2,375	1,988	1,891	7,780
<b>Profit from operations before other income and finance costs</b>	<b>1,407</b>	<b>1,491</b>	<b>1,457</b>	<b>6,074</b>
Other income	172	304	73	656
Foreign exchange gain/(loss)	202	(130)	137	179
<b>Profit before finance costs</b>	<b>1,781</b>	<b>1,665</b>	<b>1,667</b>	<b>6,909</b>
Finance costs	-	-	-	1
<b>Profit before tax</b>	<b>1,781</b>	<b>1,665</b>	<b>1,667</b>	<b>6,908</b>
Tax expense	399	378	373	1,545
<b>Net profit for the period</b>	<b>1,382</b>	<b>1,287</b>	<b>1,294</b>	<b>5,363</b>
Paid up equity share capital (face value Rs. 10/- each)	838	837	836	837
Reserves	20,390	19,287	16,924	19,287
Basic EPS (Rs.)	16.51	15.38	15.51	64.14
Diluted EPS (Rs.)	16.45	15.32	15.43	63.85

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

Particulars	As at	
	June 30, 2015	March 31, 2015
<b>Shareholders' funds</b>		
Share capital	838	837
Reserves and surplus	20,390	19,287
	<b>21,228</b>	<b>20,124</b>
Share application money pending allotment	-	4
<b>Non-current liabilities</b>		
Long-term borrowings	18	23
Other long-term liabilities	240	334
	<b>258</b>	<b>357</b>
<b>Current liabilities</b>		
Trade payables	305	536
Other current liabilities	3,024	3,465
Short-term provisions	1,603	2,063
	<b>4,932</b>	<b>6,064</b>
<b>Total</b>	<b>26,418</b>	<b>26,549</b>
<b>Non-current assets</b>		
Goodwill on consolidation	922	922
Fixed assets		
Tangible assets	4,399	4,513
Intangible assets	108	120
Capital work-in-progress	555	354
Non-current investments	58	8
Deferred tax assets (net)	480	449
Long-term loans and advances	1,623	1,640
Other non-current assets	17	17
	<b>8,162</b>	<b>8,023</b>
<b>Current assets</b>		
Current investments	4,017	5,343
Trade receivables	7,278	6,963
Cash and bank balances	4,210	3,763
Short-term loans and advances	1,340	1,451
Other current assets	1,411	1,006
	<b>18,256</b>	<b>18,526</b>
<b>Total</b>	<b>26,418</b>	<b>26,549</b>

### Key Ratios

Key Ratios	Q1 FY2015	Q4 FY2015	Q1 FY2016
EBITDA Margin (%)	20.0%	19.5%	17.6%
Effective Tax Rate (%)	22.3%	22.7%	22.4%
Net Profit Margin (%)	15.3%	14.0%	14.1%
ROCE (%)	39.0%	33.3%	34.4%
DSO (Days)	71	67	69

Effective Tax Rate = Tax / PBT

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.

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