



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Second quarter ended September 30, 2014 (Q2 FY2015)

October 16, 2014

Welcome to possible



Dear Shareholder,

We are happy to report another strong quarter of revenue growth and margin performance for Mindtree. Our revenue growth was 4.1% in dollar terms.

Our deep expertise in Digital and Infrastructure services has led to continued opportunities to help our clients differentiate their business. Our strategy of becoming a leader in digital solutions is continuing to bear fruit and has strengthened our growth story.

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,

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

Krishnakumar Natarajan
CEO and Managing Director

A handwritten signature in black ink that reads "Rostow Ravanan".

Rostow Ravanan
CFO and Executive Director

Bangalore
October 16, 2014

Key financial highlights:

- In USD terms:
 - Revenue at \$147.05 million (growth of 4.1% q-o-q / 18.6% y-o-y)
 - Net profit at \$22.74 million (growth of 4.9% q-o-q / 9.7% y-o-y)

- In Rupee terms:
 - Revenue at ₹ 8,886 million (growth of 5.3% q-o-q / 15.5% y-o-y)
 - Net profit at ₹ 1,374 million (growth of 6.2% q-o-q / 6.8% y-o-y)

Other highlights:

- Clients:
 - 200 active clients as of September 30, 2014
 - \$30 million clients grow to 4; \$20 million clients grow to 7; \$5 million clients grow to 27

- Employees:
 - 13,018 employees as of September 30, 2014
 - Added 810 employees during the quarter on a gross basis
 - Trailing 12 months attrition is at 15.7%

- Multi-year and multi-million dollar wins with leading global clients:
 - World leader in computer software and technology. Mindtree will provide data analytics services for this existing client
 - Leading global insurance company. Mindtree will provide managed services to support underwriting applications for this existing client
 - Leading global automobile company. Mindtree will provide digital support services for this existing client

- Awards and recognition:
 - Mindtree was named in the overall leader zone by Zinnov, a leading globalization and market expansion advisory firm, in its global R&D service provider ratings 2014

- Dividend announcement:
 - The Board of Directors, at its meeting held on October 15, 2014 recommended an interim dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) for the quarter ended September 30, 2014.

Extract of the audited standalone financial results for the quarter and six months ended September 30, 2014
(Rs. in millions, except per share data)

Particulars	Quarter ended			Six months ended		Year ended March 31, 2014
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	
Income from software services	8,886	8,435	7,696	17,321	14,173	30,316
Expenses						
Employee benefits expense	5,196	4,874	4,448	10,070	8,272	17,820
Depreciation	235	228	197	463	378	809
Other expenses	1,935	1,876	1,649	3,811	3,111	6,390
Profit from operations before other income and interest	1,520	1,457	1,402	2,977	2,412	5,297
Other income	139	73	48	212	165	376
Foreign exchange gain/(loss)	102	137	199	239	816	118
Profit before interest	1,761	1,667	1,649	3,428	3,393	5,791
Interest	-	-	2	-	3	4
Profit before tax	1,761	1,667	1,647	3,428	3,390	5,787
Tax expense	387	373	360	760	750	1,275
Net profit for the period	1,374	1,294	1,287	2,668	2,640	4,512
Paid up equity share capital (face value Rs. 10/- each)	836	836	416	836	416	417
Reserves	17,977	16,928	14,149	17,977	14,149	15,992
Basic EPS (Rs.)	16.43	15.51	15.48	31.94	31.77	54.25
Diluted EPS (Rs.)	16.36	15.43	15.37	31.79	31.54	53.90

Note: Earnings per share for the quarter and six months ended September 30, 2013 and year ended March 31, 2014 have been adjusted for bonus shares issued during the quarter ended June 30, 2014.

AUDITED STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at	
	September 30, 2014	March 31, 2014
Shareholders' funds		
Share capital	836	417
Reserves and surplus	17,977	15,992
	18,813	16,409
Share application money pending allotment	8	-
Non-current liabilities		
Long-term borrowings	23	27
Other long-term liabilities	109	129
Long-term provisions	58	39
	190	195
Current liabilities		
Trade payables	125	82
Other current liabilities	2,757	2,737
Short-term provisions	1,456	1,574
	4,338	4,393
Total	23,349	20,997
Non-current assets		
Fixed assets		
Tangible assets	3,406	3,266
Intangible assets	114	170
Capital work-in-progress	884	496
Non-current investments	21	189
Deferred tax assets (net)	469	402
Long-term loans and advances	730	758
Other non-current assets	938	1,039
	6,562	6,320
Current assets		
Current investments	5,610	5,160
Trade receivables	7,241	6,004
Cash and bank balances	1,935	1,175
Short-term loans and advances	614	612
Other current assets	1,387	1,726
	16,787	14,677
Total	23,349	20,997

Key Ratios

Key Ratios	Quarter ended		
	September 30, 2013	June 30, 2014	September 30, 2014
EBITDA Margin (%)	20.8%	20.0%	19.8%
Effective Tax Rate (%)	21.9%	22.3%	22.0%
Net Profit Margin (%)	16.7%	15.3%	15.5%
ROCE (%)	44.5%	39.0%	38.4%
DSO (Days)	74	71	72

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). 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

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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