



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Third quarter ended December 31, 2014 (Q3 FY2015)

January 20, 2015

Welcome to possible



Dear Shareholder,

Let me wish you and your families a very happy and prosperous New Year.

Our clients continue to look at Mindtree as their partner of choice for Digital Transformation, all the way from innovation to rapid execution. Our ability to drive significant optimization in our chosen verticals, in IT and application management, remains a strong foundation for delivering sustained value to our clients. Together with digital, the Mindtree story is becoming stronger than ever before.

We have another important update to share. On January 19, 2015, we announced the acquisition of 100% equity interests of Discoverture Solutions LLC, a leading provider of insurance solutions based in the US. This Strategic acquisition will extend Mindtree's leadership in the Property & Casualty (P&C) packaged solutions implementation market and accelerates our journey to be amongst the Top 3 service providers in the Global P&C services industry. This acquisition will add about 15 marquee clients and 300 experts across US, UK, Canada and India.

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
January 20, 2015

Key financial highlights:

- In USD terms:
 - Revenue at \$147.7 million (growth of 0.4% q-o-q / 16.2% y-o-y). Constant currency revenue growth of 2% q-o-q
 - Net profit at \$22.8 million (growth of 0.3% q-o-q / 60.5% y-o-y)

- In Rupee terms:
 - Revenue at ₹ 9,117 million (growth of 2.6% q-o-q / 15.3% y-o-y)
 - Net profit at ₹ 1,408 million (growth of 2.5% q-o-q / 58.6% y-o-y)

Other highlights:

- Clients:
 - 201 active clients as of December 31, 2014
 - Adds one client to \$50 million category

- Employees:
 - 13,323 employees as of December 31, 2014
 - Added 1,016 employees during the quarter on a gross basis
 - Trailing 12 months attrition is at 18.1%

- Awards and recognition:
 - Ranked in top 5 in the Asiamoney Corporate Governance Poll (India) across categories such as overall corporate governance, disclosure and transparency, shareholder rights and investor relations
 - World rank #4 in 2014 by Association for Talent Development dedicated to learning, training and talent development
 - Krishnakumar Natarajan, MD & CEO, Mindtree was awarded the Best CEO under the IT/ITES (Mid-sized companies) category at the India's Best CEO 2014 awards by Business Today-PricewaterhouseCoopers

- Dividend announcement:
 - The Board of Directors, at its meeting held on January 19, 2015 recommended an interim dividend of 40% (₹ 4 per equity share of par value ₹ 10 each) for the quarter ended December 31, 2014.

Extract of the audited standalone financial results for the quarter and nine months ended December 31, 2014
(Rs. in millions, except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	March 31, 2014
Income from software services	9,117	8,886	7,906	26,438	22,079	30,316
Expenses						
Employee benefits expense	5,264	5,196	4,679	15,334	12,951	17,820
Depreciation	260	235	208	723	586	809
Other expenses	1,987	1,935	1,683	5,798	4,794	6,390
Profit from operations before other income and interest	1,606	1,520	1,336	4,583	3,748	5,297
Other income	140	139	83	352	248	376
Foreign exchange gain/(loss)	70	102	(272)	309	544	118
Profit before interest	1,816	1,761	1,147	5,244	4,540	5,791
Interest	1	-	1	1	4	4
Profit before tax	1,815	1,761	1,146	5,243	4,536	5,787
Tax expense	407	387	258	1,167	1,008	1,275
Net profit for the period	1,408	1,374	888	4,076	3,528	4,512
Paid up equity share capital (face value Rs. 10/- each)	837	836	416	837	416	417
Reserves	18,999	17,977	15,268	18,999	15,268	15,992
Basic EPS (Rs.)	16.81	16.43	10.66	48.76	42.43	54.25
Diluted EPS (Rs.)	16.74	16.36	10.58	48.53	42.18	53.90

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

Particulars	As at	
	December 31, 2014	March 31, 2014
	Rs in million	
Shareholders' funds		
Share capital	837	417
Reserves and surplus	18,999	15,992
	19,836	16,409
Non-current liabilities		
Long-term borrowings	23	27
Other long-term liabilities	109	129
Long-term provisions	-	39
	132	195
Current liabilities		
Trade payables	214	82
Other current liabilities	3,214	2,737
Short-term provisions	1,571	1,574
	4,999	4,393
Total	24,967	20,997
Non-current assets		
Fixed assets		
Tangible assets	3,887	3,266
Intangible assets	90	170
Capital work-in-progress	676	496
Non-current investments	22	189
Deferred tax assets (net)	447	402
Long-term loans and advances	684	758
Other non-current assets	1,016	1,039
	6,822	6,320
Current assets		
Current investments	6,273	5,160
Trade receivables	7,145	6,004
Cash and bank balances	2,634	1,175
Short-term loans and advances	686	612
Other current assets	1,407	1,726
	18,145	14,677
Total	24,967	20,997

Key Ratios

Key Ratios	Quarter ended		
	December 31, 2013	September 30, 2014	December 31, 2014
EBITDA Margin (%)	19.5%	19.8%	20.5%
Effective Tax Rate (%)	22.6%	22.0%	22.5%
Net Profit Margin (%)	11.2%	15.5%	15.4%
ROCE (%)	29.6%	38.4%	37.5%
DSO (Days)	73	72	70

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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