



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Second quarter ended September 30, 2012 (Q2 FY2013)

October 18, 2012

Welcome to possible

Dear Shareholder,

The new brand identity, which we rolled out recently, has received very positive feedback from our internal and external stakeholders. We are confident that it will position us well for the future.

On the business front – uncertainty in the global economic environment is posing short-term challenges, delaying customer decisions. Earlier we had indicated a growth of 11-14% for FY13. We now believe that our revenue growth for FY13 will be lower than 11%.

Our strategic investments are gaining momentum and we are focusing to successfully convert them into significant client wins. Our initiatives to improve margins are showing consistent progress.

We are providing below key highlights of the quarter and also enclosing summary financial results for your reference.

With best regards,
Investor relations team

Key financial highlights:

- In USD terms:
 - Revenue at \$107.3 million (growth of 1.7% q-o-q / 5.8% y-o-y)
 - Net profit at \$12.9 million (decline of 23.0% q-o-q / increase of 6.2% y-o-y)

- In Rupee terms:
 - Revenue at ₹ 5,963 million (growth of 5.9% q-o-q / 30.6% y-o-y)
 - Net profit at ₹ 722 million (decline of 18.9% q-o-q / increase of 33.0% y-o-y)

Other highlights:

- Changes to the Board:
 - The Board elected Anjan Lahiri, President, IT Services as an additional Director to the Board. Anjan will hold the office with effect from October 24, 2012 till the date of the next Annual General Meeting. The Board nominated N. S. Parthasarathy, President & COO as an alternate Director to S. Janakiraman.
 - Commenting on the appointments, Subroto Bagchi, Chairman, Mindtree Limited said “Anjan and Partha have been key contributors to key strategic initiatives of Mindtree that resulted in strong revenue growth. Their inclusion to the Board will bring in a strong

customer and employee connect at the Board level, as we confidently chart our vision for 2020.”

- Customers:
 - 247 active customers as of September 30, 2012
 - Added 11 customers during the quarter
- Employees:
 - 10,883 employees as of September 30, 2012
 - Added 454 employees during the quarter on a gross basis
- Major client wins:
 - A large manufacturer of high-quality, value-priced nutritional supplements, based in the US. Mindtree has been selected as its strategic IT partner.
 - An existing customer who is a large European telecom service provider. Mindtree will provide implementation and support services for their billing and associated systems. This marks the first large win which is domain intensive within the telecom vertical.
- Dividend announcement:
 - The Board of Directors, at its meeting held on October 16, 2012, recommended an interim dividend of 30% (₹ 3 per equity share of par value ₹ 10 each) for the six months ended September 30, 2012.

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.

Extract of the Audited Financial Results for the Quarter and Six Months Ended September 30, 2012
(Rs. in millions, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
Income from software services	5,963	5,630	4,567	11,593	8,698	19,152
Expenses						
Employee benefit expenses	3,570	3,442	3,047	7,012	5,840	12,261
Depreciation	159	159	174	318	354	695
Other expenses	1,074	1,014	932	2,088	1,809	3,958
Profit from operations before other income and interest	1,160	1,015	414	2,175	695	2,238
Other income	74	52	70	126	101	188
Foreign exchange gain/(loss)	(415)	86	169	(329)	260	196
Profit before interest	819	1,153	653	1,972	1,056	2,622
Interest	4	3	1	7	1	5
Profit before tax	815	1,150	652	1,965	1,055	2,617
Tax expense	93	260	109	353	166	430
Net profit for the period	722	890	543	1,612	889	2,187
Paid up equity share capital (face value Rs. 10/- each)	409	407	403	409	403	405
Reserves	11,084	9,795	7,872	11,084	7,872	9,171
Basic EPS (Rs.)	17.68	21.91	13.53	39.59	22.16	54.27
Diluted EPS (Rs.)	17.43	21.61	13.43	39.02	21.98	54.18

Statement of Assets and Liabilities	As at	
	September 30, 2012	March 31, 2012
Shareholders' funds		
Share capital	409	405
Reserves and surplus	11,084	9,171
	11,493	9,576
Non-current liabilities		
Long-term borrowings	32	37
Other long-term liabilities	53	46
	85	83
Current liabilities		
Short-term borrowings	476	407
Trade payables	94	107
Other current liabilities	2,071	2,455
Short-term provisions	923	724
	3,564	3,693
Total	15,142	13,352
Non-current assets		
Fixed assets		
Tangible assets	2,533	2,548
Intangible assets	35	43
Capital work-in-progress	215	85
Non-current investments	7	30
Deferred tax assets (net)	347	320
Long-term loans and advances	522	544
Other non-current assets	1,070	1,028
	4,729	4,598
Current assets		
Current investments	3,715	3,075
Trade receivables	4,501	4,078
Cash and bank balances	670	585
Short-term loans and advances	413	191
Other current assets	1,114	825
	10,413	8,754
Total	15,142	13,352

Key Ratios

Key Ratios	Q2 FY2012	Q1 FY2013	Q2 FY2013
EBITDA Margin (%)	12.9%	20.8%	22.1%
Effective Tax Rate (%)	16.7%	22.6%	11.4%
Net Profit Margin (%)	11.9%	15.8%	12.1%
ROCE (%)	31.7%	44.1%	28.6%
DSO (Days)	70	73	73

Notes:

1 Effective Tax Rate = Tax / PBT

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