



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

First quarter ended June 30, 2016

July 25, 2016

Welcome to possible

Dear Shareholder,

Our Q1 revenue was \$199 Million, a growth of 2% q-o-q and 29% y-o-y. Overall, the global environment poses certain short term challenges. This has resulted in slower project ramp ups in new wins and existing clients.

However we remain confident that our investments are on the right track to accelerate growth for our clients and Mindtree. The ongoing market transitions to everything-as-a-service, bundled managed services and digital transformation is right in our sweet spot. Our strategy has a strong foundation, which will help us enhance momentum.

The financials for the quarter ended June 30, 2016 have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. Correspondingly the previous periods have been restated under Ind AS.

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,



Rostow Ramanan
CEO and Managing Director



Jagannathan Chakravarthi
CFO

Bangalore
July 25, 2016

Key financial highlights for the Quarter ended June 30, 2016

- In USD terms:
 - Revenue at \$199 million (growth of 2% q-o-q / 29% y-o-y).
 - Net profit at \$18.5 million (decline of 5.8% q-o-q / 8.7% y-o-y)

- In Rupee terms:
 - Revenue at ₹ 13,276 million (growth of 0.6% q-o-q / 35.8% y-o-y)
 - Net profit at ₹ 1,235 million (decline of 7.2% q-o-q / 3.8% y-o-y)

The financial results above are in accordance with Ind AS for the quarter ended June 30, 2016.

Accordingly the figures for previous periods have been restated in accordance with Ind AS.

- Clients:
 - 343 active clients as of June 30, 2016
 - \$10 million clients grow by one to 16

- People:
 - 16,110 Mindtree Minds as of June 30, 2016
 - Trailing 12 months attrition is 16.5%

- Key wins with leading global clients
 - World leader in computer software and technology. For this existing client, Mindtree will provide managed services for multiple applications
 - A leading business school. For this existing client, Mindtree will be the strategic partner for Salesforce initiatives in enterprise IT and online learning
 - A global technology leader in automotive manufacturing. Mindtree will provide Digital services for implementation of rental management system

- Awards and recognition:
 - Positioned as a leader for digital services in 'Zinnov's Zone for Digital Services'
 - Magnet 360, a Mindtree Company, awarded the Salesforce Marketing Cloud Innovation Award for 2016
 - Recognized as a Leader in IAOP's 2016 Global Outsourcing 100 for global excellence
 - Ranked #3 under the categories 'Best CEO, IR Professional, IR program, Analyst Days, Website' in the IT sector and recognized as one of the 'Most Honoured Companies' in the All – Asia (ex-Japan) Executive Team rankings by Institutional Investor

Extract of the audited consolidated financial results for the quarter ended June 30, 2016

Particulars	<i>Rs in million, except per share data</i>			
	Quarter ended			Year ended
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016
Income from software services	13,276	13,203	9,775	46,730
Expenses				
Employee benefits expense	8,366	8,188	5,761	27,991
Depreciation and amortisation expense	468	475	339	1,658
Other expenses	2,959	2,809	2,342	10,529
Profit from operations before other income, foreign exchange gain and finance costs	1,483	1,731	1,333	6,552
Other income	110	74	128	447
Foreign exchange gain	88	31	202	392
Profit before finance costs	1,681	1,836	1,663	7,391
Finance costs	51	63	9	160
Profit before tax	1,630	1,773	1,654	7,231
Tax expense	395	443	371	1,706
Net profit for the period	1,235	1,330	1,283	5,525
Total comprehensive income	1,130	1,180	1,322	5,283
Paid up equity share capital (face value Rs. 10/- each)	1,678	1,678	838	1,678
Reserves	23,625	22,471	20,760	22,471
Basic EPS (Rs.)	7.36	7.93	7.66	32.95
Diluted EPS (Rs.)	7.35	7.91	7.63	32.87

AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	<i>Rs in million</i>		
	As at		
	June 30, 2016	March 31, 2016	April 1, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	3,913	4,173	4,325
Capital work in progress	345	232	354
Goodwill	4,771	4,815	669
Other intangible assets	2,460	2,632	317
Financial assets			
Investments	158	62	12
Loans	661	655	614
Other financial assets	194	189	-
Deferred tax assets (net)	474	406	547
Other non-current assets	1,432	1,331	1,158
	14,408	14,495	7,996
Current assets			
Financial assets			
Investments	3,008	2,266	5,490
Trade receivables	9,476	9,728	6,963
Cash and cash equivalents	1,755	2,332	3,763
Loans	16	38	136
Other financial assets	2,762	2,761	1,337
Other current assets	927	1,149	1,009
	17,944	18,274	18,698
	32,352	32,769	26,694
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1,678	1,678	837
Other equity	23,625	22,471	20,428
Total equity	25,303	24,149	21,265
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	18	23
Other financial liabilities	528	747	227
Other non current liabilities	84	91	128
	626	856	378
Current liabilities			
Financial liabilities			
Borrowings	-	415	-
Trade payables	1,523	1,890	1,418
Other financial liabilities	2,037	2,774	2,011
Other current liabilities	1,061	1,049	586
Provisions	1,306	1,289	797
Current tax liabilities (net)	496	347	239
	6,423	7,764	5,051
	7,049	8,620	5,429
TOTAL EQUITY AND LIABILITIES	32,352	32,769	26,694

Transition to Indian Accounting standards (Ind AS)

The Group's consolidated financial statements for the quarter ended June 30, 2016 are the first interim consolidated financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2015 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the first Ind AS consolidated financial statements for the quarter ended June 30, 2016, be applied consistently and retrospectively for all fiscal years presented. All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the transition date have been recognized directly in equity at the transition date.

Key Ratios

Key Ratios	Q1	Q4	Q1
	FY2016	FY2016	FY2017
EBITDA Margin (%)	17.1%	16.7%	14.7%
Effective Tax Rate (%)	22.5%	25.0%	24.3%
Net Profit Margin (%)	13.1%	10.1%	9.3%
ROCE (%)	31.1%	30.3%	26.9%
DSO (Days)	69	74	65

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). 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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