



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Third quarter ended December 31, 2015 (Q3 FY2016)

January 18, 2016

Welcome to possible

Dear Shareholder,

A very happy and prosperous New Year to you and your families.

Q3 was a good quarter as we continue to strike the right chord with our clients. This broad-based result reflects the ongoing momentum of our key focus areas such as Digital and Managed Services. Those initiatives combined with our recent acquisitions and deal wins are creating a clear path to further our growth trajectory.

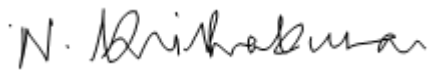
We are also happy to announce that Mindtree has entered into a definitive agreement to acquire 100% equity interests in Magnet 360 LLC, a Platinum Salesforce Partner specializing in multi-cloud solutions, consulting services and implementation, based in US. Magnet 360 is an award winning partner within the salesforce ecosystem. This acquisition will enhance our digital story and provide comprehensive digital offerings across the entire spectrum of IT systems i.e. Systems of Engagement and Systems of Records.

One more important update to share with you. Mindtree's Board of Directors is pleased to announce the appointment of Rostow Ravanan as the CEO and Managing Director, and Krishnakumar Natarajan as the Executive Chairman. Subroto Bagchi steps down as Executive Chairman but continues on the Board as a non-executive director. These top level organizational changes are effective April 1, 2016.

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
January 18, 2016

Key financial highlights:

- In USD terms:
 - Revenue at \$184.4 million (growth of 2.3% q-o-q / 24.8% y-o-y). Constant currency revenue growth of 3% q-o-q
 - Net profit at \$22.8 million (decline of 5.9% q-o-q / growth of 0.2% y-o-y)

- In Rupee terms:
 - Revenue at ₹ 12,145 million (growth of 3.9% q-o-q / 33.2% y-o-y)
 - Net profit at ₹ 1,509 million (decline of 4.6% q-o-q / growth of 7.2% y-o-y)

Other highlights:

- Clients:
 - 294 active clients as of December 31, 2015

- Employees:
 - 16,243 employees as of December 31, 2015
 - Added 1,306 employees during the quarter on a gross basis
 - Trailing 12 months attrition is at 16%.

- Multi-year and multi-million dollar wins with leading global clients
 - Leading travel management company. For this existing client, Mindtree will provide application development and support services
 - Global manufacturing and engineering company. Mindtree will provide infrastructure management services
 - International financial institution. Mindtree will provide IT services in multiple areas

- Awards and recognition:
 - Mindtree named in the leadership zone in Zinnov's Global Product Engineering Service Provider Ratings for the fourth time in a row
 - Mindtree has won the "Best Corporate Governance – Technology – Asia - 2015" by the Ethical Boardroom Corporation, for having exhibited exceptional leadership in the area of governance
 - Krishnakumar Natarajan, CEO & Managing Director, Mindtree has been named among India's Top 100 CEOs in an annual study conducted by Business Today and PwC
 - Mindtree has been placed among the top ten BEST Award Winners by the Association for Talent Development for its innovative talent development initiatives

- Issue of bonus shares:
 - The Board of Directors at their meeting held on January 18, 2016 recommended an issue of bonus shares in the ratio of 1:1, i.e. one additional equity share for every existing equity share. This is subject to shareholders approval. Bonus shares will be credited to the shareholders after completion of statutory formalities and within the prescribed statutory timelines. This is the second bonus shares issue in the last 2 years
- Dividend announcement:
 - The Board of Directors, at its meeting held on January 18, 2016 recommended an interim dividend of 40% (₹ 4 per equity share of par value ₹ 10 each) for the quarter ended December 31, 2015

Extract of the audited consolidated financial results for the quarter and Nine months ended December 31, 2015 (Rs. in millions, except per share data)

Rs in million, except per share data

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015
Income from software services	12,145	11,693	9,117	33,654	26,438	35,619
Expenses						
Employee benefits expense	7,249	6,868	5,259	19,829	15,309	20,747
Depreciation and amortisation expense	345	317	260	984	723	1,018
Other expenses	2,749	2,661	1,992	7,780	5,823	7,780
Profit from operations before other income, foreign exchange gain and finance costs	1,802	1,847	1,606	5,061	4,583	6,074
Other income	52	131	140	350	352	656
Foreign exchange gain	95	64	70	361	309	179
Profit before finance costs	1,949	2,042	1,816	5,772	5,244	6,909
Finance costs	-	2	1	2	1	1
Profit before tax	1,949	2,040	1,815	5,770	5,243	6,908
Tax expense	440	458	407	1,297	1,167	1,545
Net profit for the period	1,509	1,582	1,408	4,473	4,076	5,363
Paid up equity share capital (face value Rs. 10/- each)	839	838	837	839	837	837
Reserves	22,679	21,593	18,996	22,679	18,996	19,287
Basic EPS (Rs.)	18.00	18.87	16.81	53.38	48.76	64.14
Diluted EPS (Rs.)	17.95	18.82	16.74	53.22	48.53	63.85

AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
Rs in million

Particulars	As at	
	December 31, 2015	March 31, 2015
Shareholders' funds		
Share capital	839	837
Reserves and surplus	22,679	19,287
	23,518	20,124
Share application money pending allotment	-	4
Non-current liabilities		
Long-term borrowings	18	23
Other long-term liabilities	744	334
	762	357
Current liabilities		
Short-term borrowings	7	-
Trade payables	245	536
Other current liabilities	4,267	3,465
Short-term provisions	1,911	2,063
	6,430	6,064
Total	30,710	26,549
Non-current assets		
Goodwill on consolidation	5,015	922
Fixed assets		
Tangible assets	4,862	4,513
Intangible assets	102	120
Capital work-in-progress	181	354
Non-current investments	58	8
Deferred tax assets (net)	535	449
Long-term loans and advances	1,807	1,640
Other non-current assets	80	17
	12,640	8,023
Current assets		
Current investments	4,323	5,343
Trade receivables	8,923	6,963
Cash and bank balances	2,049	3,763
Short-term loans and advances	1,093	1,451
Other current assets	1,682	1,006
	18,070	18,526
Total	30,710	26,549

Key Ratios

Key Ratios	Q3	Q2	Q3
	FY2015	FY2016	FY2016
EBITDA Margin (%)	20.5%	18.5%	17.7%
Effective Tax Rate (%)	22.5%	22.5%	22.7%
Net Profit Margin (%)	15.4%	13.5%	12.4%
ROCE (%)	37.5%	37.4%	33.9%
DSO (Days)	70	77	71

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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