



# MindTree Ltd

## **Report for the fourth quarter and year ended March 31, 2012**

Financial Year (FY) 2011-12 has been a great year. We got the leadership team to a “back to basics” approach. We focused on a few verticals and did deeper mining of existing relationships. The “back to basics” approach has helped to grow margins consistently each quarter. We won several marquee clients and some of the wins were large multi-year relationships. With these initiatives, we are happy to report a robust growth of 21.7% in \$ terms for FY 2011-12 taking the revenue to \$402.6M.

We would like to highlight some of the key progress made in FY 2011-12 keeping in mind our ‘back to basics’ approach along with our goal to make MindTree a bigger, better, faster and a closer company in the years to come:

- We achieved our first \$100 million quarter in quarter 2 along with the milestone of 10,000 MindTree minds.
- Our client mining initiatives have yielded positive results as follows:
  - \$ 1 million accounts increased by 10 to 77 during the year; \$ 5 million accounts increased by 3 to 17; \$10 million accounts increased by 1 to 7; \$ 20m accounts increased by 3 to 4.
- We completed our largest campus intake to date, having got about 1800 campus Minds on board. We have honored all the campus offers to date. We revamped our training programs to cater for this. This is yielding results by helping push down our weighted average people costs. We intend to continue this approach over the next few years. Our plans to set up a world class training facility in Bhubaneswar will further strengthen our ability to increase campus intake & make them ready for projects faster.
- We have announced the opening of our first major development center in Gainesville, Florida, to build near shore capability.
- MindTree won the Asian Most Admired Knowledge Management (MAKE) Award issued by Teleos, in association with The KNOW Network, for the fourth consecutive year.
- MindTree is ranked 19<sup>th</sup> in the list of Top 25 Best Employers in India and ranked No.2 among the IT companies by AON Hewitt Best Employers’ Survey 2011.
- MindTree won two prestigious corporate governance awards:
  - “Best Corporate Governance, India, 2012” by the World Finance magazine, presented at the London Stock Exchange.
  - Ranked No. 3 in “Best Overall for Corporate Governance, India, 2011” by Asiamoney.

The key financial highlights (consolidated) for the fourth quarter ended March 31, 2012 are as follows:

- In dollar terms, Revenue grew by 1.3% Quarter over Quarter (QoQ) and 21.8% Year over Year (YoY) to \$105.04 Million. In rupee terms, Revenue grew by 1.2% QoQ and 34.4% YoY to ₹ 5,257 Million.
- In dollar terms, Profit After Tax (PAT) increased by 13.8% QoQ and 95.5% YoY to \$13.8 Million. In rupee terms, PAT increased by 13.7% QoQ and 115.3% YoY to ₹ 689 Million.



The key financial highlights (consolidated) for the year ended March 31, 2012 are as follows:

- In dollar terms, Revenue grew by 21.7% over the previous year to \$402.6 Million. In rupee terms, Revenue grew by 26.9% over the previous year to ₹ 19,152 Million.
- In dollar terms, PAT increased by 106.2% over the previous year to \$45.9 Million. In rupee terms, PAT increased by 115.1% over the previous year to ₹ 2,185 Million.

Other highlights:

- As of March 31, 2012, MindTree had 237 active customers, including 37 Global Fortune 500 Companies.
- MindTree added 502 people on a gross basis during Q4, taking its total people strength to 11,000 as of March 31, 2012.
- Some of the significant client wins during Q4 were:
  - A leading Insurance Company based in US. MindTree will provide services to its Enterprise Risk Management (ERM) group to improve management of worldwide location based risk.
  - A large conglomerate based in Middle East. MindTree will provide services in the area of SAP CRM implementation.
  - A Company in the area of wireless semiconductor chips and embedded solutions. The Company will license MindTree's Bluetooth Low Energy (BLE) Intellectual Property (IP).
- MindTree bagged the NASSCOM IT User award 2012 under 'Social Media Adoption in an Enterprise' category for its intranet application called 'PeopleHub'.
- The Board has approved creation of stock incentive schemes in the nature of Restricted Stock Units (RSU) upto 2.5% of our paid up capital and Stock Appreciation Rights (SAR) to align management incentives with creating long term shareholder value. The roll-out of the schemes is subject to shareholder & any other necessary approvals.
- The Board of Directors, at its meeting held on April 16, 2012, has recommended a final dividend of 15% (Re 1.50 per equity share of par value Rs 10 each) for the year ended March 31, 2012.

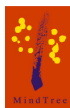
Going forward, we believe we will continue to deliver higher revenue growth than industry estimates in FY2012-13 and improve EBITDA margins further. We do however see the uncertain global environment and the currency volatility as our biggest risks.



Summary financial results for the fourth quarter and year ended March 31, 2012 are enclosed for your reference. Should you require any additional information or have any questions, Please contact us at [investors@mindtree.com](mailto:investors@mindtree.com).

In the spirit of sensitivity towards the environment we are circulating this over email to save paper.

With best regards  
Investor Relations Team  
MindTree Ltd  
Bangalore, 18 April 2012



## Consolidated Financial Results

### Consolidated Profit and Loss account (Audited)

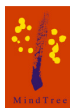
(Rs. In Millions, except per share data)

Particulars	Quarter ended			Year ended	
	March 31, 2012	December 31, 2011	March 31, 2011	March 31, 2012	March 31, 2011
Income from software services	5,257	5,197	3,912	19,152	15,090
<b>Expenses</b>					
Employee benefit expenses	3,179	3,242	2,613	12,261	9,853
Depreciation	168	173	184	695	712
Other expenses	1,093	1,058	859	3,961	3,459
<b>Profit from operations before other income and interest</b>	<b>817</b>	<b>724</b>	<b>256</b>	<b>2,235</b>	<b>1,066</b>
Other income	51	36	27	188	86
Foreign exchange gain/(loss)	(40)	(25)	74	197	156
<b>Profit before interest</b>	<b>828</b>	<b>735</b>	<b>357</b>	<b>2,620</b>	<b>1,308</b>
Interest	3	1	2	5	4
<b>Profit before tax</b>	<b>825</b>	<b>734</b>	<b>355</b>	<b>2,615</b>	<b>1,304</b>
Tax expense	136	128	35	430	288
<b>Net profit for the period</b>	<b>689</b>	<b>606</b>	<b>320</b>	<b>2,185</b>	<b>1,016</b>
Paid up equity share capital (face value Rs. 10/- each)	405	405	400	405	400
Reserves	9,167	8,176	7,362	9,167	7,362
Basic EPS (Rs.)	17.00	15.02	8.00	54.23	25.53
Diluted EPS (Rs.)	16.80	14.91	7.81	54.14	24.85

### Consolidated Statement of Assets and Liabilities (Audited)

Rs in millions

Particulars	As at	
	March 31, 2012	March 31, 2011
<b>Share holders' funds</b>		
Share capital	405	400
Reserves and surplus	9,167	7,362
	<b>9,572</b>	<b>7,762</b>
<b>Non-current liabilities</b>		
Long term borrowings	37	41
Other long term liabilities	34	206
	<b>71</b>	<b>247</b>
<b>Current liabilities</b>		
Short term borrowings	407	-
Trade payables	137	167
Other current liabilities	2,435	1,439
Short term provisions	724	530
	<b>3,703</b>	<b>2,136</b>
<b>Total</b>	<b>13,346</b>	<b>10,145</b>
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	2,548	2,951
Intangible assets	43	55
Capital work in progress	85	1
Non-current investments	7	7
Deferred tax assets (net)	321	216
Long-term loans and advances	544	416
Other non-current assets	257	111
	<b>3,805</b>	<b>3,757</b>
<b>Current assets</b>		
Current investments	3,075	1,105
Trade receivables	4,078	2,825
Cash and bank balances	602	459
Short term loans and advances	219	335
Other current assets	1,567	1,664
	<b>9,541</b>	<b>6,388</b>
<b>Total</b>	<b>13,346</b>	<b>10,145</b>



## Key Ratios

Ratio analysis (Consolidated)	Quarter ended			Year ended	Year ended
	March 31, 2012	December 31, 2011	March 31, 2011	March 31, 2012	March 31, 2011
EBITDA / total revenue	18.7%	17.3%	11.2%	15.3%	11.8%
Tax / PBT*	16.5%	17.4%	9.9%	16.4%	22.1%
Days sales outstanding	73	72	70	73	70
ROCE (PBIT / capital employed) - Qtr nos annualised	33.1%	33.1%	18.3%	26.1%	16.8%

\*Year ended March 31, 2011: There was a one-time accounting income on dissolution of US subsidiaries and the consequent tax on that income. If this transaction is excluded, the Tax /PBT will be 16.5%.

## Additional Information:

- More information on our quarterly results is available in the investors section of our website ([www.mindtree.com](http://www.mindtree.com)). The above report is for information purposes and Investors should rely only on the official filed version of the financial statements and not rely on this report while making investment decisions
- We have sent this report via e-mail to shareholders who have updated their e-mail addresses with the depository participant. Please update your email addresses with your depository participant. This report is also available in the investors section of our website ([www.mindtree.com](http://www.mindtree.com))

## Safe Harbor

Certain statements made in this letter could be forward-looking statements. These statements are considering the environment we see as of today, and obviously carry a risk in terms of uncertainty because of which the actual results could be different. We do not undertake to update those statements periodically.

### **Investor Relations Team**

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