



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Fourth quarter ended March 31, 2014 (Q4 FY2014)

April 21, 2014

Welcome to possible



Dear Shareholder,

FY2013-14 has been yet another momentous year for Mindtree.

We crossed half a billion dollars in revenues, USD 100 million in operating profits and INR 100 of EPS. As we celebrate this success, I would like to thank all our clients, partners, investors and Mindtree Minds for their immense faith and contribution.

We have progressed well in our journey to increase our strategic relevance to our clients. We will continue to aspire to deliver superior financial performance, innovation, industry leadership in our chosen verticals, social responsibility and corporate governance.

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

Bangalore
April 21, 2014

Key financial highlights:**Quarter ended March 31, 2014**

- In USD terms:
 - Revenue at \$132.8 million (growth of 4.4% q-o-q / 17.4% y-o-y)
 - Net profit at \$15.9 million (growth of 11.7% q-o-q / 8.9% y-o-y)

- In Rupee terms:
 - Revenue at ₹ 8,237 million (growth of 4.2% q-o-q / 34.5% y-o-y)
 - Net profit at ₹ 982 million (growth of 11% q-o-q / 24.5% y-o-y)

Year ended March 31, 2014

- In USD terms:
 - Revenue at \$501.5 million (growth of 15.1%)
 - Net profit at \$74.6 million (growth of 19.3%)

- In Rupee terms:
 - Revenue at ₹ 30,316 million (growth of 28.4%)
 - Net profit at ₹ 4,508 million (growth of 32.9%)

Other highlights:

- Clients:
 - 207 active clients as of March 31, 2014
 - \$5 million clients grow to 24; \$1 million clients grow to 73

- Employees:
 - 12,926 employees as of March 31, 2014
 - Added 397 employees during the quarter on a gross basis
 - Trailing 12 months attrition is at 12.7%

- Multi-year and multi-million dollar wins with leading global clients:
 - Leading global provider of share registry, pension administration, compliance reporting and analytics solutions. Mindtree will provide application maintenance, testing and management reporting services

- Leading telecommunications company, which is an existing client. Mindtree is selected as its managed services partner for maintenance of multiple datacenters that hosts its telecom business applications
- Leading global insurance company. Mindtree is chosen to provide application development & maintenance, IMS and testing services
- Leading global provider of governance, risk and compliance management solutions. Mindtree will support its cloud based platform
- Awards and Recognition:
 - Mindtree was ranked #1 under the categories 'Best Managed IT/Software/Technology Company in Asia' and the 'Best Managed Company in India' for 2013 by Euromoney's Annual Asia Company Ranking
 - Mindtree is in the top 3 ranking in India, on all categories related to Corporate Governance & Investor Relations by Asiamoney
- Issue of bonus shares:
 - On the occasion of our 15th anniversary and revenues crossing a significant milestone of half a billion dollars, the Board of Directors at their meeting held on April 16, 2014 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
- Dividend announcement:
 - The Board of Directors, at its meeting held on April 16, 2014 recommended an interim dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for the quarter ended March 31, 2014. Further, the Board has recommended a final dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for the year ended March 31, 2014 and a special dividend of 50% (₹ 5 per equity share of par value ₹ 10 each) for completion of 15 years in business. If the proposed 1:1 bonus share issue is approved by shareholders prior to the date of the AGM, the final & special dividend amounts would be accordingly reduced to 25% (₹ 2.5 per equity share of ₹ 10 each)

Extract of the Audited Consolidated Financial Results for the quarter and year ended March 31, 2014 (Rs. in millions, except per share data)

Particulars	Quarter ended			Year ended	
	March 31, 2014	December 31, 2013	March 31, 2013	March 31, 2014	March 31, 2013
Income from software services	8,237	7,906	6,124	30,316	23,618
Expenses					
Employee benefits expense	4,869	4,679	3,745	17,820	14,274
Depreciation	223	208	155	809	624
Other expenses	1,598	1,686	1,216	6,396	4,480
Profit from operations before other income and interest	1,547	1,333	1,008	5,291	4,240
Other income	128	83	154	376	350
Foreign exchange gain/(loss)	(426)	(272)	(153)	120	(340)
Profit before interest	1,249	1,144	1,009	5,787	4,250
Interest	-	1	1	4	10
Profit before tax	1,249	1,143	1,008	5,783	4,240
Tax expense	267	258	219	1,275	847
Net profit for the period	982	885	789	4,508	3,393
Paid up equity share capital (face value Rs. 10/- each)	417	416	415	417	415
Reserves	15,988	15,266	12,722	15,988	12,722
Basic EPS (Rs.)	23.59	21.25	19.04	108.40	82.79
Diluted EPS (Rs.)	23.41	21.08	18.89	107.60	81.75

AUDITED STATEMENT OF ASSETS AND LIABILITIES *Rs in million*

Particulars	As at	
	March 31, 2014	March 31, 2013
Shareholders' funds		
Share capital	417	415
Reserves and surplus	15,988	12,722
	16,405	13,137
Non-current liabilities		
Long-term borrowings	27	32
Other long-term liabilities	129	57
Long-term provisions	39	-
	195	89
Current liabilities		
Short-term borrowings	-	217
Trade payables	82	189
Other current liabilities	2,738	2,166
Short-term provisions	1,574	1,112
	4,394	3,684
Total	20,994	16,910
Non-current assets		
Fixed assets		
Tangible assets	3,266	2,485
Intangible assets	170	104
Capital work-in-progress	496	571
Non-current investments	175	230
Deferred tax assets (net)	402	360
Long-term loans and advances	758	617
Other non-current assets	1,039	1,046
	6,306	5,413
Current assets		
Current investments	5,160	4,027
Trade receivables	6,004	4,508
Cash and bank balances	1,184	1,252
Short-term loans and advances	613	430
Other current assets	1,727	1,280
	14,688	11,497
Total	20,994	16,910

Key Ratios

Key Ratios	Quarter ended			Year ended	
	March 31, 2013	December 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014
EBITDA Margin (%)	19.0%	19.5%	21.5%	20.6%	20.1%
Effective Tax Rate (%)	21.7%	22.6%	21.4%	20.0%	22.0%
Net Profit Margin (%)	12.9%	11.2%	11.9%	14.4%	14.9%
ROCE (%)	31.0%	29.3%	31.1%	36.3%	38.8%
DSO (Days)	70	73	72	70	72

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.