



Mindtree

Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Earnings release

Fourth quarter ended March 31, 2015 (Q4 FY2015)

April 16, 2015

Welcome to possible

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Earnings Conference Call for Analysts / Investors

April 16, 2015 (6:00 PM IST)

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(The numbers listed above are universally accessible from all networks and all countries)

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US: 1 866 746 2133

Replay of conference call available until April 23, 2015

+91 22 3065 2322 (Playback id: 230712#)

Transcript will be available on www.mindtree.com after April 24, 2015

Mindtree's full year revenue grows 16.4% in dollar terms; declares final dividend

Bangalore (India) and Warren (NJ), April 16, 2015: [Mindtree](#), a global technology services company, announced its consolidated results today for the fourth quarter and year ended March 31, 2015, as approved by its Board of Directors.

"We have delivered industry leading performance with a revenue growth of 16.4% for FY15. The results validate our decision to transform Mindtree to be a valued, digital partner for our clients. In this, our expertise in agile, analytics, cloud and Internet of Things (IoT) is making deep impact. What makes us additionally happy is that our customer satisfaction levels are at a record 3-year high" said **Krishnakumar Natarajan, CEO & Managing Director, Mindtree.**

Key financial highlights:

Quarter ended March 31, 2015

- In USD terms:
 - Revenue at \$147.8 million (growth of 0.1% q-o-q / 11.3% y-o-y). Constant currency revenue growth of 1.8% q-o-q
 - Net profit at \$20.7 million (decline of 9.2% q-o-q / growth of 30.5% y-o-y)
- In Rupee terms:
 - Revenue at ₹ 9,181 million (growth of 0.7% q-o-q / 11.5% y-o-y)
 - Net profit at ₹ 1,287 million (decline of 8.6% q-o-q / growth of 31.1% y-o-y)

Year ended March 31, 2015

- In USD terms:
 - Revenue at \$583.8 million (growth of 16.4%)
 - Net profit at \$87.9 million (growth of 17.9%)
- In Rupee terms:
 - Revenue at ₹ 35,619 million (growth of 17.5%)
 - Net profit at ₹ 5,363 million (growth of 19%)

Other highlights:

- Clients:
 - 217 active clients as of March 31, 2015
 - \$10 million clients grow to 14; \$5 million clients grow to 28

- Employees:
 - 14,202 employees as of March 31, 2015
 - Added 1,517 employees during the quarter on a gross basis
 - Trailing 12 months attrition is at 18.2%

- Awards and recognition:
 - Mindtree featured as a 'Major Player' in IDC's Marketscape for Worldwide Mobile Application Development and Testing Services 2014 Vendor Assessment
 - Mindtree was named the winner of the Silver Shield by ICAI Awards for Excellence for Financial Reporting for the year 2013-14

- Dividend announcement:
 - The Board of Directors, at its meeting held on April 16, 2015 recommended a final dividend of 100% (₹ 10 per equity share of par value ₹ 10 each) for the year ended March 31, 2015. Accordingly, the cumulative dividend declared by the Board of Directors for the year ended March 31, 2015 aggregates to 170% (₹ 17 per equity share of par value ₹ 10 each)

About Mindtree

Mindtree [NSE: MINDTREE; CIN: L72200KA1999PLC025564] delivers technology services and accelerates growth for Global 1000 companies by solving complex business challenges with breakthrough technical innovations. Mindtree specializes in e-commerce, mobility, cloud enablement, digital transformation, business intelligence, data analytics, testing, infrastructure, EAI and ERP solutions. We are among the fastest growing technology firms globally with more than 200 clients and offices in 14 countries.

Safe harbour

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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Key Financial Metrics

(Rs. million)	Q4	Q3	Q4	Growth (%)	
	FY2014	FY2015	FY2015	Q-o-Q	Y-o-Y
Revenue*	8,237	9,117	9,181	0.7%	11.5%
EBITDA	1,770	1,866	1,786	(4.3)%	0.9%
Net Profit	982	1,408	1,287	(8.6)%	31.1%
Diluted EPS (Rs.) **	11.71	16.74	15.32	(8.5)%	30.8%

*Q4-FY15 Revenue includes ₹ 166M revenue from Discoverture

**Diluted EPS in Q4 FY14 adjusted for 1:1 bonus issue

(\$ million)	Q4	Q3	Q4	Growth (%)	
	FY2014	FY2015	FY2015	Q-o-Q	Y-o-Y
Revenue*	132.8	147.7	147.8	0.1%	11.3%
EBITDA	28.6	30.2	28.7	(5.0)%	0.4%
Net Profit	15.9	22.8	20.7	(9.2)%	30.5%

*Q4-FY15 Revenue includes \$2.7M revenue from Discoverture

Rupee Dollar Rate	Q4	Q3	Q4
	FY2014	FY2015	FY2015
Period Closing rate	59.92	63.04	62.50
Period Average rate	62.04	61.73	62.13

Key Ratios

Key Ratios	Q4	Q3	Q4
	FY2014	FY2015	FY2015
EBITDA Margin (%)	21.5%	20.5%	19.5%
Effective Tax Rate (%)	21.4%	22.5%	22.7%
Net Profit Margin (%)	11.9%	15.4%	14.0%
ROCE (%)	31.1%	37.5%	33.3%
DSO (Days)	72	70	67

Effective Tax Rate = Tax / PBT

ROCE = EBIT / Average Capital Employed. ROCE is annualized

Key Performance Highlights

- Revenue for the full year in dollar terms grew by 16.4%.
- Full year EPS grew by 18.6% to ₹63.85.
- Gross Addition of 1,517 people in the Quarter.
- \$10 million clients grow by 1 to 14; \$5 million clients grow by 1 to 28.

Key Revenue Metrics

Revenue by Geography	Q4 FY2014	Q3 FY2015	Q4 FY2015
US	58.8%	63.1%	64.9%
Europe	28.0%	24.2%	23.7%
India	3.7%	4.1%	3.6%
Rest of the World	9.4%	8.6%	7.8%
Total	100.0%	100.0%	100.0%

Revenue by Industry	Q4 FY2014	Q3 FY2015	Q4 FY2015
Hi-Tech & Media Services*	31.8%	32.7%	32.6%
BFSI**	23.3%	23.5%	25.0%
Retail, CPG & Manufacturing	22.1%	22.2%	21.7%
Travel & Hospitality*	15.4%	16.2%	16.0%
Others	7.5%	5.4%	4.7%
Total	100.0%	100.0%	100.0%

* Media & Services accounts are re-classified from Travel & Hospitality to Hi-Tech & Media Services.

** BFSI revenue in Q4-FY15 includes revenue from Discoverture

Revenue by Service Offering	Q4 FY2014	Q3 FY2015	Q4 FY2015
Development	23.3%	23.7%	23.2%
Engineering	9.8%	10.3%	10.0%
Maintenance	22.6%	21.4%	20.8%
Consulting	3.8%	4.1%	3.9%
Package Implementation*	4.1%	5.8%	7.5%
IP Led Revenue	1.1%	1.6%	1.7%
Independent Testing	16.7%	15.4%	15.4%
Infrastructure Management & Tech Support	18.6%	17.6%	17.5%
Total	100.0%	100.0%	100.0%
Digital/SMAC		33%	32%

Digital/SMAC includes Social Media, Mobility, Analytics, Cloud, Web-commerce.

** Package Implementation revenue in Q4-FY15 includes revenue from Discoverture.

Revenue by Project Type	Q4 FY2014	Q3 FY2015	Q4 FY2015
Fixed Cost, Fixed Monthly	42.5%	46.5%	46.5%
Time & Materials	57.5%	53.5%	53.5%
Total	100.0%	100.0%	100.0%

Revenue Mix	Q4 FY2014	Q3 FY2015	Q4 FY2015
Effort			
Onsite	17.2%	18.2%	18.5%
Offshore	82.8%	81.8%	81.5%
Total	100.0%	100.0%	100.0%
Revenue			
Onsite	43.8%	45.8%	47.1%
Offshore	56.2%	54.2%	52.9%
Total	100.0%	100.0%	100.0%

Effort and Utilization

Metrics	Q4 FY2014	Q3 FY2015	Q4 FY2015	Growth (%)	
				Q-o-Q	Y-o-Y
Billed Hours					
Onsite	764,071	880,982	909,540	3.2%	19.0%
Offshore	3,685,294	3,957,435	4,019,146	1.6%	9.1%
Total	4,449,365	4,838,418	4,928,686	1.9%	10.8%
Fee Revenue (\$ 000)					
Onsite	57,393	67,005	68,874	2.8%	20.0%
Offshore	73,623	79,334	77,447	(2.4)%	5.2%
Total	131,016	146,339	146,322	(0.0)%	11.7%
Utilization					
Including Trainees	68.5%	71.8%	70.2%		
Excluding Trainees	68.7%	74.2%	71.1%		

Utilization is calculated as Billed Hours by Available Hours. Available hours does not exclude leave hours.

Key Customer Metrics

Metrics	Q4 FY2014	Q3 FY2015	Q4 FY2015
Client Details			
Number of Active clients	207	201	217
New Clients Added	15	5	8
\$1 mn clients	73	83	88
\$5 mn clients	24	27	28
\$10 mn clients	13	13	14
\$20 mn clients	6	6	6
\$30 mn clients	3	4	4
\$50 mn clients	-	1	1

Million Dollar Clients are based on trailing 12 months revenue.
Q4-FY15 Client details includes Discoveriture clients.

Client Contribution to Revenue	Q4 FY2014	Q3 FY2015	Q4 FY2015
Top Client	8.2%	9.6%	10.1%
Top 5 Clients	33.1%	32.5%	32.3%
Top 10 Clients	49.2%	48.1%	47.3%
Revenue from Repeat Business	99.1%	99.4%	99.2%

Contribution to revenues is based on revenues for the quarter.

Key Employee Metrics

Mindtree Minds	Q4 FY2014	Q3 FY2015	Q4 FY2015
Total Mindtree Minds	12,926	13,323	14,202
Software Professionals	12,122	12,500	13,350
Sales	180	207	199
Support	624	616	653
Gross Additions	397	1,016	1,517
Net Additions	(66)	305	879
Attrition (Last Twelve Months)	12.7%	18.1%	18.2%
Women employees	28%	27%	27%
Nationalities*	24	30	32

*Nationalities represent the count of countries to which Mindtree minds belong to.
Q4-FY15 details includes Discoverture.

Infrastructure

	Completed		Available for Expansion	
	Built up area (sq ft 000)	No. of Seats	Built up area (sq ft 000)	No. of Seats
As of Mar 31, 2015				
Bangalore	1,284	10,613	65	600
Chennai	391	3,345	-	-
Pune	149	1,327	-	-
Hyderabad	93	714	-	-
Bhubaneshwar	86	240	-	-
Total	2,003	16,239	65	600

Audited Financial Results for the Quarter and Year Ended March 31, 2015

(Rs. in millions, except per share data)

Particulars	Quarter ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Income from software services	9,181	9,117	8,237	35,619	30,316
Expenses					
Employee benefits expense	5,407	5,267	4,869	20,747	17,820
Depreciation	295	260	223	1,018	809
Other expenses	1,988	1,984	1,598	7,780	6,396
Profit from operations before other income and interest	1,491	1,606	1,547	6,074	5,291
Other income	304	140	128	656	376
Foreign exchange gain/(loss)	(130)	70	(426)	179	120
Profit before interest	1,665	1,816	1,249	6,909	5,787
Interest	-	1	-	1	4
Profit before tax	1,665	1,815	1,249	6,908	5,783
Tax expense	378	407	267	1,545	1,275
Net profit for the period	1,287	1,408	982	5,363	4,508
Paid up equity share capital (face value Rs. 10/- each)	837	837	417	837	417
Reserves	19,287	18,996	15,988	19,287	15,988
Basic EPS (Rs.)	15.38	16.81	11.80	64.14	54.20
Diluted EPS (Rs.)	15.32	16.74	11.71	63.85	53.85
Aggregate non-promoter shareholding					
Number of shares	72,246,343	72,202,619	34,783,777	72,246,343	34,783,777
Percentage of shareholding	86.28%	86.26%	83.43%	86.28%	83.43%
Promoters and promoter group shareholding					
Pledged/Encumbered					
Number of shares	-	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
Non-encumbered					
Number of shares	11,486,029	11,501,029	6,905,954	11,486,029	6,905,954
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
Percentage of shares (as a % of the total share capital of the company)	13.72%	13.74%	16.57%	13.72%	16.57%

AUDITED SEGMENT WISE REVENUE AND RESULTS
Primary segment information
Rs in million

Particulars	Quarter ended			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
Segment revenue					
Retail, CPG and Manufacturing	1,992	2,020	1,817	7,720	6,528
BFSI	2,293	2,141	1,916	8,378	6,986
Hitech and Media Services	2,995	2,985	2,599	11,641	9,806
Travel and Hospitality	1,469	1,479	1,287	5,843	4,735
Others	432	492	618	2,037	2,261
Total	9,181	9,117	8,237	35,619	30,316
Segment operating income					
Retail, CPG and Manufacturing	420	396	471	1,503	1,594
BFSI	252	327	205	939	450
Hitech and Media Services	719	670	619	2,721	2,471
Travel and Hospitality	254	286	205	1,136	697
Others	141	187	270	793	888
Total	1,786	1,866	1,770	7,092	6,100
Unallocable					
Expenses	425	260	649	1,018	809
Interest	-	1	-	1	4
Other income	304	210	128	835	496
Profit before tax	1,665	1,815	1,249	6,908	5,783

Notes on segment information
Principal segments

The Group is structured into five verticals –Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Hitech and Media Services (HTMS), Travel and Hospitality (TH) and Others. Accordingly, the Group has presented its segment results under these business segments. Effective April 1, 2014, the Group has classified results of Media Services in HTMS. The results were previously classified with TH segment. The previous period/ year figures have been restated and presented in line with the current segments.

Segmental capital employed

Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been carried out as the assets are used interchangeably between segments. Accordingly, no disclosure relating to segment assets and liabilities has been made.

Audited Financial Results for the Quarter and Year Ended March 31, 2015

(Rs. in millions, except per share data)

Particulars	Rs in million	
	As at	
	March 31, 2015	March 31, 2014
Shareholders' funds		
Share capital	837	417
Reserves and surplus	19,287	15,988
	20,124	16,405
Share application money pending allotment	4	-
Non-current liabilities		
Long-term borrowings	23	27
Other long-term liabilities	334	129
Long-term provisions	-	39
	357	195
Current liabilities		
Trade payables	536	82
Other current liabilities	3,465	2,738
Short-term provisions	2,063	1,574
	6,064	4,394
Total	26,549	20,994
Non-current assets		
Fixed assets		
Tangible assets	4,513	3,266
Intangible assets	1,042	170
Capital work-in-progress	354	496
Non-current investments	8	175
Deferred tax assets (net)	449	402
Long-term loans and advances	654	758
Other non-current assets	1,003	1,039
	8,023	6,306
Current assets		
Current investments	5,343	5,160
Trade receivables	6,963	6,004
Cash and bank balances	3,763	1,184
Short-term loans and advances	836	613
Other current assets	1,621	1,727
	18,526	14,688
Total	26,549	20,994

Notes to consolidated financial results for the quarter and year ended March 31, 2015

1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on April 16, 2015.

2 Information on investor complaints pursuant to clause 41 of the Listing Agreement for the quarter ended March 31, 2015:

Nature of Investor complaints	Opening balance	Additions	Disposal	Closing balance
Allotment/ refund/ annual report related/ others	1	27	28	-

3 During the quarter, 28,724 shares have been issued upon exercise of stock options and restricted shares by employees.

4 EPS for the quarter is not annualized.

5 During the quarter, the Board of Directors have accepted the resignation of David B. Yoffie, effective March 30, 2015.

6 The Board of Directors at its meeting held on April 16, 2015 have recommended a final dividend of 100% (Rs 10 per equity share of par value Rs 10 each) for the year ended March 31, 2015. Accordingly, the cumulative dividend declared by the Board of Directors for the year ended March 31, 2015 aggregates to 170% (Rs 17 per equity share of par value Rs 10 each).

7 The statement of consolidated financial results have been audited by the Company's auditors. The Company's auditors have issued an unqualified audit opinion on the consolidated financial results. The audit report has been filed with the stock exchanges and is also available on the Company's website.

8 Earnings per share for the quarter and year ended March 31, 2014 have been adjusted for bonus shares issued during the quarter ended June 30, 2014 in accordance with Accounting Standard 20 on Earnings Per Share.

9 The Group has acquired 100% equity interest in Discoverure Solutions L.L.C. (Discoverure), a US based IT solution provider to the insurance industry, for a consideration of Rs 1,091 million. The consideration includes future payments which are based on achievement of certain specific milestones which have currently been provided for based on best estimate of the Group. The transfer of membership interests and control of Discoverure is effective February 13, 2015 and consequently, Discoverure has become a 100% subsidiary of the Group effective that date. From the date of acquiring control, assets, liabilities, income and expenses are consolidated on a line by line basis. The consolidation has resulted in a goodwill of Rs 922 million. Results from this acquisition are grouped under BFSI in the segmental reporting given above.

10 Previous period figures have been reclassified/ regrouped wherever necessary.



For more information please contact:

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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.

Welcome to possible