



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

First quarter ended June 30, 2014 (Q1 FY2015)

July 22, 2014

*Welcome to possible*



Dear Shareholder,

Our expertise-led strategy continues to deliver stellar results for our clients and for Mindtree. I am happy to state that we have reported an industry leading revenue growth of 6.4% in this quarter in dollar terms.

We are seeing good traction with clients through multi-year, multi-million dollar deals. Apart from strong demand across the traditional service lines, we are now getting picked up as the lead partner for digital by many Fortune 100 customers.

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**

A handwritten signature in black ink that reads "Rostow Ravanan".

Rostow Ravanan  
**CFO and Executive Director**

Bangalore  
July 22, 2014

**Key financial highlights:**

- In USD terms:
  - Revenue at \$141.3 million (growth of 6.4% q-o-q / 20.1% y-o-y)
  - Net profit at \$21.7 million (growth of 36.7% q-o-q / decline\* of 11.9% y-o-y)
  
- In Rupee terms:
  - Revenue at ₹ 8,435 million (growth of 2.4% q-o-q / 30.2% y-o-y)
  - Net profit at ₹ 1,294 million (growth of 31.5% q-o-q / decline\* of 4.4% y-o-y)

*\*Due to large forex gain in Q1 of FY2013-14 as a result of the market swing during that quarter*

**Other highlights:**

- Clients:
  - 206 active clients as of June 30, 2014
  - \$5 million clients grow to 26; \$1 million clients grow to 75
  
- Employees:
  - 12,845 employees as of June 30, 2014
  - Added 516 employees during the quarter on a gross basis
  - Trailing 12 months attrition is at 14.2%
  
- Multi-year and multi-million dollar wins with leading global clients:
  - One of the world's largest broadcasting companies: Mindtree will provide digital and testing services for this existing client
  - Leading food manufacturing company: Mindtree is the global digital marketing partner for all of its digital properties
  - Leading pediatric nutrition company: Mindtree is the lead digital marketing developer for its global web platform project
  - Leading Semiconductor company: Mindtree is a "Preferred Supplier" for its managed services

- Awards and Recognition:
  - Scott Staples, President, Sales was recognized as the Regional Entrepreneur of the Year by Ernst & Young. Among a field of outstanding competitors, Scott was honored for his dedication, brilliance, courage and leadership
  - Mindtree ranked #33 in the Global Outsourcing 100 List by IAOP. Mindtree is among the top list climbers and is among the Top 20 leaders in Retail & Consumer Goods, Financial Services (Insurance), Technology (Hardware & Software), Information/Communication Technology Services

**Extract of the audited standalone financial Results for the quarter ended June 30, 2014**
**(Rs. in millions, except per share data)**

Particulars	Quarter ended			Year ended
	June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
Income from software services	8,435	8,237	6,477	30,316
<b>Expenses</b>				
Employee benefits expense	4,874	4,869	3,824	17,820
Depreciation	228	223	181	809
Other expenses	1,876	1,596	1,462	6,390
<b>Profit from operations before other income and interest</b>	<b>1,457</b>	<b>1,549</b>	<b>1,010</b>	<b>5,297</b>
Other income	73	128	117	376
Foreign exchange gain/(loss)	137	(426)	617	118
<b>Profit before interest</b>	<b>1,667</b>	<b>1,251</b>	<b>1,744</b>	<b>5,791</b>
Interest	-	-	1	4
<b>Profit before tax</b>	<b>1,667</b>	<b>1,251</b>	<b>1,743</b>	<b>5,787</b>
Tax expense	373	267	390	1,275
<b>Net profit for the period</b>	<b>1,294</b>	<b>984</b>	<b>1,353</b>	<b>4,512</b>
Paid up equity share capital (face value Rs. 10/- each)	836	417	416	417
Reserves	16,928	15,992	13,405	15,992
Basic EPS (Rs.)	15.51	11.83	16.29	54.25
Diluted EPS (Rs.)	15.43	11.74	16.17	53.90

**AUDITED STATEMENT OF ASSETS AND LIABILITIES**
*Rs in million*

Particulars	As at	
	June 30, 2014	March 31, 2014
<b>Shareholders' funds</b>		
Share capital	836	417
Reserves and surplus	16,928	15,992
	<b>17,764</b>	<b>16,409</b>
<b>Non-current liabilities</b>		
Long-term borrowings	23	27
Other long-term liabilities	191	129
Long-term provisions	48	39
	<b>262</b>	<b>195</b>
<b>Current liabilities</b>		
Trade payables	184	82
Other current liabilities	2,265	2,737
Short-term provisions	1,586	1,574
	<b>4,035</b>	<b>4,393</b>
<b>Total</b>	<b>22,061</b>	<b>20,997</b>
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	3,180	3,266
Intangible assets	143	170
Capital work-in-progress	772	496
Non-current investments	21	189
Deferred tax assets (net)	419	402
Long-term loans and advances	750	758
Other non-current assets	1,040	1,039
	<b>6,325</b>	<b>6,320</b>
<b>Current assets</b>		
Current investments	5,380	5,160
Trade receivables	6,905	6,004
Cash and bank balances	1,208	1,175
Short-term loans and advances	628	612
Other current assets	1,615	1,726
	<b>15,736</b>	<b>14,677</b>
<b>Total</b>	<b>22,061</b>	<b>20,997</b>

### Key Ratios

Key Ratios	Quarter ended		
	June 30, 2013	March 31, 2014	June 30, 2014
EBITDA Margin (%)	18.4%	21.5%	20.0%
Effective Tax Rate (%)	22.4%	21.3%	22.3%
Net Profit Margin (%)	20.9%	11.9%	15.3%
ROCE (%)	50.1%	31.1%	39.0%
DSO (Days)	77	72	71

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](http://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](mailto: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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