



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Third quarter ended December 31, 2012 (Q3 FY2013)

January 24, 2013

*Welcome to possible*

Dear Shareholder,

Let me wish you and your families a very happy and prosperous New Year.

I would like to personally thank you for all your support and suggestions that you have been offering over the years. Please do continue to share your suggestions as we work together to make Mindtree an admirable and valuable company.

#### Quarterly performance

Our growth in the third quarter ended December 31, 2012 has been satisfactory despite a seasonally weak quarter. Our efforts to reposition and strengthen our business continue to yield good results, as can be seen in our strong profitability improvements. Our expertise led positioning is helping us develop deeper customer relationships and deliver transformative changes for existing and new customers. You can see the results in the growth of USD 5 million and USD 10 million customers.

As we engage with our customers to understand their priorities and start our planning for FY14, we see stronger momentum in the demand environment and we expect FY14 to be better than FY13. We are confident that our strategy and commitment to customer's success will help us stay focused and deliver sustainable performance.

Key highlights and summary financial results of the quarter are provided in the next section.

Thank you for your continued support.

Warm regards,



Krishnakumar Natarajan  
**CEO and Managing Director**

Bangalore  
January 24, 2013

**Key financial highlights:**

- In USD terms:
  - Revenue at \$109.9 million (growth of 2.5% q-o-q / 6.0% y-o-y)
  - Net profit at \$18.4 million (growth of 42.8% q-o-q / 51.9% y-o-y)
- In Rupee terms:
  - Revenue at ₹ 5,901 million (decline of 1.0% q-o-q / growth of 13.5% y-o-y)
  - Net profit at ₹ 988 million (growth of 36.8% q-o-q / 63.0% y-o-y)

**Other highlights:**

- Customers:
  - 245 active customers as of December 31, 2012
  - \$5 million customers increased by 4 to 21; \$10 million customers increased by 1 to 9
- Employees:
  - 10,952 employees as of December 31, 2012
  - Added 443 employees during the quarter on a gross basis
- Major client wins:
  - An existing customer who is a leading superannuation and pension administration specialist based in APAC. Mindtree will provide development and testing services for its core applications.
  - An existing product engineering services company that provides a cloud platform for collaboration and document sharing. Mindtree will provide product development and test automation services for its products
  - A hi-tech company in the area of designing Integrated Circuits based in APAC. Mindtree will license its Bluetooth Low Energy Solution.
- Others:
  - Selected by Forbes Asia as one of the '200 Best under a Billion companies'.
  - Improved overall Fortune India 500 ranking to 424 from 445 last year.

**Extract of the Audited Financial Results for the quarter and nine months ended December 31, 2012**  
**(Rs. in millions, except per share data)**

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2012	September 30, 2012	December 31, 2011	December 31, 2012	December 31, 2011	March 31, 2012
Income from software services	5,901	5,963	5,197	17,494	13,895	19,152
<b>Expenses</b>						
Employee benefit expenses	3,517	3,570	3,242	10,529	9,082	12,261
Depreciation	151	159	173	469	527	695
Other expenses	1,180	1,074	1,056	3,268	2,865	3,958
<b>Profit from operations before other income and interest</b>	<b>1,053</b>	<b>1,160</b>	<b>726</b>	<b>3,228</b>	<b>1,421</b>	<b>2,238</b>
Other income	70	74	36	196	137	188
Foreign exchange gain/(loss)	142	(415)	(27)	(187)	233	196
<b>Profit before interest</b>	<b>1,265</b>	<b>819</b>	<b>735</b>	<b>3,237</b>	<b>1,791</b>	<b>2,622</b>
Interest	2	4	1	9	2	5
<b>Profit before tax</b>	<b>1,263</b>	<b>815</b>	<b>734</b>	<b>3,228</b>	<b>1,789</b>	<b>2,617</b>
Tax expense	275	93	128	628	294	430
<b>Net profit for the period</b>	<b>988</b>	<b>722</b>	<b>606</b>	<b>2,600</b>	<b>1,495</b>	<b>2,187</b>
Paid up equity share capital (face value Rs. 10/- each)	412	409	405	412	405	405
Reserves	12,029	11,084	8,177	12,029	8,177	9,171
Basic EPS (Rs.)	24.08	17.68	14.99	63.69	37.16	54.27
Diluted EPS (Rs.)	23.80	17.43	14.89	62.83	37.16	54.18

**AUDITED STATEMENT OF ASSETS AND LIABILITIES**

**Rs in Millions**

Particulars	As at	
	December 31, 2012	March 31, 2012
<b>Shareholders' funds</b>		
Share capital	412	405
Reserves and surplus	12,029	9,171
	<b>12,441</b>	<b>9,576</b>
<b>Non-current liabilities</b>		
Long-term borrowings	32	37
Other long-term liabilities	47	46
	<b>79</b>	<b>83</b>
<b>Current liabilities</b>		
Short-term borrowings	220	407
Trade payables	111	107
Other current liabilities	2,304	2,455
Short-term provisions	689	724
	<b>3,324</b>	<b>3,693</b>
<b>Total</b>	<b>15,844</b>	<b>13,352</b>
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	2,495	2,548
Intangible assets	31	43
Capital work-in-progress	282	85
Non-current investments	7	30
Deferred tax assets (net)	334	320
Long-term loans and advances	565	544
Other non-current assets	1,084	1,028
	<b>4,798</b>	<b>4,598</b>
<b>Current assets</b>		
Current investments	3,930	3,075
Trade receivables	4,762	4,078
Cash and bank balances	964	585
Short-term loans and advances	429	191
Other current assets	961	825
	<b>11,046</b>	<b>8,754</b>
<b>Total</b>	<b>15,844</b>	<b>13,352</b>

## Key Ratios

Key Ratios	Quarter ended		
	December 31, 2012	September 30, 2012	December 31, 2011
EBITDA Margin (%)	20.4%	22.1%	17.3%
Effective Tax Rate (%)	21.8%	11.4%	17.4%
Net Profit Margin (%)	16.7%	12.1%	11.7%
ROCE (%)	41.0%	28.6%	34.1%
DSO (Days)	73	73	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](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.