



MindTree's Q2 Revenue Grows 40.6% YoY in Rupee Terms; Posts Impressive EBITDA Growth of 142%

Bangalore, India, October 20, 2008: MindTree Limited, a global IT and R&D Services Company, announced its results today for the second quarter ended September 30, 2008 as approved by its Board of Directors.

This marks an historic milestone for the Company as the results of Aztecsoft are fully consolidated with MindTree for the first time, effective August 1, 2008. This will increase MindTree's revenues and contribute to its growth story. Since the dilution of MindTree's shareholding is only about 3%, the consolidation would increase MindTree's earnings per share as well. We are confident that this should lead to increase in shareholder value for MindTree.

MindTree's Financial Highlights for the Second Quarter Ended September 30, 2008

- Software revenues grew by an industry-leading 9.1% Quarter over Quarter (QoQ) and 32.5% Year over Year (YoY) to \$59.6 Million. In rupee terms, software revenues increased by 14.4% QoQ and 40.6% YoY.
- In rupee terms, EBITDA for the quarter was 27.9% against 21% in Q1 2008-09 and 16.2% in Q2 2007-08. This reflects a QoQ growth of 52.6% and a YoY growth of 142%. The significant increase in EBITDA has been realized due to the depreciation of the rupee and the increased efforts of the Company on productivity improvements such as utilization.
- Profit After Tax (PAT) increased by 31.3% YoY to \$8.8 Million. In rupee terms, PAT grew by 34.8% YoY to Rs 366 Million.
- MindTree's IT Services revenues grew by 10.1% QoQ and 35.4% YoY. R&D Services posted a growth of 5.7% QoQ and 22.8% YoY.
- The above results include that of MindTree Technologies, a 100% subsidiary of MindTree Ltd.
- The Board has recommended an interim dividend of Re 1 per share.
- The Company maintained its revenue guidance for the current year at \$228-238 Million.

Other Q2 2008-09 Highlights for MindTree

- 22 new customers were added during the quarter, bringing the current active customer base to 206. MindTree now has 51 \$1 Million+; 10 \$5 Million+; and 3 \$10 Million+ customers.
- The Company added 321 people on a gross basis during Q2, taking our total people strength to 5,746 as of September 30, 2008.
- Attrition on a trailing 12-month period has reduced to 15% as compared to 16.3% in Q1 2008-09.
- Utilization (including trainees) increased during the quarter to 70.2% as compared to 65.6% in the previous quarter.
- During the quarter, MindTree announced the creation of MindTree Foundation, a not-for-profit organization that will work globally in the area of supporting primary education and differently-abled people, including the use of assistive technologies.
- MindTree has established an office in France and has planned expansion into Mexico to service large customers in the U.S. and Latin America.
- MindTree was given the 2008 CIO 100 Award, instituted by IDG India's CIO magazine.
- MindTree won the SAP ACE Award for Customer Excellence 2008 in the category of 'Best Professional Services Sector Implementation – Mid-sized Enterprises'.

Impact of Aztecsoft Financial Performance in Q2 2008-09 on MindTree

- During the quarter, MindTree increased its equity stake in Aztecsoft Ltd. to 79.9%. The date of acquiring significant control has been taken as of August 1, 2008. Consequently, revenues of \$12.5 Million and a profit of \$0.25 Million have been added for consolidation in Q2.
- We have received approval from the stock exchanges on the merger scheme and propose to file an application with the High Court for merger of Aztecsoft with MindTree shortly. The merger is expected to be effective April 1, 2009.
- The consolidated people strength of MindTree as of September 30, 2008 was 7,751.

Speaking about the results, MindTree Chief Executive Officer Krishnakumar Natarajan said, "We are pleased with the fact that we have been able to post strong

results in the second quarter despite the tough and challenging scenario that is gripping the world economy. We are hopeful that the appropriate measures that we are taking and our relentless focus on creating customer value and people satisfaction will help us sustain good momentum.”

“The integration of Aztecsoft has had positive impact on some deals we have won in recent months. We are confident that as a combined entity offering differentiated services, we will be able to gain a bigger share of the market.”

About MindTree Ltd.

MindTree Ltd. is a global IT and R&D Services Company co-headquartered in the U.S. and India. With a passion for customer satisfaction, MindTree partners with its clients to create a transparent, value-based relationship. Our domain experts deliver business-enabling solutions by leveraging a consulting-led, framework-based and IP-driven approach. MindTree's IT Services business provides a range of services to CIOs across a variety of industry segments. Our R&D Services business works with Technology companies to help build innovative products by providing Product Realization services. MindTree has acquired an 80% equity stake in Aztecsoft Ltd., a global leader in outsourced product development and independent testing. The Company intends to complete the merger by April 2009.

MindTree was named among the Top 30 offshore service providers by the International Association of Outsourcing Professionals and Fortune Magazine. Widely known for its focus on human capital development, MindTree has been consistently rated among the most admired employers by several industry surveys, including Hewitt Associates and Mercer/TNS, and is also the winner of the Asian MAKE Award for knowledge management. MindTree has been selected as one of the Top 25 companies for good Corporate Governance practices. MindTree is publicly listed in India. Please visit us at www.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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