



MindTree Limited

(formerly MindTree Consulting Limited)

Registered Office: Block A, #42, 27th Cross, Banashankari II Stage, Bangalore-560 070.

STAND-ALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2008

(Rs. In Lakhs, except per share data)

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2008	September 30, 2007	June 30, 2008	September 30, 2008	September 30, 2007	March 31, 2008
	(Limited review)	(Limited review)	(Limited review)	(Limited review)	(Audited)	(Audited)
Revenues	25,455	18,195	22,221	47,676	34,345	73,384
Cost of revenues	13,736	11,770	13,488	27,224	21,946	46,778
Gross profit	11,719	6,425	8,733	20,452	12,399	26,606
Selling, general and administrative expenses	4,308	3,460	3,954	8,262	6,827	13,875
Provision for bad and doubtful debts	318	13	149	467	25	151
Operating profit before interest and depreciation	7,093	2,952	4,630	11,723	5,547	12,580
Interest including finance charges	445	179	244	689	273	590
Depreciation	1,120	808	1,029	2,149	1,596	3,493
Operating profit	5,528	1,965	3,357	8,885	3,678	8,497
Foreign exchange gain/(loss)	(1,579)	325	(5,010)	(6,589)	288	399
Other income	159	702	440	599	1,326	2,377
Profit before tax	4,108	2,992	(1,213)	2,895	5,292	11,273
Provision for taxation including fringe benefit tax	251	297	229	480	544	1,290
Deferred tax charge/(credit)	185	(18)	(146)	39	(27)	(436)
Net profit after tax	3,672	2,713	(1,296)	2,376	4,775	10,419
Paid up equity share capital (face value Rs. 10/- each)	3,798	3,779	3,796	3,798	3,779	3,792
Reserves	50,154	44,251	47,076	50,154	44,251	49,605
Basic EPS (Rs.)	9.72	7.23	(3.43)	6.29	12.71	27.69
Fully diluted EPS (Rs.)	9.56	6.98	(3.43)	6.14	12.23	26.75
Aggregate non-promoter shareholding						
Number of shares	24,689,657	24,396,585	24,685,335	24,689,657	24,396,585	24,528,284
Percentage of shareholding	65.01%	64.56%	65.03%	65.01%	64.56%	64.68%

SEGMENT WISE REVENUE AND RESULTS

Primary segment information (Rupees in lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2008	September 30, 2007	June 30, 2008	September 30, 2008	September 30, 2007	March 31, 2008
	(Limited review)	(Limited review)	(Limited review)	(Limited review)	(Audited)	(Audited)
Segment revenue						
R&D Services	5,202	4,088	4,669	9,871	7,703	16,087
IT Services	20,253	14,107	17,552	37,805	26,642	57,297
Total	25,455	18,195	22,221	47,676	34,345	73,384
Segment operating income						
R&D Services	1,089	584	496	1,585	745	1,838
IT Services	6,077	2,411	4,168	10,245	4,825	10,784
Total	7,166	2,995	4,664	11,830	5,570	12,622
Unallocable						
Expenses	2,772	814	6,073	8,845	1,619	3,535
Interest	445	179	244	689	273	590
Other income	159	990	440	599	1,614	2,776
Profit before tax	4,108	2,992	(1,213)	2,895	5,292	11,273

Notes on segment information

Principal segments

The Company's operations predominantly relate to providing IT Services and Research and Development services (R&D Services). Accordingly, revenues represented along IT and R&D services comprise the primary segmental information.

Segmental capital employed

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

CONSOLIDATED FINANCIAL RESULTS OF MINDTREE LIMITED AND ITS SUBSIDIARIES FOR THE QUARTER AND HALF YEAR ENDED
SEPTEMBER 30, 2008

(Rs. In Lakhs, except per share data)

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2008	September 30, 2007	June 30, 2008	September 30, 2008	September 30, 2007	March 31, 2008
	(Limited review)	(Limited review)	(Limited review)	(Limited review)	(Audited)	(Audited)
Revenues	31,202	18,195	22,359	53,561	34,345	73,979
Cost of revenues	17,009	11,770	13,508	30,517	21,946	47,247
Gross profit	14,193	6,425	8,851	23,044	12,399	26,732
Selling, general and administrative expenses	5,187	3,460	4,017	9,204	6,827	14,041
Provision for bad and doubtful debts	341	13	149	490	25	152
Operating profit before interest and depreciation	8,665	2,952	4,685	13,350	5,547	12,539
Interest including finance charges	446	179	244	690	273	590
Depreciation	1,417	808	1,079	2,496	1,596	3,560
Operating profit	6,802	1,965	3,362	10,164	3,678	8,389
Foreign exchange gain/(loss)	(3,056)	325	(5,009)	(8,065)	288	417
Other income	256	702	440	696	1,326	2,377
Profit before tax	4,002	2,992	(1,207)	2,795	5,292	11,183
Provision for taxation including fringe benefit tax	290	297	229	519	544	1,290
Deferred tax charge/(credit)	199	(18)	(146)	53	(27)	(436)
Net profit after tax before share of profits of associates and minority interest	3,513	2,713	(1,290)	2,223	4,775	10,329
Share of profits of associates	232	-	42	274	-	-
Minority interest	18	-	-	18	-	-
Net Profit after tax, share of profits of associates and minority interest	3,727	2,713	(1,248)	2,479	4,775	10,329
Paid up equity share capital (face value Rs. 10/- each)	3,798	3,779	3,796	3,798	3,779	3,792
Reserves	49,563	44,251	46,992	49,563	44,251	49,516
Basic EPS (Rs.)	9.86	7.23	(3.42)	6.56	12.71	27.45
Fully diluted EPS (Rs.)	9.70	6.98	(3.42)	6.41	12.23	26.52
Aggregate non-promoter shareholding						
Number of shares	24,689,657	24,396,585	24,685,335	24,689,657	24,396,585	24,528,284
Percentage of shareholding	65.01%	64.56%	65.03%	65.01%	64.56%	64.68%

SEGMENT WISE REVENUE AND RESULTS (BASED ON CONSOLIDATED FINANCIAL RESULTS)

Primary segment information (Rupees in lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2008	September 30, 2007	June 30, 2008	September 30, 2008	September 30, 2007	March 31, 2008
	(Limited review)	(Limited review)	(Limited review)	(Limited review)	(Audited)	(Audited)
Segment revenue						
R&D Services	5,328	4,088	4,806	10,134	7,703	16,682
IT Services	20,216	14,107	17,552	37,768	26,642	57,297
Aztecsoft Business	5,658	-	-	5,658	-	-
Total	31,202	18,195	22,358	53,560	34,345	73,979
Segment operating income						
R&D Services	1,273	584	550	1,823	745	1,744
IT Services	6,041	2,411	4,168	10,209	4,825	10,784
Aztecsoft Business	1,556	-	-	1,556	-	-
Total	8,870	2,995	4,718	13,588	5,570	12,528
Unallocable						
Expenses	4,678	814	6,121	10,799	1,619	3,549
Interest	446	179	244	690	273	590
Other income	256	990	440	696	1,614	2,794
Profit before tax	4,002	2,992	(1,207)	2,795	5,292	11,183

Notes on segment information

Principal segments

MindTree Limited and its subsidiaries' (collectively 'Group') operations predominantly relate to providing IT Services, Research and Development services (R&D Services) and Aztecsoft Business. Accordingly, revenues represented along IT, R&D and Aztecsoft Business comprise the primary segmental information.

Segmental capital employed

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

Notes to financial results for the quarter and half year ended September 30, 2008

1 The above results were reviewed by the Audit Committee and thereafter have been taken on record by the Board at its meeting held on October 20, 2008.

2 22,551 shares have been issued during the quarter upon exercise of stock options by employees.

3 Item of expenditure exceeding 10% of total expenditure (Rupees in lakhs) for stand-alone MindTree Limited

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2008	September 30, 2007	June 30, 2008	September 30, 2008	September 30, 2007	March 31, 2008
Personnel cost	12,374	10,630	11,943	24,317	20,334	42,601
Travel and conveyance	1,937	1,826	1,991	3,928	3,192	6,618

Item of expenditure exceeding 10% of total expenditure (Rupees in lakhs) for MindTree Limited and its subsidiaries

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2008	September 30, 2007	June 30, 2008	September 30, 2008	September 30, 2007	March 31, 2008
Personnel cost	15,416	10,630	12,195	27,611	20,334	43,089
Travel and conveyance	2,198	1,826	2,014	4,213	3,192	6,672

4 In accordance with the ICAI guidelines, the weighted average number of shares held by MindTree Benefit Trust have been reduced from the weighted average equity shares outstanding for computing basic and diluted earnings per share.

5 The Board of Directors recommended an interim dividend of Re.1/- per share (10% on an equity share of par value of Rs.10/-) for fiscal 2009.

6 Information on investor complaints pursuant to clause 41 of the Listing Agreement for the quarter ended September 30, 2008:

Nature of Investor complaints	Opening balance	Additions	Disposal	Closing balance
Allotment/Refund/others	2	12	14	-

7 The uses of IPO proceeds are as under: (Rupees in lakhs)

Particulars	Projection in Prospectus	Revised projections as approved in AGM	Actual funds utilized till September 30, 2008 *
Fund a new development centre in Chennai	12,074	8,125	8,125
Prepay certain loans	1,877	1,138	1,138
General corporate purposes	7,527	12,622	9,759
Share issue expenses paid	2,294	1,887	1,887
Total	23,772	23,772	20,909

* funds from IPO proceeds have been invested in short-term mutual funds and bank deposits at September 30, 2008, pending utilisation.

8 With effect from April 1, 2008, the Group has adopted the principles of Accounting Standard ('AS') 30 "Financial Instruments: Recognition and Measurement" in respect of its derivative financial instruments that are not covered by AS 11 "Accounting for the Effects of Changes in Foreign Exchange Rates" and that relate to a firm commitment or a highly probable forecast transactions. In accordance with AS 30, such derivative financial instruments, which qualify for cash flow hedge accounting and where the Group has met all the conditions of cash flow hedge accounting, are fair valued at September 30, 2008 and the resultant consolidated exchange loss of Rs.1,719.90 lakhs is debited to the hedging reserve. This loss would be recorded in profit and loss account when the underlying transactions affect earnings. Other derivative instruments that relate to a firm commitment or a highly probable forecast transaction and that do not qualify for hedge accounting have been recorded at fair value at the reporting date and the resultant consolidated exchange loss of Rs. 3,325 lakhs has been debited to profit and loss account for the quarter.

9 During the previous quarter, the Company had acquired 13,926,076 equity shares Aztecsoft Limited ('Aztec') at a cost of Rs 11,114.6 lakhs. During the current quarter, the Company has additionally acquired 22,515,519 equity shares of Aztec pursuant to the open offer and market purchases for an aggregate consideration of Rs 18,173.8 lakhs including acquisition expenses. Consequent to the acquisition of these shares, Aztec has become a subsidiary of the Company. As at September 30, 2008, the Company owns 79.9% of equity based on outstanding issued shares of Aztec.

The Company has accounted for its investment in Aztec using equity method from the date of acquiring significant influence till the date of acquiring control i.e . From the date of acquiring control, assets, liabilities, income and expenses are consolidated on a line-by-line basis.

The Company has received the requisite approvals from the stock exchanges on the merger scheme. The Company proposes to file an application with the high court for the merger of Aztec with itself with effective date as April 1, 2009.

10 EPS for the quarter is not annualized.

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

For and on behalf of the Board
For MindTree Limited

Bangalore, India
October 20, 2008

Ashok Soota
Chairman & Managing Director