

MindTree Ltd

Report for the Third Quarter ended December 31, 2010

The Investor Relations team at MindTree wishes you a very happy and successful 2011!!

The latter half of 2010 has shown positive momentum in our overall business environment, as reflected in our Q/Q numbers. After a downturn, the recovery process varies from business to business. Our ITS business has shown strong growth and we are beginning to see a growth trend in PES also. These are good signs for 2011-12.

Approval from Hon'ble High Court of Karnataka to amalgamate MindTree Wireless into MindTree was received in January 2011. The amalgamation is effective April 1, 2010. Consequently, the third quarter results include that of erstwhile MindTree Wireless business. The key highlights for the quarter (on a consolidated basis) are as follows:

- In dollar terms, Revenue grew by 3.5% Quarter over Quarter (QoQ) and 21% Year over Year (YoY) to \$85.25 Million. In rupee terms, Revenue grew by 0.1% QoQ and 15.9% YoY to ₹ 3,848 Million.
- In dollar terms, PAT increased by 34.6% QoQ and decreased by 41.1% YoY to \$6.73 Million. In rupee terms, PAT increased by 31.3% QoQ and decreased by 43.3% YoY to ₹ 305 Million.
- As of December 31, 2010, MindTree had 269 active customers including 48 Fortune 500 clients.
- MindTree added 1,021 people on a gross basis during Q3, taking its total people strength to 9,671 as of December 31, 2010.
- DSO has improved to 68 days as compared to 76 days at 30 September.
- Utilization has marginally declined to 69.3%.
- MindTree won the 2010 Asian MAKE (Most Admired Knowledge Enterprise) Award given by Teleos and the Know Network. MindTree was ranked first in India and 9th in Asia, across all industries.

Update on MindTree Wireless: MindTree completed the restructuring of the erstwhile MindTree Wireless business at a cost of \$3.7 Million, significantly lower than the original estimate of \$12-14 Million indicated in the previous quarter. The design services business will now be an important service offering for us and the skill sets and capabilities we have in this area have a good market demand. We are seeing positive traction in this area and already have an international consumer electronics company as our first customer.

Summary financial results for Q3 are enclosed for your reference. Should you require any additional information or have any questions, Please contact us at investors@mindtree.com.

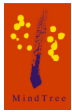
In the spirit of sensitivity towards the environment we are circulating this over email to save paper.

With best regards

Investor Relations Team

MindTree Ltd

Bangalore, 19 January 2011

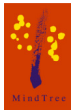


Consolidated Financial Results

Profit and Loss account

(Rs. In Lakhs, except per share data)

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|----------------|
| | December 31, 2010 | September 30, 2010 | December 31, 2009 | December 31, 2010 | December 31, 2009 | March 31, 2010 |
| | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) |
| Revenues | 38,476 | 38,438 | 33,185 | 111,785 | 95,160 | 129,598 |
| Cost of revenues | 25,858 | 25,592 | 20,351 | 74,553 | 58,520 | 79,825 |
| Gross profit | 12,618 | 12,846 | 12,834 | 37,232 | 36,640 | 49,773 |
| Selling, general and administrative expenses | 8,067 | 8,580 | 6,257 | 23,838 | 18,105 | 24,979 |
| Provision for bad and doubtful debts | 62 | (208) | 6 | 24 | 303 | 238 |
| Operating profit before interest and depreciation | 4,489 | 4,474 | 6,571 | 13,370 | 18,232 | 24,556 |
| Interest including finance charges | 11 | 3 | 6 | 16 | 255 | 267 |
| Depreciation | 2,057 | 1,772 | 1,678 | 5,281 | 4,882 | 6,518 |
| Operating profit | 2,421 | 2,699 | 4,887 | 8,073 | 13,095 | 17,771 |
| Foreign exchange gain/(loss) | 790 | 212 | 1,738 | 823 | 5,080 | 6,734 |
| Other income | 163 | 215 | 280 | 589 | 646 | 962 |
| Profit before tax | 3,374 | 3,126 | 6,905 | 9,485 | 18,821 | 25,467 |
| Provision for taxation | 237 | 940 | 1,712 | 2,627 | 3,216 | 3,796 |
| Deferred tax charge/(credit) | 87 | (138) | (261) | (97) | (434) | 288 |
| MAT credit entitlement | - | - | 77 | - | - | (101) |
| Net profit after tax | 3,050 | 2,324 | 5,377 | 6,955 | 16,039 | 21,484 |
| Paid up equity share capital (face value Rs. 10/- each) | 3,987 | 3,977 | 3,933 | 3,987 | 3,933 | 3,951 |
| Reserves | 69,993 | 66,613 | 57,921 | 69,993 | 57,921 | 63,112 |
| Basic EPS (Rs.) | 7.66 | 5.85 | 13.70 | 17.52 | 40.95 | 54.77 |
| Fully diluted EPS (Rs.) | 7.46 | 5.68 | 13.09 | 17.00 | 39.52 | 52.79 |
| Aggregate non-promoter shareholding | | | | | | |
| Number of shares | 27,098,508 | 26,942,632 | 26,464,915 | 27,098,508 | 26,464,915 | 26,684,801 |
| Percentage of shareholding | 67.96% | 67.74% | 67.29% | 67.96% | 67.29% | 67.53% |
| Promoters and promoter group share holding | | | | | | |
| 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 | 12,775,653 | 12,829,693 | 12,867,293 | 12,775,653 | 12,867,293 | 12,830,193 |
| Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group) | 100% | 100% | 100% | 100% | 100% | 100% |
| Percentage of shares (as a % of the total share capital of the company) | 32.04 | 32.26 | 32.71 | 32.04 | 32.71 | 32.47 |



Balance Sheet

Rs in lakhs

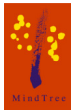
| Particulars | As at | |
|---|-------------------|----------------|
| | December 31, 2010 | March 31, 2010 |
| | (Audited) | (Audited) |
| Share holders funds | | |
| Share capital | 3,987 | 3,951 |
| Reserves and surplus | 69,993 | 63,112 |
| Unsecured loans | 431 | 306 |
| Total | 74,411 | 67,369 |
| Application of Funds | | |
| Fixed assets | 31,423 | 28,587 |
| Goodwill | - | 1,542 |
| Investments | 9,619 | 14,425 |
| Deferred tax assets | 2,232 | 2,136 |
| Current assets, loans and advances | | |
| Sundry debtors | 27,283 | 23,698 |
| Cash and bank balances | 4,136 | 4,033 |
| Loans and advances | 23,090 | 18,983 |
| Less: Current liabilities and provisions | | |
| Current liabilities | 19,406 | 21,135 |
| Provisions | 3,966 | 4,900 |
| Net current assets | 31,137 | 20,679 |
| Total | 74,411 | 67,369 |

Key Ratios

| Ratio analysis (Consolidated) | Quarter ended | | | Year ended |
|---|---------------|--------------|--------------|----------------|
| | Dec 31, 2010 | Sep 30, 2010 | Dec 31, 2009 | March 31, 2010 |
| Software development expenses / total revenue | 67.2% | 66.6% | 61.3% | 61.6% |
| Gross profit / total revenue | 32.8% | 33.4% | 38.7% | 38.4% |
| SG&A expenses / total revenue | 21.1% | 21.8% | 18.9% | 19.5% |
| EBITDA / total revenue | 11.7% | 11.6% | 19.8% | 18.9% |
| Tax / PBT | 9.6% | 25.6% | 22.1% | 15.6% |
| Days sales outstanding | 68 | 76 | 65 | 68 |
| ROCE (PBIT / capital employed) - Qtr nos annualised | 18.2% | 17.3% | 43.9% | 38.2% |

Additional Information:

- More information on our quarterly results is available in the investors section of our website (www.mindtree.com). The above report is for information purposes and Investors should rely only on the official filed version of the financial statements and not rely on this report while making investment decisions
- We have sent this report via e-mail to shareholders who have updated their e-mail addresses with the depository participant. Please update your email addresses with your depository participant. This report is also available in the investors section of our website (www.mindtree.com)



Safe Harbor

Certain statements made in this letter could be forward-looking statements. These statements are considering the environment we see as of today, and obviously carry a risk in terms of uncertainty because of which the actual results could be different. We do not undertake to update those statements periodically.

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