

MindTree Ltd

Report for the Second quarter ended September 30, 2010

Q2 has been a good quarter in terms of revenue growth with a Quarter on Quarter (QoQ) growth of 7.7% on standalone basis and 7% on a consolidated basis. This has been the highest QoQ growth since 7 quarters on a standalone basis. This gives us the confidence of showing a good growth in FY11 as indicated earlier. However we need to keep a close watch of the environment, its volatility and changes in customer buying trends.

The key highlights for the quarter (on a consolidated basis) are as follows:

- In dollar terms, Revenue grew by 7% QoQ and 26.2% YoY to \$82.4 Million. In rupee terms, Revenue grew by 10.2% QoQ and 22% YoY to Rs 3,844 Million.
- In dollar terms, PAT increased by 42.8% QoQ and decreased by 51.7% YoY to \$5 Million. In rupee terms, PAT increased by 47% QoQ and decreased by 53.4% YoY to Rs 233 Million.
- As of September 30, 2010, MindTree had 261 active customers. \$ 1 million customers increased by 2 to 64 customers; and \$ 5 million customers increased by 1 to 14 customers. Fortune 500 accounts increased by 6 to 45 clients.
- MindTree added 1,373 people on a gross basis during Q2, taking its total people strength to 9,584 as of September 30, 2010.
- DSO is at 76 days as compared to 68 days last quarter. We will put in more focus to bring this back on track.
- Utilization is stable at 70%.
- The Board of Directors, at its meeting held on October 19, 2010, has recommended an interim dividend of 12.5% (Re 1.25 per equity share of par value Rs 10 each) for the half year ended September 30, 2010.

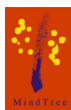
Update on products business: Just to refresh, MindTree acquired Kyocera's India R&D center in October 2009, this unit is now called MindTree Wireless Private Ltd. This unit was working on creating IP in the 4G LTE wireless infrastructure area as well as a 3G enabled smartphone. MindTree now intends to convert MindTree Wireless into a services company. MindTree believes this approach will be in the best interests of MindTree's stakeholders. The financial implications of the change in approach are being evaluated & will be communicated in due course. We believe that the revised focus of MindTree Wireless as a services business will help reduce risks & improve the overall profitability of MindTree.

Summary financial results for Q2 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
20 October 2010

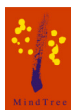


Consolidated Financial Results

Profit and Loss account

(Rs. In Lakhs, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2010	June 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009	March 31, 2010
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenues	38,438	34,871	31,498	73,309	61,975	129,598
Cost of revenues	25,592	23,103	18,831	48,695	38,169	79,825
Gross profit	12,846	11,768	12,667	24,614	23,806	49,773
Selling, general and administrative expenses	8,580	7,191	5,912	15,771	11,847	24,979
Provision for bad and doubtful debts	(208)	170	162	(38)	298	238
Operating profit before interest and depreciation	4,474	4,407	6,593	8,881	11,661	24,556
Interest including finance charges	3	2	9	5	249	267
Depreciation	1,772	1,452	1,594	3,224	3,204	6,518
Operating profit	2,699	2,953	4,990	5,652	8,208	17,771
Foreign exchange gain/(loss)	212	(179)	294	33	3,342	6,734
Other income	215	211	90	426	366	962
Profit before tax	3,126	2,985	5,374	6,111	11,916	25,467
Provision for taxation	940	1,450	629	2,390	1,505	3,796
Deferred tax charge/(credit)	(138)	(46)	(166)	(184)	(173)	288
MAT credit entitlement	-	-	(77)	-	(77)	(101)
Net profit after tax	2,324	1,581	4,988	3,905	10,661	21,484
Paid up equity share capital (face value Rs. 10/- each)	3,977	3,965	3,919	3,977	3,919	3,951
Reserves	66,923	63,522	51,466	66,923	51,466	63,112
Basic EPS (Rs.)	5.85	4.00	12.74	9.85	27.25	54.77
Fully diluted EPS (Rs.)	5.68	3.86	12.28	9.54	26.48	52.79
Aggregate non-promoter shareholding						
Number of shares	26,942,632	26,822,660	26,207,887	26,942,632	26,207,887	26,684,801
Percentage of shareholding	67.74%	67.64%	66.88%	67.74%	66.88%	67.53%
Number of promoter shares pledged	-	-	-	-	-	-
Percentage of shares to total shares outstanding	-	-	-	-	-	-



Balance Sheet

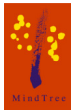
Particulars (Rs in Lakhs)	As at	
	September 30, 2010	March 31, 2010
	(Audited)	(Audited)
Shareholders funds		
Share capital	3,977	3,951
Reserves and surplus	66,923	63,112
Secured loans	950	-
Unsecured loans	431	306
Total	72,281	67,369
Application of Funds		
Fixed assets	32,094	28,587
Goodwill	1,302	1,542
Investments	10,314	14,425
Deferred tax assets	2,320	2,136
Current assets, loans and advances		
Sundry debtors	29,771	23,698
Cash and bank balances	2,577	4,033
Loans and advances	21,480	18,983
Less: Current liabilities and provisions		
Current liabilities	21,553	21,135
Provisions	6,024	4,900
Net current assets	26,251	20,679
Total	72,281	67,369

Key Ratios

Ratio analysis (Consolidated)	Quarter ended			Year ended
	Sep 30, 2010	June 30, 2010	Sep 30, 2009	March 31, 2010
Software development expenses / total revenue	66.6%	66.3%	59.8%	61.6%
Gross profit / total revenue	33.4%	33.7%	40.2%	38.4%
SG&A expenses / total revenue	21.8%	21.1%	19.3%	19.5%
Operating profit / total revenue	7.0%	8.5%	15.8%	13.7%
Tax / PBT**	25.6%	47.0%	7.2%	15.6%
Days sales outstanding	76	68	70	68
ROCE (PBIT / capital employed) - Qtr nos annualised	17.3%	17.6%	38.7%	38.2%

Notes:

1. *Quarter ended and Year ended March 31, 2010, Quarter ended June 30, 2010 and Quarter ended Sep 30, 2010: Figures inclusive of MindTree Wireless Pvt Ltd (consolidated from October 1, 2009)*
2. ***For 30 June 2010, there was a one- time accounting income on dissolution of US subsidiaries and the consequent tax on that income. If this transaction is excluded, the Tax /PBT will be 22.5%.*



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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