



# MindTree Ltd

## Report for the Third Quarter ended December 31, 2011

We wish you a very happy, healthy and successful 2012!!

Q3 has been a seasonally weak quarter in terms of revenue growth (2.3% in USD terms). There was an adverse cross currency impact of about 0.8% in the quarter. If we adjust this impact, our Quarter Over Quarter (QoQ) growth is 3.1% on constant currency terms. However our EBITDA margins showed significant improvement of 450 bps taking the margins to 17.3% in the quarter. This was mainly due to rupee depreciation and also a marginal improvement due to our continued focus on operational excellence initiatives. IT Services business continues its momentum with a good 6.7% growth QoQ and 37.1% Year Over Year (YoY). IT services has reported a 5%+ growth for the last 8 quarters now. Our Product Engineering Services business has declined by 5.4% QoQ, part of the decline was due to customer initiated year end billing freeze.

The global economic situation continues to be challenging. We need to constantly monitor this and be prepared. Over the last few quarters, our strategy to be an expertise led organization has yielded positive results and we believe that this direction will help us in dealing with such challenges more confidently.

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

- In dollar terms, Revenue grew by 2.3% QoQ (3.1% on constant currency basis) and 21.6% YoY to \$103.7 Million. In rupee terms, Revenue grew by 13.8% QoQ and 35.1% YoY to ₹ 5,197 Million.
- In dollar terms, Profit After Tax (PAT) stable QoQ and increased by 79.8% YoY to \$12.1 Million. In rupee terms, PAT increased by 11.2% QoQ and 98.7% YoY to ₹ 606 Million.

Other highlights:

- As of December 31, 2011, MindTree had 258 active customers, including 44 Global Fortune 500 Companies. \$1 million customers increased by 2 to 74; and \$20 million customers increased by 1 to 3.
- MindTree added 846 people on a gross basis during Q3, taking its total people strength to 10,934 as of December 31, 2011.
- Some of the significant client wins during Q3 were:
  - A Global Hotel Chain. MindTree has been chosen as its partner for its transformational e-business initiative.
  - A Global Automobile Company. MindTree has been empanelled as an additional vendor to provide IT services.
  - A Global research based Manufacturing Company. MindTree has been empanelled as an additional vendor to provide IT services.
  - A leading provider of technology based solutions for the ophthalmic industry. MindTree will provide Product Engineering Services.

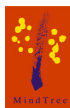


Summary financial results for Q3 are enclosed for your reference. Should you require any additional information or have any questions, Please contact us at [investors@mindtree.com](mailto:investors@mindtree.com).

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 2012



## Consolidated Financial Results

### **Profit and Loss account (Audited)**

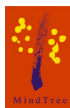
(Rs. In Millions, except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010	March 31, 2011
Income from software services	5,197	4,567	3,848	13,895	11,179	15,090
<b>Expenses</b>						
Employee benefit expenses	3,242	3,047	2,506	9,082	7,240	9,853
Depreciation	173	174	206	527	528	712
Other expenses	1,058	932	892	2,868	2,601	3,459
<b>Profit from operations before other income and interest</b>	<b>724</b>	<b>414</b>	<b>244</b>	<b>1,418</b>	<b>810</b>	<b>1,066</b>
Other income	36	70	16	137	59	86
Foreign exchange gain/(loss)	(25)	171	79	237	82	156
<b>Profit before interest</b>	<b>735</b>	<b>655</b>	<b>339</b>	<b>1,792</b>	<b>951</b>	<b>1,308</b>
Interest	1	1	2	2	2	4
<b>Profit before tax</b>	<b>734</b>	<b>654</b>	<b>337</b>	<b>1,790</b>	<b>949</b>	<b>1,304</b>
Tax expense	128	109	32	294	253	288
<b>Net profit for the period</b>	<b>606</b>	<b>545</b>	<b>305</b>	<b>1,496</b>	<b>696</b>	<b>1,016</b>
Paid up equity share capital (face value Rs. 10/- each)	405	403	399	405	399	400
Reserves	8,176	7,871	6,999	8,176	6,999	7,362
Basic EPS (Rs.)	15.02	13.56	7.66	37.21	17.52	25.53
Diluted EPS (Rs.)	14.91	13.47	7.46	37.20	17.00	24.85

### **Balance Sheet (Audited)**

**Rs in millions**

Particulars	As at	
	December 31, 2011	March 31, 2011
<b>Shareholders funds</b>		
Share capital	405	400
Reserves and surplus	8,176	7,362
Secured loans	265	-
Unsecured loans	42	46
<b>Total</b>	<b>8,888</b>	<b>7,808</b>
<b>Application of Funds</b>		
Fixed assets	2,773	3,034
Investments	2,124	1,112
Deferred tax assets	290	216
<b>Current assets, loans and advances</b>		
Sundry debtors	4,155	2,825
Cash and bank balances	997	459
Loans and advances	2,541	2,514
<b>Less: Current liabilities and provisions</b>		
Current liabilities	3,340	1,822
Provisions	652	530
Net current assets	3,701	3,446
<b>Total</b>	<b>8,888</b>	<b>7,808</b>



## Key Ratios

Ratio analysis (Consolidated)	Quarter ended			Year ended
	December 31, 2011	September 30, 2011	December 31, 2010	March 31, 2011
EBITDA / total revenue	17.3%	12.8%	11.7%	11.8%
Tax / PBT*	17.4%	16.7%	9.5%	22.1%
Days sales outstanding	72	70	68	70
ROCE (PBIT / capital employed) - Qtr nos annualised	33.1%	31.5%	18.2%	16.8%

*\*Year ended March 31, 2011: 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 16.5%.*

*Quarter ended December 31, 2010: The reduced rate is mainly because of the tax benefits obtained on MindTree Wireless merger.*

### **Additional Information:**

- More information on our quarterly results is available in the investors section of our website ([www.mindtree.com](http://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](http://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.

### **Investor Relations Team**

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