



## MindTree Consulting Limited

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

### FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007

(Rs. In Lakhs, except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2007	December 31, 2006	September 30, 2007	December 31, 2007	December 31, 2006	March 31, 2007
	(Limited review)	(Limited review)	(Limited review)	(Limited review)	(Audited)	(Audited)
Revenues	18,650	14,680	18,195	52,995	43,379	59,035
Cost of revenues	12,064	9,272	11,770	34,010	26,857	36,598
<b>Gross profit</b>	<b>6,586</b>	<b>5,408</b>	<b>6,425</b>	<b>18,985</b>	<b>16,522</b>	<b>22,437</b>
Selling, general and administrative expenses	3,359	2,977	3,460	10,186	8,354	11,377
Provision for bad and doubtful debts	23	4	13	48	126	96
<b>Operating profit before interest and depreciation</b>	<b>3,204</b>	<b>2,427</b>	<b>2,952</b>	<b>8,751</b>	<b>8,042</b>	<b>10,964</b>
Interest including finance charges	158	62	179	431	234	300
Depreciation	891	670	808	2,487	1,775	2,444
<b>Operating profit</b>	<b>2,155</b>	<b>1,695</b>	<b>1,965</b>	<b>5,833</b>	<b>6,033</b>	<b>8,220</b>
Foreign exchange gain/(loss)	(239)	61	325	49	(80)	45
Other income	587	127	702	1,913	530	691
<b>Profit before tax</b>	<b>2,503</b>	<b>1,883</b>	<b>2,992</b>	<b>7,795</b>	<b>6,483</b>	<b>8,956</b>
Provision for taxation including fringe benefit tax	474	130	297	1,018	268	415
Deferred tax charge/(credit)	(52)	(132)	(18)	(79)	(335)	(464)
<b>Net profit after tax</b>	<b>2,081</b>	<b>1,885</b>	<b>2,713</b>	<b>6,856</b>	<b>6,550</b>	<b>9,005</b>
Paid up equity share capital (face value Rs. 10/- each)	3,785	3,170	3,779	3,785	3,170	3,775
Reserves as at March 31, 2007	-	-	-	-	-	39,771
Basic EPS (Rs.)	5.53	6.16	7.23	18.23	15.64	28.98
Fully diluted EPS (Rs.)	5.39	5.96	6.98	17.61	14.78	27.70
Aggregate non-promotor shareholding						
Number of shares	24,460,932	18,307,918	24,396,585	24,460,932	18,307,918	24,365,258
Percentage of shareholding	64.62%	57.76%	64.56%	64.62%	57.76%	64.54%

#### SEGMENT WISE REVENUE AND RESULTS

##### Primary segment information (Rupees in lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2007	December 31, 2006	September 30, 2007	December 31, 2007	December 31, 2006	March 31, 2007
	(Limited review)	(Limited review)	(Limited review)	(Limited review)	(Audited)	(Audited)
<b>Segment revenue</b>						
R&D Services	4,197	3,569	4,088	11,900	10,491	14,446
IT Services	14,453	11,111	14,107	41,095	32,888	44,589
<b>Total</b>	<b>18,650</b>	<b>14,680</b>	<b>18,195</b>	<b>52,995</b>	<b>43,379</b>	<b>59,035</b>
<b>Segment operating income</b>						
R&D Services	690	423	584	1,435	1,838	2,540
IT Services	2,521	2,044	2,411	7,346	6,493	8,704
<b>Total</b>	<b>3,211</b>	<b>2,467</b>	<b>2,995</b>	<b>8,781</b>	<b>8,331</b>	<b>11,244</b>
<b>Unallocable</b>						
Expenses	898	710	814	2,517	2,144	2,724
Interest	158	62	179	431	234	300
Other income	348	188	990	1,962	530	736
<b>Profit before tax</b>	<b>2,503</b>	<b>1,883</b>	<b>2,992</b>	<b>7,795</b>	<b>6,483</b>	<b>8,956</b>

#### 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.

**Notes to financial results for the quarter and nine months ended December 31, 2007**

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 January 22, 2008.

2 64,347 shares have been issued on October 23, 2007 and December 28, 2007 upon exercise of the stock options by employees.

3 Item of expenditure exceeding 10% of total expenditure (Rupees in lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	December 31, 2007	December 31, 2006	September 30, 2007	December 31, 2007	December 31, 2006	March 31, 2007
Personnel cost	10,879	7,979	10,630	31,213	23,890	32,253
Travel and conveyance	1,634	1,398	1,826	4,826	3,924	5,459

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 On October 23, 2007, 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 2008.

6 Information on investor complaints pursuant to clause 41 of the Listing Agreement for the quarter ended December 31, 2007:

Nature of Investor complaints	Opening balance	Additions	Disposal	Closing balance
Allotment/Refund/others	8	70	76	2

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

Particulars	Projection in Prospectus	Actual funds utilized till Dec 31, 2007 *
Fund a new development centre in Chennai	12,074	7,636
Prepay certain loans	1,877	1,138
General corporate purposes	7,527	Nil
Share issue expenses paid	2,294	1,887
<b>Total</b>	<b>23,772</b>	<b>10,661</b>

\* funds from IPO proceeds have been invested in short-term mutual funds and bank deposits at December 31, 2007, pending utilisation.

8 Share issue expenses of Rs 1,893 have been offset against balance available in securities premium account. Out of this, Rs 1,887 has been paid till December 31, 2007

9 The Finance Act, 2007 has introduced Fringe Benefit Tax (FBT) on employee stock options. The Company will recover such FBT from the employee, upon the exercise of stock options. The FBT liability and related recovery would be recorded at the time of exercise of options.

10 In December 2007, the Company acquired 100% of the outstanding equity shares of TESPV Electronic Solutions Private Limited, a software consulting services company, for a consideration of Rs.2596.80 lacs (USD 6.55 million) including direct costs of acquisition amounting to Rs.17.23 lacs. Subsequent to the acquisition, TESPV is a fully owned subsidiary of MindTree.

11 Foreign exchange gain/(loss) recorded for the quarter ended December 31, 2007 includes a charge of Rs.363.69 lacs relating to earlier period.

12 Contingent liabilities as on December 31, 2007 include the income tax demands of Rs.64.80 lacs received during the quarter. Based on the evaluation of facts and circumstances, there has been no provision made against the above order, as the Company believes that the final outcome of the order will be in its favour.

13 EPS for the quarter is not annualized.

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

For and on behalf of the Board  
For MindTree Consulting Limited

Bangalore, India  
January 22, 2008

Ashok Soota  
Chairman & Managing Director