Mindtree
Welcome to possible

Registered Office Address: Mindtree Ltd.
Global Village, RVCE Post, Mysore Road,
Bengaluru-560059, Karnataka, India.
Corporate Identity Number (CIN): L72200KA1999PLC025564
E-mail: info@mindtree.com

Ref: MT/STAT/CS/16-17/88

Sep 2, 2016

The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra East,
Mumbai 400 051.

Dear Sirs,

Kind Attention to Mr. Gopala Krishna and Mr. Hari

Subject: Updates on Financial Expectations for Q2 FY17

Mindtree has updated its Financial Expectations for Q2 FY17. Further details are enclosed herewith, for your kind perusal.

Please take the above intimation on records.

Thanking you.
Yours sincerely,

for **Mindtree Limited**

Vedavalli S
Company Secretary

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Mindtree Updates Financial Expectations for Q2 FY17

Bangalore (India) and Warren (NJ), September 02, 2016: Mindtree today provided an update on its financial expectations for the quarter ending Sep 30, 2016 (Q2 FY17). The company expects Q2 FY17 revenue to be lower than the previous quarter. The decline is expected due to cross-currency movements, project cancellations and slower ramp-ups in a few large clients across different verticals and continued weakness in its UK-based subsidiary Bluefin.

Margins are going to be lower than planned with a decline in EBITDA margins in Q2 FY17 compared to Q1 FY17. In light of its weak revenue outlook, the Bluefin business is expected to report an EBITDA loss for the quarter. Mindtree has implemented a range of operational efficiency improvements and cost control measures. The savings derived from these initiatives may not be sufficient to offset the revenue slowdown in Q2 FY17.

The company believes its business fundamentals, strategic direction and market positioning continue to look strong in the medium-term especially with its investments in Digital and Managed Services. Business pipeline from its core services and Magnet 360 is amongst the strongest in the last few years. The company is well-placed to win some of these opportunities, including some large ones to be awarded over the next few months. The uncertainties in the Bluefin business are likely to continue for a few more months given the volatile macroeconomic environment in Europe. The slower revenue momentum in H1 FY17 will delay the aspiration to grow EBITDA margins over FY16. The cost saving measures and other related initiatives will help the company deliver a higher margin in H2 FY17 over H1 FY17. Even with this change in outlook, the company continues to expect its annual revenue growth to be higher than the NASSCOM industry average.

Safe harbour

Certain statements in this update concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

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