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MphasiS Year on year Revenues up 39%, Profits up by 38%; Sequential Quarter Revenues up 5% and Profits maintained

The MphasiS Group consolidated revenues grew by 39% in the quarter ended 31 December 2007 over the same quarter last year to Rs 632 crores from Rs 455 crores. During the same period net profit increased by 38% from Rs 48.1 crores to Rs 66.3 crores. The operating profit for the quarter ended 31 December 2007 increased by Rs 13 crores to Rs 73 crores compared to the operating profit for the quarter ended 31 December 2006 of Rs 60 crores. Both the quarters include the performance of the erstwhile EDS India which was merged with MphasiS with effect from 1 April 2006.

For the nine months ended 31 December 2007, the Group recorded revenues of Rs 1,765 crores, a growth of over 40% compared to the corresponding period of last year. During the same period the net profits increased by Rs 67 crores or 57% from Rs 117 crores to Rs 184 crores.

Consolidated revenues grew by 5% from Rs 602 crores during the quarter ended 30 September 2007 to Rs 632 crores during the quarter ended 31 December 2007 despite an appreciation in the Indian Rupee vis-à-vis the US Dollar while consolidated net profit remained flat at Rs 66.3 crores.

Commenting on the results Mr Deepak Patel, Managing Director & Group COO, said **"As we close the calendar year 2007, we look back with a sense of pride at our achievements . Revenues grew by 66% in 2007 compared to 2006, fuelled by growth in all business lines. ITO business more than doubled in 2007 compared to 2006. We will continue to make investments in resources and infrastructure to support future growth and broaden our service offerings going forward in 2008."**

During the quarter, twelve clients were added in Applications services, four were added in BPO and two were added in ITO aggregating to eighteen new clients including the eleven relationships through EDS. These include a leading automobile company in Europe, a large insurance & financial services company in the US, a leading medical services company in Europe in the Applications services business and a large Indian telecom service provider in the BPO services. The group continued to expand the client base and it has now eighty nine clients with an annualized run rate of more than one million dollars including eight clients in excess of 20 million dollars.

The Group recorded a net headcount increase of 2,158 with BPO and ITO services growing by 1,614 and 438 and Applications services growing marginally. The headcount for the group stands at 26,236 as at 31 December 2007. The utilization rates declined in all businesses in the current quarter owing to increase in capacity to cater to future growth.

Overall debtors days have improved further to 40 from 42 in the last quarter and the Group had a healthy cash reserve of Rs 183 crores as at 31 December 2007.