

Mphasis Group

Audited Consolidated Financial Results

for the quarter and nine months ended 31 December 2007 prepared as per Indian GAAP

Amounts in Rupees Lakhs, unless otherwise indicated

	Quarter ended		Nine months ended		Year ended
	31 December 2007	31 December 2006	31 December 2007	31 December 2006	31 March 2007
Revenues	63,225	45,467	176,550	125,660	176,062
Cost of Sales/Services	46,164	30,991	126,186	88,295	122,813
Gross Profit	17,061	14,476	50,364	37,365	53,249
General Administrative Expenses	3,882	3,481	11,588	9,774	13,485
Selling and Distribution Expenses	2,045	2,130	6,954	6,383	9,017
Depreciation	3,744	2,820	10,195	7,330	10,166
Provision for doubtful debts	91	39	217	141	147
Operating Profit before interest and foreign exchange gain / (loss), net	7,299	6,006	21,410	13,737	20,434
Foreign exchange gain / (loss), net	(439)	(975)	(2,609)	(997)	(1,335)
Interest income/(expense), net	161	152	681	479	751
Operating Profit after interest	7,021	5,183	19,482	13,219	19,850
Other (income)/expense	(1)	21	(37)	13	18
Profit before tax	7,022	5,162	19,519	13,206	19,832
Tax Expense	397	356	1,132	1,484	1,825
Net Profit after tax	6,625	4,806	18,387	11,722	18,007
Paid-up equity share capital of Rs 10 each	20,866	16,241	20,866	16,241	20,818
Reserves excluding Revaluation Reserves	97,576	78,465	97,576	78,465	79,359
Earnings per share - Basic (Rs)	3.18	2.33	8.83	5.70	8.74
Earnings per share - Diluted (Rs)	3.15	2.30	8.75	5.63	8.61
Public share holding					
Number of Shares	81,550,859	79,406,981	81,550,859	79,406,981	81,069,552
Percentage of shareholding	39.08%	48.89%	39.08%	48.89%	49.41%

For Mphasis Limited stand-alone financials summary and detailed Management Discussion & Analysis of results of operations and financial condition, including detailed analysis of revenues, client concentration and human resources, please visit our website www.mphasis.com

	Quarter ended		Nine months ended		Year ended
	31 December 2007	31 December 2006	31 December 2007	31 December 2006	31 March 2007
Segment Revenue					
Application Services	41,704	31,364	116,484	87,710	120,015
BPO Services	13,694	10,309	39,281	29,684	42,147
ITO Services	7,827	3,794	20,785	8,266	13,900
Net Sales/Income from Operations	63,225	45,467	176,550	125,660	176,062
Segment Results : Profit before tax and interest					
Application Services	9,208	8,652	27,832	22,626	31,688
BPO Services	3,004	2,644	9,368	6,894	10,292
ITO Services	1,499	632	4,143	1,307	2,205
	13,711	11,928	41,343	30,827	44,185
Interest (income) / expense, net	(161)	(152)	(681)	(479)	(751)
Other unallocable expenditure, net of unallocable income	6,850	6,918	22,506	18,100	25,104
Profit before tax	7,022	5,162	19,518	13,206	19,832
Capital Employed (Segment assets - Segment liabilities)					
Application Services	68,056	55,351	68,056	55,351	60,290
BPO Services	38,184	36,357	38,184	36,357	39,824
ITO Services	7,371	3,178	7,371	3,178	3,412
Unallocated	5,440	4,950	5,440	4,950	(2,677)
Total	119,051	99,836	119,051	99,836	100,849

- Notes :**
- 1) The above results were taken on record at the Board Meeting held on 30 January 2008. There are no qualifications in the auditors' reports for these periods.
 - 2) Total staff cost for the quarter and nine months ended 31 December 2007 were Rs 344.62 and Rs 948.71 respectively (quarter and nine months ended 31 December 2006 were Rs 229.13 and Rs 643.57 respectively).
 - 3) Michael Coomer was appointed to the position of Director and Non-executive Chairman in the Board of Mphasis Limited with effect from 5 January 2008, upon the resignation of Jaithirh Rao.
 - 4) During the quarter, the Payment of Bonus Act, 1965 has been amended with retrospective effect from 1 April 2006 resulting in an additional payout of Bonus. The amount for the period ended 30 September 2007 is Rs 298.18, in the current quarter. Operating Margin impact is 0.47% and 0.17% for the quarter and nine months ended 31 December 2007 respectively.
 - 5) The Company had Nil investor complaint pending at the beginning of the quarter; received and resolved five complaints during the quarter and has Nil complaint unresolved as at the end of the quarter.

Registered Office:
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 Byrasandra, C V Raman Nagar, Bangalore 560093.

Bangalore, 30 January 2008

By order of the Board
 Mphasis Limited

Deepak Patel, Managing Director