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EDS Moves to Complete Acquisition of Majority Stake in Mphasis

- More than required 83 million shares of Indian outsourcer tendered
- Transaction expected to be completed by end of June
- Total India work force projected to exceed 20,000 by year end

BANGALORE, India and PLANO, Texas – EDS today announced it has succeeded in its efforts to acquire a majority stake of Mphasis BFL Limited, a leading applications and business process outsourcing (BPO) services company based in Bangalore, India.

More than the required 83 million shares of Mphasis have been tendered in response to EDS' conditional open offer of Rupees 204.5 per share (approximately US\$4.50), which closed on June 5. Total consideration for the transaction that gives EDS a majority stake in Mphasis is approximately US\$380 million cash. The transaction is expected to be completed by the end of June, subject to administrative settlement procedures.

"The acquisition will not only bolster our current offshore delivery capabilities in priority growth areas, but will also allow EDS to deliver a stronger value proposition to better align with clients' changing needs," said Mike Jordan, EDS chairman and chief executive officer. "The acquisition also gives us access to a world-class management team, a global talent pool and marquee clients."

Jerry Rao, chairman and CEO of MphasiS said: "We look forward to EDS' majority ownership of MphasiS and the expanded opportunities EDS brings to MphasiS' employees and clients through its global footprint. For MphasiS, this means being able to offer our clients infrastructure outsourcing services in addition to our current application services and BPO offerings."

The purchase, one of the largest in the Indian IT services sector, gives EDS access to 11,000 India-based employees skilled in advanced applications development, emerging technologies, BPO/CRM services, and an applications development and business process services-focused sales channel.

"This acquisition is about leveraging MphasiS' management knowledge and technical capabilities," said EDS Chief Operating Officer Ron Rittenmeyer. "MphasiS will enable us to accelerate our growth in applications development and more rapidly add scale in business process and CRM services."

Based on MphasiS' most recent annual results for the fiscal year ended March 31, 2006, it reported annual revenue of 9,401.0 million Rupees (approximately US\$210 million) and net profit of 1,498.6 million Rupees (approximately US\$33 million). MphasiS is one of the fastest growing offshore providers of IT and business process services. The company's blend of industry knowledge, technology expertise and client relationships, particularly in financial services, has enabled it to quadruple in revenue over the past five years.

MphasiS will continue to operate with its current management team and company name following completion of the transaction. Jerry Rao will continue in his current capacity as CEO of MphasiS. Jeroen Tas will continue in his current capacity as vice chairman of MphasiS. EDS will appoint a majority of the MphasiS board of directors and is evaluating the consolidation of its existing India operations with the MphasiS operations.

This transaction supports EDS' Global Best ShoreSM delivery strategy, which provides a full range of high-quality, cost-competitive services from designated onshore, near-shore and offshore locations. EDS has approximately 16,000 employees in 27 Best Shore countries, with more than 3,000 in India. With the addition of Mphasis and current expansion plans, EDS' total India work force is projected to exceed 20,000 employees by year end.

About Mphasis

Mphasis BFL Limited (Bombay Stock Exchange: 526299 and National Stock Exchange of India: MPHASISBFL), a leading applications and business process outsourcing (BPO) services company based in Bangalore, India, currently has 12,000 employees, including 11,000 in India. Mphasis serves clients in multiple industries, including financial services, transportation, technology and healthcare, and is particularly strong in the retail banking sector serving the world's top five banks. To know more, please visit www.mphasis.com

About EDS

EDS (NYSE:EDS) is a leading global technology services company delivering business solutions to its clients. EDS founded the information technology outsourcing industry more than 40 years ago. Today, EDS delivers a broad portfolio of information technology and business process outsourcing services to clients in the manufacturing, financial services, healthcare, communications, energy, transportation, and consumer and retail industries and to governments around the world. EDS had 2005 revenue of \$19.8 billion. Learn more at eds.com.

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