

Mphasis' Revenues at ₹ 1,329 Crores in Q2 FY 2012
EBIT margins improve 120 bps in Q2
Net profit for the quarter up 2.5% QoQ at ₹ 189 Crores

Bangalore, 01 June 2012: Mphasis, leading IT Services Company, today announced its financial results for the second quarter ended 30 April 2012.

Consolidated revenues for the second quarter ended 30 April 2012 were at ₹ 1,329 crores, an increase of 5.7% compared to ₹1,257 crores in the preceding year.

Operating profits increased by 5.1% sequentially to ₹ 216 crores. EBIT margins expanded 120 bps in Q2 FY12 to 16.2% on the back of strong emphasis on cost rationalization over the last few quarters and productivity gains from the flattening of the delivery pyramid. Net profit for the quarter stood at ₹ 189 crores, up 2.5% sequentially. Strong focus on cost, productivity and quality of revenues has led to an overall improvement of 80 bps in profitability this quarter which rose to 14.3%. EPS for the quarter was ₹ 9.02 up ₹ 0.22 from the previous quarter.

Direct business revenues grew by 35.5% on a YoY basis, while declining 3.2% sequentially to ₹ 563 crores. Direct channel contributed to 42% of the total revenues in Q2 FY12, continuing the momentum of alleviating single client concentration risk. The Direct business saw a healthy addition of 14 new logos out of the 18 additions in the quarter.

"Our profit improvement is the key feature of the quarter. Combination of cost optimization and improved quality of revenue were the key drivers resulting in improved profitability. Our hyper-specialization journey continues and that is generating higher quality pipeline," said **Ganesh Ayyar, Chief Executive Officer, Mphasis.**

Cash and cash equivalents increased by ₹ 157 crores during the quarter to reach ₹ 2,339 crores or ₹ 111 per share. DSO improved by eight days from the preceding quarter to 80 days.

About Mphasis

Mphasis is a \$1 billion global service provider, delivering technology based solutions to clients across the world. With currently over 37,000 employees, Mphasis services clients in Banking and Capital Markets, Insurance, Manufacturing, Communications, Media & Entertainment, Healthcare & Life Sciences, Transportation & Logistics, Retail & Consumer Packaged Goods, Energy & Utilities and Governments around the world. Our competency lies in our ability to offer integrated service offerings in Applications, Infrastructure Services and Business Process Outsourcing capabilities. We are uniquely positioned to offer our clients the highest level of expertise and competitive costs. To know more about Mphasis, log on to www.mphasis.com.

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