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S.R. BATLIBOI & CO.

Chartered Accountants

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Auditor's Report on Quarterly Consolidated Financial Results and Consolidated Year to Date Results of Mphasis Limited Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of Mphasis Limited:

1. We have audited the quarterly consolidated financial results of Mphasis Limited ('the Company') and its subsidiaries (collectively referred to as the 'Mphasis Group') for the quarter ended April 30, 2012 and the consolidated year to date results for the period November 01, 2011 to April 30, 2012, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results as well as the year-to-date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended), as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We report that quarterly and year to date condensed consolidated financial statements have been prepared by the Company's management in accordance with the requirements of AS 21, Consolidated financial statements and AS 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended), as per Section 211(3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year-to-date results:
 - (i) include the quarterly and year-to-date financial results of the following entities:
 - Mphasis Corporation
 - Mphasis Deutschland GmbH
 - Mphasis Australia Pty Ltd
 - Mphasis (Shanghai) Software & Services Company Limited
 - Mphasis Consulting Limited
 - Mphasis Finscore Limited
 - Mphasis Ireland Limited
 - Mphasis Belgium BVBA
 - Mphasis Europe BV
 - Mphasis Pte Ltd
 - Mphasis UK Limited
 - Mphasis Software and Services (India) Private Limited



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- Msource Mauritius Inc.
- Msource (India) Private Limited
- Mphasis Lanka (Private) Limited
- Mphasis Poland s.p.z.o.o.
- Msource India BPO Private Limited
- Mphasis Infrastructure Services Inc.
- PT. Mphasis Indonesia
- Mphasis Wyde Inc.
- Wyde Corporation
- Wyde Inc., S.A.
- Wyde Solutions Canada Inc.
- Wyde Tunisie SARL

(ii) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and

(iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended April 30, 2012 as well as the consolidated year to date results for the period from November 01, 2011 to April 30, 2012.

5. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. BATLIBOI & Co.
Firm registration number: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No. 56102



Bangalore, India
June 01, 2012

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S.R. BATLIBOI & Co.
Chartered Accountants

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Auditor's Report on Quarterly Financial Results and Year to Date Results of Mphasis Limited Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of Mphasis Limited

1. We have audited the quarterly financial results of Mphasis Limited ('the Company') for the quarter ended April 30, 2012 and the year-to-date results for the period November 01, 2011 to April 30, 2012, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as year-to-date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended), as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter-ended April 30, 2012 as well as the year-to-date results for the period from November 01, 2011 to April 30, 2012.
4. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

S.R. Batliboi
For S.R. BATLIBOI & Co.
Firm registration number: 301003E
Chartered Accountants

Navin Agrawal
per Navin Agrawal
Partner
Membership No. 56102
Bangalore, India
June 01, 2012



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Press Release



Mphasis' Revenues at ₹ 1,329 Crore in Q2 FY2012 EBIT margins improve 120 bps in Q2 Net profit for the quarter up 2.5% QoQ at ₹ 189 Crore

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 crore, an increase of 5.7% compared to ₹1,257 crore in the preceding year.

Operating profits increased by 5.1% sequentially to ₹216 crore. 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 crore, 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 crore. 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 crore during the quarter to reach ₹ 2,339 crore 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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