

Chairman's Speech

Good Morning Ladies and Gentlemen. Welcome to the Nineteenth Annual General Meeting of Mphasis Limited. Thank you for your presence here today.

I am happy to inform you that Mphasis has crossed the \$1 billion revenue milestone, making us one of the only six Indian IT companies to achieve this feat. This is a proud moment for the Mphasis family. With this, we have added another feather in our cap and are pleased to have reached this important milestone.

Let me begin by taking you through some highlights around our governance, financial performance and then share our strategy for company's growth ahead.

Governance

The Board of Directors of Mphasis was reconstituted in July 2010. The directors bring with them breadth and depth of expertise and industry experience. As members of the Board, we are steering this company to think about the next goals and the longer journey ahead. I would like to introduce to you our new directors.

Mr. Francesco Serafini - Francesco Serafini is Executive Vice President of Emerging Markets at HP. In this role, he heads strategy, planning, coordination and growth initiatives across emerging market countries. Serafini has more than 25 years of experience in the IT services marketplace.

Mr. Balu Doraisamy – Balu Doraisamy has more than 25 years of experience with HP(including acquisitions). Balu was Managing Director of HP Asia Pacific and Japan region (APJ) and Senior Vice President of HP Enterprise Business in APJ, when he retired from the services of HP. Prior to his regional roles, Balu served as the Managing Director of HP India, having joined HP from Compaq, where as Managing Director for India he led the company to become the number one technology vendor in the domestic market.

Mr. Juergen Reiners - Juergen Reiners, is the Vice President of HP's Global Business Services, and is responsible for developing HP's shared services strategy and global operating model. His current scope of functions includes finance and accounting, human resources, supply chain, service administration and marketing support. In his current role, Juergen leads a team of more than 16,000 people spread across 12 major hubs and co-located in 56 major countries. With over two decades of experience, Juergen has held a variety of international senior management positions both for HP and other companies.

Mr. Gerard Brossard - Gerard Brossard is Vice President of Strategy and Corporate Development at HP. In this role, he is chartered with optimizing HP's labor model and location footprint to create a competitive human capital advantage that better positions the company to drive growth through improved sales coverage, more effective service delivery and lower costs. Brossard's 20-year HP career has included a variety of positions in the IT and HR organizations in both Europe and the U.S

You are familiar with our other Directors, let me anyway introduce them also.

Nawshir H Mirza - Nawshir joined Board of Mphasis in January 2004. He is a fellow member of Institute of Chartered Accounts of India. He spent most of his career with Ernst & Young and was a Senior Partner with the firm. Nawshir, is also a Director on the Boards of Tata Power Company Limited and Foodworld Super Markets among other companies. He is actively involved in philanthropy working with underprivileged children.

Davinder Singh Brar – Davinder joined the Board of Mphasis in April 2004. Davinder is a successful entrepreneur, having worked with some very well known names across industries in India. Currently, he is also on the boards of Maruti Udyog Limited and GVK Bio Sciences Private Limited among others.

Prakash Jothee - Prakash joined the Board of Mphasis in February 2009. At HP, he is Vice President in the Office of Strategy and Technology. Jothee is responsible for leading all major high-value strategic HP initiatives and leads all major HP Enterprise Services transformation efforts.

Ganesh Ayyar – Ganesh is the CEO of Mphasis, responsible for the overall management of the company. He is a member of the Mphasis Board of Directors. With more than 25 years of experience, Ganesh joined Mphasis from HP where his last

assignment was that of Vice President, Managed Services, Asia Pacific & Japan leading selective sourcing and small and medium outsourcing deals.

I would also like to re-introduce myself as **Dr. Friedrich Froeschl** - Chairman and Director of the Mphasis Board of Directors. I currently head Hi Tec Invest GmbH & Co. which is a private equity management and consulting company with focus on information and communication technology industries. Prior to founding Hi Tec Invest, I was associated with Siemens AG as Corporate Vice President for Corporate Information and Operations (CIO) and a member of the Managing Board. I joined the Board of Mphasis in March 2009 and have been working closely with the management thus far. It has been a challenging and exciting assignment of helping Mphasis grow and gain its place as a Tier I IT Services provider. We have done well so far and hope to continue our winning streak.

Financial Performance

Financially FY 2010 was a landmark year for Mphasis. The Company's consolidated revenue for the year ended 31 October 2010 was Rs. 5,037 crores, crossing the \$1 billion mark. Our revenue grew 18.1% over last year's revenue of Rs. 4,264 crores. During the year, net profit increased by 20.0% from Rs. 909 crores to Rs. 1,091 crores. The company's operating profit during the year ended 31 October 2010 was Rs. 1,101 crores, a growth of 19.0% in comparison to the previous year. Operating margins improved to 21.9% for the year from 21.7% last year. EPS for the year was Rs. 52.00, an increase of 19.7% in comparison to the previous year.

Strategic Direction

This has been an important year for Mphasis. It has taken us 12 years to reach the billion dollar revenue mark and we are now ready and excited to reach the next billion much faster.

We have revised our strategy and brought about changes that will drive the next phase of growth. While we grow and are provided with opportunities of a large company, our intention is to retain the soul and smile of a small company. Our strategic direction includes

- A Well balanced approach towards both our partner HP and our direct customers. In FY 2010 71% of our revenue came from the HP Channel and 29% revenue from the Direct Channel.
- Play in chosen verticals to establish leadership position in 2-3 chosen areas. This includes an increased focus on verticals such as Banking & Capital Markets and Insurance
- Select Country strategy and maintenance of a good balance of developed and emerging countries
- IP and Surround IP led offerings to drive non linear growth, beyond pure labour arbitrage.

Keeping this in mind, we made changes to our structure. We are committed to the implementation of our plans. This will enable us to execute and achieve our ambitious targets.

2010 was a year of change and transforming ourselves for the next leap of growth. Given our good results in 2010, The Board of Directors has recommended a 40% dividend i.e. Rs. 4 per share for the year 2009-10.

Going ahead, we see 2011 as a year of transformation. Our aim will be to grow our direct business faster than market. Our strategy is designed to benefit our business by a sharper focus on sales, increasing the number of market facing units and ensuring tight alignment of sales with delivery. We will continue to hire aggressively in the marketplace, while encouraging innovation and incubation of new business ideas.

We are excited by the future prospects for the IT industry and Mphasis. We have a clear mission of what we want to achieve and have chartered our course. We count on your continued support as we work hard to ensure success.

I would like to end by thanking a few important stakeholders. I would like to thank our customers who have shown faith in us and given us their business and our employees who have worked tirelessly to ensure customer delight. I would also like to recognize the efforts of the Mphasis Board of Directors and Management Team who have steered the Company to achieve success.

Most of all to each one of you shareholders my sincere thanks for your continued support and encouragement.

Chairman and Director – 19th Annual General Meeting
Dr. Friedrich Froeschl