

Firstsource Reports Third Quarter Fiscal 2016 Revenues of Rs 8,178 million

Q-o-Q growth of 3.2%, Y-o-Y growth of 8.9%

Operating EBIT of Rs 845 million

Up Q-o-Q by 5.5% and Y-o-Y by 13.3%

PAT (profit after tax) of Rs 670 million

Up Q-o-Q by 8.4% and Y-o-Y by 16.6%

January 28, 2016: At its Board meeting held in Kolkata today, Firstsource Solutions Limited (NSE:FSL, BSE:532809), a RP-Sanjiv Goenka Group Company and a global provider of customized Business Process Management (BPM) services, reported its consolidated financial results for the third quarter ended December 2015 according to Indian GAAP.

Highlights for the Quarter ended December 31, 2015:

- Revenues of Rs 8,178 million, up 3.2% Q-o-Q compared to Rs 7,925 million for the quarter ended September 2015 and up 8.9% Y-o-Y compared to Rs 7,510 million for the quarter ended December 2014.
- Operating EBIT (earnings before interest and tax) of Rs 845 million, up 5.5% Q-o-Q compared to Rs 801 million for the quarter ended September 2015 and up 13.3% Y-o-Y compared to Rs 746 million for the quarter ended December 2014.
- PAT (profit after tax) of Rs 670 million, up 8.4% Q-o-Q compared to Rs 619 million for the quarter ended September 2015 and up 16.6% Y-o-Y compared to Rs 575 million for the quarter ended December 2014.
- Cash position is at Rs 1,540 million.
- Employee strength at 23,918 as of December 31, 2015. Increase of 260 employees in the quarter.
- Q3 annualized attrition (post 180 days):
 - Offshore (India and Philippines) – 44.7% compared to 44.9% in Q2 FY2016
 - Onshore (US and Europe) – 43.2% compared to 48.9% in Q2 FY2016
 - Domestic (India and Sri Lanka) – 65.2% compared to 76.0% in Q2 FY2016
- As of December 31, 2015, Firstsource derived 52.6% revenues from the US, 39.6% from the UK and 7.8% from Rest of World, including India.
- As of December 31, 2015, Firstsource derived 38.6% revenues from Telecom & Media, 37.8% from

Healthcare, 23.2% from BFSI and 0.4% from other verticals.

Key Company Highlights during the Quarter:

- **Acquisition:** Firstsource has entered into a Definitive Agreement with ISGN, a leading full service provider of mortgage technology and services, to acquire its BPO division. Over 700 employees from ISGN's BPO division in the United States and India will become a part of Firstsource through this acquisition. This strategic acquisition helps Firstsource penetrate into the growing US mortgage BPO market. It also provides Firstsource with marquee customers, strengthens its Banking, Financial Services and Insurance (BFSI) portfolio and offers significant potential opportunities for cross-selling of services.

Commenting on the acquisition of ISGN's BPO division, Firstsource Chairman Sanjiv Goenka says:

"The acquisition marks Firstsource's penetration into the growing US mortgage BPO market. ISGN's deep knowledge in the mortgage outsourcing space coupled with a set of marquee customers provides us with significant opportunities to cross-sell capabilities and leverage our global relationships. We welcome ISGN employees to the Firstsource family and wish them continued success."

Business highlights:

- **Business Wins:** Won additional contracts for the quarter across the verticals it operates in, with existing and new clients.
- **Partnerships:** As part of its CSR strategy in the UK, Firstsource partnered with Northern Ireland's leading providers of quality employment & learning services, Ingeus and Springvale Employment, to support long-term unemployed personnel by innovatively enabling them to train, develop and upskill through a career with Firstsource.
- **Awards and Accolades:** Received the 'Innovation in Outsourcing' award for its partnership with giffgaff at the National Outsourcing Association's (NOA) Awards 2015.
- **Debt Repayment:** Firstsource Group USA, wholly owned subsidiary of Firstsource Solutions successfully made the quarterly principal repayment of USD 11.25million on its outstanding debt on December 31, 2015.

Commenting on the results, Firstsource Chairman Sanjiv Goenka says:

"Our third quarter results are consistent with expectations. We have been able to effectively meet operational as well as financial targets. Building on our growth momentum, we expect to see more demand across our key verticals. We will continue to invest to expand our solutions portfolio and provide long-term value to our clients and stakeholders."

About Firstsource

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN), a RP-Sanjiv Goenka Group company is a global provider of customized BPM (Business Process Management) services to the Banking & Financial Services, Insurance, Telecommunications, Media and Publishing and Healthcare sectors. The company's clients include FTSE 100, Fortune 500 and Nifty 50 companies. Firstsource has a "Rightshore" delivery model with operations in India, the Philippines, Sri Lanka, the UK and the US. (www.firstsource.com).

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