

Firstsource Solutions Limited



Profit and Loss account summary

(Consolidated numbers)

firstsource

(As per Indian GAAP)

In Rs million, except per share data

Particulars	Quarter ended		Growth % in Q2 FY10 over Q2 FY09	Quarter ended Jun 30, 2009	Growth % in Q2 FY10 over Q1 FY10
	Sep 30, 2009	Sep 30, 2008			
INCOME					
Income from services	4,883.9	4,290.1		4,807.4	
Other Operating Income	3.3	(40.3)		37.4	
REVENUES FROM OPERATIONS	4,887.2	4,249.8	15.0%	4,844.8	0.9%
EXPENDITURE					
Operating expenses	1,170.6	1,164.5		1,305.4	
Personnel expenses	3,002.0	2,440.8		2,843.0	
Total (B)	4,172.6	3,605.3		4,148.4	
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	714.6	644.5	10.9%	696.4	2.6%
Operating EBITDA %	14.6%	15.2%		14.4%	
Depreciation / amortization	226.3	211.6		227.0	
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	488.4	432.9	12.8%	469.4	4.0%
Operating EBIT %	10.0%	10.2%		9.7%	
Extraordinary (expense)	-	-		(84.0)	
Interest Income / (expense), net	(55.4)	(6.7)		(44.4)	
Exchange gain/ (loss) on Foreign currency loan	(42.7)	1.8		(55.7)	
Gain/(loss) due to exchange variation and amortised (cost) on fair value of FCCB	(27.7)	(28.4)		(29.2)	
Gain on FCCB Buy back	-	-		73.9	
Other Income / (expense)	(12.2)	(45.2)		117.7	
PROFIT/(LOSS) BEFORE TAX (PBT)	350.4	354.5	-1.2%	447.7	-21.7%
PBT (% of Total Income)	7.2%	8.4%		9.0%	
Taxes	57.9	72.6		64.9	
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	292.4	281.9	3.7%	382.9	-23.6%
Minority Interest	1.2	(0.9)		2.7	
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	291.2	282.8	3.0%	380.2	-23.4%
PAT (% of Total Income)	6.0%	6.7%		7.7%	
EARNINGS PER SHARE (Equity shares of par value Rs 10/ each)					
Basic	0.68	0.66		0.89	
Diluted	0.61	0.61		0.78	

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In Rs million, except per share data

Particulars	Six Months ended		Growth (%)
	Sep 30, 2009	Sep 30, 2008	
INCOME			
Income from services	9,691.3	8,305.7	
Other Operating Income	40.7	23.0	
REVENUES FROM OPERATIONS	9,732.0	8,328.7	16.8%
EXPENDITURE			
Operating expenses	2,476.0	2,281.8	
Personnel expenses	5,845.0	4,797.2	
Total (B)	8,321.0	7,079.0	
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	1,411.0	1,249.6	12.9%
Operating EBITDA %	14.5%	15.0%	
Depreciation / amortization	453.3	434.8	
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	957.7	814.8	17.5%
Operating EBIT %	9.8%	9.8%	
Extraordinary (expense)	(84.0)	-	
Interest Income / (expense), net	(99.8)	(22.5)	
Exchange gain/ (loss) on Foreign currency loan	(98.4)	(5.5)	
Gain/(loss) due to exchange variation and amortised (cost) on fair value of FCCB	(56.9)	(830.0)	
Gain on FCCB Buy back	73.9	-	
Other Income / (expense)	105.6	(28.4)	
PROFIT/(LOSS) BEFORE TAX (PBT)	798.1	(71.6)	
PBT (% of Total Income)	8.1%	-0.9%	
Taxes	122.8	146.9	
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	675.3	(218.5)	
Minority Interest	3.9	(0.8)	
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	671.4	(217.7)	
PAT (% of Total Income)	6.8%	-2.6%	
EARNINGS PER SHARE (Equity shares of par value Rs 10/ each)			
Basic	1.57	(0.51)	
Diluted	1.40	(0.51)	

Firstsource Solutions Limited



Balance sheet summary
(Consolidated numbers)

(As per Indian GAAP)

In Rs million

Particulars	As on	
	Sep 30, 2009	Jun 30, 2009
SOURCES OF FUNDS		
Shareholder's funds		
Share capital	4,288.5	4,284.8
Reserve and surplus	9,566.1	9,289.7
	13,854.6	13,574.5
Minority interest	54.3	52.8
Loan funds		
Secured loans	2,989.0	2,490.2
Unsecured loans	11,108.2	10,951.6
	28,006.1	27,069.1
APPLICATION OF FUNDS		
Goodwill on consolidation	21,909.7	21,835.9
Fixed assets		
Gross block	6,488.6	6,468.9
Less: Accumulated depreciation and amortization	4,551.2	4,384.5
Net block	1,937.4	2,084.4
Add: Capital work in progress (including capital advances)	75.3	44.4
	2,012.7	2,128.7
Investments	623.9	16.9
Deferred tax asset, (net)	132.9	148.5
Current assets, loans and advances		
Sundry debtors	2,482.9	2,814.7
Unbilled revenues	622.5	545.5
Cash and bank balances	1,185.6	791.1
Loans and advances	1,440.6	1,185.0
	5,731.5	5,336.4
Less: Current liabilities and provisions		
Current liabilities	1,855.9	1,962.1
Provisions	548.8	435.2
	2,404.7	2,397.2
Net current assets	3,326.9	2,939.1
	28,006.1	27,069.1

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OPERATING METRICS

Revenue by Industry					
	Quarter Ended			Year Ended	
	Sep 30, 2009	Sep 30, 2008	Jun 30, 2009	Mar 31, 2009	Mar 31, 2008
Healthcare	37.6%	39.1%	39.9%	39.9%	29.8%
Telecom & Media	38.1%	32.7%	35.0%	32.4%	36.0%
BFSI	22.4%	25.7%	23.3%	25.2%	30.8%
Others	1.9%	2.5%	1.9%	2.5%	3.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Geography					
	Quarter Ended			Year Ended	
	Sep 30, 2009	Sep 30, 2008	Jun 30, 2009	Mar 31, 2009	Mar 31, 2008
US (including Canada)	59.7%	62.3%	62.8%	63.0%	54.0%
UK	27.1%	26.8%	25.4%	26.0%	35.0%
India	12.5%	10.7%	11.2%	10.8%	10.8%
Rest of world	0.7%	0.2%	0.5%	0.3%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Delivery location					
	Quarter Ended			Year Ended	
	Sep 30, 2009	Sep 30, 2008	Jun 30, 2009	Mar 31, 2009	Mar 31, 2008
Offshore	29.1%	31.5%	29.4%	30.5%	39.6%
Domestic	12.5%	10.7%	11.2%	10.8%	10.8%
Onshore	58.4%	57.8%	59.3%	58.8%	49.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Client Concentration					
	Quarter Ended			Year Ended	
	Sep 30, 2009	Sep 30, 2008	Jun 30, 2009	Mar 31, 2009	Mar 31, 2008
Client contribution to revenues					
Top customer	12.3%	10.0%	10.4%	10.3%	14.4%
Top 5 customers	33.2%	32.2%	30.4%	31.2%	37.4%

Employee and Seats Metrics					
	Quarter Ended			Year Ended	
	Sep 30, 2009	Sep 30, 2008	Jun 30, 2009	Mar 31, 2009	Mar 31, 2008
Total employees (end of period)	26,432	19,576	23,355	21,570	17,369
Net Addition	3,077	1,223	1,785	4,201	2,973
Employees in India	20,890	15,050	18,416	16,859	13,159
Employees outside India	5,542	4,526	4,939	4,711	4,210
Number of seats	19,870	15,538	19,587	18,932	14,989
Seat fill factor	76%	75%	73%	70%	73%

Attrition Snapshot		
	Post 180 days attrition - Quarter annualized	
	Q2 FY10	Q1 FY10
Domestic	76.9%	86.6%
Offshore (India, Argentina and Philippines)	39.1%	31.3%
Onshore (US and UK)	42.4%	33.0%

Other Metrics		
	Period Ended	
	Six months ended Sep 30, 2009	Year Ended Mar 31, 2009
Capital Expenditure (INR million)	256.4	981.0