

Firstsource Solutions Limited



Profit and Loss account summary
(consolidated figures)

(As per Indian GAAP)

In Rs million, except per share data

| Particulars | Quarter ended | | Growth % in Q2 FY11 over Q2 FY10 | Quarter ended | Growth % in Q2 FY11 over Q1 FY11 |
|--|-----------------|-----------------|---|------------------|---|
| | Sep 30, 2010 | Sep 30, 2009 | | Jun 30, 2010 | |
| INCOME | | | | | |
| Income from services | 4,900.1 | 4,883.9 | | 4,758.8 | |
| Other Operating Income | 135.6 | 3.3 | | 148.3 | |
| REVENUES FROM OPERATIONS | 5,035.7 | 4,887.2 | 3.0% | 4,907.0 | 2.6% |
| EXPENDITURE | | | | | |
| Operating expenses | 1,237.9 | 1,168.7 | | 1,227.9 | |
| Personnel expenses | 3,092.5 | 3,002.0 | | 2,998.5 | |
| | 4,330.4 | 4,170.7 | | 4,226.4 | |
| OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA) | 705.3 | 716.5 | -1.6% | 680.7 | 3.6% |
| Operating EBITDA % | 14.0% | 14.7% | | 13.9% | |
| Depreciation / amortization | 213.0 | 226.3 | | 212.9 | |
| OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT) | 492.3 | 490.2 | 0.4% | 467.8 | 5.2% |
| Operating EBIT % | 9.8% | 10.0% | | 9.5% | |
| Extraordinary (expense) | - | - | | - | |
| Interest Income / (expense), net | (53.3) | (57.3) | | (57.1) | |
| Exchange gain/ (loss) on Foreign currency loan | (1.1) | (42.7) | | 2.7 | |
| Amortized (cost) on fair value of FCCB | (31.3) | (27.7) | | (30.4) | |
| Gain on FCCB Buy back | - | - | | - | |
| Other Income / (expense) | 8.8 | (12.2) | | 23.5 | |
| PROFIT/(LOSS) BEFORE TAX (PBT) | 415.4 | 350.4 | 18.6% | 406.6 | 2.2% |
| PBT (% of Total Income) | 8.2% | 7.2% | | 8.2% | |
| Taxes | 79.1 | 57.9 | | 79.7 | |
| PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST | 336.3 | 292.4 | 15.0% | 326.9 | 2.9% |
| Minority Interest | 4.2 | 1.2 | | 6.2 | |
| PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT) | 332.1 | 291.2 | 14.0% | 320.7 | 3.6% |
| PAT (% of Total Income) | 6.6% | 6.0% | | 6.5% | |
| EARNINGS PER SHARE (Equity shares of par value Rs 10/ each) | | | | | |
| Basic | 0.77 | 0.68 | | 0.75 | |
| Diluted | 0.70 | 0.61 | | 0.68 | |

Firstsource Solutions Limited



Profit and Loss account summary (Consolidated numbers)

(As per Indian GAAP)

In Rs million, except per share data

| Particulars | Six Months ended | | Growth (%) |
|--|------------------|----------------|--------------|
| | Sep 30, 2010 | Sep 30, 2009 | |
| INCOME | | | |
| Income from services | 9,658.9 | 9,691.3 | |
| Other Operating Income | 283.8 | 40.7 | |
| REVENUES FROM OPERATIONS | 9,942.7 | 9,732.0 | 2.2% |
| EXPENDITURE | | | |
| Operating expenses | 2,465.8 | 2,472.4 | |
| Personnel expenses | 6,090.9 | 5,845.0 | |
| Total (B) | 8,556.8 | 8,317.4 | |
| OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA) | 1,386.0 | 1,414.6 | -2.0% |
| Operating EBITDA % | 13.9% | 14.5% | |
| Depreciation / amortization | 425.9 | 453.3 | |
| OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT) | 960.1 | 961.3 | -0.1% |
| Operating EBIT % | 9.7% | 9.9% | |
| Extraordinary (expense) | - | (84.0) | |
| Interest Income / (expense), net | (110.3) | (103.4) | |
| Exchange gain/ (loss) on Foreign currency loan | 1.6 | (98.4) | |
| Gain/(loss) due to exchange variation and amortised (cost) on fair value of FCCB | (61.7) | (56.9) | |
| Gain on FCCB Buy back | - | 73.9 | |
| Other Income / (expense) | 32.3 | 105.6 | |
| PROFIT/(LOSS) BEFORE TAX (PBT) | 822.0 | 798.1 | 3.0% |
| PBT (% of Total Income) | 8.2% | 8.1% | |
| Taxes | 158.8 | 122.8 | |
| PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST | 663.2 | 675.3 | |
| Minority Interest | 10.4 | 3.9 | |
| PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT) | 652.8 | 671.4 | -2.8% |
| PAT (% of Total Income) | 6.5% | 6.8% | |
| EARNINGS PER SHARE (Equity shares of par value Rs 10/ each) | | | |
| Basic | 1.52 | 1.57 | |
| Diluted | 1.37 | 1.40 | |

Firstsource Solutions Limited



Balance sheet summary
(consolidated figures)

(As per Indian GAAP)

In Rs million

| Particulars | As on | |
|--|-----------------|-----------------|
| | Sep 30, 2010 | Jun 30, 2010 |
| SOURCES OF FUNDS | | |
| Shareholder's funds | | |
| Share capital | 4,300.7 | 4,297.7 |
| Share application money | - | - |
| Reserve and surplus | 9,748.1 | 9,918.7 |
| | 14,048.8 | 14,216.4 |
| Minority interest | 60.1 | 58.5 |
| Loan funds | | |
| Secured loans | 2,793.8 | 2,811.0 |
| Unsecured loans | 11,228.5 | 11,383.6 |
| | 14,022.3 | 14,194.6 |
| | 28,131.2 | 28,469.4 |
| APPLICATION OF FUNDS | | |
| Goodwill on consolidation | 20,687.5 | 21,322.4 |
| Fixed assets | | |
| Gross block | 6,603.7 | 6,549.4 |
| Less: Accumulated depreciation and amortization | 5,051.5 | 4,846.1 |
| Net block | 1,552.2 | 1,703.3 |
| Add: Capital work in progress (including capital advances) | 19.2 | 20.4 |
| | 1,571.4 | 1,723.7 |
| Investments | 1,208.6 | 1,020.6 |
| Deferred tax asset, (net) | 7.3 | 60.7 |
| Current assets, loans and advances | | |
| Sundry debtors | 3,067.9 | 2,666.4 |
| Unbilled revenues | 768.2 | 640.5 |
| Cash and bank balances | 1,310.7 | 1,711.8 |
| Loans and advances | 2,036.3 | 1,914.9 |
| | 7,183.1 | 6,933.5 |
| Less: Current liabilities and provisions | | |
| Current liabilities | 1,679.2 | 1,672.8 |
| Provisions | 847.5 | 918.7 |
| | 2,526.6 | 2,591.4 |
| Net current assets | 4,656.5 | 4,342.1 |
| | 28,131.2 | 28,469.4 |
| Net Debt | 11,503.1 | 11,462.3 |
| Net Debt / Equity (x) | 0.82 | 0.81 |

Firstsource Solutions Limited



OPERATING METRICS

| Revenue by Industry | | | | | |
|---------------------|---------------|---------------|---------------|---------------|---------------|
| | Quarter Ended | | | Year Ended | |
| | Sep 30, 2010 | Sep 30, 2009 | Jun 30, 2010 | Mar 31, 2010 | Mar 31, 2009 |
| BFSI | 22.9% | 22.4% | 23.5% | 23.0% | 25.2% |
| Telecom & Media | 39.2% | 38.1% | 37.0% | 37.7% | 32.4% |
| Healthcare | 36.4% | 37.6% | 37.9% | 37.5% | 39.9% |
| Others | 1.5% | 1.9% | 1.7% | 1.9% | 2.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Revenue by Geography | | | | | |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| | Quarter Ended | | | Year Ended | |
| | Sep 30, 2010 | Sep 30, 2009 | Jun 30, 2010 | Mar 31, 2010 | Mar 31, 2009 |
| US (including Canada) | 58.7% | 59.7% | 61.6% | 60.4% | 63.0% |
| UK | 28.7% | 27.1% | 26.7% | 27.0% | 26.0% |
| India | 11.5% | 12.5% | 10.6% | 11.9% | 10.8% |
| Rest of world | 1.1% | 0.7% | 1.1% | 0.7% | 0.3% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Revenue by Delivery location | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| | Quarter Ended | | | Year Ended | |
| | Sep 30, 2010 | Sep 30, 2009 | Jun 30, 2010 | Mar 31, 2010 | Mar 31, 2009 |
| Offshore | 28.8% | 29.1% | 27.7% | 28.9% | 30.5% |
| Domestic | 11.5% | 12.5% | 10.6% | 11.9% | 10.8% |
| Onshore | 59.7% | 58.4% | 61.7% | 59.3% | 58.8% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Client Concentration | | | | | |
|---------------------------------|---------------|--------------|--------------|--------------|--------------|
| | Quarter Ended | | | Year Ended | |
| | Sep 30, 2010 | Sep 30, 2009 | Jun 30, 2010 | Mar 31, 2010 | Mar 31, 2009 |
| Client contribution to revenues | | | | | |
| Top customer | 12.1% | 12.3% | 11.3% | 12.0% | 10.3% |
| Top 5 customers | 31.1% | 33.2% | 30.6% | 32.5% | 31.2% |

| Employee and Seats Metrics | | | | | |
|---------------------------------|---------------|--------------|--------------|--------------|--------------|
| | Quarter Ended | | | Year Ended | |
| | Sep 30, 2010 | Sep 30, 2009 | Jun 30, 2010 | Mar 31, 2010 | Mar 31, 2009 |
| Total employees (end of period) | 24,909 | 26,432 | 24,697 | 24,860 | 21,570 |
| Net Addition | 212 | 3,077 | (163) | 3,290 | 4,201 |
| Employees in India | 19,014 | 20,890 | 18,726 | 18,784 | 16,859 |
| Employees outside India | 5,895 | 5,542 | 5,971 | 6,076 | 4,711 |
| Number of seats | 20,875 | 19,870 | 20,544 | 19,556 | 18,932 |
| Seat fill factor | 75% | 76% | 75% | 80% | 70% |

| Attrition Snapshot | | |
|----------------------------------|--|---------|
| | Post 180 days attrition - Quarter annualized | |
| | Q2 FY11 | Q1 FY11 |
| Domestic | 94.2% | 94.9% |
| Offshore (India and Philippines) | 50.1% | 55.4% |
| Onshore (US and UK) | 48.4% | 39.7% |

| Other Metrics | | |
|-----------------------------------|-------------------------------|-------------------------|
| | Period | |
| | Six months ended Sep 30, 2010 | Year ended Mar 31, 2010 |
| Capital Expenditure (INR million) | 161.4 | 480.1 |