

Firstsource Solutions Limited

Investor Presentation

April 27, 2007



Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in BPO services including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professional, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, our ability to manage ramp-ups and growth, our ability to manage our international operations, reduced demand in our key focus verticals, disruptions in telecom infrastructure and technology, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, performance of our subsidiaries, withdrawal of government fiscal incentives, political instability, legal restrictions on raising capital and acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Firstsource may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

Agenda

- *Key Highlights*
- *Positioning and Growth Opportunities*
- *Financial Summary – FY 2007*



Key Highlights (1/2)

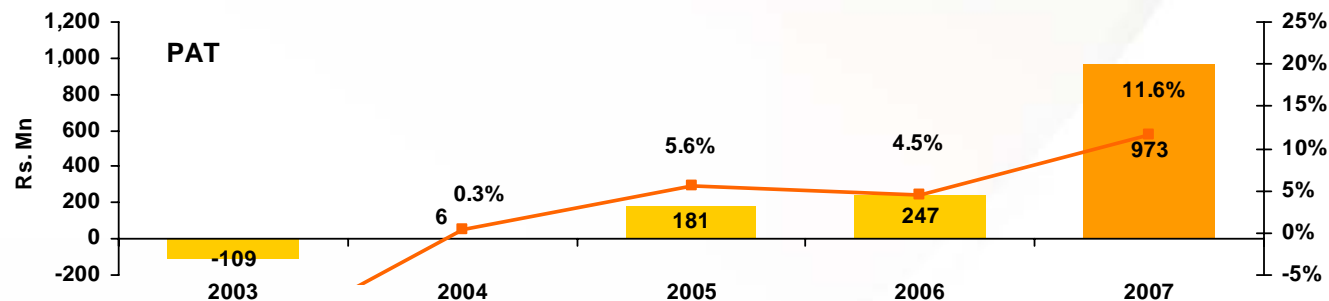
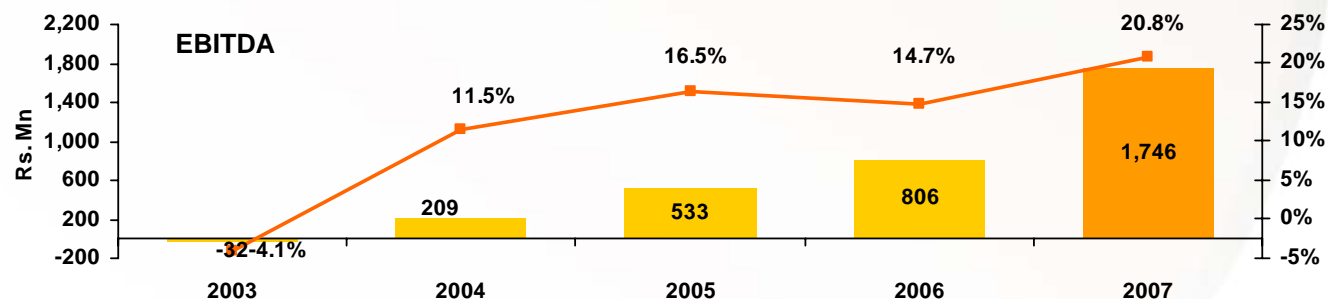
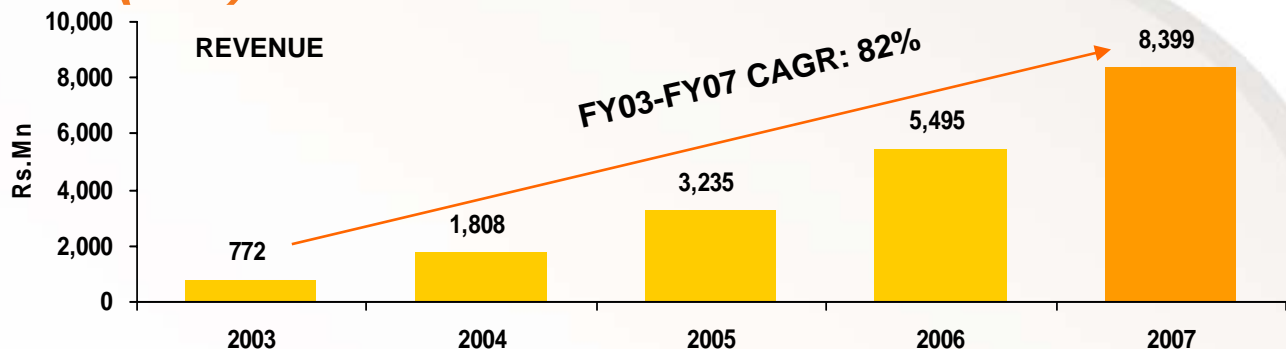
Tier 1 global service provider

- Founded in 2001 – rebranded from ICICI Onesource to Firstsource in November 2006
- Among the top 3 pure play Indian BPOs
- 76 clients as of March 31, 2007
- 14,396 employees worldwide as of March 31, 2007
- 24 global delivery centres across India, US, UK, Argentina

Strategic focus

- Comprehensive range of services to clients in each of our focus verticals (Financial Services, Telecom and Media and Healthcare)
- In-depth domain knowledge in these industries with proven expertise in transferring business operations
- Strategic industry alliances enabling value add to clients

Key Highlights (2/2)



Strong revenue growth and expanding Margins

Positioning and Growth Opportunities

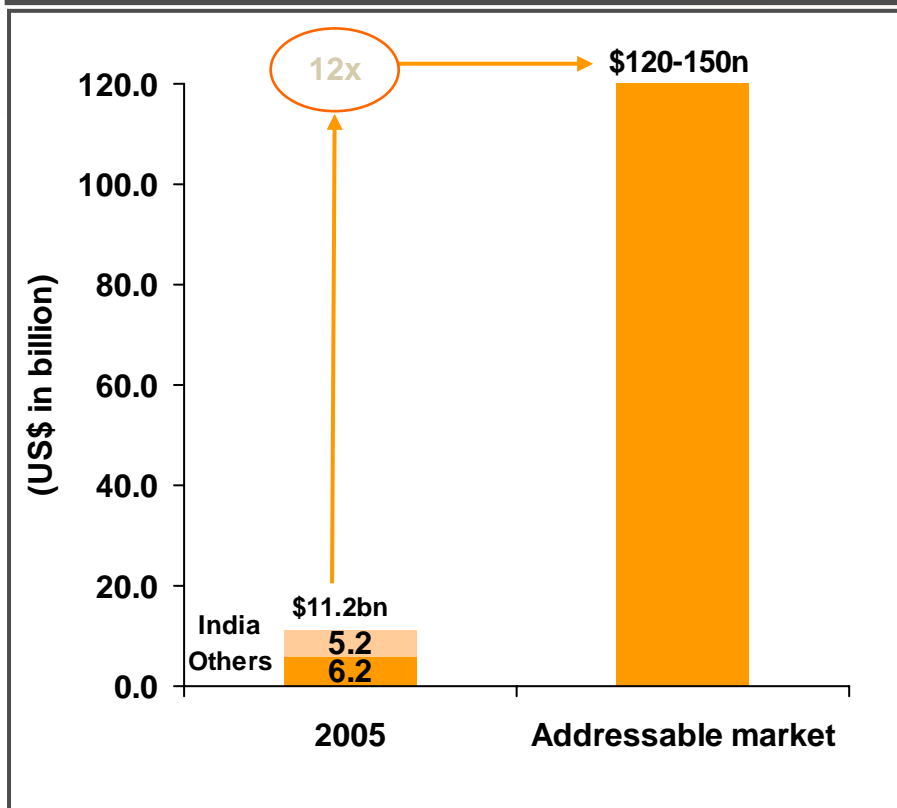


Strategically Positioned for Growth

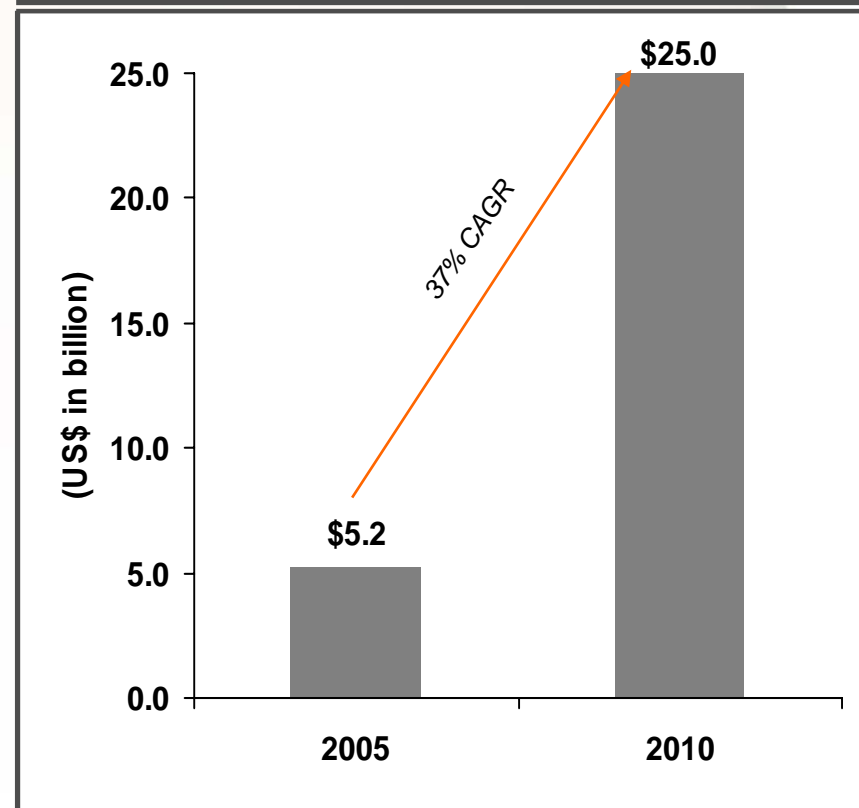
- **Offshore BPO Industry is a Large and Rapidly Growing Market**
- **Early Leadership Position in Offshore BPO : Top 3 Indian Pure Play**
- **Strategically Positioned to Maintain and Grow Leadership Position**
 - Focus on Verticals with Large Market Potential
 - Deep Domain Expertise in Focus Verticals
 - Established Relationships with Large Global Companies
 - Strategic Partnership with Metavante
 - Track-record of Strategic Acquisitions
 - Experienced Management Team
- **Sustainable and De-risked Business Model**
 - Diversified Business Model
 - Scalable, Multi-Shore Delivery Platform

Large and Rapidly Growing Industry

Large Addressable Global Offshore BPO market (FY 2005)(1)



US\$ 25 billion Indian BPO industry by 2010



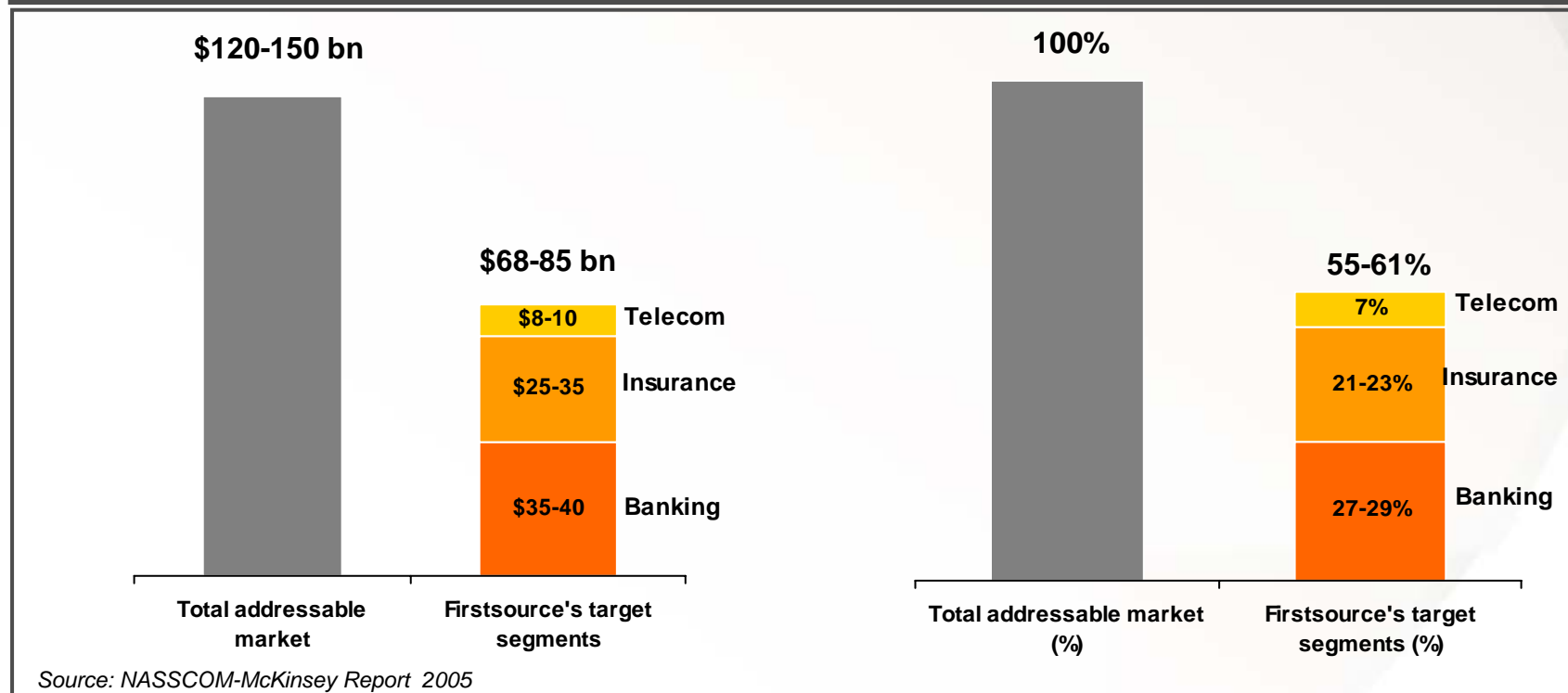
(1) Includes addressable markets in currently offshoring industries; includes internal and external spending

(2) Includes Philippines, China, Russia, Eastern Europe, Ireland and Mexico

Source: NASSCOM McKinsey Report December 2005

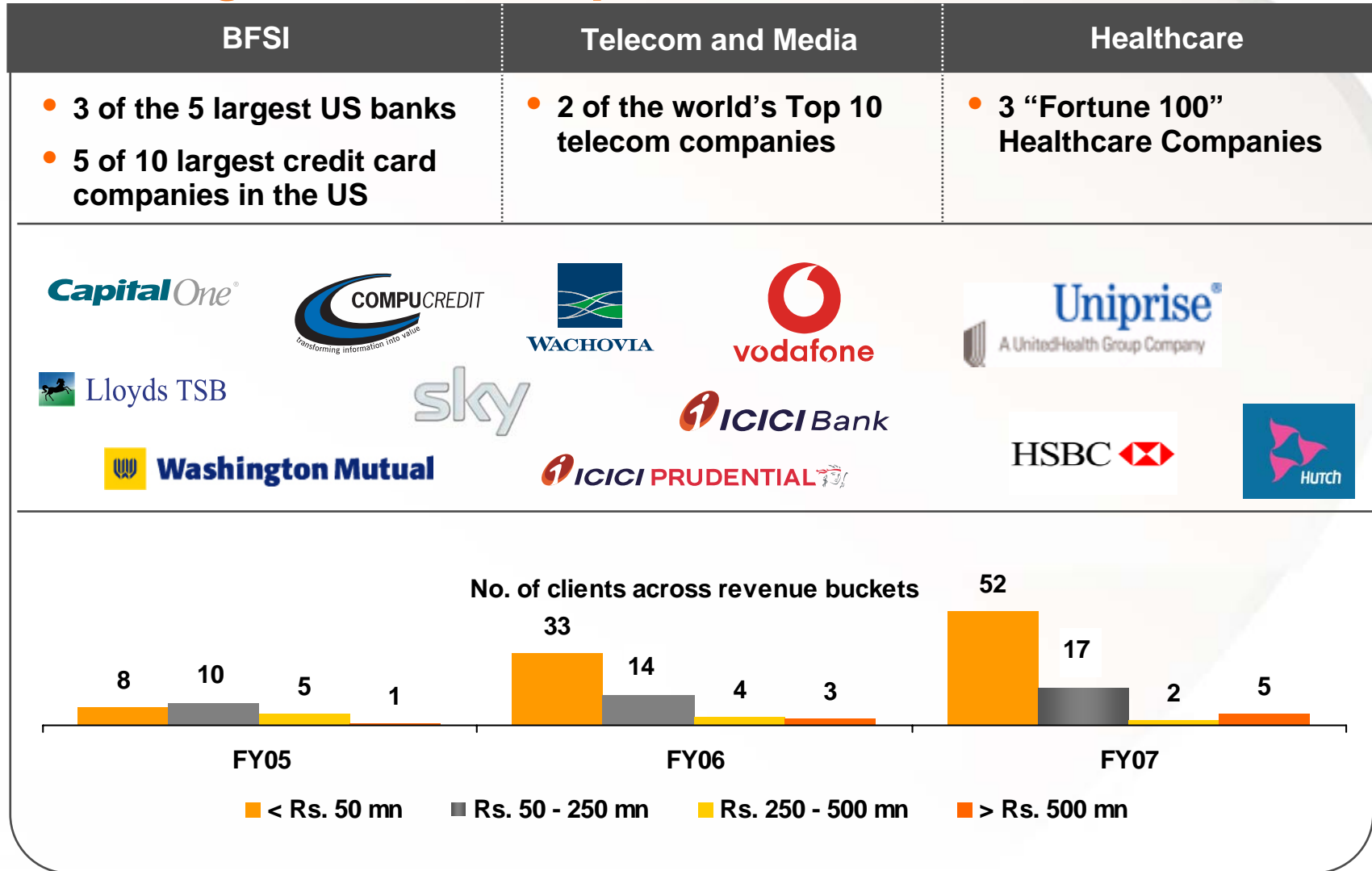
Focus on Verticals with Large Market Potential

Addressing key verticals in a large addressable market



Focus verticals have a large addressable opportunity for outsourcing

Established Relationships with Large Global Companies



Strategic Partnership with Metavante



Top 3 US bank technology and payments processor

Differentiated service delivery model

- End-to-end, platform based global BPO solutions
- Exclusive rights to perform offshore BPO services for Metavante's clients



Access to proven technology platform

- Ability to leverage Metavante's technology platform to provide offshore processing
- Significant synergies in M&A and business development

A powerful go-to market strategy for the US banking and financial services sector

Track-record of Strategic Acquisitions

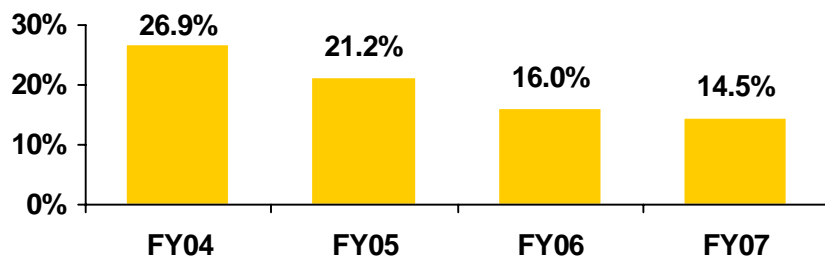
Target and year of acquisition	Strategic Rationale
CustomerAsset India, April 2002	Facilitated quick entry into BPO business with credible platform and high quality client base
FirstRing Inc, July 2003	Acquisition strengthened presence in the US and added credit card service capabilities
Pipal Research, July 2004	Acquisition of business research and information capabilities
Account Solutions Group, September 2004	Access to collections and accounts recoverable market in the US as well as to a strong and blue chip client base
RevIT Systems, March 2005	Strengthened Transactions Processing capabilities and facilitated entry into Healthcare space
Business Process Management Inc, December 2006	Strengthens presence in Healthcare vertical and provides significant expertise in claims adjudication and claims outsourcing

Strategic acquisitions to enhance service capabilities

Diversified Business Model

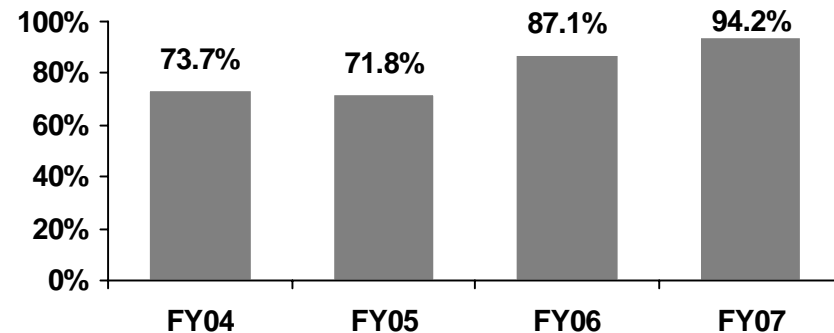
Declining client concentration

Revenue from largest client

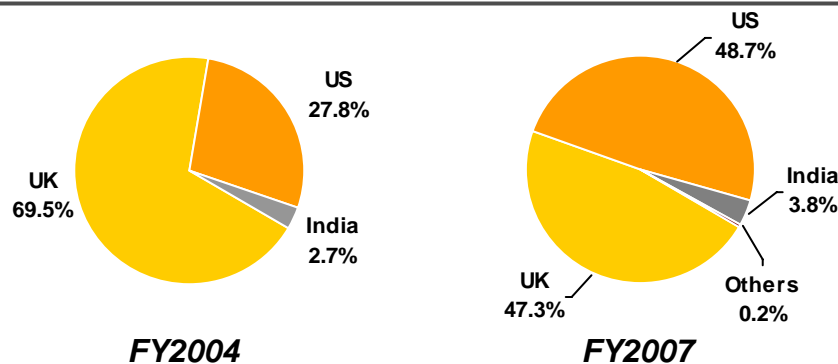


◆ Revenue from top 5 clients declined from 65% in FY04 to 54% in 9MFY07

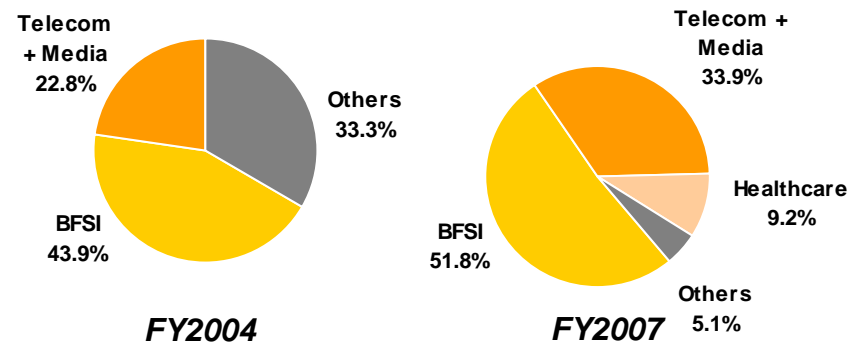
Significant revenue from existing clients



Broad based geographical revenues



Focus on large verticals



Note: Revenues considered above are Income from services

Our Growth Strategy

Achieve Growth and Scale

Mining Existing Customers

Acquiring New Customers

Strategic Acquisition and Partnerships



Build Delivery Platform / Capabilities

Invest in Middle Management

Maintain Focus on Process Excellence

Invest in Proprietary Technology Platforms

Financial Summary FY 2007



Financial Summary FY 2007

Rupees Million

	FY 2006	FY 2007	% Growth	Q4 FY 2006	Q4 FY 2007	% Growth
	Actual	Actual		Actual	Actual	
Operating Income	5,487.5	8,297.6		1,610.6	2,747.0	
Other Income	7.7	101.7		6.0	20.9	
Total Income	5,495.2	8,399.3	52.8%	1,616.6	2,768.0	70.6%
Expenditure	4,688.9	6,653.8		1,244.8	2,194.9	
EBIDTA	806.3	1,745.5	116.5%	371.7	573.1	54.2%
EBIDTA %	14.7%	20.8%		23.0%	20.7%	
EBIT	354.8	1,104.0	211.1%	255.8	373.1	45.9%
EBIT%	6.5%	13.1%		15.8%	13.5%	
PBT	273.7	1,032.7	277.4%	217.3	357.6	55.2%
Prov for Taxes	27.0	60.1		13.1	8.4	
PAT	246.7	972.5	294.2%	217.3	349.1	60.6%
PAT %	4.5%	11.6%		13.4%	12.6%	
W/o Other Income						
EBITDA%	14.6%	19.8%		22.7%	20.1%	
EBIT%	6.3%	12.1%		15.5%	12.8%	
PAT%	4.4%	10.5%		13.1%	11.9%	

FY 2007 – Quarterly Summary

Rupees Million

	FY 2006	FY 2007				
	Q4	Q1	Q2	Q3	Q4	Total
Operating Income	1,610.6	1,608.7	1,793.6	2,148.3	2,747.0	8,297.6
Other Income	6.0	(26.1)	22.8	84.0	20.9	101.7
Total Income	1,616.6	1,582.6	1,816.4	2,232.3	2,768.0	8,399.3
Growth QnQ%		-2%	15%	23%	24%	
EBIDTA	371.7	287.3	376.2	508.8	573.1	1,745.5
EBITDA %	23.0%	18.2%	20.7%	22.8%	20.7%	20.8%
EBIT	255.8	156.7	221.7	352.4	373.1	1,104.0
EBIT %	15.8%	9.9%	12.2%	15.8%	13.5%	13.1%
PAT	217.3	133.8	187.5	302.1	349.1	972.5
PAT %	13.4%	8.5%	10.3%	13.5%	12.6%	11.6%
Growth QnQ %		-38.4%	40.1%	61.2%	15.6%	
W/o Other Income						
EBITDA %	22.7%	19.5%	19.7%	19.8%	20.1%	19.8%
EBIT %	15.5%	11.4%	11.1%	12.5%	12.8%	12.1%
PAT %	13.1%	9.9%	9.2%	10.2%	11.9%	10.5%

Other Key Highlights of FY 2007

- **Successful IPO and listed on Indian stock markets w.e.f Feb 22, 2007**
- **Acquired BPM in Dec 2006**
- **Strategic partnership with Metavante in April 2006. Relationship poised for acceleration**
- **Total clients up from 54 in FY'06 to 76 in FY'07**
- **Employee strength grew from 8350 in March 2006 to 14396 in March 2007**
- **Commenced Operations in Northern Ireland and Argentina**
- **13 Centers added in FY 2007. Centers under development include Philippines and Hubli**
- **Total seats as of March 2007 11,286 v/s 6,786 in March 2006**
- **Profit enhancement resulting from**
 - Maturity of Processes across India and overseas
 - Benefits of operating leverage
 - Amortisation of fixed cost over larger revenue base

Balance Sheet as of March 31, 2007

Rupees Million

Particulars	31-Mar-07	31-Mar-06	Increase
	Actuals	Actuals	(Decrease)
Sources of Funds			
Share Capital	4,250.8	3,996.7	254.2
Reserves & Surplus	6,414.7	327.5	6,087.2
Loan Funds	1,975.9	1,300.3	675.6
Minority Interest	43.0	49.2	(6.2)
Deferred Tax Liability	6.8	-	6.8
Total	12,691.2	5,673.7	7,017.6
Application of Funds			
Net Fixed Assets	1,802.2	1,153.6	648.6
Goodwill	5,419.2	4,072.6	1,346.6
Deferred Tax	5.8	3.9	2.0
Net Current Assets	1,301.5	273.3	1,028.1
Cash & Liquid Equivalents	4,162.5	170.3	3,992.2
Total	12,691.2	5,673.7	7,017.6

THANK YOU

Firstsource (formerly ICICI OneSource) is among India's top 3 pure-play BPO companies. It provides customized business process transformation to global leaders in the Banking & Financial Services, Telecom & Media and Healthcare sectors. Firstsource has over 74 leading organizations as customers, including 13 Fortune 500 and FTSE 100 companies. The company currently employs over 13,000 employees across 20 delivery centers.

www.firstsource.com

