

FOR IMMEDIATE RELEASE

Firstsource reports 2nd Quarter FY 2008 total income of Rs. 2965 million and half year total income of Rs. 5784 million

Income growth of 62% compared to corresponding quarter of the previous year and up 70% compared to first half of previous year

PAT at Rs. 456 million, up 143% compared to corresponding quarter of the previous year and up 180% compared to first half of previous year

Mumbai October 29, 2007: Firstsource Solutions Limited (NSE:FSL, BSE:532809), among India's leading pure-play BPO companies reported its results for the quarter ended September 2007 according to Indian GAAP.

Highlights of Quarter ended September 2007

- Strong Y-o-Y revenue growth with total income at Rs. 2965 million for the quarter ended September 2007 a growth of 62% over corresponding quarter of the previous year.
- Profit after tax Rs. 456 million for the quarter ended September 2007 a growth of 143% over corresponding quarter of the previous year.
- Profit after tax at 15.4% compared to 10.2% in the corresponding quarter of previous year.
- EPS for the quarter ended September 2007 was Rs 1.09 per share
- Firstsource added to its Healthcare business services by acquiring MedAssist Holdings Inc. and thereby entered the very attractive healthcare provider segment adding capabilities like revenue cycle management, a rapidly growing area.
- Firstsource commenced operations in two new centres, Manila, Philippines & in Indore, India. The Manila facility centre currently has 150 employees and the Indore centre currently has over 220 employees.
- Firstsource's employee strength was at 16,590 as of September 2007.

Recent Developments

On 20 September 2007, Firstsource through its wholly owned subsidiary FSL-US acquired 100% of the common stock of MedAssist Holding, Inc. ("MedAssist"), a Delaware corporation, including its 100% owned US based subsidiaries MedAssist Intermediate Holding, Inc., MedAssist, Incorporated, Twin Medical Transaction Services, Inc and Argent Healthcare Financial Services, Inc for a purchase consideration of Rs. 13,294 million (equivalent to USD 330 million). MedAssist, together with its subsidiary companies are a leading provider of revenue cycle management services, in the healthcare industry, in the U.S.

For further details relating to MedAssists's historical financial information, please refer to Note 4 of our consolidated financial statements for the six-month period ended 30 September 2007. The complete consolidated financial statements of MedAssist for the years ended 31 December 2005 and 2006 are available at www.firstsource.com and will be available for inspection at Firstsource's registered office at 6th floor, Peninsula chambers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013.

Firstsource to Issue FCCBs

The Board of Directors of Firstsource has approved the issuance of a Foreign Currency Convertible Bonds ("FCCBs") issuance for an amount of upto US \$275 million subject to shareholder and regulatory approval. The proceeds of the issue will be utilized for repayment of debt contracted at the time of acquiring MedAssist Holdings Inc.

Half-year ended September 2007

- Total income at Rs. 5784 million for the half year ended September 2007 a growth of 70% over corresponding period previous year.
- Profit after tax Rs. 899 million for the half year ended September 2007 a growth of 180% over corresponding period previous year.
- Profit after tax at 15.5% compared to 9.4% in the corresponding period previous year.
- EPS for the half year ended September 2007 was Rs 2.02 per share.

Awards & Recognitions

- Firstsource won the Telecommunications Outsourcing Project of the Year from the National Outsourcing Association (NOA), UK for its work with a leading UK telecom company.
- Firstsource won the 'Offshore Agency of the Year' Award from a leading financial services client in the U.S, for its collections performance. In its first year of operations for this client, Firstsource beat seven other agencies to win this award.
- Firstsource was awarded the runners up trophy in the DMAIC services category in Six Sigma excellence awards organized by Symbiosis Institute, India.

Ananda Mukerji, MD & CEO said, "Strong performance in the first half along with the strategic acquisition of MedAssist is expected to put us on a higher trajectory. We continue to see increased opportunities in all our verticals as well as in the domestic market."

Commenting on the financial performance, **Rajesh Subramaniam, CFO** said, "Growth in profits this quarter has been a combination of continued focus on operational performance and prudent hedging policy. Our diversified revenue stream and geographical spread have stood us in good stead."

About Firstsource

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN) is among India's leading BPO (business process outsourcing) service providers. Firstsource provides customized business process management to global leaders in the Banking & Financial Services, Telecom & Media and Healthcare sectors. Its clients include six "Fortune Global 500" banks, two "Fortune Global 500" telecommunications companies and three "Fortune 100" healthcare companies. Firstsource has a global delivery model with operations in India, US, UK, Argentina and Philippines. (www.firstsource.com).

For More Information Please Contact

Media:

vrinda.walavalkar@firstsource.com

+91 22 6666 0841

+91 9820183933

hemant@adfactorspr.com

+91 22 22813565

Investors:

krishnan.akhileswaran@firstsource.com

+91 22 6666 0811

+91 9840055664

hemant@adfactorspr.com

+91 22 22813565