

FOR IMMEDIATE RELEASE

**Firstsource reports second quarter fiscal 2011 revenues of ₹ 5,036 million
Q-o-Q growth of 2.6%, Y-o-Y growth of 3.0%**

**Operating EBIT of ₹ 492 million
Q-o-Q growth of 5.2%, Y-o-Y growth of 0.4%**

**PAT (profit after tax) of ₹ 332 million
Q-o-Q growth of 3.6%, Y-o-Y growth of 14.0%**

Mumbai, October 28, 2010: Firstsource Solutions Limited (NSE:FSL, BSE:532809), among India's leading pure-play BPO companies reported its consolidated financial results for the quarter ended September 2010 according to Indian GAAP.

Highlights for the Quarter ended September 30, 2010

- Revenues of ₹ 5,036 million, up 2.6% Q-o-Q compared to ₹ 4,907 million for the quarter ended June 2010 and up 3.0% Y-o-Y compared to ₹ 4,887 million for the quarter ended September 2009.
- Operating EBIT (earnings before interest and tax) of ₹ 492 million, up 5.2% Q-o-Q compared to ₹ 468 million for the quarter ended June 2010 and up 0.4% Y-o-Y compared to ₹ 490 million for the quarter ended September 2009.
- PAT (profit after tax) of ₹ 332 million, up 3.6% Q-o-Q compared to ₹ 321 million for the quarter ended June 2010 and up 14.0% Y-o-Y compared to ₹ 291 million for the quarter ended September 2009.
- Employee strength at 24,909 as of September 30, 2010 added 212 employees in the quarter.
- Q2 annualized attrition (post 180 days) :
 - Offshore (India and Philippines) – 50.1% compared to 55.4 % in Q1 FY2011
 - Onshore (US and UK) – 48.4% compared to 39.7 % in Q1 FY2011
 - Domestic – 94.2% compared to 94.9% in Q1 FY2011
- As of September 30, 2010 Firstsource derived 59% revenues from the US, 29% from UK and 12% from APAC, including India.

- As of September 30, 2010 Firstsource derived 39% revenues from Telecom & Media, 36% from Healthcare, 23% from BFSI and 2% from others.
- Key new business wins during the quarter:
 - Barclaycard, UK selected Firstsource as a strategic partner to manage its credit card and payment businesses in the UK. This five year outsourcing agreement commences November 1, 2010.
 - Axis Bank, India awarded Firstsource a five year outsourcing agreement for offering customer contact services (voice, email & web chat) to its retail customers.

Other Highlights

- During the quarter Firstsource signed an agreement to sell its 51% holding in Pival Research Corporation (Pival) to CRISIL. The transaction is expected to close in the third quarter of FY 2011.
- Firstsource inducted Sanjay Venkataraman into the Management Team as Head of Asia Business Unit. Venkataraman takes over from Chandra Iyer who will be leaving the company to pursue other opportunities.

Venkataraman joins from Mahindra Satyam where he was Head, South Asia and prior to that was Country Manager & Director of the Indian operations of Dell Computers. He left Dell to become an entrepreneur, starting a company called Knowledge Dynamics.

Highlights for half-year ended September 2010

- Revenues at ₹ 9,943 million for the half year ended September 2010 a growth of 2.2% over corresponding period previous year.
- Operating EBIT of ₹ 960 million for the half year ended September 2010 down 0.1% over corresponding period previous year.
- Profit after tax ₹ 653 million for the half year ended September 2010 compared to ₹ 671 million for corresponding period previous year.

Commenting on the performance **Matthew Vallance, MD & CEO**, said, "It has been a quarter of steady performance. While the business environment continues to improve, we have seen some delays in expected ramps and some lengthening of the sales cycle. Under the circumstances, we are pleased that we have closed two landmark deals during the quarter and the pipeline continues to build up."

Carl Saldanha, Global CFO, said, “Our operating margins expanded by 30 bps during the quarter primarily driven by improvement in domestic business performance. Currency volatility continues to be a challenge however our prudent hedging strategy stands us in good stead for next few quarters.”

About Firstsource

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN) is a leading global provider of customized BPO services to the Healthcare, Telecom & Media and Banking & Financial Services industries. Its clients include Fortune 500, FTSE 100 & Nifty 50 companies. Firstsource has a “rightshore” delivery model with operations in India, U.S., UK and Philippines. (www.firstsource.com).

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