

## **Firstsource reports second quarter fiscal 2012 revenues of ₹ 5,330 million**

**Q-o-Q growth of 1.9%, Y-o-Y growth of 5.8%**

**Operating EBIT of ₹ 237 million**

**Q-o-Q growth of 13.3%, Y-o-Y down by 51.9%**

**PAT (profit after tax) of ₹ 215 million**

**Q-o-Q growth of 101.5%, Y-o-Y down by 35.4%**

**Mumbai, November 9, 2011:** Firstsource Solutions Limited (NSE:FSL, BSE:532809), one among India's leading Business Process Outsourcing (BPO) companies reported its consolidated financial results for the quarter ended September, 2011 according to Indian GAAP.

### **Highlights for the Quarter ended September 30, 2011:**

- Revenues of ₹ 5,330 million, up 1.9% Q-o-Q compared to ₹ 5,231 million for the quarter ended June 2011 and up 5.8% Y-o-Y compared to ₹ 5,036 million for the quarter ended September 2010.
  - Revenue growth was primarily driven by strong revenue momentum in the Asia Business unit and favorable currency, partially offset by softness in the BFSI business, driven by drop in volumes in the Collections business.
- Operating EBIT (earnings before interest and tax) of ₹ 237 million, up 13.3% Q-o-Q compared to ₹ 209 million for the quarter ended June 2011 and down 51.9% Y-o-Y compared to ₹ 492 million for the quarter ended September 2010.
- PAT (profit after tax) of ₹ 215 million, up 101.5% Q-o-Q compared to ₹ 106 million for the quarter ended June 2011 and down 35.4% Y-o-Y compared to ₹ 332 million for the quarter ended September 2010.
- Cash position as on September 30<sup>th</sup>, 2011 is at ₹ 9,027 million. (USD 184 mn)
- Employee strength is at 29,291 as of September 30, 2011 reduced 373 employees in the quarter.
- Q2 annualized attrition (post 180 days) :
  - Offshore (India and Philippines) – Down to 48.8% compared to 58.7% in Q1 FY2012
  - Onshore (US and UK) – Up to 40.9% compared to 32.8% in Q1 FY2012
  - Domestic (India and Sri Lanka) – Down to 74.7% compared to 81.6% in Q1 FY2012

- As of September 30, 2011, Firstsource derived revenues of 52% from the US, 32% from UK and 16% from APAC, including India.
- As of September 30, 2011, Firstsource derived revenues of 35% from Telecom & Media, 34% from Healthcare, 30% from BFSI and 1% from others.

## Key business highlights during the quarter:

- Business Realignment: Firstsource has re-aligned its business structure by consolidating operations according to key service lines. In particular, Customer Management and Collections have become distinct horizontal delivery units, supported by market facing verticals in Telecom & Media (T&M) and Banking, Financial Services & Insurance (BFSI). Healthcare continues to remain as a standalone vertical. The structure will enable greater operational efficiencies and deliver superior service assurance.
- Firstsource repurchased FCCBs worth USD 21.0 million face value. Outstanding face value of FCCBs post this repurchase is at USD 191.4 million.

## Other Highlights:

- Firstsource continues to be among the top 10 BPO companies in India as per the annual National Association of Software and Service Companies (NASSCOM) rankings. Ranked at No.6 for the year 2010-11
- Dataquest, the industry journal rated Firstsource 5th amongst the top 20 BPO exporters for the year 2010-11

## Financial Highlights for half-year ended September 2011:

- Revenues at ₹ 10,561 million for the half year ended September 2011, a growth of 6.2% over corresponding period of the previous year.
- Operating EBIT of ₹ 446 million for the half year ended September 2011 down 53.5% over corresponding period of the previous year.
- Profit after tax ₹ 321 million for the half year ended September 2011 compared to ₹ 653 million for corresponding period of the previous year.

Commenting on the performance **Matthew Vallance, Managing Director & Chief Executive Officer**, said, *“This quarter saw the realignment of our business structure into vertical markets and horizontal service lines which will continue to complement our vertical approach in our go-to-market strategy. This alignment will enable enhanced growth and develop operational efficiencies.*

*A weak quarter in the Collections business coupled with the pressures seen in our Banking and Financial Services segments saw the margins being affected. Although, the sales cycles have lengthened, we are optimistic with the good build up of new business pipeline across the company.”*

### **About Firstsource:**

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN) is a leading global provider of customized Business Process Outsourcing (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, Philippines, Sri Lanka, UK and U.S. ([www.firstsource.com](http://www.firstsource.com)).

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