

FOR IMMEDIATE RELEASE

**Firstsource reports second quarter FY 2009 Revenue of Rs. 4250 million
Y-o-Y growth of 53.8% and sequential growth of 4.2%**

**Operating EBIT at Rs. 433 million
Y-o-Y growth of 34.7% and sequential growth of 13.4%**

**PAT improves from a loss of Rs. 501 million in Q1 FY09 to a profit of Rs. 283
million in Q2 FY09**

Mumbai, November 24, 2008: 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 2008 according to Indian GAAP.

Financial Highlights of Quarter ended September 2008

- Revenue from Operations was Rs. 4250 million, Y-o-Y growth of 53.8% and Q-o-Q growth of 4.2%
- Operating EBIT at Rs. 433 million for the quarter ended September 2008 as compared to Rs. 382 million for quarter ended June 2008 and Rs. 321 million for the quarter ended September 2007, Y-o-Y growth of 34.7% and sequential growth of 13.4%
- On July 1, 2008, Firstsource decided to early adopt Accounting Standard 30 (AS 30), in line with ICAI recommended best practices. The early adoption of AS 30 mainly affects the accounting treatment given to the outstanding FCCBs of US \$275 million, as a result of which unrealized translation loss is recognized in the translation reserve account. Had the standard not been adopted, the net profit for the quarter would have been lower by Rs. 1083 million.
- Diluted EPS, excluding exchange variation impact and amortization on FCCB for the quarter ended September 2008, is Rs. 0.57 as compared to Rs. 0.55 for the quarter ended June 2008 and Rs. 1.02 for the quarter ended September 2007.
- Firstsource's employee strength was 19,576 as of September 2008 with 1,223 employees added this quarter.
- Q2 annualized attrition (post 180 days) of 45.4% compared to 38.7% in the previous quarter. This increase was largely due to ramp down of one program and movement of another to a new delivery location. Excluding this, attrition for the quarter was 39.8%.

Outlook: Firstsource is revising revenue guidance to 21% in USD terms (32% in INR terms) from original guidance of 33-38% in USD terms. Above guidance factors 3% adverse impact on account of cross currency movement.

Operating EBIT margins for the full year expected in the range of 10-10.5%

Commenting on the performance **Ananda Mukerji, MD & CEO** said, “While the business environment is challenging, we are pleased that we have been able to grow revenues and improve margins. Our existing client base is largely stable and we are increasing business with them. The Telecom and Healthcare sectors and the domestic market in particular continue to offer growth opportunities. We believe that while the next few quarters would see relatively slower growth, the long term prospects for the BPO industry continue to be extremely compelling and will offer high long term growth opportunities.”

Carl Saldanha, Global CFO said, “Our efforts to improve margins through productivity improvements and driving integration synergies have resulted in an 80 bps improvement this quarter. We expect to keep up the same momentum in the following quarters.”

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 Fortune 500 banks, telecommunications companies and healthcare companies. Firstsource has a global delivery model with operations in India, US, UK, Argentina and Philippines. (www.firstsource.com).

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