

FOR IMMEDIATE RELEASE

**Firstsource reports fiscal 2010 revenues of Rs. 19,708 million
Y-o-Y growth of 12.7%**

**Operating EBIT at Rs. 1,933 million
Y-o-Y growth of 39.8%**

**PAT of Rs. 1,361 million
Y-o-Y growth of 343.6%**

**Firstsource Q4 revenues up 3.2% Q-o-Q, Operating EBIT up 7.2% Q-o-Q and
PAT up 6.9% Q-o-Q**

Mumbai, April 30, 2010: Firstsource Solutions Limited (NSE:FSL, BSE:532809), among India's leading pure-play BPO companies reported its consolidated financial results for the quarter and financial year ended March 2010 according to Indian GAAP.

Financial Highlights for year ended March 2010

- Revenues of Rs. 19,708 million, up 12.7% Y-o-Y compared to Rs. 17,494 million for the year ended March 2009.
- Operating EBIT of Rs. 1,933 million, up 39.8% Y-o-Y compared to Rs 1,383 million for the year ended March 2009.
- Operating EBIT margins expanded by 190 bps; 9.8% for the current year as compared to 7.9% for the year ended March 2009.
- Profit after tax of Rs. 1,361 million, up 343.6% Y-o-Y compared to Rs 307 million for the year ended March 2009.
- EPS for the year is Rs. 2.84 (diluted) and Rs. 3.17 (basic).
- Employee strength at 24,860 as of March 31, 2010 compared to 21,570 as of March 31, 2009, net addition of 3,290 employees during the year.
 - 1,925 employees added in India, 1365 additions outside India.

- As of March 31, 2010 Firstsource derived 60% revenues from the US, 27% from UK and 13% from APAC, including India.
- As of March 31, 2010 Firstsource derived 38% from Telecoms & Media, 37% from Healthcare, 23% from BFSI and 2% from others.
- As of March 31, 2010 Firstsource has 42 centers compared to 43 centers as on March 31, 2009.
 - Added one delivery center in Bhopal, India and shut one center in Bangalore, India.
 - Buenos Aires, Argentina delivery center shut down and work migrated to Manila, Philippines.

Financial Highlights for the quarter ended March 31, 2010

- Revenues of Rs. 5,067 million, up 3.2% Q-o-Q compared to Rs 4,909 million for the quarter ended December 2009 and up 7.3% Y-o-Y compared to Rs 4,723 million for the quarter ended March 2009.
- Operating EBIT of Rs. 501 million, up 7.2% Q-o-Q compared to Rs 467 million for the quarter ended December 2009 and up 38.5% Y-o-Y compared to Rs 361 million for the quarter ended March 2009.
- Profit after tax of Rs. 356 million, up 6.9% Q-o-Q compared to Rs 333 million for the quarter ended December 2009 and down 12.9% Y-o-Y compared to Rs 409 million for the quarter ended March 2009.
 - Quarter ended March 2009 had unusual income from gain on FCCB buyback which, net of certain one time expenses, resulted in higher profit for the quarter.
- Employee strength at 24,860 as of March 31, 2010 compared to 27,308 as of December 31, 2009. Reduction in headcount due to downsizing of Asia Business Unit staff following reduction in volumes from Telecom customers.
- Q4 annualized attrition (post 180 days) was as follows:
 - Offshore (India and Philippines) – 43.5% compared to 43.7% in the previous quarter
 - Onshore (US and UK) – 34.5% compared to 34.1% in the previous quarter
 - Domestic – Attrition % for the current quarter not relevant due to significant downsizing in Asia Business unit. Attrition for the previous quarter was 68.3%.

Other Highlights for FY 2009-10

- Firstsource undertook an organizational restructuring into four independent business units effective March 2009. This restructuring is now complete and the strong domain focus is today our market differentiator. It is being appreciated by clients and starting to pay dividends in terms of increased business momentum.
- Clients
 - 8 of the top 10 clients have grown business during the year
 - Added marquee client logos with significant growth potential
 - Leading UK telecom service provider
 - 2 of the top 15 credit card issuers in the US
 - A leading issuer of prepaid debit cards in the US
 - New business wins in Healthcare provider up 60% y-o-y
- Given concern around job losses in UK & US, Firstsource's strong onshore delivery capability is proving to be a market advantage and the onshore-offshore proposition is expected to continue to benefit the company in the coming year.
- On April 28, 2010 Firstsource announced that Ananda Mukerji, MD & CEO would step down on July 27, 2010 and Matthew Vallance, Jt. MD & President Europe would succeed him as MD & CEO. Ananda Mukerji would continue on the Board of Firstsource as the non-executive vice-chairman.
- Firstsource appointed Tom Watters as President Healthcare and CEO North America effective April 1, 2010 on the erstwhile president Mike Shea's retirement.
- Firstsource's wholly-owned subsidiary MedAssist became a U.S. General Service Administration (GSA) contractor under the Multiple Award Schedule (MAS) of the US Government. GSA's Multiple Award Schedule (MAS) is the premier commercial acquisition vehicle program within the federal government allowing government agencies to place orders directly with MAS contractors, eliminating the need for interagency agreements. As a MAS-qualified contractor, MedAssist will be able to execute service contracts in direct response to federal government agency solicitations.
- Firstsource received several global awards during the year:
 - Won the UK Trade and Investment's (UKTI) Investor of the Year award at the UK-India Business Awards. The Investor of the Year award is given to the Indian company making a significant contribution to the UK economy each year.
 - Firstsource Solutions' wholly owned subsidiary MedAssist was ranked 2nd among US Healthcare vendors by KLAS for Extended Business Office services including revenue cycle services
 - Ranked among Top 100 companies in the world by CIO magazine for innovative use of IT.

- Recognized among Top 25 companies in India for Excellence in Corporate Governance for the year 2009 by the Institute of Company Secretaries of India (ICSI)
- Winner Best Process Improvement in Service & Transaction Project and Deployment Leader of the Year at IQPC, USA

Commenting on the performance **Ananda Mukerji, MD & CEO** said, "It has been a year of strong all-round performance with growth in revenues and expansion in margins. Our marquee client base continues to be a growth driver for us with 8 of our top 10 clients having increased engagement with us during the course of this financial year. In a difficult economic environment our vertical domain focus and operational performance has led to us gaining from vendor consolidation in both our Telecoms and Collections businesses. Our provider business has shown strong growth and we are starting to see increased opportunity across several sectors including banking in our domestic business. Outlook for BPO services continues to be strong as companies in the US & UK deal with tighter regulatory requirements and cost pressures."

Carl Saldanha, Global CFO said, "Coming out of a tough fiscal 2009, performance in fiscal 2010 has been commendable in terms of both Revenue growth and profitability. We were able to expand our margins in this fiscal by 190 bps on the back of strong operational performance and significant improvement in capacity utilization. Moving forward, we will continue to focus on improving operational efficiencies to further improve margins."

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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