

Firstsource Solutions Limited
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2010

(Rs. in lakhs, except per share data)

Particulars	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2010	2009	2010	2009	2010
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	5,04,82.41	4,83,98.48	14,70,71.37	14,53,11.55	19,53,91.04
Other operating income	9,77.58	6,86.66	38,15.94	10,93.57	16,87.74
Total income from operations	5,14,59.99	4,90,85.14	15,08,87.31	14,64,05.12	19,70,78.78
Personnel costs	3,23,21.48	2,99,28.47	9,32,30.62	8,92,18.24	12,02,97.44
Operating costs	1,26,30.26	1,23,43.03	3,72,61.26	3,70,72.83	4,95,22.12
Depreciation and amortisation	23,55.58	21,48.25	65,74.39	66,80.93	87,26.32
Profit before other income, finance charges, taxation and minority interest	41,52.67	46,65.39	1,38,21.04	1,34,33.12	1,85,32.90
Other income (Refer note 7)	11,21.28	1,94.23	13,77.12	12,55.47	13,14.64
Gain on FCCB buyback, net	-	-	-	7,39.09	7,39.09
Profit before Finance charges, taxation and minority interest	52,73.95	48,59.62	1,51,98.16	1,54,27.68	2,05,86.63
Finance charges, net	8,62.48	8,84.92	25,66.37	34,71.81	45,58.42
Net profit before taxation and minority interest	44,11.47	39,74.70	1,26,31.79	1,19,55.87	1,60,28.21
Provision for Taxation					
a) Current tax expenses (incl. foreign tax)	9,42.60	5,11.83	25,58.03	20,85.94	26,08.54
b) Deferred tax charge	2,36.87	4,07.57	7,29.49	5,56.93	10,85.04
c) Minimum alternate tax credit entitlement	(3,44.30)	(2,76.93)	(8,64.67)	(7,72.32)	(13,17.47)
Net profit after tax and before minority interest	35,76.30	33,32.23	1,02,08.94	1,00,85.32	1,36,52.10
Minority Interest	80.03	0.66	1,84.02	39.63	45.00
Net profit after tax and minority interest	34,96.27	33,31.57	1,00,24.92	1,00,45.69	1,36,07.10
Paid-up Equity Share Capital (Face Value of Share Rs. : 10)	-	-	4,30,13.82	4,29,12.72	4,29,20.97
Reserves excluding Revaluation Reserve	-	-	9,81,52.36	9,65,76.59	9,94,81.59
Earning Per Share (Rs.) : (Not Annualized)					
- Basic	0.81	0.78	2.33	2.34	3.17
- Diluted	0.73	0.70	2.11	2.09	2.84
Aggregate of non-promoter shareholding (unaudited)					
- Number of shares of Rs. 10	343,065,761	337,233,885	343,065,761	337,233,885	337,316,385
- Percentage of shareholding	79.76%	78.59%	79.76%	78.59%	78.59%
Promoters and promoter group shareholding					
a) Pledged/ Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	87,072,421	91,893,297	87,072,421	91,893,297	91,893,297
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	20.24%	21.41%	20.24%	21.41%	21.41%

Notes to financials results :

1. The above results were reviewed by the Audit Committee and adopted by the Board of Directors at their meeting held on February 9, 2011. The standalone financial results for the quarter and nine months ended December 31, 2010 are available on the Company's website (www.firstsource.com) and the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

2. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered. Minority interest's share of profits or losses is adjusted against income to arrive at the net income attributable to the Company's shareholders.

3. Effective year ended March 31, 2009, the company has early adopted Accounting Standard AS-30 "Financial instruments: Recognition and Measurement", pursuant to announcement made by the Institute of Chartered Accountants of India (ICAI).

4. Standalone Information (Audited)

	Quarter ended 31 December		Nine months ended 31 December		Year ended 31 March 2010
	2010	2009	2010	2009	
Total income from operations	1,80,07.99	1,66,29.34	5,20,01.11	4,86,22.26	6,61,72.33
Net profit before taxation	17,44.44	9,06.76	54,58.53	47,55.90	62,16.79
Net profit after taxation	17,11.80	10,18.66	51,67.72	50,59.72	67,33.28

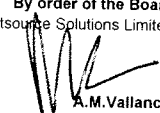
5. During the quarter, 73,125 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

6. During the quarter, 2 complaints were received from investors which were resolved. There were no complaints pending at the beginning and at the end of the quarter.

7. During the quarter, the Company has sold the investment in its subsidiary "Pipal Research Corporation" and the resultant profit on same amounting to Rs 7,90.63 lakhs has been accounted in other income.

8. During the quarter, "Twin Lakes Property LLC - I" has been consolidated with 80% ownership, effective April 1, 2010

9. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

Segment Reporting					
Particulars	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2010	2009	2010	2009	2010
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment Revenue					
a) UK	1,66,33.94	1,37,70.77	4,34,49.72	3,92,13.44	5,27,62.73
b) USA and Canada	2,78,10.99	2,81,09.68	8,58,99.61	8,74,55.89	11,80,88.39
c) India	55,14.12	61,59.03	1,61,78.09	1,76,77.61	2,31,71.44
d) Rest of the world	5,23.36	3,59.00	15,43.95	9,64.61	13,68.48
Total	5,04,82.41	4,83,98.48	14,70,71.37	14,53,11.55	19,53,91.04
Less: Inter Segment Revenue	-	-	-	-	-
Net Segment Revenue	5,04,82.41	4,83,98.48	14,70,71.37	14,53,11.55	19,53,91.04
Segment results before Tax and Interest					
a) UK	43,88.78	45,81.09	1,27,72.08	1,30,53.01	1,66,12.06
b) USA and Canada	43,35.88	28,98.05	1,27,13.92	93,39.88	1,23,82.18
c) India	2,46.16	5,21.81	11,25.20	18,93.92	20,34.42
d) Rest of the world	2,32.46	1,40.28	6,56.69	3,82.49	4,89.96
Total	92,03.28	81,41.23	2,72,67.89	2,46,69.30	3,15,18.62
i) Finance charges, net	(8,62.48)	(8,84.92)	(25,66.37)	(34,71.81)	(45,58.42)
ii) Other unallocable expenditure net of unallocable Income	(39,29.33)	(32,81.61)	(1,20,69.73)	(92,41.62)	(1,09,31.99)
Profit before tax and minority interest	44,11.47	39,74.70	1,26,31.79	1,19,55.87	1,60,28.21
Capital Employed					
a) UK			1,20,64.26	1,01,06.53	1,23,18.98
b) USA and Canada			1,48,39.86	1,61,11.26	1,61,85.72
c) India			53,06.10	46,06.24	40,40.94
d) Rest of the world			3,94.29	2,29.34	2,90.55
e) Unallocated			25,32,39.75	24,78,69.12	24,58,83.03
			28,58,44.26	27,89,22.49	27,87,19.22
Notes on segment information					
<i>Primary segments</i>					
The Primary segment of the company is geography, identified on the basis of the location of the customer which in the opinion of management, is the predominant source of risk and rewards. The business of the Group is organized into four key geographic segments comprising United Kingdom, United States of America and Canada, India and Rest of the world.					
<i>Capital Employed</i>					
Capital employed comprises of debtors and unbilled receivables, classified by reportable segments. As the fixed assets and services are used interchangeably between the segments by the Group's businesses and liabilities contracted have not been identified to any of the reportable segments, the Group believes that it is currently not practicable to provide segment disclosures relating to these assets and liabilities and hence, has been included under unallocated.					
<div style="text-align: right;"> By order of the Board For Firstsource Solutions Limited  A.M. Vallance Managing Director and CEO </div>					
Mumbai, India February 9, 2011					

Firstsource Solutions Limited
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2010

(Rs. in lakhs, except per share data)

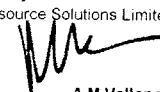
Particulars	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2010	2009	2010	2009	2010
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	1,71,34.40	1,66,43.76	4,84,93.40	4,82,98.43	6,52,14.92
Other operating income	8,73.59	(14.42)	35,07.71	3,23.83	9,57.41
Total income from operations	1,80,07.99	1,66,29.34	5,20,01.11	4,86,22.26	6,61,72.33
Total Expenditure					
Personnel costs	93,15.67	86,34.65	2,73,43.77	2,43,47.50	3,30,20.90
Operating costs	66,17.10	52,33.03	1,74,55.65	1,55,84.78	2,09,45.71
Depreciation and amortisation	14,91.95	12,85.12	41,30.39	39,83.06	52,43.80
Profit before other income, finance charges and taxation	5,83.27	14,76.54	30,71.30	47,06.92	69,61.92
Other income (Refer note 5)	8,38.76	1,06.30	14,52.95	13,22.87	12,93.59
Gain on FCCB buyback, net	-	-	-	7,39.09	7,39.09
Profit before finance charges and taxation	14,22.03	15,82.84	45,24.25	67,68.88	89,94.60
Finance charges, net	(3,22.41)	6,76.08	(9,34.28)	20,12.98	27,77.81
Net profit before taxation	17,44.44	9,06.76	54,58.53	47,55.90	62,16.79
Provision for taxation					
a) Current tax expenses including foreign taxes	4,00.46	1,64.32	12,20.37	8,19.06	11,13.40
b) Deferred tax release	(81.11)	(66.50)	(2,56.97)	(5,55.56)	(5,75.15)
c) Minimum alternate tax credit entitlement carried forward	(2,86.71)	(2,09.72)	(6,72.59)	(5,67.32)	(10,54.74)
Net profit after taxation	17,11.80	10,18.66	51,67.72	50,59.72	67,33.28
Paid-up Equity Share Capital (Face Value of Share : Rs 10)	-	-	4,30,13.82	4,29,12.72	4,29,20.97
Reserves excluding Revaluation Reserve	-	-	6,19,28.11	6,41,73.25	6,73,83.31
Earning Per Share (Rs.) :					
-Basic	0.40	0.24	1.20	1.18	1.57
-Diluted	0.39	0.24	1.17	1.14	1.51
Aggregate of non- promoter shareholding (unaudited)					
- Number of shares of Rs. 10	343,065,761	337,233,885	343,065,761	337,233,885	337,316,385
- Percentage of shareholding	79.76%	78.59%	79.76%	78.59%	78.59%
Promoters and promoter group shareholding					
a) Pledged/ Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
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- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

Mumbai, India
February 9, 2011

By order of the Board
For Firstsource Solutions Limited


A.M. Vallance
Managing Director and CEO