

## Firstsource Solutions Limited

### AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007

(Rs. in million, except per share data)

Particulars	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2007	2006	2007	2006	2007
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	3,589.20	2,082.34	8,713.71	5,484.65	8,168.48
Other operating income	149.98	62.99	561.99	51.93	141.68
	<b>3,739.18</b>	<b>2,145.33</b>	<b>9,275.70</b>	<b>5,536.58</b>	<b>8,310.16</b>
Other income	85.92	83.59	324.47	92.59	89.16
<b>Total Income</b>	<b>3,825.10</b>	<b>2,228.92</b>	<b>9,600.17</b>	<b>5,629.17</b>	<b>8,399.32</b>
Personnel costs	2,124.19	1,032.23	5,005.44	2,637.80	4,135.65
Operating costs	1,035.65	691.25	2,549.42	1,821.17	2,518.20
Interest (Income) / cost , net	194.95	17.98	198.74	59.13	77.66
Depreciation and amortisation	231.08	156.39	633.86	441.52	641.46
<b>Net Profit before tax and minority interest</b>	<b>239.23</b>	<b>331.07</b>	<b>1,212.71</b>	<b>669.55</b>	<b>1,026.35</b>
Provision for Taxation					
a) Current tax expenses (Incl. foreign tax)	58.27	27.82	225.53	38.52	39.39
b) Fringe benefit tax	4.14	4.00	12.58	9.30	15.33
c) Deferred tax charge /(release)	(25.28)	-	(124.51)	3.88	5.41
<b>Net Profit after tax and before minority interest</b>	<b>202.10</b>	<b>299.25</b>	<b>1,099.11</b>	<b>617.85</b>	<b>966.22</b>
Minority Interest	(4.18)	(2.85)	(6.25)	(5.54)	(6.31)
<b>Net Profit after tax and minority interest</b>	<b>206.28</b>	<b>302.10</b>	<b>1,105.36</b>	<b>623.39</b>	<b>972.53</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)			4,270.18	3,562.61	4,250.84
Reserves excluding Revaluation Reserve	-	-	-	-	6,414.74
Earning Per Share (Rs.) : (Not Annualized)					
-Basic	0.48	0.85	2.60	2.77	3.67
-Diluted	0.44	0.76	2.52	1.65	2.50
Aggregate of non-promoter shareholding (unaudited)					
- Number of shares of Rs. 10			314,166,839	240,811,449	318,834,297
- Percentage of shareholding			73.57%	67.59%	75.01%

#### Notes to financials results :

1. The above results were reviewed by the Audit Committee and taken on record by Board of Directors at their meeting held on 29 January, 2008.
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. On 3rd December 2007, the Company has issued US\$ 275,000,000 Zero Coupon Convertible Bonds by private placement. The bonds are optionally convertible into equity shares of par value of Rs. 10, at any time on or after 14th January 2008 upto 23rd November 2012 at a conversion price of Rs. 92.2933 per share. The conversion price is subject to adjustments in certain circumstances. The premium on redemption is being charged to the securities premium account.
4. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.
5. Other income includes net foreign exchange gain recognised on account of translation of foreign integral subsidiaries of Rs. 233.94 million for the nine months period ended 31 December 2007.
6. During the quarter 17,86,498 Equity Shares were issued pursuant to exercise of Options under the Employee Stock Option Schemes of the Company.

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### AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007

(Rs. in million, except per share data)

Particulars	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2007	2006	2007	2006	2007
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	1,231.81	1,070.59	3,547.83	3,121.92	4,326.82
Other operating income	41.07	25.07	92.34	14.01	12.55
	<b>1,272.88</b>	<b>1,095.66</b>	<b>3,640.17</b>	<b>3,135.93</b>	<b>4,339.37</b>
Other income	9.27	40.26	77.62	52.45	65.83
<b>Total Income</b>	<b>1,282.15</b>	<b>1,135.92</b>	<b>3,717.79</b>	<b>3,188.38</b>	<b>4,405.20</b>
Total Expenditure					
Personnel costs	628.90	504.63	1,770.18	1,419.63	1,967.62
Operating costs	415.52	325.22	1,230.50	943.39	1,256.71
Interest (Income) / cost , net	(13.28)	4.43	(82.11)	15.74	5.78
Depreciation and amortisation	137.51	98.09	402.65	284.77	412.47
<b>Net Profit before Tax</b>	<b>113.50</b>	<b>203.55</b>	<b>396.57</b>	<b>524.85</b>	<b>762.62</b>
Provision for Taxation					
a) Current tax expenses (Incl. foreign tax)	14.53	1.32	33.77	4.05	5.36
b) Fringe benefit tax	3.84	4.01	11.46	8.80	14.44
c) Deferred tax charge /(release)	(53.80)	-	(141.76)	-	-
<b>Net Profit after Tax</b>	<b>148.93</b>	<b>198.22</b>	<b>493.10</b>	<b>512.00</b>	<b>742.82</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)			4,270.18	3,562.61	4,250.84
Reserves excluding Revaluation Reserve	-	-	-	-	6,039.05
Earning Per Share (Rs.) : (Not Annualized)					
-Basic	0.35	0.56	1.16	2.28	2.80
-Diluted	0.32	0.50	1.12	1.35	1.91
Aggregate of non-promoter shareholding (unaudited)					
- Number of shares of Rs. 10			314,166,839	240,811,449	318,834,297
- Percentage of shareholding			73.57%	67.59%	75.01%

#### Notes to financials results :

- The above results were reviewed by the Audit Committee and taken on record by Board of Directors at their meeting held on 29 January, 2008.
- On 3rd December 2007, the Company has issued US\$ 275,000,000 Zero Coupon Convertible Bonds by private placement. The bonds are optionally convertible into equity shares of par value of Rs. 10, at any time on or after 14th January 2008 upto 23rd November 2012 at a conversion price of Rs. 92.2933 per share. The conversion price is subject to adjustments in certain circumstances. The premium on redemption is being charged to the securities premium account.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.
- During the quarter, 27 Investors' complaints were received, 26 were resolved and 1 was pending at the end of the quarter. No Complaints were pending to resolve at the beginning of the quarter.
- During the quarter 17,86,498 Equity Shares were issued pursuant to exercise of Options under the Employee Stock Option Schemes of the Company.

### Segment Reporting

Particulars	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2007	2006	2007	2006	2007
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment Revenue</b>					
a) UK	1,076.73	1,104.30	3,275.70	2,759.04	3,975.75
b) USA and Canada	2,133.21	897.97	4,432.00	2,542.54	3,863.72
c) India	375.08	75.54	993.17	169.37	310.72
d) Rest of the world	4.18	4.53	12.84	13.69	18.29
<b>Total</b>	<b>3,589.20</b>	<b>2,082.34</b>	<b>8,713.71</b>	<b>5,484.64</b>	<b>8,168.48</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Net Segment Revenue</b>	<b>3,589.20</b>	<b>2,082.34</b>	<b>8,713.71</b>	<b>5,484.64</b>	<b>8,168.48</b>
<b>segment results before Tax and Interest</b>					
a) UK	385.80	153.16	1,309.14	713.75	1,311.94
b) USA and Canada	79.77	114.20	388.43	367.22	719.74
c) India	141.32	25.05	281.34	49.03	31.80
d) Rest of the world	0.62	2.66	3.47	8.15	10.07
<b>Total</b>	<b>607.51</b>	<b>295.07</b>	<b>1,982.38</b>	<b>1,138.15</b>	<b>2,073.55</b>
i) Interest Expenses , net	(194.95)	(17.98)	(198.74)	(59.13)	(77.66)
ii) Other unallocable expenditure net off unallocable Income	(173.33)	53.98	(570.93)	(409.47)	(969.54)
<b>Profit before tax and minority interest</b>	<b>239.23</b>	<b>331.07</b>	<b>1,212.71</b>	<b>669.55</b>	<b>1,026.35</b>
<b>Capital Employed</b>					
a) UK			771.44	410.40	614.21
b) USA and Canada			993.06	402.63	673.83
c) India			50.70	114.50	44.41
d) Rest of the world			5.71	6.14	2.92
			<b>1,820.91</b>	<b>933.67</b>	<b>1335.37</b>
<b>Notes on segment information</b>					
<i>Primary segments</i>					
The Primary segment of the company is geography identified on the basis of the location of the customer which, in management opinion, is the predominant source of risk and rewards. The Group business is organized into four key geographic segments comprising United States of America and Canada, United Kingdom, India and Rest of World.					
<i>Capital Employed</i>					
Capital employed comprises debtors, 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.					
<b>By order of the Board</b>					
For Firstsource Solutions limited					
<b>Ananda Mukerji</b>					
Managing Director and CEO					
Mumbai , India January 29, 2008					