

<b>Firstsource Solutions Limited</b>					
<b>UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2007</b>					
(Rs.in million, except per share data)					
Particulars	Quarter ended September 30,		Half year ended September 30,		Year ended March 31,
	2007	2006	2007	2006	2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Income from services	2,587.64	1,793.62	5,124.52	3,402.30	8,168.48
Other operating income	217.75	25.29	412.00	(11.06)	141.68
	<b>2,805.39</b>	<b>1,818.91</b>	<b>5,536.52</b>	<b>3,391.24</b>	<b>8,310.16</b>
Other income	159.80	13.81	247.76	15.61	89.16
<b>Total Income</b>	<b>2,965.19</b>	<b>1,832.72</b>	<b>5,784.28</b>	<b>3,406.85</b>	<b>8,399.32</b>
Personnel costs	1,464.80	819.54	2,881.25	1,605.56	4,135.65
Operating costs	793.53	635.37	1,522.97	1,136.53	2,518.20
Interest (Income) / cost , net	23.54	23.59	3.79	41.15	77.66
Depreciation and amortisation	213.89	153.89	402.79	285.13	641.46
<b>Net Profit before tax and minority interest</b>	<b>469.43</b>	<b>200.33</b>	<b>973.48</b>	<b>338.48</b>	<b>1,026.35</b>
Provision for Taxation					
a) Current tax expenses (Incl. foreign tax)	70.99	8.30	167.25	10.71	39.39
b) Fringe benefit tax	4.51	2.13	8.44	5.30	15.33
c) Deferred tax charge /(release)	(60.88)	3.88	(99.22)	3.87	5.41
<b>Net Profit after tax and before minority interest</b>	<b>454.81</b>	<b>186.02</b>	<b>897.01</b>	<b>318.60</b>	<b>966.22</b>
Minority Interest	(1.17)	(1.71)	(2.07)	(2.69)	(6.31)
<b>Net Profit After Tax</b>	<b>455.98</b>	<b>187.73</b>	<b>899.08</b>	<b>321.29</b>	<b>972.53</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)			4,252.32	2,032.48	4,250.84
Paid-up Preference Share Capital ( Face Value of Share Rs.: 10)			-	3,555.19	-
Reserves excluding Revaluation Reserve			7,308.59	498.09	6,414.74
Earning Per Share (Rs.) : (Not Annualized)					
-Basic	1.07	0.93	2.11	1.59	3.67
-Diluted	1.02	0.51	2.02	0.89	2.50
Aggregate of non-promoter shareholding (unaudited)					
- Number of shares of Rs. 10			318,981,922	25,264,362	318,834,297
- Percentage of shareholding			75.02%	12.43%	75.01%
<b>Notes to financials results :</b>					
1. The above results were reviewed by the Audit Committee and taken on record by Financial Results Committee of Board of Directors at their meeting held on 29 October , 2007. Statutory auditors have carried out limited review of the financial results for the quarter and half year ended 30th September, 2007 as required under clause 41 of the listing requirements. The standalone financial results for the quarter and half year ended September 30, 2007 are available on the company's website (www.firstsource.com) and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).					
2. Statement of Utilization of issue proceeds as of September 30 , 2007.					
Amount Raised through public issue					3,840.00
Less :Issue related expenses					197.96
<b>Net Proceeds</b>					<b>3,642.04</b>
<b>Utilization :</b>					
Setting up of new facilities					462.85
Repayment of External commercial borrowing					411.09
Acquisitions					2,768.10
<b>Total</b>					<b>3,642.04</b>
3. 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. Minority interest's share of net assets is disclosed separately in the balance sheet.					
4. On 20 September 2007, the Company through its wholly owned subsidiary FSL-US acquired 100% of the common stock of MedAssist Holding, Inc. a Delaware corporation, including its 100% owned US based subsidiaries MedAssist Intermediate Holding, Inc., MedAssist, Incorporated, Twin Medical Transaction Services, Inc and Argent Healthcare Financial Services, Inc for a purchase consideration of Rs 13,294 (equivalent to USD 330 million). MedAssist, together with its subsidiary companies are a leading provider of revenue cycle management services, in healthcare industry, in the U.S. Earlier financial results of MedAssist are available on www.firstsource.com and will be available for inspection at the registered office of the Company at 6th Floor, Peninsula Chambers, G.K. Marg, Lower Parel, Mumbai 400013.					
5. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.					
6. During the quarter, 145 Investors' complaints were received, 168 were resolved including 23 pending at the beginning of quarter and Nil were pending at the end of the quarter.					
7. During the quarter 74,750 Equity Shares were issued pursuant exercise of Options under the Employee Stock Option Schemes of the Company.					
<b>Segment Reporting</b>					
Particulars	Quarter ended September 30,		Half year ended September 30,		Year ended March 31,
	2007	2006	2007	2006	2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>Segment Revenue</b>					
a) UK	1,082.71	897.61	2,198.97	1,654.74	3,975.75
b) USA and Canada	1,159.89	841.59	2,298.79	1,644.56	3,863.72
c) India	341.08	49.74	618.09	93.84	310.72
d) Rest of the world	3.96	4.68	8.67	9.16	18.29
<b>Total</b>	<b>2,587.64</b>	<b>1,793.62</b>	<b>5,124.52</b>	<b>3,402.30</b>	<b>8,168.48</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Net Segment Revenue</b>	<b>2,587.64</b>	<b>1,793.62</b>	<b>5,124.52</b>	<b>3,402.30</b>	<b>8,168.48</b>
<b>segment results before Tax and Interest</b>					
a) UK	466.10	173.23	923.35	560.59	1,311.94
b) USA and Canada	71.82	77.33	308.66	253.02	719.74
c) India	81.65	9.43	140.02	23.98	31.80
d) Rest of the world	1.25	2.75	2.85	5.49	10.07
Total	620.82	262.74	1,374.88	843.08	2,073.55
i) Interest Expenses , net	(23.54)	(23.59)	(3.79)	(41.15)	(77.66)
ii) Other unallocable expenditure net off unallocable Income	(127.85)	(38.82)	(397.61)	(463.45)	(969.54)
<b>Profit before tax and minority interest</b>	<b>469.43</b>	<b>200.33</b>	<b>973.48</b>	<b>338.48</b>	<b>1,026.35</b>
<b>Capital Employed</b>					
a) UK			675.22	618.77	614.21
b) USA and Canada			954.76	357.03	673.83
c) India			69.39	59.43	44.41
d) Rest of the world			6.82	3.16	2.92
			<b>1,706.19</b>	<b>1,038.39</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					
<b>Ananda Mukerji</b>					
Managing Director and CEO					
Mumbai , India					
October 29, 2007					