

Firstsource Solutions Limited



Profit and Loss account summary
(consolidated figures)

(As per Indian GAAP)

In ₹ million, except per share data

Particulars	Quarter ended		Growth % in Q2 FY12 over Q2 FY11	Quarter ended	Growth % in Q2 FY12 over Q1 FY12
	Sep 30, 2011	Sep 30, 2010		Jun 30, 2011	
INCOME					
Income from services	5,287.1	4,900.1		5,188.9	
Other Operating Income	43.2	135.6		41.8	
REVENUES FROM OPERATIONS	5,330.3	5,035.7	5.8%	5,230.8	1.9%
EXPENDITURE					
Operating expenses	1,355.5	1,237.9		1,340.5	
Personnel expenses	3,512.8	3,092.5		3,461.5	
	4,868.2	4,330.4		4,802.0	
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	462.0	705.3	-34.5%	428.8	7.8%
Operating EBITDA %	8.7%	14.0%		8.2%	
Depreciation / amortization	225.1	213.0		219.6	
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	236.9	492.3	-51.9%	209.2	13.3%
Operating EBIT %	4.4%	9.8%		4.0%	
Interest Income / (expense), net	(21.1)	(53.3)		(34.4)	
Exchange gain/ (loss) on Foreign currency loan	26.4	(1.1)		(0.6)	
Gain on FCCB Buy back	3.8	-		-	
Amortized (cost) on fair value of FCCB	(36.2)	(31.3)		(35.2)	
Other Income / (expense)	51.1	8.8		14.7	
PROFIT/(LOSS) BEFORE TAX (PBT)	260.9	415.4	-37.2%	153.6	69.8%
PBT (% of Total Income)	4.8%	8.2%		2.9%	
Taxes	46.7	79.1		45.9	
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	214.1	336.3	-36.3%	107.8	98.7%
Minority Interest	(0.4)	4.2		1.3	
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	214.5	332.1	-35.4%	106.5	101.5%
PAT (% of Total Income)	4.0%	6.6%		2.0%	
EARNINGS PER SHARE (Equity shares of par value ₹ 10/ each)					
Basic	0.50	0.77		0.25	
Diluted	0.48	0.70		0.25	

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In ₹ million, except per share data

Particulars	Six Months ended		Growth (%)
	Sep 30, 2011	Sep 30, 2010	
INCOME			
Income from services	10,476.0	9,658.9	
Other Operating Income	85.0	283.8	
REVENUES FROM OPERATIONS	10,561.0	9,942.7	6.2%
EXPENDITURE			
Operating expenses	2,696.0	2,465.8	
Personnel expenses	6,974.3	6,090.9	
	9,670.3	8,556.7	
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	890.8	1,386.0	-35.7%
Operating EBITDA %	8.4%	13.9%	
Depreciation / amortization	444.7	425.9	
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	446.1	960.1	-53.5%
Operating EBIT %	4.2%	9.7%	
Interest Income / (expense), net	(55.5)	(110.3)	
Exchange gain/ (loss) on Foreign currency loan	25.8	1.6	
Amortised (cost) on fair value of FCCB	(71.4)	(61.7)	
Gain on FCCB Buy back	3.8	-	
Other Income / (expense)	65.7	32.3	
PROFIT/(LOSS) BEFORE TAX (PBT)	414.5	822.0	-49.6%
PBT (% of Total Income)	3.9%	8.2%	
Taxes	92.6	158.8	
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	321.9	663.3	
Minority Interest	0.9	10.4	
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	321.0	652.9	-50.8%
PAT (% of Total Income)	3.0%	6.5%	
EARNINGS PER SHARE (Equity shares of par value ₹ 10/ each)			
Basic	0.75	1.52	
Diluted	0.75	1.37	

Firstsource Solutions Limited



Balance sheet summary
(consolidated figures)

(As per Indian GAAP)

In ₹ million

Particulars	As on	
	Sep 30, 2011	Jun 30, 2011
SOURCES OF FUNDS		
Shareholder's funds		
Share capital	4,307.8	4,306.5
Reserve and surplus	9,736.6	9,834.3
	14,044.40	14,140.8
Minority interest	14.3	13.8
Deferred tax liability, net	114.1	69.0
Loan funds		
Secured loans	8,887.4	2,912.0
Unsecured loans	11,978.3	11,840.8
	20,865.7	14,752.8
	35,038.6	28,976.4
APPLICATION OF FUNDS		
Goodwill on consolidation	22,311.3	20,512.6
Fixed assets		
Gross block	7,512.7	7,651.8
Less: Accumulated depreciation and amortization	5,574.8	5,618.3
Net block	1,937.9	2,033.4
Add: Capital work in progress (including capital advances)	234.6	119.1
	2,172.5	2,152.6
Investments	1,117.6	1,009.0
Current assets, loans and advances		
Sundry debtors	2,846.6	3,105.4
Unbilled revenues	857.5	865.6
Cash and bank balances	7,909.5	2,898.6
Loans and advances	1,871.6	1,599.1
	13,485.2	8,468.6
Less: Current liabilities and provisions		
Current liabilities	3,454.8	2,635.6
Provisions	593.3	530.7
	4,048.1	3,166.3
Net current assets	9,437.1	5,302.3
	35,038.6	28,976.4
Cash and Cash Equivalents	9,027.2	3,907.6
Net Debt	11,838.6	10,845.3
Net Debt / Equity (x)	0.84	0.77

Firstsource Solutions Limited

Cash Flow Statement (consolidated figures)



Particulars	Jun 30, 2011	Sep 30, 2011
Sources		
Net Cash accruals / (losses)	452	606
Increase in Shareholders' Funds	0	2
Increase in Borrowings (incl CC & FCNR)	-	5,531
Decrease in Net current Assets	-	241
Total Sources	452	6,380
Uses		
Increase in Net current Assets	518	-
Taxes paid	5	178
Capital Expenditure	89	197
Business Acquisition, net of cash acquired	33	160
Interest Expense, Net	36	29
Decrease in Borrowings (incl CC & FCNR)	441	-
Total Uses	1,122	565
Surplus / (Deficit)	(670)	5,815
Effect of exchange rate on translation of subsidiaries	2	(695)
Opening Cash and Cash Equivalents	4,576	3,908
Closing Cash and Cash Equivalents	3,908	9,027

Firstsource Solutions Limited



OPERATING METRICS

Revenue by Industry					
	Quarter Ended			Year Ended	
	Sep 30, 2011	Sep 30, 2010	Jun 30, 2011	Mar 31, 2011	Mar 31, 2010
BFSI	30.0%	22.9%	30.0%	26.3%	23.0%
Telecom & Media	35.2%	39.2%	34.2%	36.6%	37.7%
Healthcare	33.8%	36.4%	35.0%	35.7%	37.5%
Others	1.0%	1.5%	0.8%	1.4%	1.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Geography					
	Quarter Ended			Year Ended	
	Sep 30, 2011	Sep 30, 2010	Jun 30, 2011	Mar 31, 2011	Mar 31, 2010
US (including Canada)	51.8%	58.7%	54.2%	57.3%	60.4%
UK	32.1%	28.8%	32.6%	30.6%	27.0%
India	14.1%	11.5%	11.7%	11.1%	11.9%
Rest of world	2.1%	1.1%	1.6%	1.0%	0.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Delivery location					
	Quarter Ended			Year Ended	
	Sep 30, 2011	Sep 30, 2010	Jun 30, 2011	Mar 31, 2011	Mar 31, 2010
Offshore	23.5%	28.8%	23.8%	26.9%	28.9%
Domestic	14.5%	11.5%	12.2%	11.1%	11.9%
Onshore	62.0%	59.7%	64.0%	62.0%	59.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Client Concentration					
	Quarter Ended			Year Ended	
	Sep 30, 2011	Sep 30, 2010	Jun 30, 2011	Mar 31, 2011	Mar 31, 2010
Client contribution to revenues					
Top customer	13.8%	12.1%	13.1%	11.7%	12.0%
Top 5 customers	41.5%	31.1%	39.3%	34.0%	32.5%

Employee and Seats Metrics					
	Quarter Ended			Year Ended	
	Sep 30, 2011	Sep 30, 2010	Jun 30, 2011	Mar 31, 2011	Mar 31, 2010
Total employees (end of period)	29,291	24,909	29,664	26,413	24,860
Net Addition	(373)	212	3,251	1,553	3,290
Employees in India	22,097	19,014	22,482	19,632	18,784
Employees outside India	7,194	5,895	7,182	6,781	6,076
Number of seats	22,519	20,875	23,342	22,681	19,556
Seat fill factor	78%	75%	74%	71%	80%

Attrition Snapshot		
	Post 180 days attrition - Quarter annualized	
	Q2 FY12	Q1 FY12
Domestic (India and Sri Lanka)	74.7%	81.6%
Offshore (India and Philippines)	48.8%	58.7%
Onshore (US and UK)	40.9%	32.8%

Other Metrics		
	Period ended	
	Six months ended Sep 30, 2011	Year ended Mar 31, 2011
Capital Expenditure (In ₹ million)	190.9	470.9