

Firstsource Solutions Limited



Profit and Loss account summary
(consolidated figures)

(As per Indian GAAP)

In Rs million, except per share data

Particulars	Quarter ended		Growth % in Q3 FY11 over Q3 FY10	Quarter ended Sep 30, 2010	Growth % in Q3 FY11 over Q2 FY11
	Dec 31, 2010	Dec 31, 2009			
INCOME					
Income from services	5,048.2	4,839.9		4,900.1	
Other Operating Income	97.8	68.7		135.6	
REVENUES FROM OPERATIONS	5,146.0	4,908.5	4.8%	5,035.7	2.2%
EXPENDITURE					
Operating expenses	1,203.2	1,234.3		1,235.8	
Personnel expenses	3,232.2	2,992.9		3,092.5	
	4,435.4	4,227.2		4,328.3	
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	710.6	681.4	4.3%	707.4	0.5%
Operating EBITDA %	13.8%	13.9%		14.0%	
Depreciation / amortization	231.6	214.8		213.0	
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	479.1	466.5	2.7%	494.4	-3.1%
Operating EBIT %	9.3%	9.5%		9.8%	
Extraordinary (expense)	(63.8)	-		-	
Interest Income / (expense), net	(54.9)	(53.1)		(53.3)	
Exchange gain/ (loss) on Foreign currency loan	0.7	(7.3)		(1.1)	
Amortized (cost) on fair value of FCCB	(32.1)	(28.2)		(31.3)	
Other Income / (expense)	112.1	19.4		6.7	
PROFIT/(LOSS) BEFORE TAX (PBT)	441.1	397.5	11.0%	415.4	6.2%
PBT (% of Total Income)	8.4%	8.1%		8.2%	
Taxes	83.5	64.3		79.1	
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	357.6	333.2	7.3%	336.3	6.3%
Minority Interest	8.0	0.1		4.2	
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	349.6	333.2	4.9%	332.1	5.3%
PAT (% of Total Income)	6.6%	6.8%		6.6%	
EARNINGS PER SHARE (Equity shares of par value Rs 10/ each)					
Basic	0.81	0.78		0.77	
Diluted	0.73	0.70		0.70	

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(Consolidated numbers)

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In Rs million, except per share data

Particulars	Nine months ended		Growth (%)
	Dec 31, 2010	Dec 31, 2009	
INCOME			
Income from services	14,707.1	14,531.2	
Other Operating Income	381.6	109.4	
REVENUES FROM OPERATIONS	15,088.7	14,640.5	3.1%
EXPENDITURE			
Operating expenses	3,662.3	3,707.4	
Personnel expenses	9,323.1	8,837.8	
Total (B)	12,985.4	12,545.2	
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	2,103.3	2,095.3	0.4%
Operating EBITDA %	13.9%	14.3%	
Depreciation / amortization	657.5	668.1	
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	1,445.9	1,427.2	1.3%
Operating EBIT %	9.6%	9.7%	
Extraordinary (expense)	(63.8)	(84.0)	
Interest Income / (expense), net	(165.2)	(156.5)	
Exchange gain/ (loss) on Foreign currency loan	2.3	(105.7)	
Gain/(loss) due to exchange variation and amortised (cost) on fair value of FCCB	(93.7)	(85.1)	
Gain on FCCB Buy back	-	73.9	
Other Income / (expense)	137.7	125.6	
PROFIT/(LOSS) BEFORE TAX (PBT)	1,263.2	1,195.6	5.7%
PBT (% of Total Income)	8.3%	8.1%	
Taxes	242.3	187.1	
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	1,020.9	1,008.5	
Minority Interest	18.4	4.0	
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	1,002.5	1,004.6	-0.2%
PAT (% of Total Income)	6.6%	6.8%	
EARNINGS PER SHARE (Equity shares of par value Rs 10/ each)			
Basic	2.33	2.34	
Diluted	2.11	2.09	

Firstsource Solutions Limited



Balance sheet summary
(consolidated figures)

(As per Indian GAAP)

In Rs million

Particulars	As on	
	Dec 31, 2010	Sep 30, 2010
SOURCES OF FUNDS		
Shareholder's funds		
Share capital	4,301.4	4,300.7
Share application money	-	-
Reserve and surplus	9,815.2	9,748.1
	14,116.6	14,048.8
Minority interest	0.9	60.1
Deferred tax liability, net	14.6	-
Loan funds		
Secured loans	3,062.9	2,793.8
Unsecured loans	11,389.4	11,228.5
	14,452.3	14,022.3
	28,584.4	28,131.2
APPLICATION OF FUNDS		
Goodwill on consolidation	20,500.3	20,687.5
Fixed assets		
Gross block	7,486.7	6,603.7
Less: Accumulated depreciation and amortization	5,202.6	5,051.5
Net block	2,284.1	1,552.2
Add: Capital work in progress (including capital advances)	11.2	19.2
	2,295.3	1,571.4
Investments	1,444.5	1,208.6
Deferred tax asset, (net)	-	7.3
Current assets, loans and advances		
Sundry debtors	2,394.1	3,067.9
Unbilled revenues	866.4	768.2
Cash and bank balances	2,141.1	1,310.7
Loans and advances	2,214.5	2,036.3
	7,616.0	7,183.1
Less: Current liabilities and provisions		
Current liabilities	2,326.6	1,679.2
Provisions	945.1	847.5
	3,271.7	2,526.6
Net current assets	4,344.3	4,656.5
	28,584.4	28,131.2
Net Debt	10,866.7	11,503.1
Net Debt / Equity (x)	0.77	0.82

Firstsource Solutions Limited



OPERATING METRICS

Revenue by Industry					
	Quarter Ended			Year Ended	
	Dec 31, 2010	Dec 31, 2009	Sep 30, 2010	Mar 31, 2010	Mar 31, 2009
BFSI	27.4%	22.0%	22.9%	23.0%	25.2%
Telecom & Media	36.8%	39.6%	39.2%	37.7%	32.4%
Healthcare	34.3%	36.5%	36.4%	37.5%	39.9%
Others	1.5%	1.9%	1.5%	1.9%	2.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Geography					
	Quarter Ended			Year Ended	
	Dec 31, 2010	Dec 31, 2009	Sep 30, 2010	Mar 31, 2010	Mar 31, 2009
US (including Canada)	55.1%	58.1%	58.7%	60.4%	63.0%
UK	32.9%	28.5%	28.7%	27.0%	26.0%
India	10.9%	12.7%	11.5%	11.9%	10.8%
Rest of world	1.0%	0.7%	1.1%	0.7%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Delivery location					
	Quarter Ended			Year Ended	
	Dec 31, 2010	Dec 31, 2009	Sep 30, 2010	Mar 31, 2010	Mar 31, 2009
Offshore	27.3%	28.6%	28.8%	28.9%	30.5%
Domestic	10.9%	12.7%	11.5%	11.9%	10.8%
Onshore	61.7%	58.6%	59.7%	59.3%	58.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Client Concentration					
	Quarter Ended			Year Ended	
	Dec 31, 2010	Dec 31, 2009	Sep 30, 2010	Mar 31, 2010	Mar 31, 2009
Client contribution to revenues					
Top customer	12.2%	13.3%	12.1%	12.0%	10.3%
Top 5 customers	36.0%	34.8%	31.1%	32.5%	31.2%

Employee and Seats Metrics					
	Quarter Ended			Year Ended	
	Dec 31, 2010	Dec 31, 2009	Sep 30, 2010	Mar 31, 2010	Mar 31, 2009
Total employees (end of period)	26,668	27,308	24,909	24,860	21,570
Net Addition	1,759	876	212	3,290	4,201
Employees in India	19,919	21,377	19,014	18,784	16,859
Employees outside India	6,749	5,931	5,895	6,076	4,711
Number of seats	20,844	19,407	20,875	19,556	18,932
Seat fill factor	75%	80%	75%	80%	70%

Attrition Snapshot		
	Post 180 days attrition - Quarter annualized	
	Q3 FY11	Q2 FY11
Domestic	76.9%	94.2%
Offshore (India and Philippines)	54.8%	50.1%
Onshore (US and UK)	35.2%	48.4%

Other Metrics		
	Nine months ended Dec 31, 2010	Year ended Mar 31, 2010
Capital Expenditure (INR million)	362.0	480.1