

**FOR IMMEDIATE RELEASE**

**Firstsource reports first quarter fiscal 2011 revenues of Rs. 4,907 million  
Y-o-Y growth of 1.3%, down Q-o-Q by 3.2%**

**Operating EBIT of Rs 468 million  
Down Y-o-Y by 0.7% down Q-o-Q by 6.6%,**

**Mumbai, July 27, 2010:** Firstsource Solutions Limited (NSE:FSL, BSE:532809), among India's leading pure-play BPO companies reported its consolidated financial results for the quarter ended June 2010 according to Indian GAAP.

**Highlights for the Quarter ended June 30, 2010**

- Revenues of Rs. 4,907 million, up 1.3% Y-o-Y compared to Rs 4,845 million for the quarter ended June 2009 and down 3.2% Q-o-Q compared to Rs 5,067 million for the quarter ended March 2010.
  - Q-o-Q revenues lower primarily due to normal seasonality fall off in BFSI Collections business. There has also been some impact due to volume reduction and weaker pound sterling (GBP)
- Operating EBIT of Rs. 468 million, down 0.7% Y-o-Y compared to Rs 470 million for the quarter ended June 2009 and down 6.6% Q-o-Q compared to Rs 501 million for the quarter ended March 2010.
  - Down Q-o-Q due to BFSI Collections seasonality fall off, Asia business unit volume drop and higher depreciation on account of additional seats being commissioned.
- PAT of Rs 321 million, down 15.6% Y-o-Y compared to Rs. 380 million for quarter ended June 2009 and down 9.9% Q-o-Q compared to Rs. 356 million for the quarter ended March 2010.
  - Quarter ended June 2009 had unusual income from gain on FCCB buyback and cancellation of hedges which, net of certain one time expenses, resulted in higher PAT for the quarter.
- Employee strength at 24,697 as of June 30, 2010.
- Q1 annualized attrition (post 180 days) :
  - Offshore (India/ Philippines) – 55.4% compared to 43.5% in Q4 FY2010
  - US/ UK – 39.7% compared to 34.5% in Q4 FY2010

- Domestic – 94.9% (Q4 FY2010 domestic attrition % is not comparable due to downsizing on account of lower volumes)
- As of June 30, 2010 Firstsource derived 62% revenues from the US, 27% from UK and 11% from APAC, including India.
- As of June 30, 2010 Firstsource derived 38% revenues from Healthcare, 37% from Telecoms & Media, 24% from BFSI and 1% from others.
- As of June 30, 2010 Firstsource has 42 centers.
- Firstsource was ranked amongst the Top 50 'India's Best Companies to Work For' - 2010 list by Great Place to Work® Institute, India

Commenting on the performance **Matthew Vallance, MD & CEO** said, “We have had good operational performance in what is for us a seasonally weak quarter and we are on course to achieve our growth targets. While the business environment across our verticals continues to improve, opposing pressures are at play: an element of uncertainty persists in the global outlook while at the same time, cost pressures and increasing regulatory requirements are driving demand for outsourcing. Our deepening focus and capabilities in our chosen businesses is steadily paying good dividends as far as client mindshare goes.”

**Carl Saldanha, Global CFO** said, “As is normal for the first quarter, margins have dropped slightly but we expect to see overall improvement during the course of the year on the back of disciplined execution and margin expansion in Asia Business Unit. Our quarterly cash generation continues to be strong.”

- Firstsource also announced that **Dr. Shailesh J. Mehta**, currently non-executive Independent Director, would take over as Chairman of the Board and **Dr. Ashok Ganguly** would be stepping down with immediate effect.

“Being chairman of Firstsource for the last eight years has been an extremely rewarding experience”, said **Dr. Ashok Ganguly**. “I had the opportunity to look closely at one of India's most dynamic, emerging sectors and to interact with a new generation of business leaders. However, my becoming a Member of Parliament in the Rajya Sabha makes it difficult for me to devote the time and attention that is needed to discharge my responsibilities as Chairman of a publicly listed global company. I wish the new team and particularly Matthew Vallance, the new MD & CEO the very best in the years ahead.”

**Ananda Mukerji, outgoing MD & CEO** recorded his appreciation of Dr. Ganguly's leadership, “Firstsource has gained tremendously from Dr. Ganguly's vast corporate experience and wise counsel over the years. The Management team could always rely on his knowledge and he kept us focused on the fundamentals through all our corporate developments whether it was our overseas expansions, our public offering or our rebranding. Dr. Ganguly always encouraged us to adopt the highest standards of corporate governance. We are deeply grateful for the leadership he has provided in his capacity as chairman and wish him all the very best.”

**Dr. Shailesh J. Mehta**, has been on the Firstsource board since 2005 as non-executive independent director. He is a founder and managing general partner of Granite Hill Capital Partners, an India-focused private equity fund. He is former Chairman & CEO of

Providian Financial Corp. Dr. Mehta joined the founding team of Providian Financial and successfully built it to a Fortune 300 company with over US\$30 billion in assets and over 18 million customers. He has also been general partner with Invesco funds and operating general partner of Sequoia India.

### **About Firstsource**

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN) is a leading global provider of customized BPO services to the Healthcare, Telecom & Media and Banking & Financial Services industries. Its clients include Fortune 500, FTSE 100 & Nifty 50 companies. Firstsource has a “rightshore” delivery model with operations in India, U.S., UK and Philippines. ([www.firstsource.com](http://www.firstsource.com)).

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