

FOR IMMEDIATE RELEASE

Firstsource reports first quarter fiscal 2012 revenues of ₹ 5,231 million

Y-o-Y growth of 6.6%, down Q-o-Q by 4.3%

Operating EBIT of ₹ 209 million

Down Y-o-Y by 55.3%, down Q-o-Q by 62.5%

PAT (profit after tax) of ₹ 106 million

Down Y-o-Y by 66.8%, down Q-o-Q by 72.2%

Mumbai, August 3, 2011: 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 2011 according to Indian GAAP.

Highlights for the Quarter ended June 30, 2011:

- Revenues of ₹ 5,231 million, up 6.6% Y-o-Y compared to ₹ 4,907 million for the quarter ended June 2010 and down 4.3% Q-o-Q compared to ₹ 5,464 million for the quarter ended March 2011.
 - Q-o-Q revenues lower primarily due to more pronounced softness in BFSI Collections volumes than usual seasonal fall off, Telecom client ramp down and lower volumes in offshore businesses.
- Operating EBIT (earnings before interest and tax) of ₹ 209 million, down 55.3% Y-o-Y compared to ₹ 468 million for the quarter ended June 2010 and down 62.5% Q-o-Q compared to ₹ 558 million for the quarter ended March 2011.
 - Profitability impacted primarily due to significant hiring and ramp-up costs in Asia Business unit, BFSI Collections softness, Telecom client ramp down, lower volumes in offshore businesses and higher capacity.
- PAT (profit after tax) of ₹106 million, down 66.8% Y-o-Y compared to ₹ 321 million for the quarter ended June 2010 and down 72.2% Q-o-Q compared to ₹ 383 million for the quarter ended March 2011.
- Cash position is at ₹ 3,908 million.
- Employee strength at 29,664 as of June 30, 2011 added 3,251 employees in the quarter.

- Q1 annualized attrition (post 180 days) :
 - Offshore (India and Philippines) – Down to 58.7% compared to 65.9 % in Q4 FY2011
 - Onshore (US and UK) – Down to 32.8% compared to 33.6 % in Q4 FY2011
 - Domestic (India and Sri Lanka) – Down to 81.6% compared to 91.2% in Q4 FY2011
- As of June 30, 2011, Firstsource derived 54% revenues from the US, 33% from UK and 13% from APAC, including India.
- As of June 30, 2011, Firstsource derived 35% from Healthcare, 34% revenues from Telecom & Media, 30% from BFSI and 1% from others.
- Key business highlights during the quarter:
 - Firstsource signed a new client in Dialog Axiata, Sri Lanka's flagship telecom service provider through the formation of a Joint Venture company named Firstsource-Dialog Solutions, wherein 74% share of Dialog Business Services (BPO arm of Dialog Axiata) was acquired by Firstsource. The delivery center is Colombo, Sri Lanka. This is Firstsource's strategic step in expanding its presence in the South Asian market.
 - Rajesh Subramaniam has been appointed as Deputy Managing Director and Chief Financial Officer.

Commenting on the performance **Matthew Vallance, Managing Director & Chief Executive Officer**, said, *"While we have seen a year on year growth in revenues, the quarter has been challenging in terms of profitability. The seasonal low quarter in the Collections business coupled with lower volumes in the BFSI and Telecoms and Media business has affected our margins. We will continue making the strategic and operational adjustments necessary to navigate through this. We are encouraged by a good build up of the new business pipeline across the company and are well positioned in number of new client situations."*

About Firstsource:

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN) is a leading global provider of customized Business Process Outsourcing (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, Philippines, Sri Lanka, UK and U.S. (www.firstsource.com).

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