

**Firstsource Q4 revenues up 7.8% Q-o-Q, Operating EBIT up 54.5% Q-o-Q and
PAT up 236.6% Q-o-Q**

**Firstsource reports fiscal 2012 revenues of ₹ 22,550 million
Y-o-Y growth of 9.7%**

**Operating EBIT at ₹ 958 million
Y-o-Y down by 52.2%**

**PAT of ₹ 620 million
Y-o-Y down by 55.2%**

Mumbai, May 16, 2012: Firstsource Solutions Limited (NSE:FSL, BSE:532809), one among India's leading Business Process Outsourcing (BPO) companies reported its consolidated financial results for the quarter and financial year ended March, 2012 according to Indian GAAP.

Financial Highlights for the Quarter Ended March 31, 2012:

- Revenues of ₹ 6,218 million, up 7.8% Q-o-Q compared to ₹ 5,771 million for the quarter ended December 2011 and up 13.8% Y-o-Y compared to ₹ 5,464 million for the quarter ended March 2011
- Operating EBIT of ₹ 310 million, up 54.5% Q-o-Q compared to ₹ 201 million for the quarter ended December 2011 and down 44.6% Y-o-Y compared to ₹ 559 million for the quarter ended March 2011
- Profit after tax of ₹ 231 million, up 236.6% Q-o-Q compared to ₹ 69 million for the quarter ended December 2011 and down 39.7% Y-o-Y compared to ₹ 383 million for the quarter ended March 2011
- Employee strength at 30,086 as of March 31, 2012 compared to 30,121 as of December 31, 2011

- Q4 annualized attrition (post 180 days) was as follows:
 - Offshore (India and Philippines) – 59.4% compared to 56.4% in the previous quarter
 - Onshore (US and Europe) – 34.0% compared to 37.7% in the previous quarter
 - Domestic – 95.9% compared to 88.8% in the previous quarter

Financial Highlights for the year ended March 2012:

- Revenues of ₹ 22,550 million, up 9.7% Y-o-Y compared to ₹ 20,553 million for the year ended March 2011
- Operating EBIT of ₹ 958 million, down 52.2% Y-o-Y compared to ₹ 2,005 million for the year ended March 2011
- Operating EBIT margins at 4.2% for the current year, down by 550 bps compared to year ended March 2011
- Profit after tax of ₹ 620 million, down 55.2% Y-o-Y compared to ₹ 1,385 million for the year ended March 2011
- EPS for the year is ₹ 1.44 (basic) and ₹ 1.44 (diluted)
- Employee strength at 30,086 as of March 31, 2012 compared to 26,413 as of March 31, 2011, net addition of 3,673 employees during the year
 - 1,969 employees added in India, 1,704 additions outside India
- As of March 31, 2012 Firstsource derived 52% revenues from the US, 31% from UK and 17% from Rest of World, including India
- As of March 31, 2012 Firstsource derived 37% from Telecoms & Media, 34% from Healthcare, 28% from BFSI and 1% from others
- As of March 31, 2012 Firstsource has 48 centers, compared to 42 as on March 31, 2011
 - Added seven delivery centers, three in UK, two in India and one each in Philippines and Sri Lanka
 - One center reduced in Bengaluru.

Key Management Appointments:

- Rajesh Subramaniam has been appointed as Managing Director & Chief Executive Officer with effect from 16th May, 2012
- Dinesh Jain and Deep Babur have been appointed as Joint Chief Financial Officers with effect from 16th May, 2012
 - Dinesh Jain will be in-charge of Financial Control responsible for Accounting, MIS, Financial Planning & Analysis, Pricing, Tax, Treasury Operations and Procurement.
 - Deep S. Babur will be in-charge of Corporate Finance responsible for Finance Strategy, Fund Raising, Liability Management, Investor Relations and Corporate Development

Highlights for FY 2011-12:

- Business Re-alignment: Consolidation of operations according to key service lines. Creation of Asia Customer Management, UK & US Customer Management and Collections as horizontal delivery units. Healthcare (Payor and Provider) business continues to be a vertical unit
- Telecom & Media (T&M) and Banking, Financial Services, Insurance (BFSI) focused Sales and Marketing organization servicing the horizontal service delivery units
- Entered a Joint Venture with Dialog Axiata in Sri Lanka. Launch of Sri Lanka operations and acquisition of a new client in Dialog
- Tied up with RuralShores to set up a 135-seat delivery center in Chand Village, Madhya Pradesh to strengthen Rural BPO Services in the domestic BPO business
- New Business Wins: Total Contract Value worth \$160 million
 - Secured long term strategic partner status with an existing UK based Telecom and Media client BskyB; offers significant growth opportunities
 - Entered into a strategic partnership with a leading European brand in the Telecom and Media segment. Made an entry into a new geography through this deal
 - Won a second Telecom and Media client in Australia
- Raised \$180 million term loan from the international loan syndication market to refinance existing Term Loans and build cash reserves to address FCCB maturity

- Bought back \$42.6 million face value of FCCBs during the year. Outstanding face value of FCCBs as on 31st March 2012 is \$169.8 million
- Cash and cash equivalents of \$150 million as of March 31, 2012.

Awards and Recognition:

- Firstsource received several global awards during the year:
 - Ranked No. 6 in the Top 10 BPO companies in India as per the annual National Association of Software and Service Companies (NASSCOM) rankings 2011-12.
 - Dataquest, the industry journal rated Firstsource 5th amongst the top 20 BPO exporters for the year 2010-11
 - Bagged two awards – “CIO 100’s Innovative Way of Handling Application Delivery to the Users & End-User Experience Management” and “Top 10 Green IT Enterprise Award”
 - Featured in the Global Services 100 Ranking under two categories: Top Global BPO vendors and Top Contact Center and Customer Management Vendor
 - Won the Business in the Community Award for Helping Long Term Unemployed Back To Work (UK).

Commenting on the performance, **Rajesh Subramaniam, Managing Director and Chief Executive Officer of Firstsource Solutions**, said, “The realignment of our business model undertaken in Q3 has fortified our position in key business segments we operate in. While our Q4 performance has elements of seasonality in revenue and profitability performance, we expect higher revenue growth and improvements in operating margins in FY13, on the back of large deals won and focused operational efficiency measures executed upon.”

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).

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