

PRESS RELEASE

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Firstsource reports third quarter fiscal 2011 revenues of Rs. 5,146 million

Y-o-Y growth of 4.8%, Q-o-Q growth of 2.2%

Operating EBIT of Rs. 479 million

Y-o-Y growth of 2.7%, down Q-o-Q by 3.1%

PAT (profit after tax) of Rs. 350 million

Y-o-Y growth of 4.9%, Q-o-Q growth of 5.3%

**Mumbai, February 9, 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 December 2010 according to Indian GAAP.

**Highlights for the Quarter ended December 31, 2010:**

- Revenues of Rs. 5,146 million, up 4.8% Y-o-Y compared to Rs. 4,909 million for the quarter ended December 2009 and up 2.2% Q-o-Q compared to Rs. 5,036 million for the quarter ended September 2010.
- Operating EBIT (earnings before interest and tax) of Rs. 479 million, up 2.7% Y-o-Y compared to Rs. 467 million for the quarter ended December 2009 and down 3.1% Q-o-Q compared to Rs. 494 million for the quarter ended September 2010.
- PAT (profit after tax) of Rs. 350 million, up 4.9% Y-o-Y compared to Rs. 333 million for the quarter ended December 2009 and up 5.3% Q-o-Q compared to Rs. 332 million for the quarter ended September 2010.
- Cash position is at Rs. 3,586 million.
- Employee strength at 26,668 as of December 31, 2010 added 1,759 employees in the quarter.
- Q3 annualized attrition (post 180 days) :
  - Offshore (India and Philippines) – 54.8% compared to 50.1 % in Q2 FY2011
  - Onshore (US and UK) – 35.2% compared to 48.4 % in Q2 FY2011
  - Domestic – 76.9% compared to 94.2% in Q2 FY2011
- As of December 31, 2010 Firstsource derived 55% revenues from the US, 33% from UK and 12% from APAC, including India.
- As of December 31, 2010 Firstsource derived 37% revenues from Telecom & Media, 34% from Healthcare, 27% from BFSI and 2% from others.

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**firstsource**

- Key business highlights during the quarter:
  - Barclaycard, UK selected Firstsource as a strategic partner to manage its credit card and payment businesses in the UK. The five year outsourcing agreement commenced on November 1, 2010 is on track as per our transition plans.

Commenting on the performance **Matthew Vallance, MD & CEO**, said, *"It has been a quarter of solid growth over the previous period. 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. The global BPO market is large and growing, and we are confident that our focused approach will enable us to build further momentum."*

**Carl Saldanha, Global CFO**, said, *"Our profitability has been impacted by seasonal challenges and strengthening of the Indian rupee. However, our collections and cash generation have been strong."*

#### 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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