

FOR IMMEDIATE RELEASE

Firstsource reports strongest revenue growth and operating margins in 8 quarters

**Firstsource Q4 revenues up 6.2% Q-o-Q, Operating EBIT up 16.7% Q-o-Q and
PAT up 9.4% Q-o-Q**

**Firstsource reports fiscal 2011 revenues of ₹ 20,553 million
Y-o-Y growth of 4.3%**

**Operating EBIT at ₹ 2,005 million
Y-o-Y growth of 3.7%**

**PAT of ₹ 1,385 million
Y-o-Y growth of 1.8%**

Mumbai, April 28, 2011: Firstsource Solutions Limited (NSE:FSL, BSE:532809), among India's leading pure-play BPO companies reported its consolidated financial results for the quarter and financial year ended March 2011 according to Indian GAAP.

Financial Highlights for year ended March 2011:

- Revenues of ₹ 20,553 million, up 4.3% Y-o-Y compared to ₹ 19,708 million for the year ended March 2010.
- Operating EBIT of ₹ 2,005 million, up 3.7% Y-o-Y compared to ₹ 1,933 million for the year ended March 2010.
- Operating EBIT margins at 9.8% for the current year, same as the year ended March 2010.
- Profit after tax of ₹ 1,385 million, up 1.8% Y-o-Y compared to ₹ 1,361 million for the year ended March 2010.
- EPS for the year is ₹ 2.91 (diluted) and ₹ 3.22 (basic).
- Employee strength at 26,413 as of March 31, 2011 compared to 24,860 as of March 31, 2010, net addition of 1,553 employees during the year.
 - o 848 employees added in India, 705 additions outside India.
- As of March 31, 2011 Firstsource derived 57% revenues from the US, 31% from UK and 12% from APAC, including India.
- As of March 31, 2011 Firstsource derived 37% from Telecoms & Media, 36% from Healthcare, 26% from BFSI and 1% from others.
- As of March 31, 2011 Firstsource has 42 centers, same as on March 31, 2010.
 - o Added two delivery centers, one each in Thane (Mumbai) and Chennai, India.

- o Two centers reduced due to divestment of Pipal.

Financial Highlights for the quarter ended March 31, 2011:

- Revenues of ₹ 5,464 million, up 6.2% Q-o-Q compared to ₹ 5,146 million for the quarter ended December 2010 and up 7.8% Y-o-Y compared to ₹ 5,067 million for the quarter ended March 2010.
- Operating EBIT of ₹ 559 million, up 16.7% Q-o-Q compared to ₹ 479 million for the quarter ended December 2010 and up 10.1% Y-o-Y compared to ₹ 508 million for the quarter ended March 2010.
- Profit after tax of ₹ 383 million, up 9.4% Q-o-Q compared to ₹ 350 million for the quarter ended December 2010 and up 7.4% Y-o-Y compared to ₹ 356 million for the quarter ended March 2010.
- Employee strength at 26,413 as of March 31, 2011 compared to 26,668 as of December 31, 2010.
- Q4 annualized attrition (post 180 days) was as follows:
 - o Offshore (India and Philippines) – 65.9% compared to 54.8% in the previous quarter
 - o Onshore (US and UK) – 33.6% compared to 35.2% in the previous quarter
 - o Domestic – 91.2% compared to 76.9% in the previous quarter

Other Highlights for FY 2010-11:

- Asia Business Unit achieved operating profitability.
- Clients: Added marquee client logos with significant growth potential
 - Signed a 5 year outsourcing agreement with Barclaycard UK
 - Signed a 5 year outsourcing agreement with Axis Bank
- Firstsource's strong onshore delivery capability is proving to be a market advantage and the onshore-offshore proposition continues to benefit the company, given concern around job losses in UK & US.
- Matthew Vallance took over full time as MD and CEO in July 2010.
- Firstsource has expanded its global delivery units in UK (added ~500 employees) and Philippines (added ~300 employees).
- Firstsource launched a new vision and values and strategic imperatives to foster growth.
- Firstsource made progress in doubling its cash reserves to \$103 million, thereby strengthening its financial standing.
- Firstsource appointed:
 - o Sanjay Venkataraman as Executive Vice President, Asia Business Unit
 - o Gaurav Bahadur as Executive Vice President, Human Resource
 - o Prashanth M.J.as Chief Technology Officer
- Firstsource received several global awards during the year:

- o Ranked amongst the **Top 50 'India's Best Companies to Work For'- 2010** list by Great Place to Work® Institute, India
- o Firstsource and Barclaycard US Receive Prestigious **Outsourcing Excellence Award** from Outsourcing Center
- o Won six **International Quality and Productivity Center (IQPC) Awards** during the year, a testimony of our superior process excellence framework
- o Ranked **6th among top 15 BPO exporters in India**, as per Nasscom. Ranked 13th among Top 20 IT – BPO employers in the country.

Commenting on the performance **Matthew Vallance, MD & CEO**, said, "Our Q4 performance represented our fastest revenue growth and highest operating profit margins in the past 8 quarters. In the context of a year of change in leadership, we are encouraged by the progress we have made. We completed a strategic review of the business earlier this year and are confident that the initiatives we are undertaking will strengthen our position in our key business segments in the coming years. Going into the next fiscal, we expect higher revenue growth and improvement in operating margins".

Carl Saldanha, Global Chief Financial Officer said, "Our Cash generation is at an all time high which has strengthened our financial standing. Our capacity utilization will be optimized in the coming year and that will yield better margins. We continue to focus on improving operational efficiencies that will drive profitability."

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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