

Firstsource reports Second Quarter Fiscal 2015 revenues of ₹ 7,740million

Y-o-Y de-growth of 2.1%, Q-o-Q growth of 2.4%

Operating EBIT of ₹771million

Up Y-o-Y by 11.7%, Q-o-Q by 2.2%

PAT (profit after tax) of ₹612million

Up Y-o-Y by 36.8%, Q-o-Q by 15.0%

Revenue up by 1.3%, EBIT up by 16.0% and PAT up by 33.4% for Half year ended Sept 30, 2014

EBIT and PAT margins expanded by 1.3% and 1.8% during the same period

Mumbai, November 14, 2014: Firstsource Solutions Limited (NSE:FSL, BSE:532809), a global provider of customized Business Process Management (BPM) services company today reported its consolidated financial results for the quarter ended September 2014 according to Indian GAAP.

Highlights for the Quarter ended September 30, 2014:

- Revenues of ₹7,740million, up 2.4% Q-o-Q compared to ₹ 7,556million for the quarter ended June 2014 and down 2.1% Y-o-Y compared to ₹7,908million for the quarter ended September 2013.
- Operating EBIT (earnings before interest and tax) of ₹771million, up 2.2% Q-o-Q compared to ₹755million for the quarter ended June 2014 and up 11.7% Y-o-Y compared to ₹691million for the quarter ended September 2013.
- PAT (profit after tax) of ₹612million, up 15.0% Q-o-Q compared to ₹532million for the quarter ended June 2014 and up 36.8% Y-o-Y compared to ₹448million for the quarter ended September 2013.
- Cash position is at ₹1,843million.
- Employee strength at 26,923 as of September 30, 2014. Reduction of 224 employees in the quarter.
- Q2 annualized attrition (post 180 days) :
 - Offshore (India and Philippines) - 49.6% compared to 56.6% in Q1 FY2015
 - Onshore (US and Europe) - 43.6% compared to 46.4% in Q1 FY2015
 - Domestic (India and Sri Lanka) - 85.7% compared to 102.5% in Q1 FY2015
- As of September 30, 2014, Firstsource derived 47% revenues from the US, 36% from UK and 17% from Rest of World, including India.
- As of September 30, 2014, Firstsource derived 46% revenues from Telecom & Media, 34% from Healthcare, 20% from BFSI.

Key Company Highlights during the Quarter:

- **New Business:**
 - Firstsource reported additional wins of approx. **USD 45million** for the quarter ACV (annual contract value) across the business verticals with existing and new customers. This includes the entry and cross selling of Customer Management services into the Healthcare vertical in the US.
- Firstsource made a **strategic investment in NanoBI**, Bangalore based analytic company.
- Firstsource launched **WF Suite**, the fifth productized solution that encompasses Consulting, Managed Services and Capability Development.
- Added a **new center in Louisville** as a result of a significant contract expansion with a leading US telecommunications company.
- MedAssist, Firstsource's Provider business earned for the seventh consecutive year the HFMA Peer Review Designation.
- **Debt repayment:**
 - Firstsource Group USA, wholly owned subsidiary of Firstsource Solutions successfully made its sixth quarterly principal repayment of USD 11.25million on its outstanding debt on Sept. 30th, 2014.
- **Awards & Recognitions:**
 - Received two awards for: "Best Outsourced Customer Service Team" and "Best Business Process Outsourcing" at National Outsourcing Association's Outsourcing Professional Awards (Global) in partnership with giffgaff.
 - Retained 7th position in the Top 15 BPM Exporters rankings released by NASSCOM for 2014.

Financial Highlights for Half Year ended September 2014:

- Revenues at ₹15,296million for the half year ended September 2014, a growth of 1.3% over corresponding period of the previous year.
- Operating EBIT of ₹1,526million for the half year ended September 2014, up 16.0% over corresponding period of the previous year.
- Profit after tax ₹1,145million for the half year ended September 2014, up 33.4% over corresponding period of the previous year.
- The YTD ACV (annual contract value) wins across business verticals is USD 51million net of client consolidation.

Commenting on the results, Sanjiv Goenka, Chairman, RP-Sanjiv Goenka Group and Firstsource, said, *"I am delighted with the progress that Firstsource has made demonstrating a 36.8% net profit growth year on year. This fiscal the company has signed significant new business wins, which will translate into revenues over ensuing quarters. The investment into Analytics strengthens our capabilities to provide valuable insights to our clients. The focus on profitable margin growth and customer satisfaction continues as we deliver value to our clients."*

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. The company's clients include Fortune 500, FTSE 100 & Nifty 50 companies. Firstsource has a "rightshore" delivery model with operations in India, Ireland, Philippines, Sri Lanka, UK and U.S. (www.firstsource.com).

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