



R SYSTEMS INTERNATIONAL LIMITED



Investor Update – Fact Sheet For First Quarter Ended March 31, 2007

Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended March 31, 2007 (As per Indian GAAP)

(Rs in mn. except per share data)

Sr. No.	Particulars	Quarter Ended March 31,		YoY Growth %	Quarter Ended Dec. 31, 2006	QoQ Growth %
		2007	2006			
1	Income					
1.1	Net Sales	593.61	441.30	34.51	560.21	5.96
1.2	Other Income	8.60	5.02	71.28	17.07	(49.64)
	Total	602.21	446.32	34.93	577.28	4.32
2	Expenditure					
2.1	Staff Cost	391.19	287.72	35.96	376.11	4.01
2.2	Traveling Cost	45.23	27.00	67.56	51.74	(12.58)
2.3	Communication Costs	16.82	9.80	71.65	17.61	(4.48)
2.4	Legal & Professional Exp.	54.70	41.33	32.33	52.58	4.03
2.5	Other Expenditure	47.72	29.88	59.69	67.30	(29.10)
	Total Expenditure	555.66	395.73	40.41	565.34	(1.71)
3	EBITDA	46.55	50.59	(7.99)	11.93	290.03
4	Interest	0.44	1.84	(75.97)	0.50	(11.06)
5	Depreciation/Amortisation	17.65	11.25	56.86	21.24	(16.89)
6	Profit/(Loss) before Tax and Prior Period Expenses	28.46	37.51	(24.12)	(9.80)	390.46
7	Prior Period Expenses	-	-	-	19.71	(100.00)
8	Profit/(Loss) before Tax	28.46	37.51	(24.12)	(29.50)	196.46
9	Provision for Tax					
9.1	Current Tax	5.13	1.80	185.80	6.21	(17.32)
9.2	Deferred Tax	0.65	1.56	(57.93)	28.63	(97.71)
9.3	Fringe Benefit Tax	1.67	1.33	25.58	1.28	30.63
	Total	7.46	4.69	59.29	36.12	(79.35)
10	Net Profit/(Loss) After Tax	21.00	32.82	(83.41)	(65.62)	132.00
11	Earning /(Loss) Per Share	1.55	3.07	(49.66)	(4.85)	131.90



Financial Performance

Consolidated Profit & Loss Statement (Un- audited) for the Quarter Ended March 31, 2007 (Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn. except per share data)

Particulars	Q1 2007		Q1 2006		Q4 2006	
	INR	US\$	INR	US\$	INR	US\$
Revenues	593.61	13.45	441.30	9.94	560.21	12.44
Cost of Revenues	386.70	8.76	278.98	6.28	373.49	8.29
Gross Margin	206.91	4.69	162.32	3.66	186.72	4.15
	34.86%		36.78%		33.33%	
SG & A						
Expenses	167.48	3.79	116.74	2.63	152.48	3.38
Depreciation/Amortisation	17.65	0.40	11.25	0.25	16.21	0.36
	185.13	4.19	127.99	2.88	168.69	3.74
	31.19%		29.00%		30.11%	
Operating Income/(Loss) Before Non Recurring Cost	21.78	0.50	34.33	0.78	18.03	0.41
Non recurring Costs	-	-	-	-	59.51	1.32
Income/(Loss) from Operations	21.78	0.50	34.33	0.78	(41.48)	(0.91)
Interest Expense	(0.44)	(0.01)	(1.84)	(0.04)	(0.50)	(0.01)
Other Income, Net	7.12	0.16	5.02	0.11	12.48	0.28
Income/(Loss) before Income Tax	28.46	0.65	37.51	0.85	(29.50)	(0.64)
Income Tax Provision	7.46	0.17	4.68	0.11	36.12	0.80
Net Earnings/(Loss)	21.00	0.48	32.83	0.74	(65.62)	(1.44)
Earning/(Loss) Per Share	1.55	0.04	3.07	0.07	(4.85)	(0.11)

Notes:

US\$ equivalent figures are derived by converting the Rupee figures using average currency rates from Oanda.com. Previous period's figures have been regrouped/ recast wherever applicable, to the extent possible.

Consolidated Operational Data (Un-audited)

Profitability in Percentage	Quarter ended		
	March 31, 07	Dec. 31, 06	March 31, 06
Revenues	100.00%	100.00%	100.00%
Gross margin	34.86	33.33	36.78
SG & A*	31.19	30.11	29.00
EBITDA	6.64	(4.51)	10.33
EBT	4.79	(5.27)	8.50
PAT@	3.54	(11.71)	7.44
EPS (Rs)	1.55	(4.85)	3.07

Revenue from Top 5 Clients	Quarter Ended		
	March 31, 07	Dec. 31, 06	March 31, 06
Top 5 Clients	38.34%	37.64%	37.39%
Top 3 Clients	29.31%	30.30%	28.58%
Largest Client	14.27%	15.36%	15.33%

Revenues by Geographies	Quarter Ended		
	March 31, 07	Dec. 31, 06	March 31, 06
USA	73.93%	73.60%	76.91%
SEAC (South East Asia)	7.75%	9.37%	8.83%
India	6.27%	6.76%	5.28%
Others	12.05%	10.27%	8.98%
Total	100.00%	100.00%	100.00%

Utilization (excluding trainees)	Quarter ended		
	March 31, 07	Dec. 31, 06	March 31, 06
Onsite	96.08%	96.67%	98.00%
Offshore	70.91%	67.50%	71.19%
Blended	74.20%	71.36%	74.45%

Utilization (including trainees)	Quarter ended		
	March 31, 07	Dec 31, 06	March 31, 06
Onsite	96.08%	96.67%	98.00%
Offshore	67.69%	63.36%	66.49%
Blended	71.25%	67.53%	70.06%

Consolidated Operational Data (Un-audited)

Human resources at the end of	As at		
	March 31, 07	Dec. 31, 06	March 31, 06
Technical	1,675	1,601	1,202
Software services			
Onsite	130	120	128
Offshore	1,139	1,062	853
Trainees at offshore	67	86	71
BPO			
Offshore	260	252	150
Onsite	79	81	-
Support	260	242	190
Total count	1,935	1,843	1,392

(Figures in Rs. mn. except DSO)

Key Balance Sheet Data	As At		
	March 31, 07	Dec. 31, 06	March 31, 06
Receivable	483.57	483.37	409.27
Receivable in days (“DSO”)	76	80	85
Cash & bank balance	482.81	531.74	139.35
Net current assets	755.04	772.81	335.97
Fixed assets	596.93	554.85	312.04
Secured loans	32.24	24.26	131.65
Shareholders’ funds	1,302.93	1,282.34	538.05

Development Centers	As on March 31, 2007			
	Completed		Work-in-progress	
	Covered areas in sq ft.	No. of seats	Covered areas in sq ft.	No. of seats
India				
Noida	73,150	1,188		
Pune	32,940	534		
Chennai	16,276	253		
	122,366	1,975	-	-
USA	29,003	235		
Singapore	11,500	52		
Total	162,869	2,262	-	-



About R Systems International Ltd.

R Systems International Ltd. founded in 1993, is one of the leading provider of outsourced product development and customer support services. We help companies accelerate the speed to market for their products and services with a high degree of time and cost predictability by using our proprietary pSuite execution framework. Clients can choose services specific to their needs from R Systems **iPLM** suite of services. We help companies build scalable, configurable and secure products and applications; and help our clients support their customers for products and services using our global delivery model. R Systems rapidly growing customer list includes a variety Fortune 1000, government and mid-sized organizations across a wide range of industry verticals including Banking and Finance, High Technology and Independent Software Vendors, Government, HealthCare, Manufacturing and Logistic Industries. R Systems maintains five centers for Software Excellence, and using our global delivery model we serve customers in the US, Europe, South America, the Far East, the Middle East and Africa.

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