

R Systems International Limited

Review of Q1, 2008 Results

Customer Success

Our Philosophy for Creating
Stakeholder Value



Disclaimer

“Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.”

Today's Agenda

- **R Systems – A leader in:**
 - Product Engineering and Support
 - Consumer Finance & Supply Chain Execution
- **R Systems is Evolving as an Extended Enterprise**
- **Overview of Strong Performance in Q1, 08**

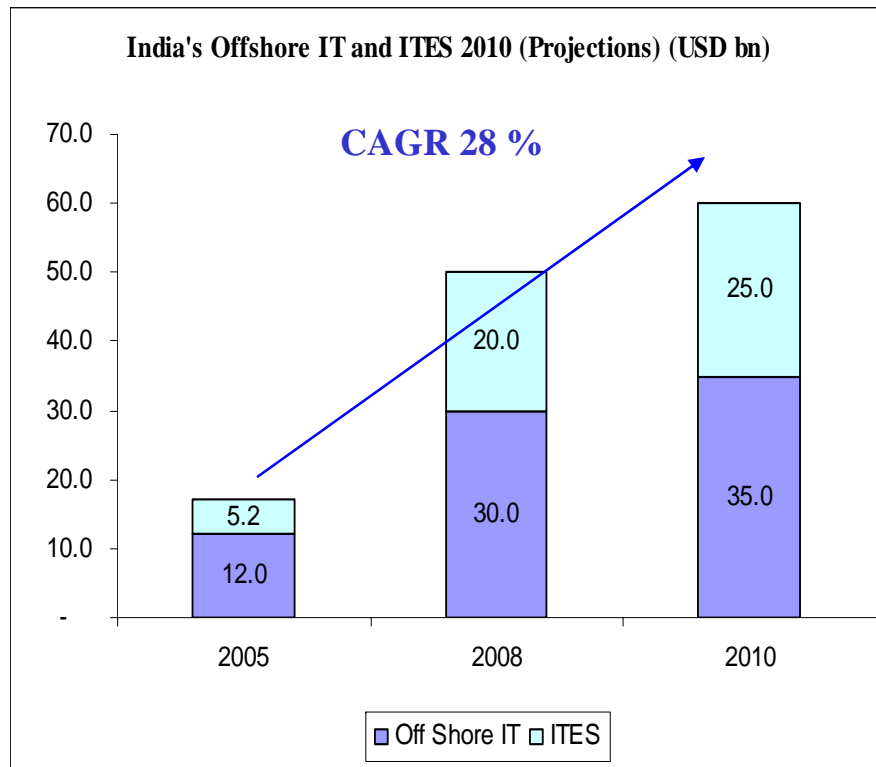
Why is R Systems Different?

- Growth
 - Q1 Revenues grew 35% YoY (49% in US\$)
 - Profits grew 280% YoY
- Customer Relationships
 - We Execute Mission Critical Work For Our Customers
 - Strategic Enduring Relationships
- Execution
 - Margin Expansion Despite Devaluation of \$
 - Geographic Diffusion - Euro zone 29%, US 57%, RoW 14%

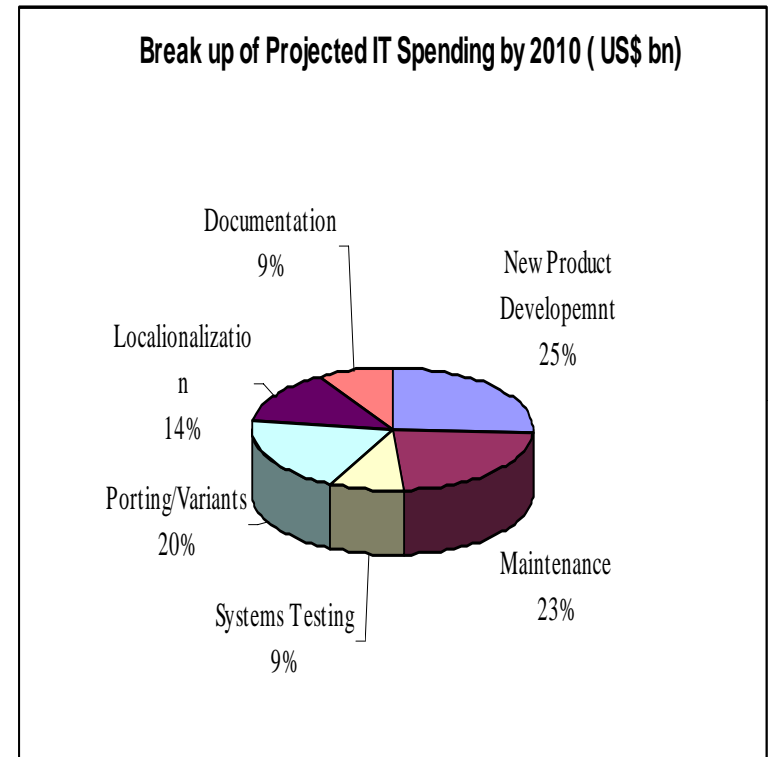
R Systems Business

World Class Customers	+ 120 including Global 1000 Cos. Top Ten includes GE, Nokia Siemens Networks, Philips & Motorola
Product Engineering And Support	Product Development and Maintenance Technical Support and Customer Care – 18 languages Increase speed to market and reduce costs by 40%
Consumer Finance	Our Solution Enables Banks to Originate and Manage the entire Range of Consumer Finance Portfolio
Supply Chain	Our Hosted Solution Enables 25 Global Companies to Execute Supply Chain Transactions with 2000 Vendors on 24*7 Basis. We handle over \$1B Transactions PM

Strong Market For OPD



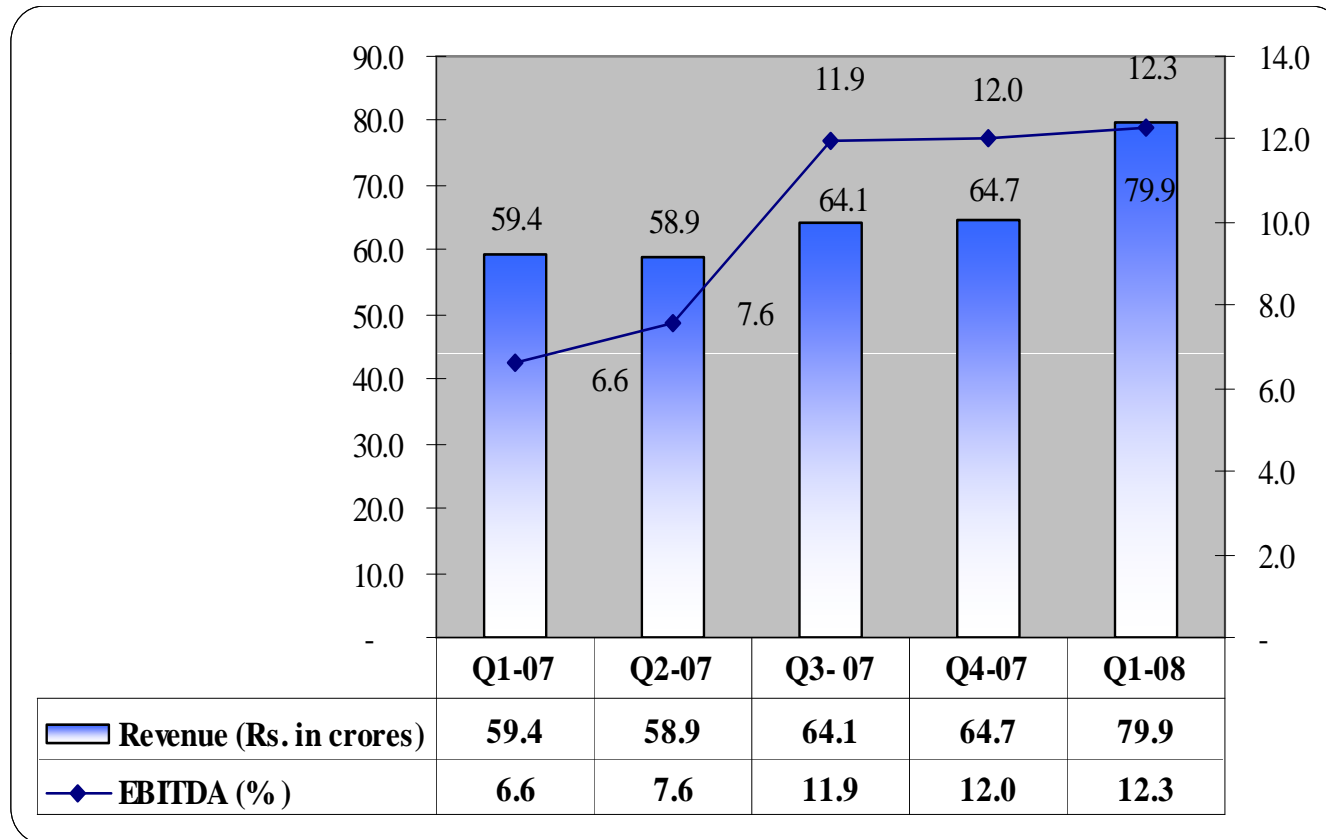
Source: NASSCOM McKinsey Report 2005



Growth Drivers

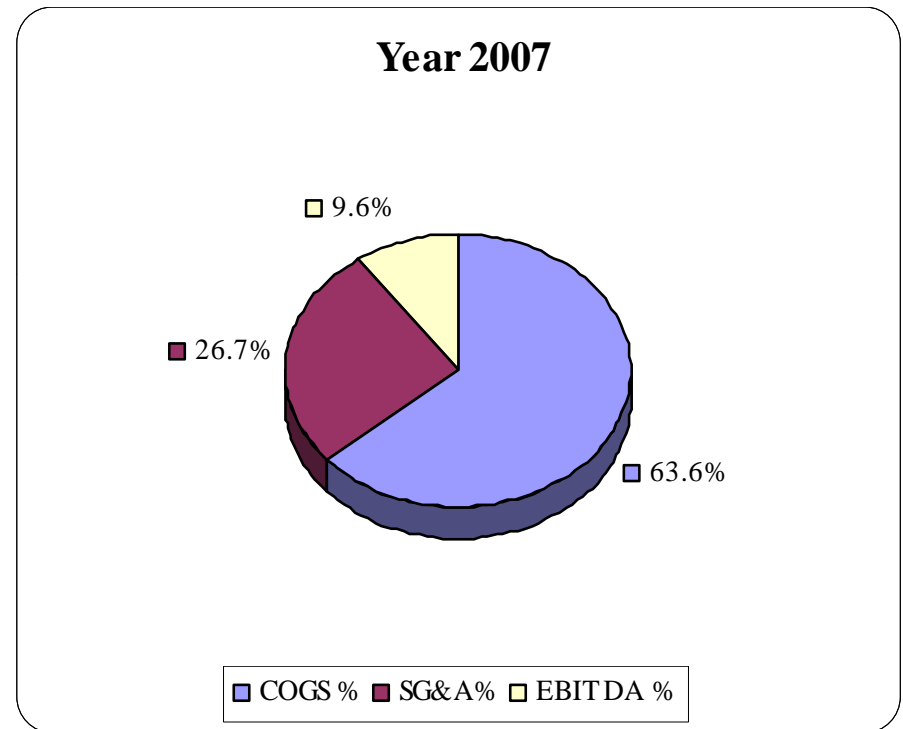
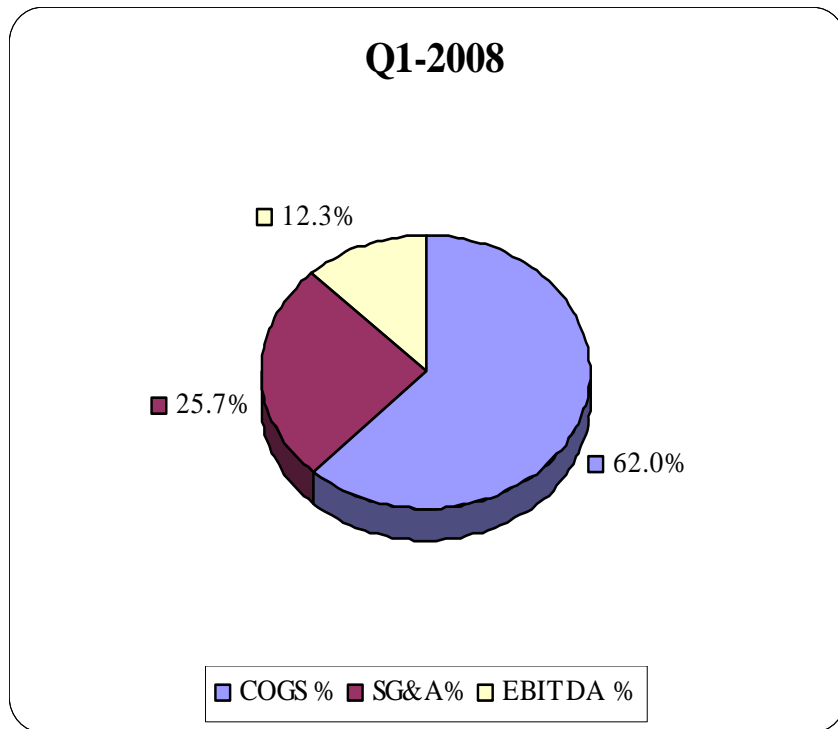
- Enormous Pressure on Product Companies for Faster-Time-To-Market.
- Increasing Reliance on Offshore Services to Scale Down Costs.
- Capability to provide end-to-end services under single window.

Revenue Growth With Margin Expansion



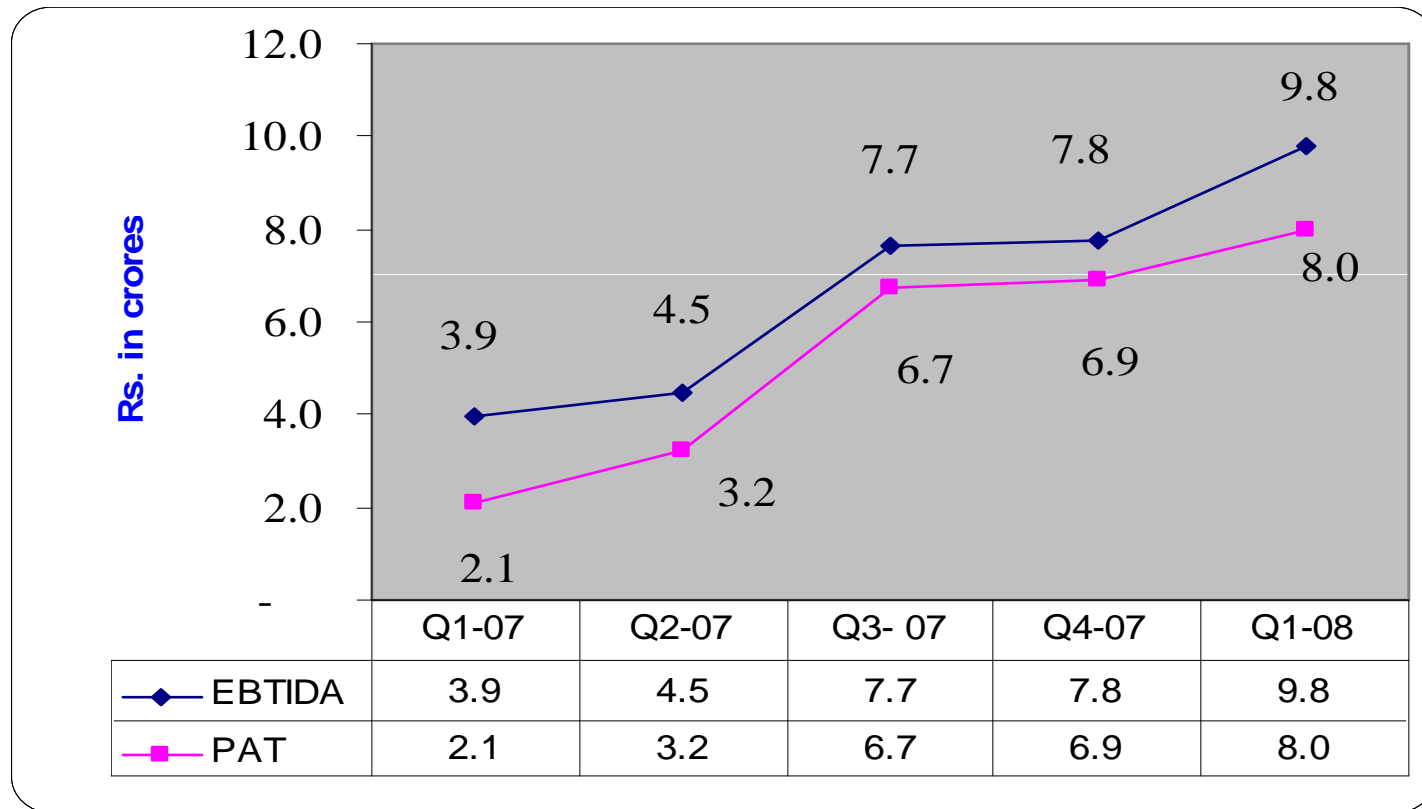
– Growth Rate in Revenues During Last 5 Quarters was > 35%.

Revenue To Margins



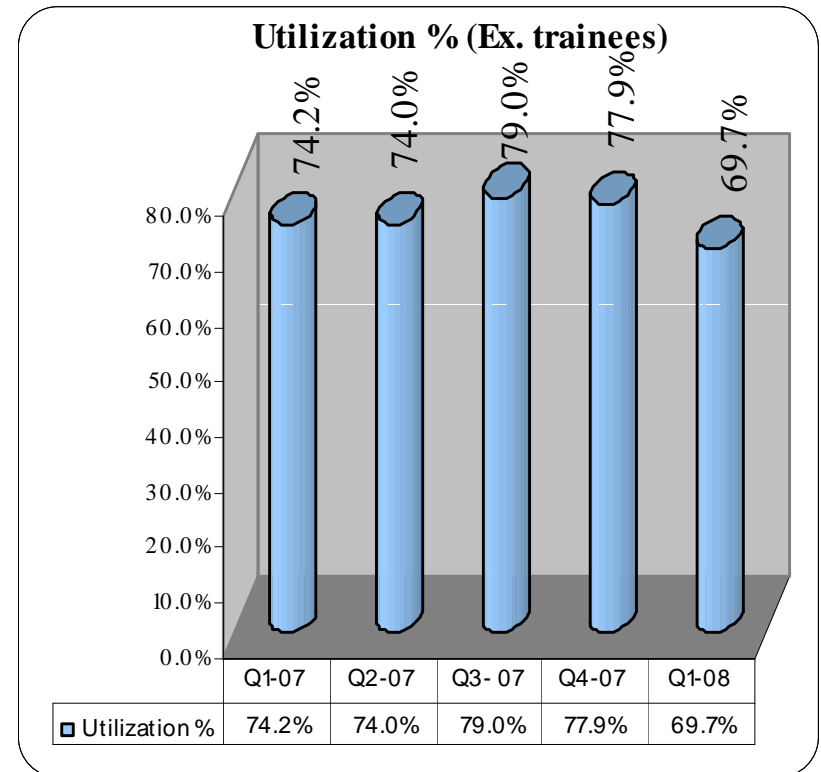
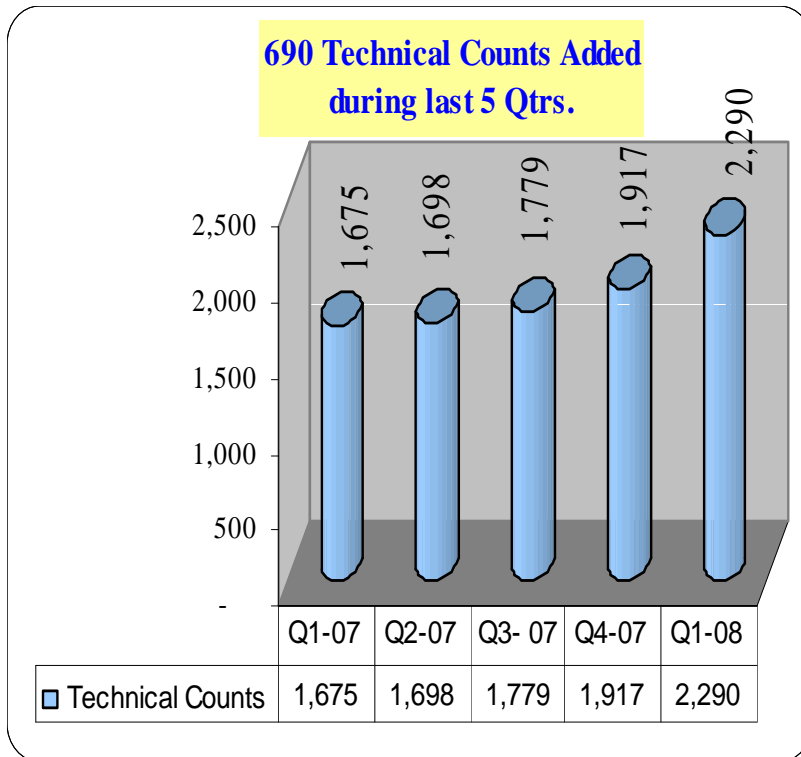
- Gross Margin Increased to 38.0% in Q1-2008 from 36.4% in Year 2007.
- EBITDA Increased to 12.3% in Q1-2008 from 9.6 % in Year 2007.

EBITDA & PAT Growth



Compounded Growth in Earnings During last 5 Quarters was
 EBITDA: 26% and PAT: 40%.

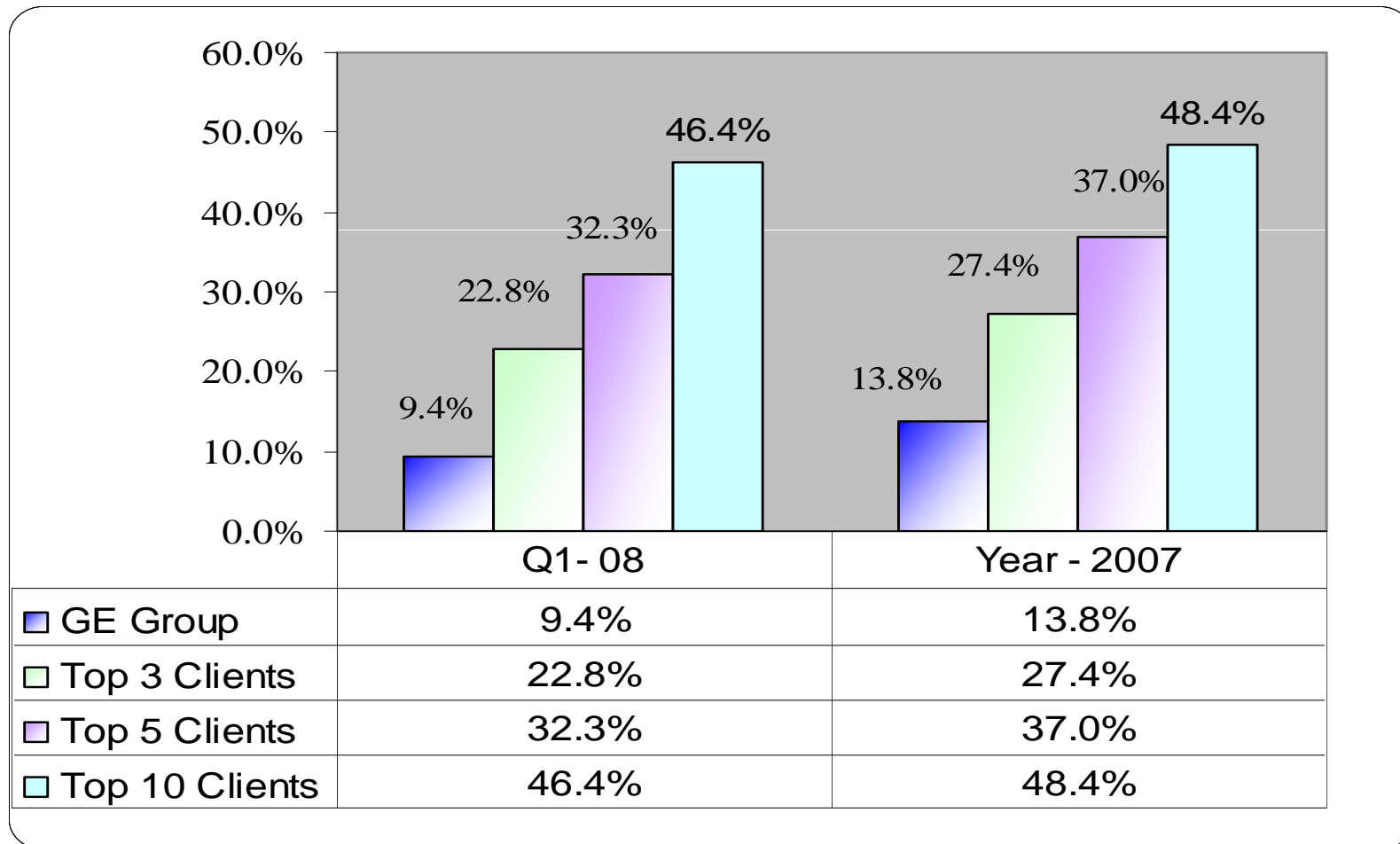
Volume Growth And Operating Excellence



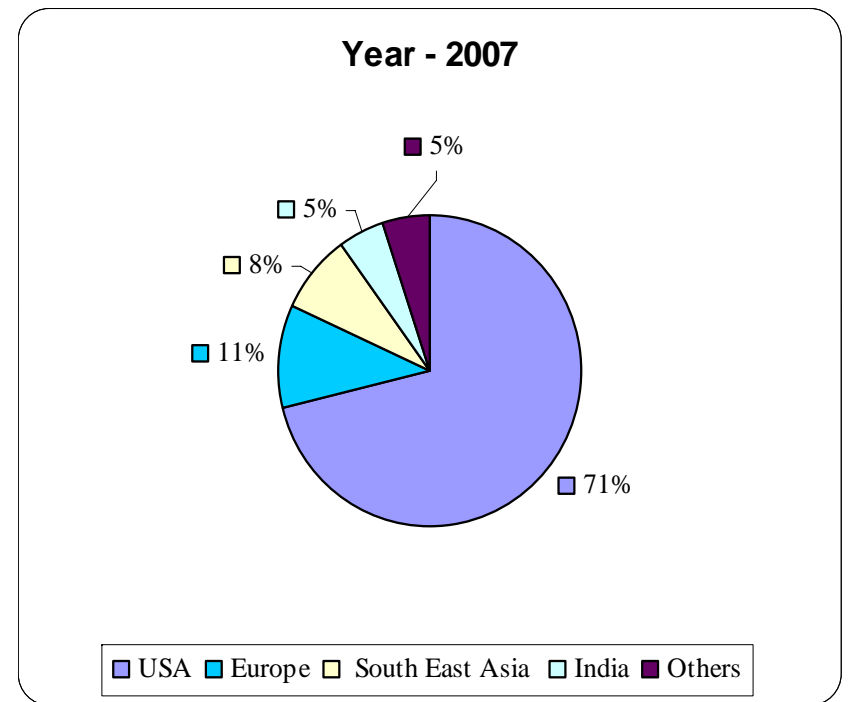
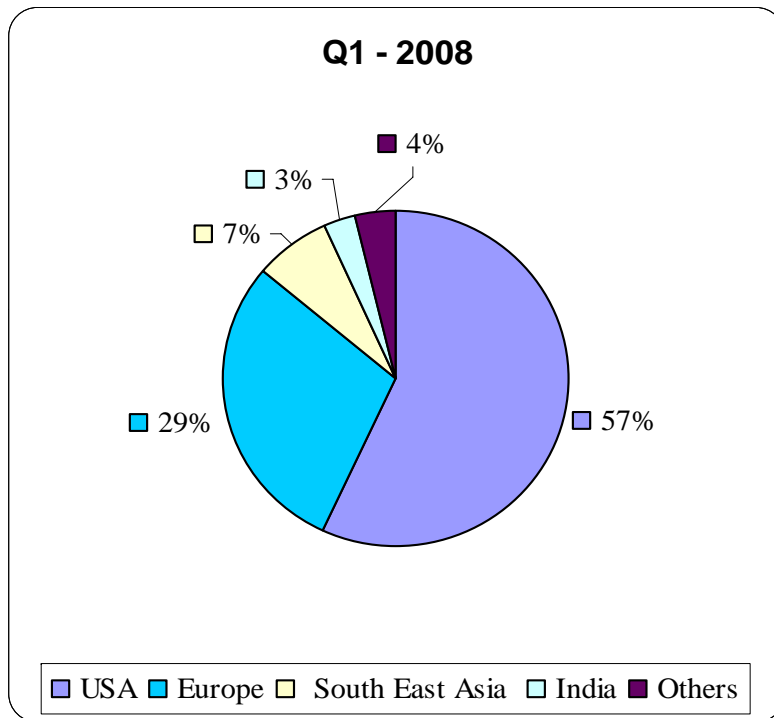
Share of Offshore Revenue in Q1-2008 was 62%.

Decline in Utilization in Q1-08 is resultant of inclusion of R Systems EU business which is transaction based revenue business with higher billing rates.

Revenue Concentration

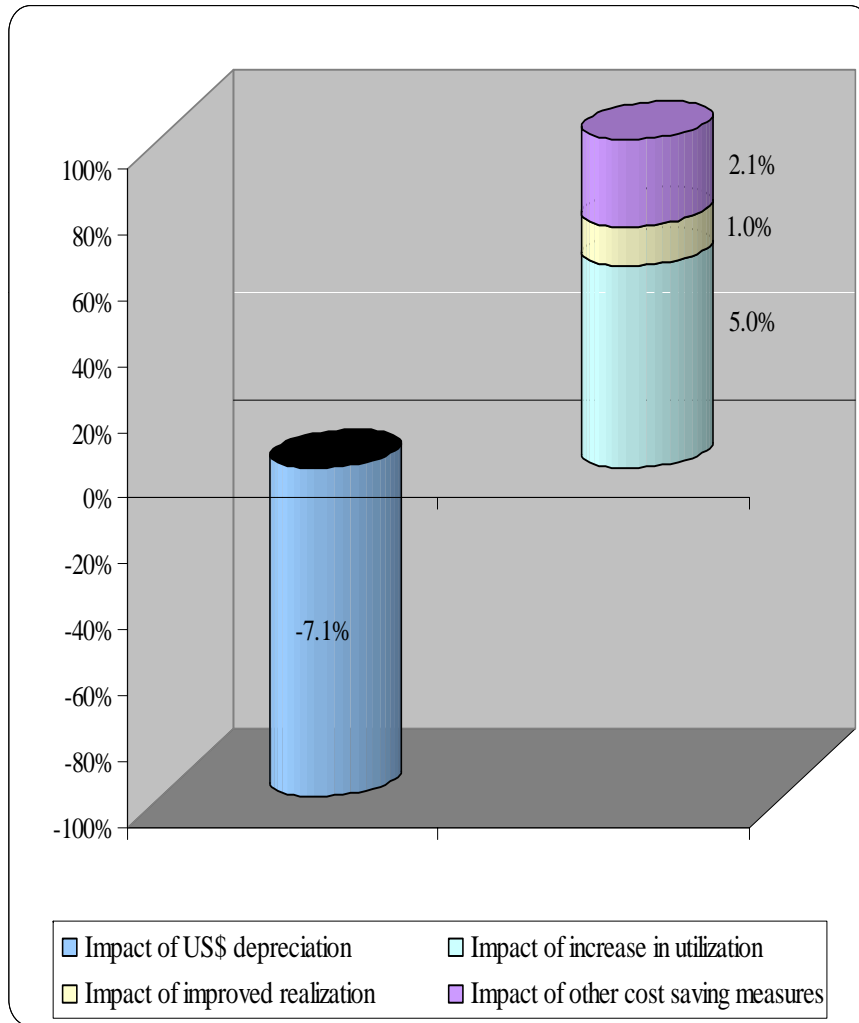


Revenue by Geography



Euro Zone revenues Increased from 11% in Year-2007 to 29% in Q1-2008

How We Dealt With Currency Risk



Movement in Gross Margin 2006 to 2007

Gross Margin in 2006	36.4%
Impact of US\$ depreciation	- 7.1%
Impact of increase in utilization	5.0%
Impact of improved realization	1.0%
Impact of other cost saving measures	2.1%
Gross Margin in 2007	37.4%

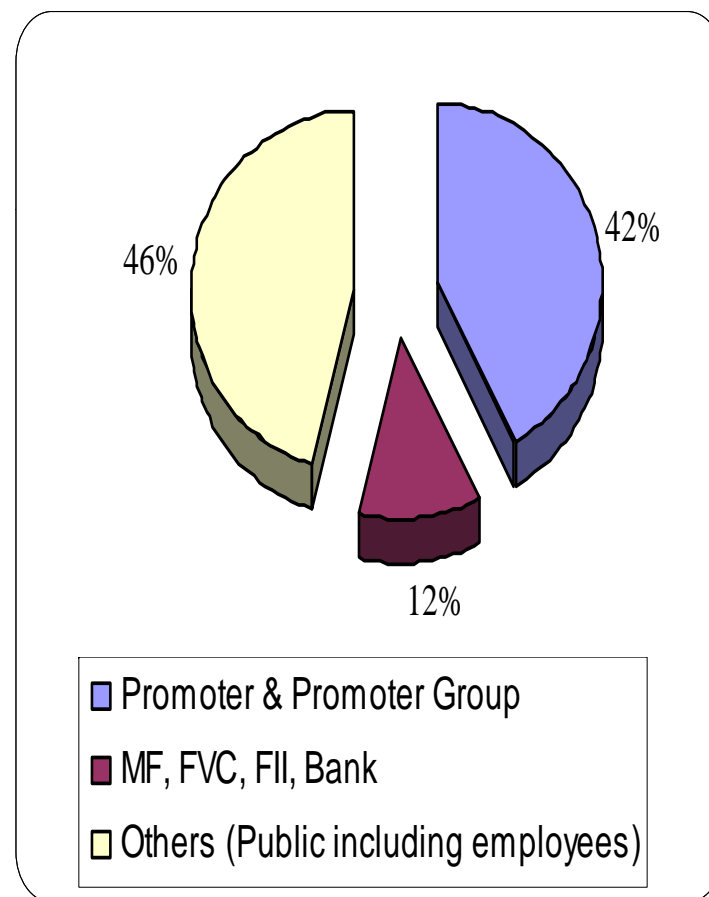
Balance Sheet Strength

Rupees in Crores except DSO

	Q1- 2008	Year - 2007
Share Holders' Funds	151.0	142.6
Receivables	63.5	61.3
Receivables in days "DSO"	74.0	81.0
Cash & Bank	42.5	51.2
Net Current Assets	82.6	84.5
Fixed Assets	76.5	61.0
Secured Loans	5.7	0.6

Share Holding Pattern as at March 31, 2008

	Nos. in mn.	%
Promoter & Promoter Group	5.7	42.0
MF, FVC, FII and Banks	1.7	12.2
Others (Public including employees)	6.2	45.8
Total	13.6	100.0



Looking Ahead

R Systems Is Well Positioned :

- From Increasing Outsourcing of Product Development And Technical Support
- Customers Desiring To Establish Strategic Relationship With Established Service Providers
- Growth in Consumer Finance and Manufacturing in the East
- R Systems Global Presence in US, Europe and Asia
- A Strong Start to FY 08 Target

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For Your Support**

