



Customer Success
Our Philosophy for Creating
Stakeholder Value



R SYSTEMS INTERNATIONAL LIMITED
Investor Update – Fact Sheet
For Quarter Ended June 30, 2008



Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended June 30, 2008 (As per Indian GAAP)

(Rs in mn. except per share data)

Sr. No.	Particulars	Quarter Ended June 30		YoY Growth %	Quarter Ended Mar 31, 2008	QoQ Growth %
		2008	2007			
1	Income					
1.1	Net Sales	905.59	589.27	53.68	798.77	13.37
1.2	Other Income	9.20	13.95	(34.02)	15.40	(40.27)
	Total	914.79	603.22	51.65	814.17	12.36
2	Expenditure					
2.1	Staff Cost	540.37	364.43	48.28	488.90	10.53
2.2	Traveling Cost	62.53	60.10	4.05	55.83	12.01
2.3	Communication Costs	17.49	16.72	4.57	16.23	7.73
2.4	Legal & Professional Exp.	94.10	55.35	70.00	77.54	21.36
2.5	Other Expenditure	121.45	48.87	148.50	64.08	89.53
	Total Expenditure	835.94	545.47	53.25	702.58	18.98
3	EBITDA	78.85	57.75	36.55	111.59	(29.34)
4	Interest	1.37	1.05	30.60	1.57	(12.44)
5	Depreciation/Amortisation	28.09	16.57	69.59	27.06	3.80
6	Profit/(Loss) before Tax and Prior Period Expenses	49.39	40.13	23.07	82.96	(40.47)
7	Prior Period Income/(Expense)	-	0.88	(100.00)	-	-
8	Profit/(Loss) before Tax	49.39	41.01	20.44	82.96	(40.47)
9	Provision for Tax					
9.1	Current Tax	4.85	5.70	(14.94)	5.82	(16.70)
9.2	MAT credit entitlement	(0.13)	(1.55)	(91.70)	(5.15)	(97.50)
9.3	Deferred Tax	(3.66)	3.10	(218.23)	0.73	(599.09)
9.4	Fringe Benefit Tax	1.90	1.54	23.38	1.75	8.57
	Total	2.96	8.79	(66.38)	3.15	(6.20)
10	Net Profit/(Loss) After Tax	46.43	32.22	44.10	79.81	(41.82)
11	Earning Per Share					
11.1	Basic	3.42	2.37	44.10	5.88	(41.82)
11.2	Diluted	3.38	2.37	42.31	5.80	(41.82)



Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Six Months Ended June 30, 2008 (As per Indian GAAP)

(Rs. in mn. except per share data)

Sr. No.	Particulars	Six Month Ended June 30 ,		Growth %
		2008	2007	
1	Income			
1.1	Net Sales	1704.36	1,182.88	44.09
1.2	Other Income	21.83	21.77	0.28
	Total	1,726.19	1,204.65	43.29
2	Expenditure			
2.1	Staff Cost	1,029.27	755.62	36.22
2.2	Traveling Cost	118.37	105.34	12.37
2.3	Communication Cost	33.72	33.54	0.53
2.4	Legal and Professional Expenses	171.63	110.70	55.05
2.5	Other Expenditure	182.76	95.80	90.78
	Total Expenditure	1,535.75	1,101.00	39.49
3	EBITDA	190.44	103.65	83.74
4	Interest	2.93	1.49	96.78
5	Depreciation/Amortisation	55.16	34.22	61.21
6	Profit/(Loss) before Tax and Prior Period Expenses	132.35	67.94	94.79
7	Prior Period Income/(Expenses)	-	0.88	(100.00)
8	Profit/(Loss) before Tax	132.35	68.82	92.32
9	Provision for Tax			
9.1	Current Tax	10.67	10.18	4.74
9.2	MAT Credit Entitlement	(5.28)	(1.55)	240.51
9.3	Deferred Tax	(2.93)	3.76	(177.84)
9.4	Fringe Benefit Tax	3.65	3.21	13.64
	Total	6.11	15.60	(60.83)
10	Net profit/(Loss) After Tax	126.24	53.22	137.19
11	Earning Per Share			
11.1	Basic	9.29	3.92	137.19
11.2	Diluted	9.18	3.92	134.25



Financial Performance

Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended June 30, 2008 (Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn. except per share data)

Particulars	Q2 2008		Q2 2007		Q1 2008	
	INR	US\$	INR	US\$	INR	US\$
Revenues	905.59	21.80	589.27	14.24	798.77	20.07
Cost of Revenues	552.42	13.30	380.80	9.21	495.29	12.44
Gross Margin	353.17	8.50	208.47	5.03	303.48	7.63
SG & A	39.00%		35.38%		37.99%	
Expenses	242.66	5.85	163.78	3.97	205.49	5.16
Depreciation/Amortisation	28.09	0.67	16.57	0.39	27.06	0.68
	270.75	6.52	180.35	4.36	232.55	5.84
	29.90%		30.61%		29.11%	
Income/(Loss) from Operations	82.42	1.98	28.12	0.67	70.93	1.79
Interest Expense	(1.37)	(0.03)	(1.06)	(0.02)	(1.57)	(0.04)
Other Income, Net	(31.66)	(0.78)	13.95	0.33	13.60	0.34
Income/(Loss) before Income Tax	49.39	1.17	41.01	0.98	82.96	2.09
Income Tax Provision	2.96	0.07	8.79	0.21	3.15	0.08
Net Earnings/(Loss)	46.43	1.10	32.22	0.77	79.81	2.01
Earnings Per Share (Basic)	3.42	0.08	2.37	0.06	5.88	0.15



Financial Performance

Consolidated Statement of Operations (Un-audited) for the Six Months Ended June 30, 2008
(Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn. except per share data)

Particulars	Jan to June 08		Jan to June 07	
	INR	US\$	INR	US\$
Revenues	1,704.36	41.86	1,182.88	27.69
Cost of Revenues	1,047.71	25.73	767.50	17.97
Gross Margins	656.65	16.13	415.38	9.72
	38.53%		35.12%	
SG and A				
Expenses	448.14	11.01	331.90	7.77
Depreciation	55.16	1.35	34.22	0.80
	503.30	12.36	366.12	8.57
	29.53%		30.95%	
Income/(Loss) from Operations	153.35	3.77	49.26	1.15
Interest Expense	(2.93)	(0.07)	(1.49)	(0.03)
Other Income, Net	(18.07)	(0.45)	21.06	0.49
Income/(Loss) before Income Tax	132.35	3.25	68.83	1.61
Income Tax Provision	6.11	0.15	15.61	0.37
Net Earnings/(Loss)	126.24	3.10	53.22	1.24
Earnings Per Share (Basic)	9.29	0.23	3.92	0.09



Consolidated Operational Data (Un-audited)

Profitability in Percentage	Quarter ended		
	June30, 08	March 31, 08	June 30, 07
Revenues	100.00%	100.00%	100.00%
Gross margin	39.00	37.99	35.38
SG & A	29.90	29.11	30.61
EBITDA	12.20	12.27	7.58
EBT	5.45	10.39	6.96
PAT	5.13	9.99	5.47
Basic EPS (Rs.)	3.42	5.88	2.37

Revenue from Top 5 Clients	Quarter ended		
	June30, 08	March 31, 08	June 30, 07
Top 5 Clients	30.96%	32.26%	38.93%
Top 3 Clients	22.34%	22.79%	30.01%
Largest Client	9.08%	9.35%	14.73%

Revenues by Geographies	Quarter ended		
	June 30, 08	March 31, 08	June 30, 07
USA	51.68%	57.36%	76.33%
Europe	30.69%	28.71%	8.11%
SEAC (South East Asia)	8.73%	7.25%	8.52%
India	4.19%	2.76%	3.19%
Others	4.71%	3.92%	3.85%
Total	100.00%	100.00%	100.00%

Utilization (excluding trainees)	Quarter ended		
	June 30, 08	March 31, 08	June 30, 07
Onsite	72.17%	70.30%	97.56%
Offshore	69.72%	69.47%	70.60%
Blended	70.20%	69.65%	74.04%

Utilization (including trainees)	Quarter ended		
	June 30, 08	March 31, 08	June 30, 07
Onsite	72.17%	70.30%	97.56%
Offshore	65.29%	64.42%	66.47%
Blended	66.58%	65.64%	70.23%



Consolidated Operational Data (Un-audited)

Human resources at the end of	As at		
	June 30, 08	March 31, 08	June 30, 07
Technical	2,249	2,290	1,698
Software services			
Onsite	124	116	130
Offshore	1,369	1,359	1,131
Trainees at offshore	103	130	95
BPO			
Offshore	357	333	271
Onsite	296	352	71
Support	386	371	279
Total count	2,635	2,661	1,977

(Figures in Rs. mn. except “DSO”)

Key Balance Sheet Data	As At		
	June 30, 08	March 31, 08	June 30, 07
Receivable	744.33	635.06	544.66
Receivable in days (“DSO”)	64	74	77
Cash & bank balance	451.35	425.04	447.08
Net current assets	908.24	826.11	802.55
Fixed assets	771.64	764.50	604.33
Secured loans	94.89	56.83	63.74
Shareholders’ funds	1,576.56	1,510.03	1,323.17

Development Centers	As on June 30, 2008			
	Completed		Work-in-progress	
	Covered areas in sq ft.	No. of seats	Covered areas in sq ft.	No. of seats
India				
Noida	83,141	1,383	-	-
Pune	36,085	629		
Chennai	16,276	253		
	135,502	2,265	-	-
USA	22,800	177		
Singapore	11,500	73		
Europe	29,795	361		
Total	199,597	2,876	-	-



Fact Sheet – Consolidated Financial Data, Quarter ended June 30, 2008

Notes:

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

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 worldwide for products and services using our global delivery model in 18 languages. R Systems rapidly growing customer list includes a variety of 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 eight development and service centers and using our global delivery model we serve customers in the US, Europe, South America, the Far East, the Middle East and Africa.

Safe Harbor:

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