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#05-01 Singapore 486073
65-67855266



Products Foremost - Inspired by Customers

R Systems International Limited Review of Q2, 2007 Results



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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.”



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Company Overview

Our Business

**Outsourced Product Development and Support Services
iPLM Services**

Global Presence

- 6 GDC's in India, USA & Singapore.
- Marketing offices in US, Singapore and Malaysia.

Customer Profile

> 100 including Global 1000 Cos. Top Three are Fortune 500 Cos.

Associates

1,698 as on June 30, 2007 with 23 net addition during the Qtr.

Q2-2007

- Revenue Rs. 58.93 crores (US\$14.24 mn.) QoQ growth 5.9% in US\$.
- PAT Rs. 3.22 Crores (US\$ 0.77 mn.) QoQ growth 53.42%.

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Key Highlights - Performance

- Q2-07 Revenues: Rs 58.93 crs. (US\$ 14.24mn.) up 18.93% (30.49% in US\$) YoY and 5.9% in US\$ QoQ;
- Scaling key customer relationships:
 - Top 10 accounted for above 50% of revenues.
 - Our top three clients are Fortune 500 companies with approx. 30% of total revenues or \$4.3 million.
- New business funnel is encouraging;
- Repeat business > 95%;
- Net profits for the Q2-07 was Rs. 3.22 crs. (US\$ 0.77 mn.) as compared to Rs. 2.10 crs. (US\$ 0.48 mn.) in Q1, 07.



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Key Highlights – Strategic Initiatives

- **IPLM –**
 - Building practice lines in Digital Media Industry and Internet Security leveraging our experience from these segments.
 - Higher prices from customers.
- **Supply Chain - ECnet**
 - Price increases initiated for managed services.
 - Working with customers to expedite global roll-outs.
- **Consumer Finance - indus**
 - Deep domain competency and world class customer referrals is helping us grow funnel.



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Consolidated Statement of Operations (Un-audited)

Figures in mn. except per share data

Particulars	Q2 2007		Q2 2006		Q1 2007	
	INR	US\$	INR	US\$	INR	US\$
Revenues	589.27	14.24	495.46	10.91	593.61	13.45
Cost of revenues	380.80	9.21	288.11	6.34	386.70	8.76
Gross Margin	208.47	5.03	207.35	4.57	206.91	4.69
	35.38%		41.85%		34.86%	
SG & A						
Expenses	163.78	3.97	138.75	3.06	168.12	3.81
Depreciation	16.57	0.39	12.45	0.27	17.65	0.40
	30.61%		30.52%		31.30%	
Operating income/(loss)	28.12	0.67	56.14	1.24	21.14	0.48
Income/(Loss) from operations	28.12	0.67	56.14	1.24	21.14	0.48
Interest expense	(1.06)	(0.02)	(1.12)	(0.02)	(0.45)	(0.01)
Other income, net	13.95	0.33	5.24	0.12	7.12	0.16
Income/(Loss) before income tax	41.01	0.98	60.26	1.33	27.81	0.63
Income tax provision	8.79	0.21	7.33	0.16	6.81	0.15
Net Earnings/(Loss)	32.22	0.77	52.93	1.17	21.00	0.48
EPS	2.37	0.06	4.09	0.09	1.55	0.04



Key Balance Sheet Data & Profitability Ratios

Figures in mn. except “DSO”

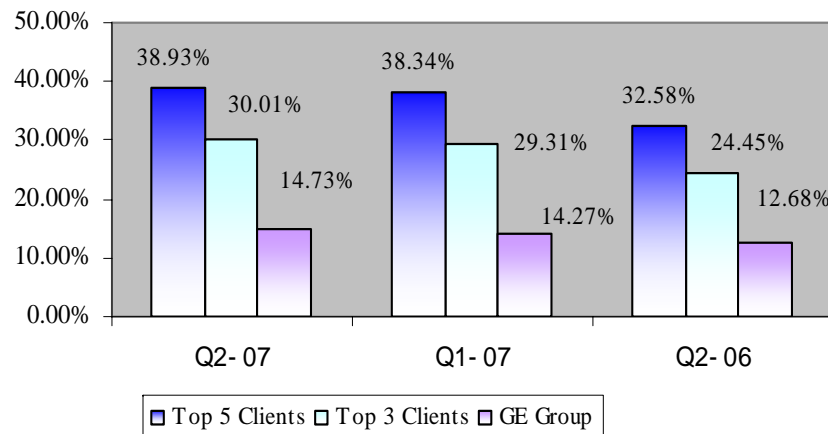
Key Balance Sheet Data (Rs. in mn.)	Q2-07	Q1-07	Q2-06
Receivable	544.66	483.57	452.47
Receivable in days (DSO)	77	76	85
Cash & Bank Balance	447.08	482.81	649.14
Net Current Assets	802.55	755.04	967.94
Fixed Assets	604.33	596.93	323.62
Secured Loans	63.74	32.24	7.56
Share holders fund	1,323.17	1,302.93	1,304.98

Profitability Ratios	Q2-07	Q1-07	Q2-06
Gross Margin (%)	35.38	34.86	41.85
SG & A (%)	30.61	31.30	30.52
EBITDA (%)	7.58	6.53	13.85
EBT (%)	6.96	4.69	12.16
PAT (%)	5.47	3.54	10.68
EPS (Rs.)	2.37	1.55	4.09

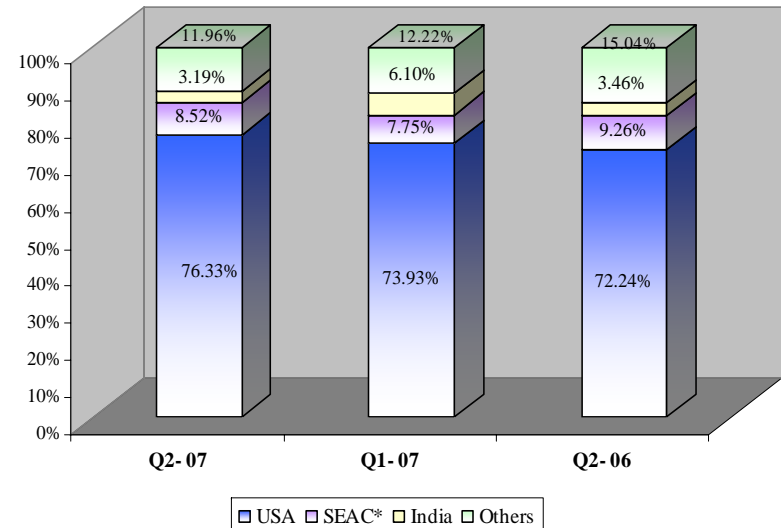


Revenue Break-Down

Client Concentration



Revenue by Geographies

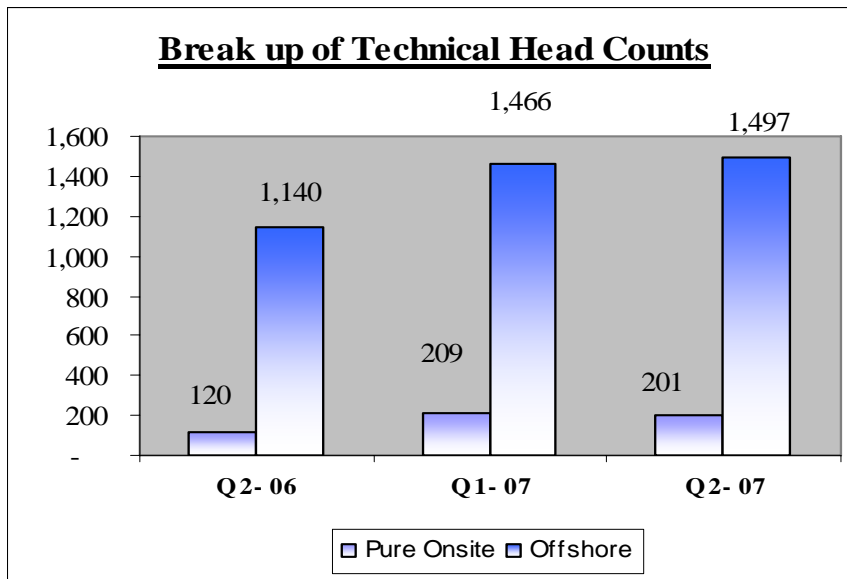


- Top 5 Accounts -38.93% of Revenues in Q2 2007 v/s 38.34 % in Q1 2007.
- Revenue from USA was 76.33% of our revenue in Q2 2007 as against 73.93% in Q1 2007.

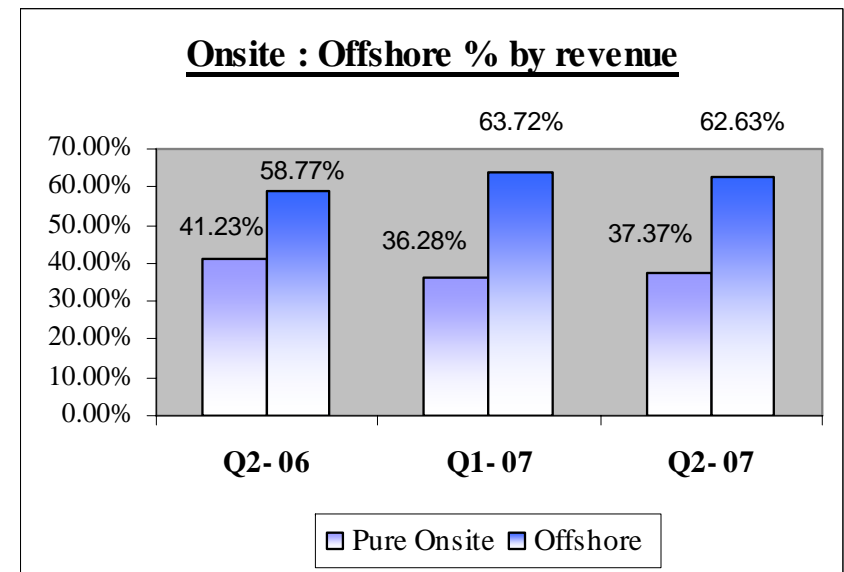


Offshore Focus Continues

Break up of Technical Head Counts



Onsite : Offshore % by revenue



Capacity of Development Centers: 163,000 Sq Feet with 2,300 Seats



To Sum Up...

- Good Execution Led to Satisfying Results Despite the Appreciation of INR
- We Continue to Strengthen Our Competitive Advantage in iPLM.
- Consumer Finance – Encouraging Funnel
- Supply Chain– Price Increases Implemented
- Further Appreciation of Rupee in Q3 will be a Drag on Margin Improvement Goals.

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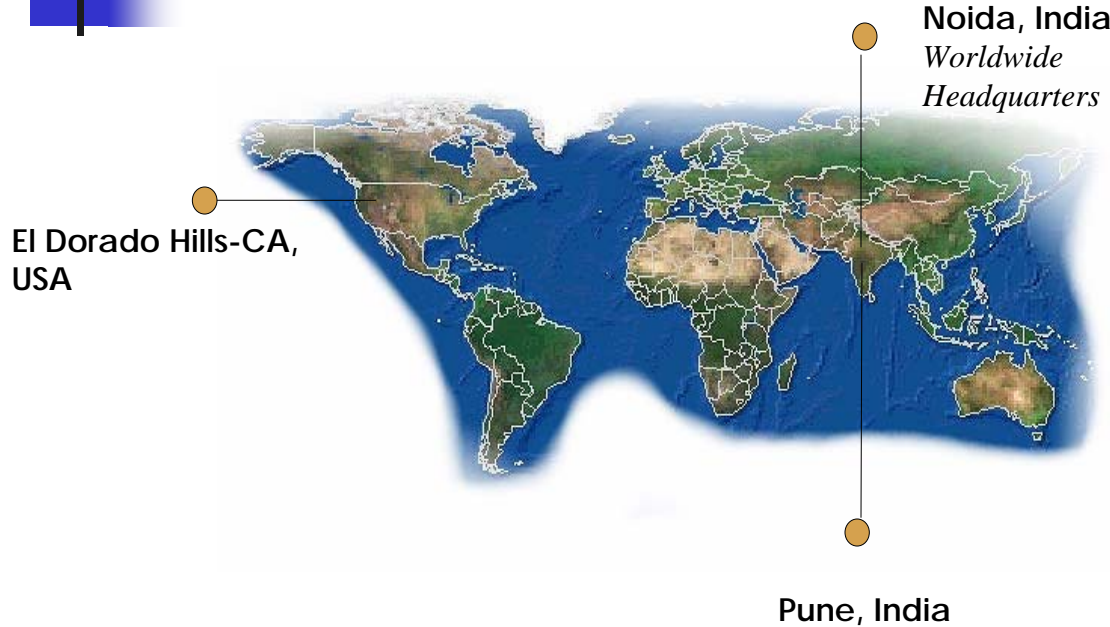
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Thank You For Your Support

