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#05-01 Singapore 486073
65-67855266



Products Foremost - Inspired by Customers

R Systems International Limited Review of Q3, 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

1,779 as on Sept. 30, 2007 with 81 net addition during the Qtr.

Q3-2007

- Revenue Rs. 64.10 crores (US\$ 15.75 mn.) QoQ growth 8.78% (10.60 % in US\$ Term); YoY Growth 18.16% (34.49 % in US\$ Term).
- PAT Rs. 6.74 Crores (US\$ 1.63 mn.) QoQ growth 109.07%.

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Key Highlights - Performance

- Q3-07 Revenues: Rs 64.10 crs. (US\$ 15.75mn.) up 18% (35% in US\$) YoY and 9% (11% in US\$) QoQ;
- Scaling key customer relationships:
 - Top 10 accounted for approx 50% of revenues.
 - R Systems top three: Fortune 500 companies with approx. 28% of total revenues or \$18 million annual revenue run rate.
- New business funnel is encouraging;
- Repeat business > 94%;
- Net profits for the Q3-07 was Rs. 6.74 crs. (US\$ 1.63 mn.) up 109% QoQ



Key Trends

- **IPLM –**
 - Good Momentum and Robust Demand.
 - Pricing Bias - Upwards.
 - Exciting Prospects in Europe.
- **Supply Chain - ECnet™**
 - Price Increases Successfully Completed
 - Working with customers to expedite global roll-outs.
- **Consumer Finance - Indus**
 - Strong Interest in Retail Lending Business.
- **Delivery – Intense Demand for Talent**



Consolidated Statement of Operations (Un-audited)

Figures in mn. except per share data

Particulars	Q3 2007		Q3 2006		Q2 2007	
	INR	US\$	INR	US\$	INR	US\$
Revenues	641.00	15.75	542.49	11.71	589.27	14.24
Cost of revenues	402.70	9.91	336.86	7.28	380.80	9.21
Gross Margin	238.29	5.84	205.62	4.44	208.47	5.04
	<i>37.18%</i>		<i>37.90%</i>		<i>35.38%</i>	
SG & A						
Expenses	161.71	3.99	129.24	2.78	163.78	3.98
Depreciation	18.46	0.44	14.18	0.31	16.57	0.40
	<i>28.11%</i>		<i>26.44%</i>		<i>30.61%</i>	
Operating income/(loss)	58.13	1.42	62.20	1.35	28.12	0.66
Non recurring costs	-	-	-	-	-	-
Income/(Loss) from operations	58.13	1.42	62.20	1.35	28.12	0.66
Interest expense	(1.24)	(0.03)	(0.38)	(0.01)	(1.06)	(0.02)
Other income, net	21.29	0.52	9.01	0.20	13.95	0.33
Income/(Loss) before income tax	78.17	1.91	70.82	1.54	41.02	0.97
Income tax provision	10.82	0.28	12.70	0.28	8.79	0.20
Net Earnings/(Loss)	67.37	1.63	58.11	1.26	32.22	0.77
EPS	4.96	0.12	4.29	0.09	2.37	0.06



Key Balance Sheet Data & Profitability Ratios

Figures in mn. except "DSO"

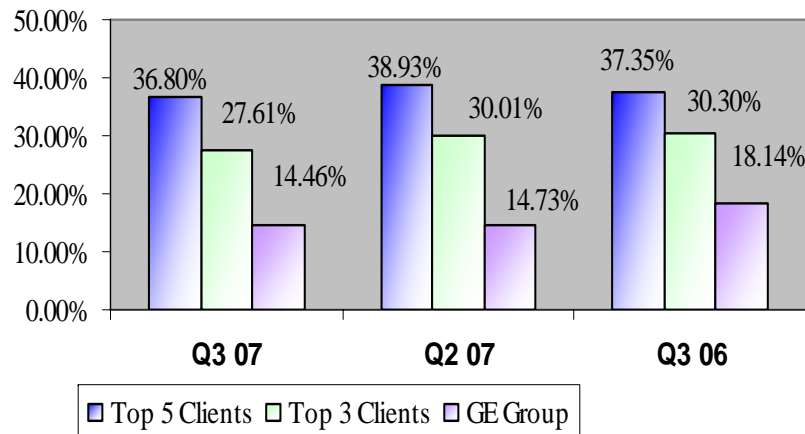
Key Balance Sheet Data (Rs. in mn.)	Q3-07	Q2-07	Q3-06
Receivable	612.83	544.66	477.67
Receivable in days (DSO)	76	77	78
Cash & Bank Balance	485.62	447.08	545.85
Net Current Assets	842.42	802.55	803.36
Fixed Assets	607.68	604.33	537.83
Secured Loans	41.03	63.74	8.16
Share holders fund	1,387.85	1,323.17	1,358.68

Profitability Ratios	Q3-07	Q2-07	Q3-06
Gross Margin (%)	37.18	35.38	37.90
SG & A (%)	28.11	30.61	26.44
EBITDA (%)	11.95	7.58	14.08
EBT (%)	12.20	6.96	13.10
PAT (%)	10.51	5.47	10.71
EPS (Rs.)	4.96	2.37	4.29

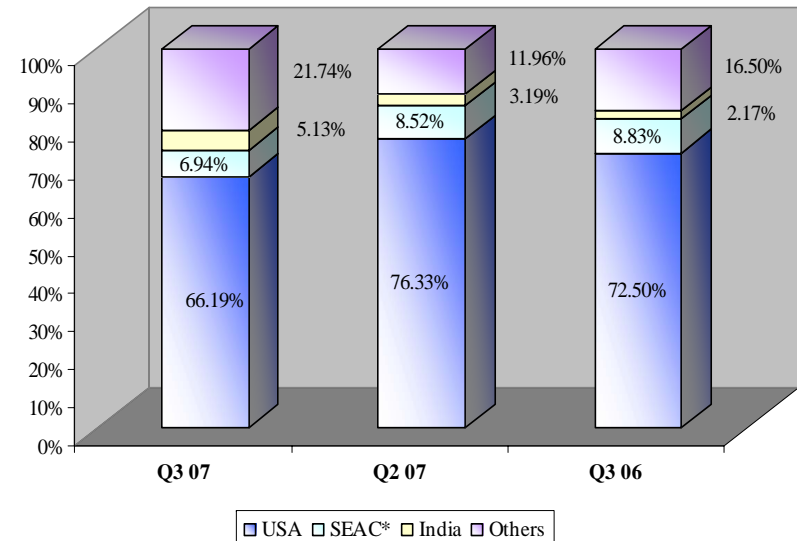


Revenue Break-Down

Client Concentration



Revenue by Geographies

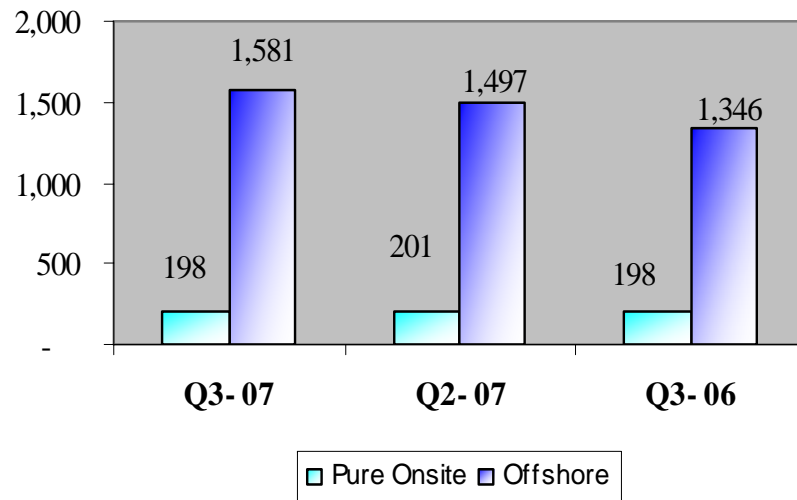


- Top 5 Accounts -36.80% of Revenues in Q3 2007 v/s 38.93 % in Q2 2007.
- Revenue from USA was 66.19% of our revenue in Q3 2007 as against 76.33% in Q2 2007.

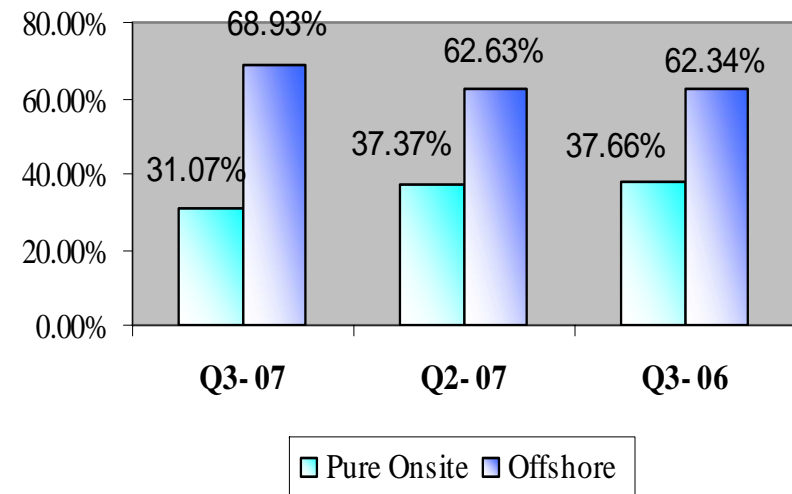


Offshore Focus Continues

Break up of Technical Head Counts



Onsite : Offshore % by revenue



Increase in higher margin offshore Revenues from 62.6% in Q2-07 to 68.9% in Q3-07

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



To Sum Up...

- Satisfying All Round Performance in Q3
- Looking Back:
 - We Have Successfully Absorbed \$ Devaluation.
 - Pricing - Good Progress on Escalations and More Work to be Done.
- Looking Ahead:
 - Strong Demand for R Systems Services.
 - Challenge – Successfully Execute On Expansion Opportunities.



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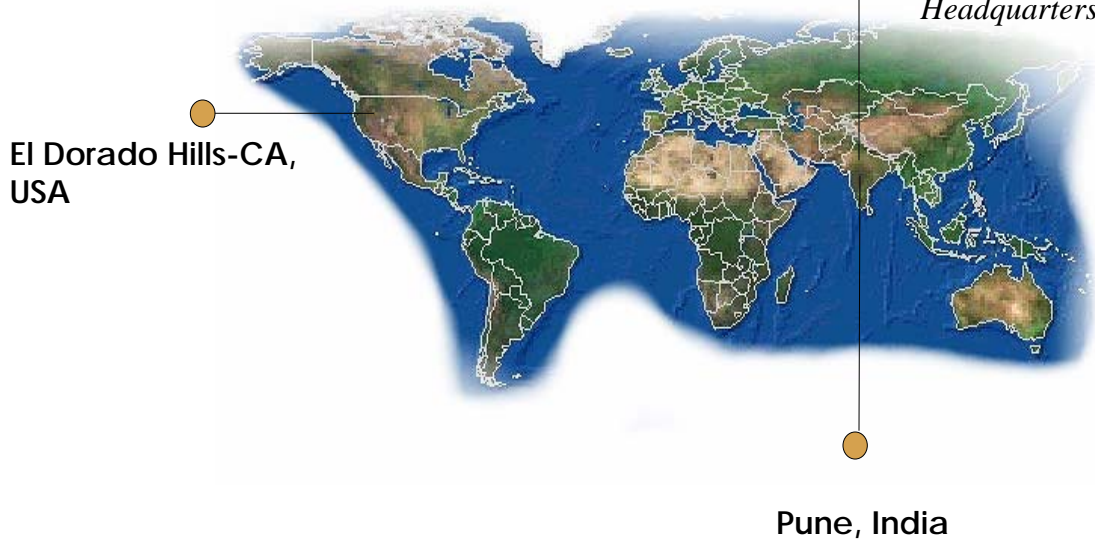
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