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#05-01 Singapore 486073
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Products Foremost - Inspired by Customers

R Systems International Limited Review of Q4, 2007 & Year 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

1,917 as on Dec. 31, 2007 with 138 net addition during the Qtr.

Year 2007

- Revenue Rs. 247.06 crores (US\$ 59.74 mn.) Growth of 21.1% (32.7% in US\$ Term) VS 2006.
- PAT Rs. 18.97 Crores (US\$ 4.59 mn.) Growth of 142.47% VS 2006

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Key Highlights

2007 Achievements:

- Expanded global footprint with acquisition in Europe
- Delivered operating excellence – value to customers and higher margins and profits to shareholders despite the 8.7% depreciation of \$
- Developed deeper domain competency in Digital Media and Mobility Solutions
- Signed a global deal with a Fortune 10 company in financial services
- Subject to shareholder approval increased dividend payout by 50% to 18%

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Key Highlights - Performance

- Q4 07 Revenues: Rs 65 crs or \$16.3mn up 31% in \$ terms YoY and 3.5% QoQ;
- FY 2007 Revenues Rs. 247 crs or \$60 mn up 33% in \$ terms over FY 2006;
- Net profits for Q4 07: Rs. 7 crs or \$1.7 mn up 2.6% QoQ
- Net profits for 2007: Rs. 19 crs or \$4.6 mn up 142% over FY 2006



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Consolidated Statement of Operations (Un-audited)

Figures in mn. except per share data

Particulars	Q4 2007		Q4 2006		Q3 2007	
	INR	US\$	INR	US\$	INR	US\$
Revenues	646.70	16.30	560.21	12.44	641.00	15.75
Cost of revenues	402.24	10.15	373.49	8.29	402.70	9.91
Gross Margin	244.46	6.14	186.72	4.15	238.29	5.85
	37.80%		33.33%		37.18%	
SG & A						
Expenses	166.88	4.23	152.47	3.27	161.71	3.99
Depreciation	17.74	0.43	16.21	0.47	18.46	0.44
	28.55%		30.11%		28.11%	
Operating income/(loss)	59.84	1.49	18.03	0.41	58.13	1.42
Non recurring costs	-	-	60	1.31	-	-
Income/(Loss) from operations	59.84	1.49	(41.48)	(0.91)	58.13	1.42
Interest expense	(0.73)	(0.02)	(0.49)	(0.01)	(1.24)	(0.03)
Other income, net	24.88	0.62	12.47	0.28	21.29	0.52
Income/(Loss) before income tax	83.99	2.08	(29.50)	(0.64)	78.18	1.91
Income tax provision	14.88	0.37	36.12	0.80	10.82	0.28
Net Earnings/(Loss)	69.12	1.71	(65.62)	(1.44)	67.37	1.63
EPS						
- Basic	5.09	0.13	(4.85)	(0.11)	4.96	0.12
- Diluted	5.02	0.13	(4.85)	(0.11)	4.89	0.12



Consolidated Statement of Operations (audited)

Figures in mn. except per share data

Particulars	2007		2006	
	INR	US\$	INR	US\$
Revenues	2,470.58	59.74	2,039.46	45.00
Cost of revenues	1,572.45	38.02	1,277.45	28.19
Gross Margin	898.13	21.72	762.01	16.81
	36.35%		37.36%	
SG & A				
Expenses	660.49	15.97	537.20	11.74
Depreciation	70.41	1.70	54.10	1.30
	29.58%		28.99%	
Operating income/(loss) before non recurring costs	167.23	4.04	170.71	3.77
Restructuring/Non recurring costs	-	-	59.51	1.31
Income/(Loss) from operations	167.23	4.04	111.19	2.45
Interest Expense	(3.44)	(0.08)	(3.85)	(0.09)
Other income, net	67.23	1.63	31.74	0.70
Income/(Loss) before income tax	231.02	5.59	139.08	3.07
Income tax provision	41.30	1.00	60.84	1.34
Net Earnings/(Loss)	189.71	4.59	78.24	1.73
EPS				
- Basic	13.97	0.34	6.17	0.14
- Diluted	13.78	0.33	6.17	0.14



Key Balance Sheet Data & Profitability Ratios

Figures in mn. except "DSO"

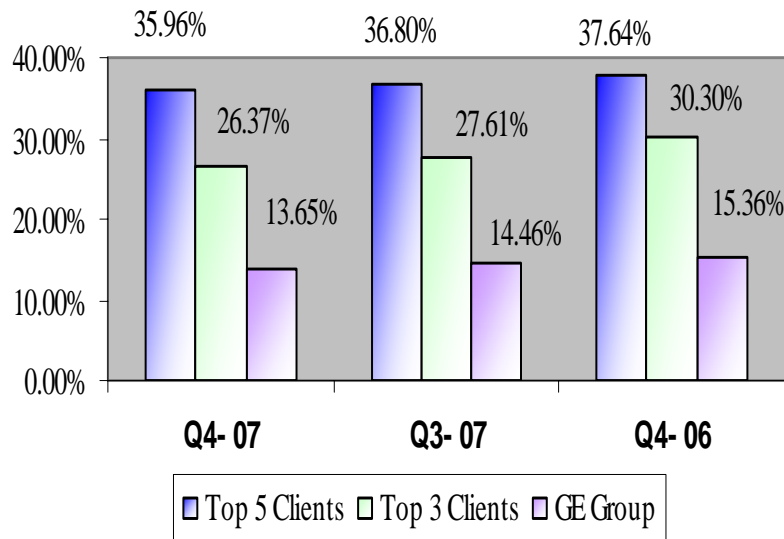
Key Balance Sheet Data (Rs. in mn.)	Q4-07	Q3-07	Q4-06
Receivable	613.52	612.83	483.37
Receivable in days (DSO)	81	76	80
Cash & Bank Balance	512.15	485.62	531.74
Net Current Assets	844.64	842.42	778.32
Fixed Assets	610.37	607.68	554.85
Secured Loans	6.31	41.03	24.26
Share holders fund	1,425.67	1,387.85	1,282.34

Profitability Ratios	Q4-07	Q3-07	Q4-06
Gross Margin (%)	37.80	37.18	33.33
SG & A (%)	28.55	28.11	30.11
EBITDA (%)	12.00	11.95	(4.51)
EBT (%)	12.99	12.20	(5.27)
PAT (%)	10.69	10.51	(11.71)
EPS (Rs.)			
- Basic	5.09	4.96	(4.85)
- Diluted	5.02	4.89	(4.85)

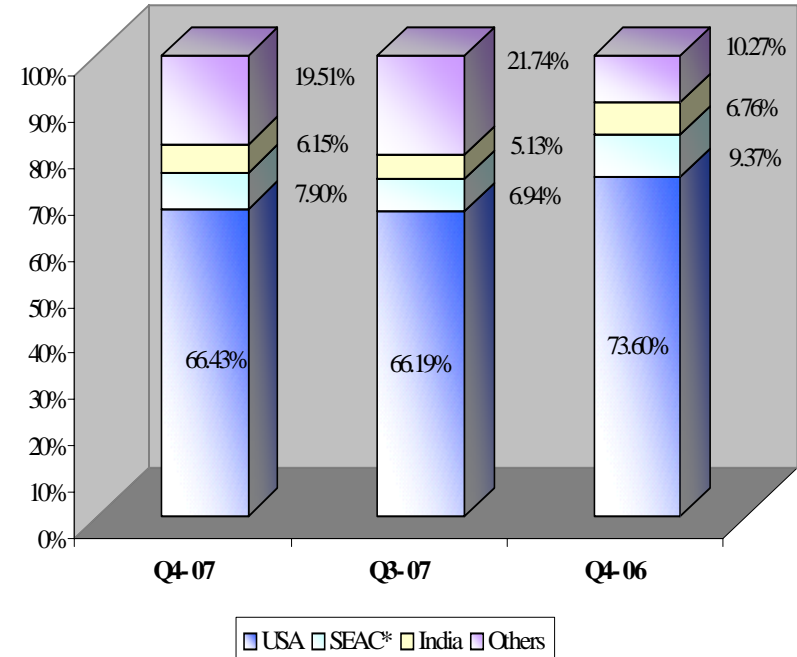


Revenue Break-Down

Client Concentration



Revenue by Geographies

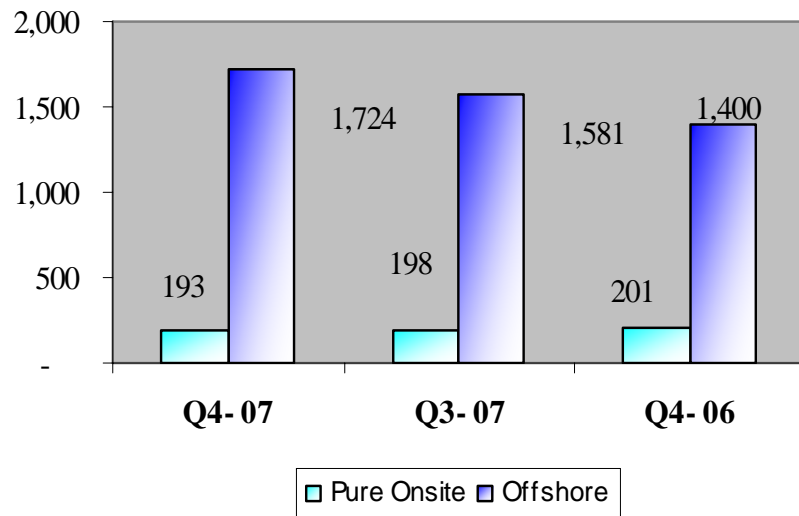


- Top 5 Accounts 35.96% of Revenues in Q4 2007 v/s 36.80 % in Q3 2007.
- Revenue from USA was 66.43 % of our revenue in Q4 2007 as against 66.19% in Q3 2007.

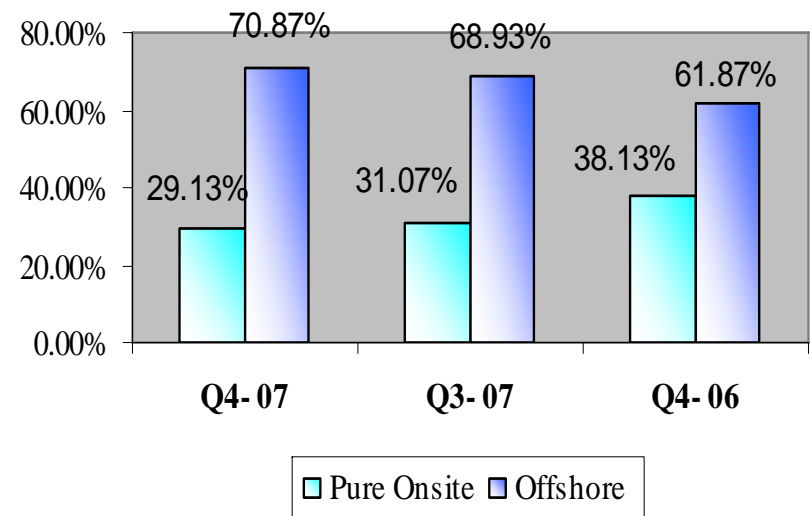


Offshore Focus Continues

Break up of Technical Head Counts



Onsite : Offshore % by revenue



Increase in higher margin offshore Revenues from 68.9 % in Q3-07 to 70.9% in Q3-07

Capacity of Development Centers: 156,600 Sq Feet with 2,200 Seats & work in progress to add 9,991 Sq Feet with 195 seats in Noida in Q1-08

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To Sum Up...

- Satisfying All Round Performance in FY 2007
- Looking Ahead...
 - Funnel continues to be encouraging
 - Targeting Rs. 300+ crs in revenues for FY 2008 with 10% net
 - Leverage base in Europe to open EU market



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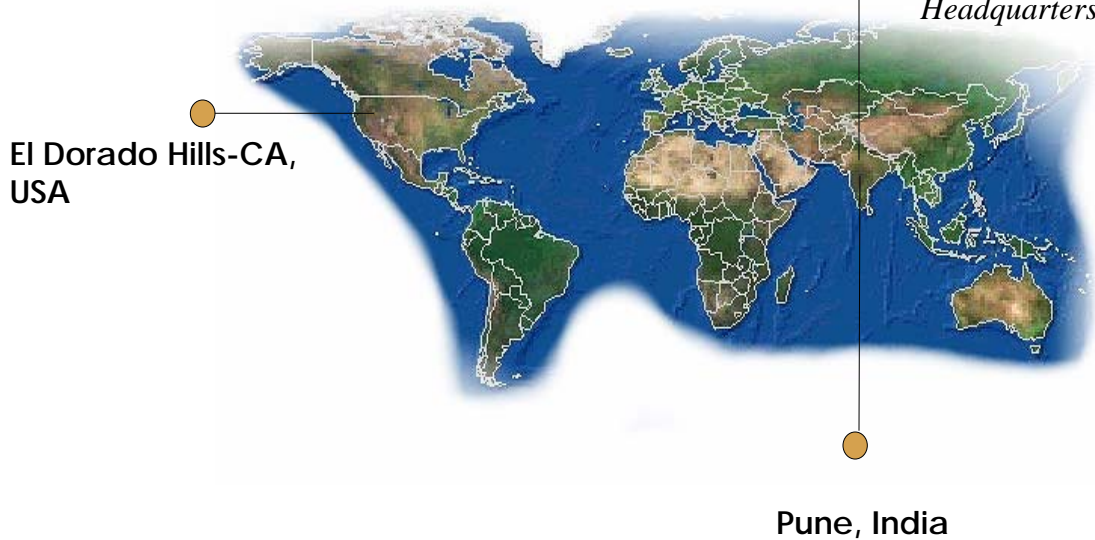
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Thank You For Your Support

