



## **R SYSTEMS INTERNATIONAL LIMITED**



### **Investor Update – Fact Sheet For Year and Quarter Ended December 31, 2007**

## Financial Performance

### Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended December 31, 2007 (As per Indian GAAP)

(Rs in mn. except per share data)

Sr. No.	Particulars	Quarter Ended Dec 31		YoY Growth %	Quarter Ended Sept. 30, 2007	QoQ Growth %
		2007	2006			
<b>1</b>	<b>Income</b>					
1.1	Net Sales	646.70	560.21	15.44	641.00	0.89
1.2	Other Income	13.15	17.07	(22.96)	22.17	(40.68)
	<b>Total</b>	<b>659.85</b>	<b>577.28</b>	<b>14.30</b>	<b>663.17</b>	<b>(0.50)</b>
<b>2</b>	<b>Expenditure</b>					
2.1	Staff Cost	384.60	376.11	2.26	381.56	0.80
2.2	Traveling Cost	56.44	51.74	9.07	54.06	4.39
2.3	Communication Costs	16.94	17.61	(3.80)	18.83	(10.06)
2.4	Legal & Professional Exp.	55.94	52.58	6.38	62.12	(9.96)
2.5	Other Expenditure	57.93	67.31	(13.92)	48.71	18.92
	<b>Total Expenditure</b>	<b>571.84</b>	<b>565.35</b>	<b>1.15</b>	<b>565.30</b>	<b>1.16</b>
<b>3</b>	<b>EBITDA</b>	<b>88.01</b>	<b>11.93</b>	<b>637.40</b>	<b>97.87</b>	<b>(10.08)</b>
<b>4</b>	Interest	0.72	0.50	45.43	1.23	(41.27)
<b>5</b>	Depreciation/Amortisation	17.74	21.24	(16.49)	18.46	(3.93)
<b>6</b>	Add:- Exceptional Items	14.45	-	-	-	-
<b>7</b>	<b>Profit/(Loss) before Tax and Prior Period Expenses</b>	<b>84.00</b>	<b>(9.80)</b>	<b>957.33</b>	<b>78.18</b>	<b>7.44</b>
<b>8</b>	<b>Prior Period Income/(Expenses)</b>	-	(19.71)	-	-	-
<b>9</b>	<b>Profit/(Loss) before Tax</b>	<b>84.00</b>	<b>(29.50)</b>	<b>384.71</b>	<b>78.18</b>	<b>7.44</b>
<b>10</b>	<b>Provision for Tax</b>					
10.1	Current Tax	13.81	6.21	122.39	8.82	56.47
10.2	MAT credit entitlement	(2.50)	-	-	(0.93)	168.82
10.3	Deferred Tax	1.81	28.63	(93.69)	1.21	47.52
10.4	Fringe Benefit Tax	1.77	1.28	38.02	1.70	3.92
	<b>Total</b>	<b>14.88</b>	<b>36.12</b>	<b>(58.81)</b>	<b>10.81</b>	<b>37.54</b>
<b>11</b>	<b>Net Profit/(Loss) After Tax</b>	<b>69.12</b>	<b>(65.62)</b>	<b>205.33</b>	<b>67.37</b>	<b>2.61</b>
<b>12</b>	<b>Earning Per Share</b>					
12.1	<b>Basic</b>	<b>5.09</b>	<b>(4.85)</b>	<b>204.99</b>	<b>4.96</b>	<b>2.61</b>
12.2	<b>Diluted</b>	<b>5.02</b>	<b>(4.85)</b>	<b>203.61</b>	<b>4.89</b>	<b>2.65</b>

## Financial Performance

### Consolidated Profit & Loss Statement (Audited) for the Year Ended December 31, 2007

*(As per Indian GAAP)*

(Rs. in mn. except per share data)

Sr. No.	Particulars	Year Ended December 31,		Growth %
		2007	2006	
<b>1</b>	<b>Income</b>			
1.1	Net Sales	2,470.58	2,039.46	21.14
1.2	Other Income	57.08	40.21	41.97
	<b>Total</b>	<b>2,527.66</b>	<b>2,079.67</b>	<b>21.54</b>
<b>2</b>	<b>Expenditure</b>			
2.1	Staff Cost	1,521.77	1,270.30	19.80
2.2	Traveling Cost	215.84	158.67	36.03
2.3	Communication Cost	69.31	49.70	39.47
2.4	Legal and Professional Expenses	228.76	196.88	16.19
2.5	Other Expenditure	202.45	186.17	8.74
	<b>Total Expenditure</b>	<b>2,238.13</b>	<b>1,861.72</b>	<b>20.22</b>
<b>3</b>	<b>EBITDA</b>	<b>289.53</b>	<b>217.95</b>	<b>32.84</b>
<b>4</b>	Interest	3.44	3.85	(10.70)
<b>5</b>	Depreciation/Amortisation	70.41	59.12	19.09
<b>6</b>	Add:-Exceptional Item	14.45	-	-
<b>7</b>	<b>Profit/(Loss) before Tax and Prior Period Expenses</b>	<b>230.13</b>	<b>154.97</b>	<b>48.50</b>
<b>8</b>	<b>Prior Period Income/(Expenses)</b>	<b>0.88</b>	<b>(15.89)</b>	<b>105.57</b>
<b>9</b>	<b>Profit/(Loss) before Tax</b>	<b>231.01</b>	<b>139.08</b>	<b>66.10</b>
<b>10</b>	<b>Provision for Tax</b>			
10.1	Current Tax	32.81	15.52	111.37
10.2	MAT Credit Entitlement	(4.98)	-	-
10.3	Deferred Tax	6.79	39.89	(82.98)
10.4	Fringe Benefit Tax	6.68	5.43	23.10
	<b>Total</b>	<b>41.30</b>	<b>60.84</b>	<b>(32.12)</b>
<b>11</b>	<b>Net profit/(Loss) After Tax</b>	<b>189.71</b>	<b>78.24</b>	<b>142.47</b>
<b>12</b>	<b>Earning Per Share</b>			
<b>12.1</b>	<b>Basic</b>	13.97	6.17	126.49
<b>12.2</b>	<b>Diluted</b>	13.78	6.17	123.51

## Financial Performance

### Consolidated Profit & Loss Statement (Un- audited) for the Quarter Ended December 31, 2007 (Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn. except per share data)

Particulars	Q4 2007		Q4 2006		Q3 2007	
	INR	US\$	INR	US\$	INR	US\$
<b>Revenues</b>	<b>646.70</b>	<b>16.30</b>	<b>560.21</b>	<b>12.44</b>	<b>641.00</b>	<b>15.75</b>
Cost of Revenues	402.24	10.15	373.49	8.29	402.70	9.91
<b>Gross Margin</b>	<b>244.46</b>	<b>6.15</b>	<b>186.72</b>	<b>4.15</b>	<b>238.30</b>	<b>5.84</b>
<b>SG &amp; A</b>	37.80%		33.33%		37.18%	
Expenses	166.88	4.23	152.47	3.27	161.71	3.99
Depreciation/Amortisation	17.74	0.43	16.21	0.47	18.46	0.43
	184.62	4.66	168.68	3.74	180.17	4.42
	28.55%		30.11%		28.11%	
<b>Operating Income/(loss) before non recurring cost</b>	<b>59.84</b>	<b>1.49</b>	<b>18.04</b>	<b>0.41</b>	<b>58.13</b>	<b>1.42</b>
Non recurring Costs	-	-	59.51	1.31	-	-
<b>Income/(Loss) from Operations</b>	<b>59.84</b>	<b>1.49</b>	<b>(41.47)</b>	<b>(0.91)</b>	<b>58.13</b>	<b>1.42</b>
Interest Expense	(0.73)	(0.02)	(0.50)	(0.01)	(1.24)	(0.03)
Other Income, Net	24.88	0.62	12.47	0.28	21.29	0.52
<b>Income/(Loss) before Income Tax</b>	<b>83.99</b>	<b>2.08</b>	<b>(29.50)</b>	<b>(0.64)</b>	<b>78.18</b>	<b>1.91</b>
Income Tax Provision	14.88	0.37	36.12	0.80	10.81	0.28
<b>Net Earnings/(Loss)</b>	<b>69.12</b>	<b>1.71</b>	<b>(65.62)</b>	<b>(1.44)</b>	<b>67.37</b>	<b>1.63</b>
<b>Earnings Per Share (Basic)</b>	<b>5.09</b>	<b>0.13</b>	<b>(4.85)</b>	<b>(0.11)</b>	<b>4.96</b>	<b>0.12</b>

## Financial Performance

**Consolidated Statement of Operations (Un-audited) for the Year Ended December 31, 2007**  
*(Contribution Analysis Format; Basis Indian GAAP)*

(Figures in mn. except per share data)

Particulars	Year Ended December 31, 2007		Year Ended December 31, 2006	
	INR	US\$	INR	US\$
<b>Revenues</b>	<b>2,470.58</b>	<b>59.74</b>	<b>2,039.46</b>	<b>45.00</b>
Cost of Revenues	1,572.45	38.02	1,277.45	28.19
<b>Gross Margins</b>	<b>898.13</b>	<b>21.72</b>	<b>762.01</b>	<b>16.81</b>
<b>SG and A</b>	36.35%		37.36%	
Expenses	660.49	15.97	537.20	11.74
Depreciation	70.41	1.70	54.10	1.30
	730.90	17.67	591.30	13.04
	29.58%		28.99%	
<b>Operating Income /(Loss) before non recurring cost</b>	<b>167.23</b>	<b>4.04</b>	<b>170.71</b>	<b>3.77</b>
Non-recurring costs	-	-	<b>59.51</b>	<b>1.31</b>
<b>Income/(Loss) from Operations</b>	<b>167.23</b>	<b>4.04</b>	<b>111.20</b>	<b>2.46</b>
Interest Expense	(3.44)	(0.08)	(3.85)	(0.09)
Other Income, Net	67.23	1.63	31.73	0.70
<b>Income/(Loss) before Income Tax</b>	<b>231.02</b>	<b>5.59</b>	<b>139.08</b>	<b>3.07</b>
Income Tax Provision	41.30	1.00	60.84	1.34
<b>Net Earnings/(Loss)</b>	<b>189.71</b>	<b>4.59</b>	<b>78.24</b>	<b>1.73</b>
<b>Earnings Per Share (Basic)</b>	<b>13.97</b>	<b>0.34</b>	<b>6.17</b>	<b>0.14</b>

## Consolidated Operational Data (Un-audited)

Profitability in Percentage	Quarter ended			Year Ended	
	Dec 31, 07	Sep 30, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06
Revenues	100.00%	100.00%	100.00%	100.00%	100.00%
Gross margin	37.80	37.18	33.33	36.35	37.36
SG & A	28.55	28.11	30.11	29.58	28.99
EBITDA	12.00	11.95	(4.51)	9.62	8.10
EBT	12.99	12.20	(5.27)	9.35	6.82
PAT	10.69	10.51	(11.71)	7.68	3.84
Basic EPS (Rs)	5.09	4.96	(4.85)	13.97	6.17

Revenue from Top 5 Clients	Quarter Ended		Year Ended	
	Dec 31, 07	Sep 30, 07	Dec 31, 07	Dec 31, 06
Top 5 Clients	35.96%	36.80%	36.99%	33.63%
Top 3 Clients	26.37%	27.61%	27.37%	27.39%
Largest Client	13.65%	14.46%	13.78%	15.44%

Revenues by Geographies	Quarter Ended		Year Ended	
	Dec 31, 07	Sep 30, 07	Dec 31, 07	Dec 31, 06
USA	66.44%	66.19%	70.53%	73.22%
SEAC ( South East Asia )	7.90%	6.94%	7.77%	9.08%
India	6.15%	5.13%	5.17%	4.42%
Others	19.51%	21.74%	16.53%	13.28%
Total	100.00%	100.00%	100.00%	100.00%

Utilization (excluding trainees)	Quarter ended		
	Dec 31, 07	Sep 30, 07	Dec 31, 06
Onsite	98.98%	98.99%	96.67%
Offshore	75.18%	76.24%	67.50%
Blended	77.88%	79.04%	71.36%

Utilization (including trainees)	Quarter ended		
	Dec 31, 07	Sep 30, 07	Dec 31, 06
Onsite	98.98%	98.99%	96.67%
Offshore	69.17%	70.73%	63.36%
Blended	72.31%	73.98%	67.53%



## Consolidated Operational Data (Un-audited)

Human resources at the end of	As at		
	Dec 31, 07	Sep 30, 07	Dec 31, 06
<b>Technical</b>	<b>1,917</b>	<b>1,779</b>	<b>1,601</b>
<b>Software services</b>			
Onsite	129	127	120
Offshore	1,294	1,179	1,062
Trainees at offshore	134	120	86
<b>BPO</b>			
Offshore	296	282	252
Onsite	64	71	81
<b>Support</b>	<b>278</b>	<b>280</b>	<b>242</b>
<b>Total count</b>	<b>2,195</b>	<b>2,059</b>	<b>1,843</b>

(Figures in Rs. mn. except DSO)

Key Balance Sheet Data	As At		
	Dec 31, 07	Sept 30, 07	Dec 31, 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
Shareholders’ funds	1,425.67	1,387.85	1,282.34

Development Centers	As on Dec 31, 2007			
	Completed		Work-in-progress	
	Covered areas in sq ft.	No. of seats	Covered areas in sq ft.	No. of seats
<b>India</b>				
Noida	73,150	1,188	9,991	195
Pune	32,940	534		
Chennai	16,276	253		
	122,366	1,975	-	-
<b>USA</b>	22,800	177		
<b>Singapore</b>	11,500	52		
<b>Total</b>	<b>156,666</b>	<b>2,204</b>	<b>9,991</b>	<b>195</b>



**About R Systems International Ltd.**

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**For further information please contact:**

Nand Sardana  
Chief Compliance Officer & VP Finance  
Tel # 0120 - 4303506  
Fax # 0120 - 2587123  
Email: [nand.sardana@rsystems.com](mailto:nand.sardana@rsystems.com)

Shankar Seetharaman  
Sr. VP Finance  
Tel # 020 - 22952520  
Email: [Shankar.Seetharaman@indussoft.com](mailto:Shankar.Seetharaman@indussoft.com)

O'Neil Nalavadi  
Director Finance  
Tel # 1-916 939 5170  
Fax # 1- 916 939 6321  
Email: [Oneil.nalavadi@rsystems.com](mailto:Oneil.nalavadi@rsystems.com)