



Financial Performance FY12 Q1

July 28, 2011



eClerx – An ISO/IEC 27001:2005 Certified Company

Financial Summary



Metrics		FY12 Q1	Q-o-Q	Y-o-Y
Revenue	Total Revenue (INR mn)	1,069	4% ↑	28% ↑
	Opg Revenue (INR mn)	996	4% ↑	29% ↑
	Opg Revenue (USD mn)	22.3	6% ↑	33% ↑
Profit	EBITDA (INR mn)	463	3% ↓	33% ↑
	OPM (INR mn)	367	2% ↓	37% ↑
	Net Profit (INR mn)	352	19% ↑	20% ↑
Margin	EBITDA (%)	43%	3% ↓	2% ↑
	OPM (%)	37%	2% ↓	2% ↑
	Net Profit (%)	33%	4% ↑	2% ↓
EPS	Basic (INR)	12.2	18% ↑	19% ↑
	Diluted (INR)	11.7	19% ↑	18% ↑

Another strong quarter

- USD revenues up 33% Y-o-Y
- Q-o-Q – momentum maintained with 6% growth
- Operating margin maintained at 37% (Y-o-Y) – considerable achievement

New tax rules impact net income

- Largest contributor to Y-o-Y reduction in net income (as % of Revenue)
- EPS of Rs. 12.2, up by 19% Y-o-Y

Other Updates



Current Hedge Status

Consistent policy of hedging receivables for next 12-18 months.

Contract	Year	Currency	Amount (mn)	Average Rate (INR)
Forward	FY12	USD	\$30.0	47.93
		Euro	€10.7	63.06
	Total FY12 – Equiv USD		\$45.1	46.75
	FY13	USD	\$19.8	48.71
		Euro	€7.7	65.90
	Total FY13 – Equiv USD		\$30.6	47.89
Put Option	FY12	USD	\$6.0	45.17

Note: USD / Euro taken at 1.42.

Highly Liquid Balance Sheet



- Total Cash and Cash equivalents of INR 1,971 mn, zero debt on balance sheet
 - Equivalent to INR 68.2 per share
- Trailing 12 months EPS
 - Basic: INR 46.9
 - Diluted: INR 44.8
- Book value per share of INR 95.0

Utilization of IPO Proceeds			
Particulars	Planned as per Prospectus	Utilization up to Jun 30, 2011	Balance
Acquisitions	220.0	–	220.0
Infrastructure investments	180.0	180.0	–
Setting up of additional facilities	100.0	100.0	–
General corporate purposes	161.0	161.0	–
Total	661.0	441.0	220.0

Figures in INR millions.

P&L Comparison: FY12 Q1 vs. FY11 Q1



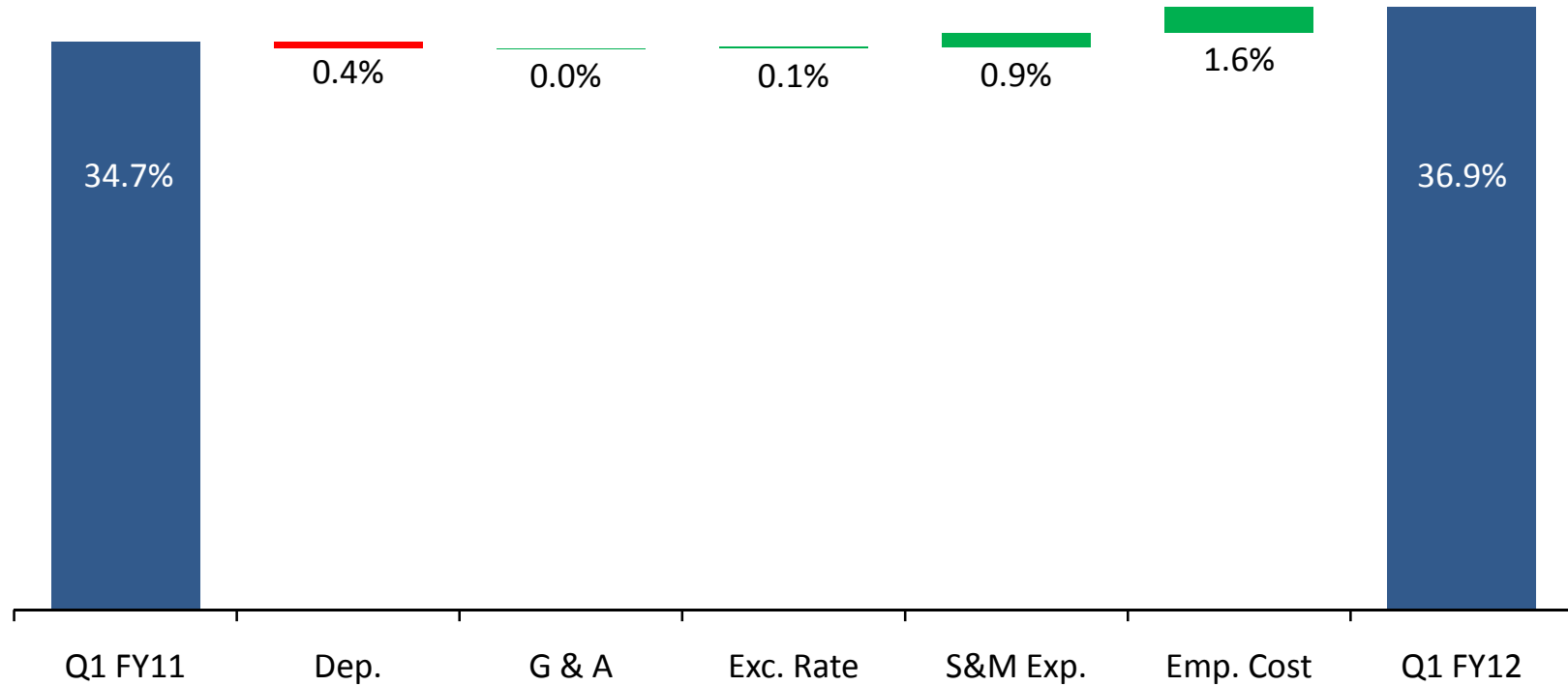
Operating P&L	FY12 Q1	OPR (%)	FY11 Q1	OPR (%)
Operating Revenue	996.0		770.8	
Cost of Revenues				
Employee Cost	446.5	44.8%	358.2	46.5%
General Administration and Management				
Rent	40.1	4.0%	29.0	3.8%
Communication Expenses	22.7	2.3%	14.7	1.9%
Legal and Professional Fees	16.0	1.6%	14.3	1.9%
Electricity	9.8	1.0%	6.9	0.9%
Conveyance	9.8	1.0%	8.1	1.0%
Provision for Bad Debt	–	0.0%	0.3	0.0%
Others	28.2	2.8%	24.8	3.2%
Total G&A	126.5	12.7%	98.1	12.7%
Selling and Distribution	32.4	3.3%	31.7	4.1%
Depreciation and Amortization	23.6	2.4%	15.3	2.0%
Total Operating Cost	629.0	63.1%	503.3	65.3%
Operating Profit	367.1	36.9%	267.4	34.7%

Q1 FY12 exchange rate Rs. 44.62/\$ and Rs. 64.09/€.

Q1 FY11 exchange rate Rs. 45.88/\$ and Rs. 58.00/€.

Figures in INR millions.

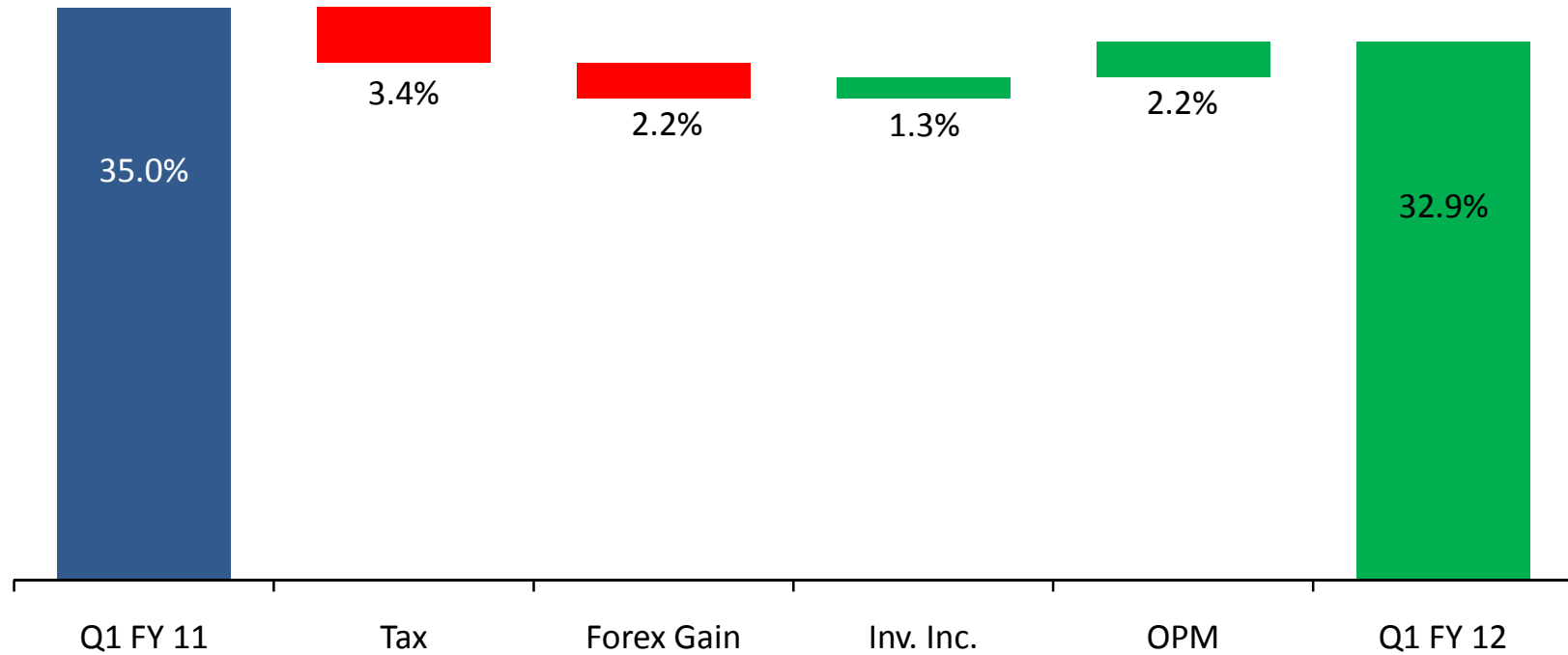
OPM Bridging Analysis: FY12 Q1 vs. FY11 Q1



Employee costs have come down as a % of revenue.
G&A costs are flat.

Note: Bridging analysis in constant currency, impact of currency movements shown in exchange rate.

NPM Bridging Analysis: FY12 Q1 vs. FY11 Q1



MAT on SEZ has increased the tax bill, overall tax rate in FY12 Q1 is 20% on PBT.

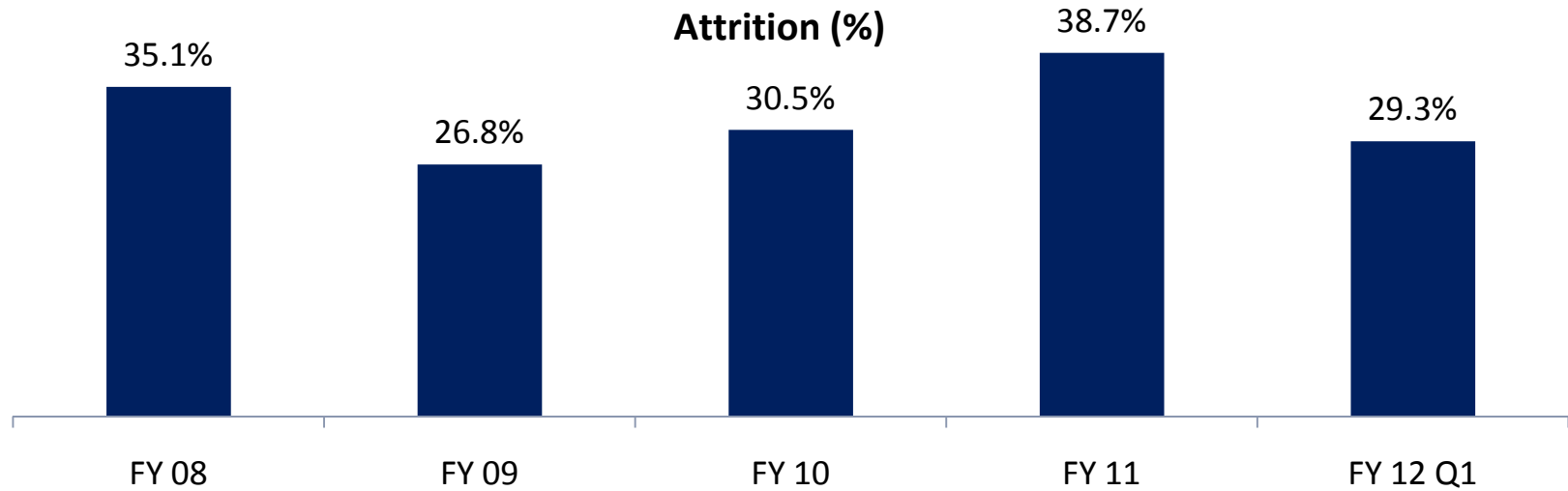
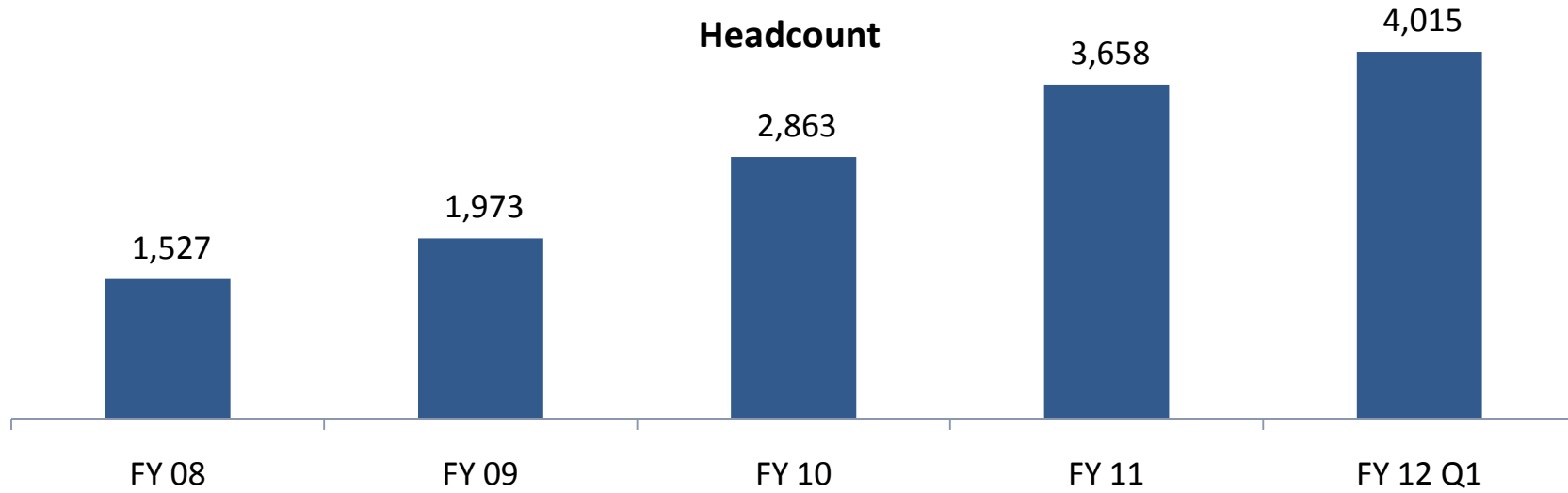
Revenue Quality



Metrics		FY12 Q1	FY11 Q1	FY11
Currency Concentration (%)	USD	74%	76%	75%
	EURO	21%	20%	21%
	GBP	3%	3%	3%
	Other	2%	–	1%
Geographic Concentration	North America	61%	63%	61%
	Europe	31%	30%	32%
	ROW	8%	7%	7%
Debtors	DSO	67 days	59 days	59 days
Client Concentration	Top 5	88%	88%	87%
Billing Mix	FTE	93%	82%	88%
	SEZ Revenue	66%	52%	59%

- 4 new clients added – accrued revenue from 48 clients in Q1
- Revenue contribution of Fortune 500 or FT 500 clients at 97%
- 67% of all employees billed in Q1

Status Update



Performance Analysis and Outlook

- Business efficiencies continue to remain high
 - Y-o-Y wage cost trended down as percentage of revenue helping margins
 - Other costs, including onshore costs, broadly flat Y-o-Y, again as percentage of revenues
- Planning for growth
 - After review, have decided to continue with Mumbai and Pune as delivery hubs
 - Contiguous space taken in central Mumbai, seek to add capacity in both cities at advantageous rates
- Further alignment of performance related pay for senior managers
 - Senior team key to company outcomes
 - Historically, between 1-1.5% of equity granted on time-only vest conditions
 - New ESOP plan allows for larger vests if growth targets met, provides for less if not
- Business diversification continues to be key strategic priority
 - Q-o-Q non-top (%) revenues decreased in Q1 – lag effect of chronic underinvestment in onshore
 - As discussed, activity is increasing as new team on-boards
 - Plan to invest a further 1.5-2% of revenue to onshore going forward

We have strongest ever management team to grab fair share of emerging opportunity in core process outsourcing.

Thank You

Balance Sheet Abstract



Particulars	June 30, 2011	June 30, 2010	Change (%)
Shareholder's Funds			
Capital	288.9	190.7	52%
Stock Option Outstanding and Stock Options Pending Allotment	8.3	6.6	27%
Reserves and Surplus	2,448.7	2,108.1	16%
Total Shareholder's Funds	2,746.0	2,305.4	19%
Application of Funds			
Fixed Assets	369.3	311.1	19%
Intangible Assets – Goodwill	0.0	104.3	-100%
Deferred Tax Assets (Net)	6.0	6.8	-13%
Net Current Assets and Investments (Liquid)	2,370.7	1,883.1	26%
Total Application of Funds	2,746.0	2,305.4	19%

Figures in INR millions.

Financial Summary – Quarterly View



Metrics		FY11 Q1	FY11 Q2	FY11 Q3	FY11 Q4	FY12 Q1
Revenue	Total Revenue (INR mn)	837	861	933	1,029	1,069
	Opg Revenue (INR mn)	771	823	872	955	996
	Opg Revenue (USD mn)	16.8	18.0	19.6	21.1	22.3
Profit	EBITDA (INR mn)	349	336	426	475	463
	OPM (INR mn)	267	275	339	374	367
	Net Profit (INR mn)	293	276	360	295	352
Margin	EBITDA (%)	42%	39%	46%	46%	43%
	OPM (%)	35%	33%	39%	39%	37%
	Net Profit (%)	35%	32%	39%	29%	33%
EPS	Basic	10.3	9.6	12.6	10.3	12.2
	Diluted	9.9	9.2	12.0	9.8	11.7

Revenue Quality – Quarterly View



	Metrics	FY11 Q1	FY11 Q2	FY11 Q3	FY11 Q4	FY12 Q1
Currency Concentration (%)	USD	76%	75%	75%	75%	74%
	EURO	20%	21%	21%	21%	21%
	GBP	3%	4%	3%	3%	3%
	Other	–	1%	1%	1%	2%
Geographic Concentration	North America	63%	60%	58%	61%	61%
	Europe	30%	33%	34%	32%	31%
	ROW	7%	6%	8%	7%	8%
Debtors	DSO	59 days	65 days	62 days	59 days	67 days
Client Concentration	Top 5	88%	87%	86%	86%	88%
Billing Mix	FTE	82%	87%	91%	90%	93%
	SEZ Revenue	52%	58%	62%	62%	66%

P&L Comparison – Quarterly View



Operating P&L	FY11 Q1	OPR (%)	FY11 Q2	OPR (%)	FY11 Q3	OPR (%)	FY11 Q4	OPR (%)	FY12 Q1	OPR (%)
Operating Revenue	770.8		822.9		872.0		955.4		996.0	
Cost of Revenues										
Employee Cost	358.2	46.5%	370.8	45.1%	366.7	42.0%	380.8	39.9%	446.5	44.8%
General Administration and Management										
Rent	29.0	3.8%	32.9	4.0%	35.5	4.1%	39.3	4.1%	40.1	4.0%
Communication Expenses	14.7	1.9%	19.3	2.4%	18.7	2.1%	18.6	2.0%	22.7	2.3%
Legal and Professional Fees	14.3	1.9%	21.4	2.6%	18.7	2.1%	39.8	4.2%	16.0	1.6%
Electricity	6.9	0.9%	9.8	1.2%	5.8	0.7%	5.5	0.6%	9.8	1.0%
Conveyance	8.1	1.0%	6.2	0.8%	6.8	0.8%	11.6	1.2%	9.8	1.0%
Provision for Bad Debt	0.3	0.0%	0.3	0.0%	-0.1	0.0%	-1.0	-0.1%	0.0	0.0%
Others	24.8	3.2%	29.3	3.6%	26.2	3.0%	32.0	3.4%	28.2	2.8%
Total G&A	98.1	12.7%	119.3	14.5%	111.6	12.8%	145.9	15.3%	126.5	12.7%
Selling and Distribution	31.7	4.1%	35.0	4.3%	29.6	3.4%	27.3	2.9%	32.4	3.3%
Depreciation	15.3	2.0%	23.2	2.8%	25.4	2.9%	27.4	2.9%	23.6	2.4%
Total Operating Cost	503.3	65.3%	548.2	66.6%	533.3	61.2%	581.5	60.9%	629.0	63.1%
Operating Profit	267.4	34.7%	274.7	33.4%	338.7	38.8%	373.9	39.1%	367.1	36.9%

Figures in INR millions.