



Financial Performance FY12

May 18, 2012



eClerx – An ISO/IEC 27001:2005 Certified Company

Financial Summary



Metrics		FY12 Q4	Q-o-Q	FY12	Y-o-Y
Revenue	Total revenue (INR mm)	1,224	-11%	4,952	35%
	OPG revenue (INR mm)	1,276	-3%	4,729	38%
	OPG revenue (USD mm)	25.5	0%	97.5	29%
Profit	EBITDA (INR mm)	416	-37%	2,120	43%
	OPM (INR mm)	427	-24%	1,768	54%
	Net profit (INR mm)	304	-39%	1,598	30%
Margin	EBITDA (%)	34%	-14%	43%	2%
	OPM (%)	33%	-9%	37%	4%
	Net profit (%)	25%	-11%	32%	-1%
EPS	Basic	10.5	-39%	55.1	29%
	Diluted	10.1	-39%	53.0	30%

- Soft quarter - USD revenues for Q4 flat vs Q3 (0.5% up in constant currency)
 - INR top line affected by revaluation of FX assets; 52 mm loss in Q4 vs 92 mm gain in Q3
- FY12 USD revenue up 29% Y-o-Y
- Operating margins maintained near longer term averages
- FY12 EPS at INR 53.0 up 30% from FY11 at INR 40.7

Other Updates



Current Hedge Status

- Total outstanding hedges now \$94.3 mm at average INR 49.1/\$
 - 3.7 times last quarter revenue vs. average of 4.2 times in preceding 4 quarters
 - 95% forwards, 5% options
- Hedging program reduced towards end of Q4
 - Anticipation large USD outflow due to acquisition
 - RBI changes add uncertainty – analysing impact to determining future hedging policy

Contract	Year	Currency	Amount (mm)	Average Rate (INR)
Forward	FY13	USD	\$53.0	48.7
		Euro	€11.0	66.8
	Total FY13 – Equiv USD			\$67.6
	FY14	USD	\$16.5	49.6
		Euro	€3.9	69.3
	Total FY14 – Equiv USD			\$21.7
Put option	FY13	USD	\$5.0	47.0

Note: EUR / USD taken at 1.34.

Highly Liquid Balance Sheet



- Total Cash and Cash equivalents of INR 2,686 mm; zero debt on balance sheet
 - Equivalent to INR 92.4 per share
- Payment of USD 24.75 million made for Agylist acquisition in April 2012
 - Reduces cash balance by INR 1,279 million
- Trailing 12 months EPS
 - Basic: INR 55.2; Diluted: INR 53.0
- Current Book value per share of INR 118.0 vs. INR 82.6 last year.

Utilization of IPO Proceeds

Figures in INR millions.

Particulars	Planned as per Prospectus	Utilization up to March 31, 2012	Balance
Acquisitions*	220	–	220
Infrastructure investments	180	180	–
Setting up of additional facilities	100	100	–
General corporate purposes	161	161	–
Total	661	441	220

* Fully utilized in April 2012 for payment made for acquisition of Agylist

Update on Agilyst Inc

- Definitive agreement signed to acquire Agilyst on 12th April, 2012.
 - Transaction closed on 4th May.
 - Agilyst Inc and Agilyst Consulting Pvt Ltd now fully owned subsidiaries of eClerx.

- USD 14 mm revenue (annualising trailing 3 months) business servicing US cable companies.

- Consideration
 - Upfront payment of USD 15.75 mm made at closing.
 - Additional USD 9 mm in escrow towards future earn out.
 - » Payout range: USD 0-13mm, subject to business performance to H1FY14.

- Financials will be consolidated into eClerx from Q1FY13

P&L Comparison: FY12 vs. FY11



Figures in INR millions.

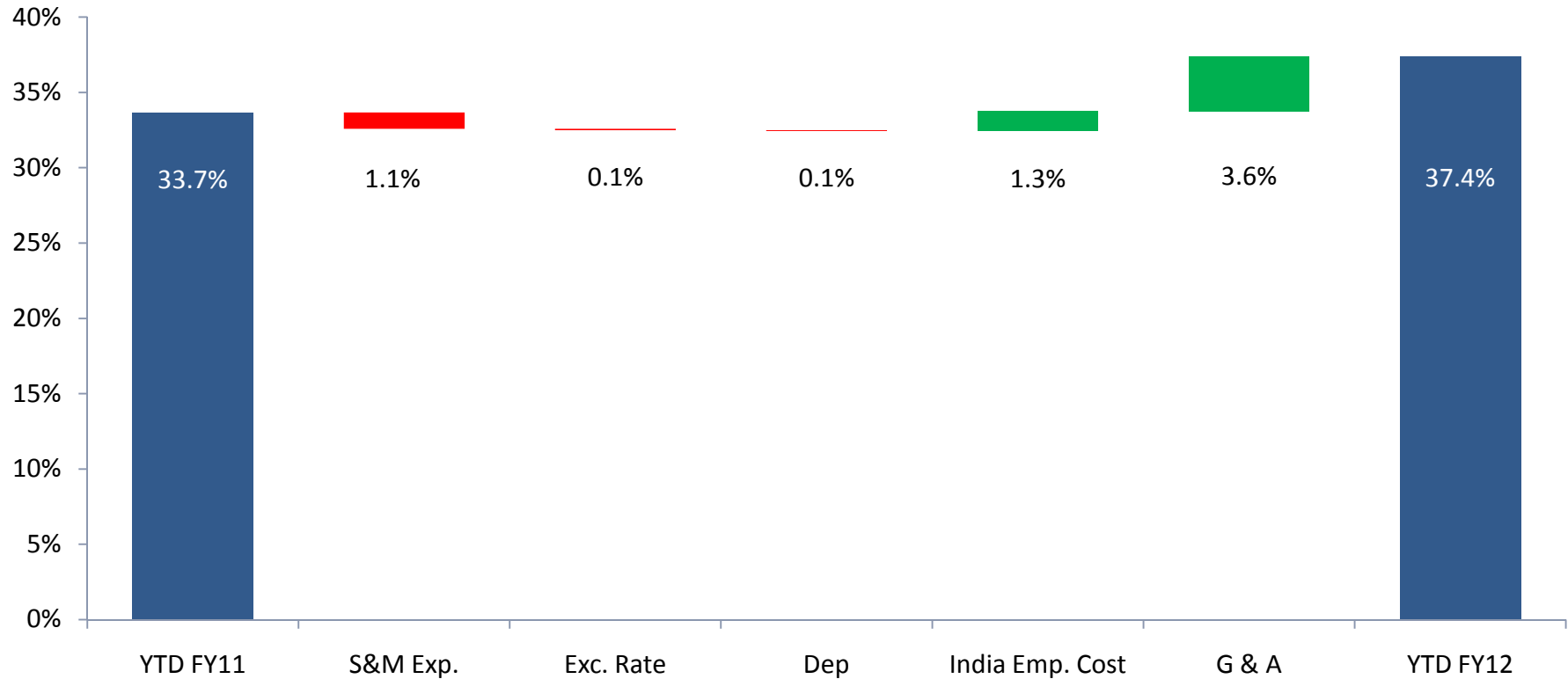
Operating P&L	FY12	OPR (%)	FY11	OPR (%)
Operating revenue	4,728.9		3,421.0	
Cost of revenues				
India employee cost	1,583.9	33.5%	1,189.6	34.8%
General Administration and Management				
Rent	178.5	3.8%	136.6	4.0%
Communication expenses	77.7	1.6%	71.4	2.1%
Legal and professional fees	104.6	2.2%	94.2	2.8%
Electricity	45.5	1.0%	28.0	0.8%
Conveyance	47.4	1.0%	32.8	1.0%
Provision for bad debt	3.1	0.1%	(0.5)	0.0%
Others	171.4	3.6%	215.3	6.3%
Total G&A	628.1	13.3%	577.8	16.9%
Selling and distribution*	619.5	13.1%	410.6	12.0%
Depreciation and amortization	128.9	2.7%	91.3	2.7%
Total operating cost	2,960.4	62.6%	2,269.2	66.3%
Operating profit	1,768.5	37.4%	1,151.8	33.7%

FY12 average exchange rate INR 48.69/\$ and INR 66.01/€; March 2012 end exchange rate INR 51.16/\$ and INR 68.34/€.

FY11 average exchange rate INR 45.36/\$ and INR 60.14/€; March 2011 end exchange rate INR 44.65/\$ and INR 63.24/€.

*Selling and Distribution includes employee cost of onsite business development team.

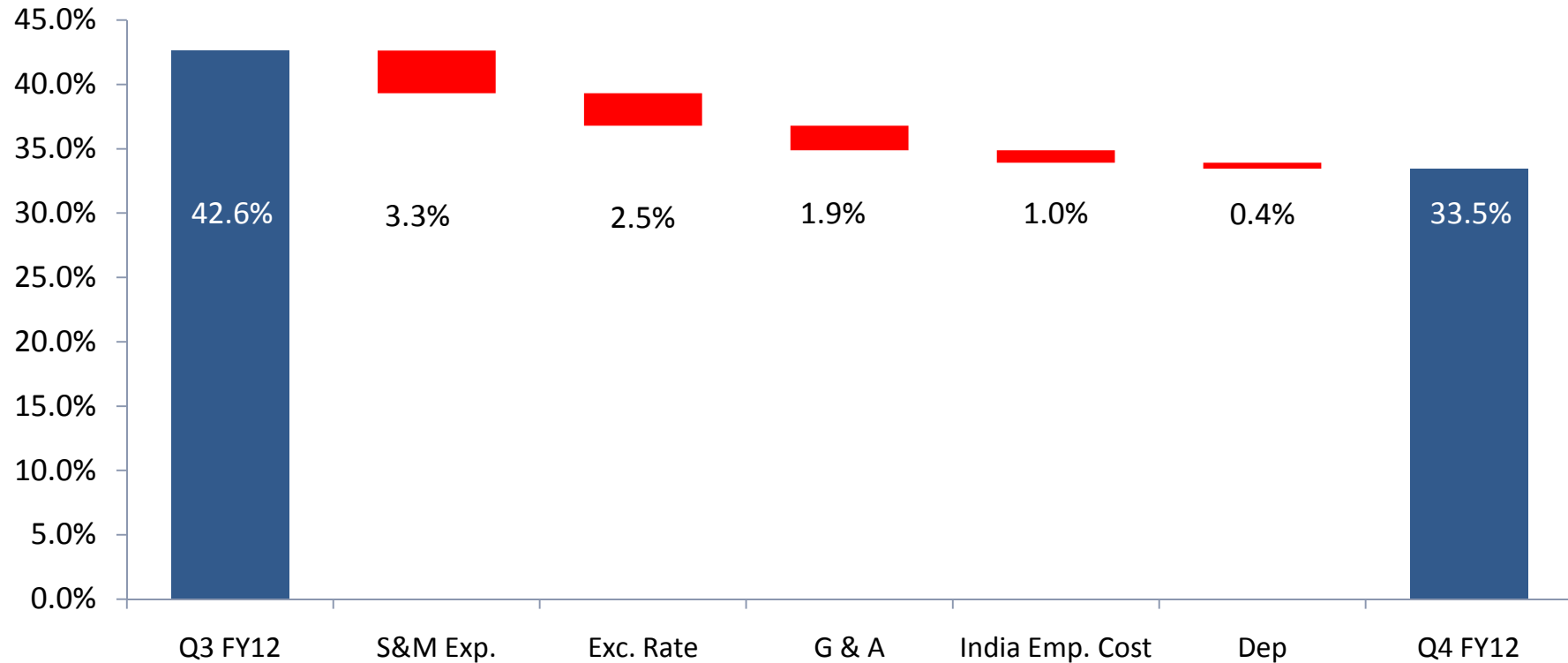
OPM Bridging Analysis: FY12 vs. FY11



- FY 11 G&A cost includes non-recurring goodwill write-off

Note: Bridging analysis is in constant currency; impact of currency movements is shown under exchange rate. S&M Exp. includes employee cost of onsite business development team.

OPM Bridging Analysis: Q4 FY12 vs. Q3 FY12



- S&M – Increase in Onsite salary cost due to ramp up of team.
- G&A – Q4 INR 15 mm of one time expenses related to decommissioning of old facility + M&A transaction costs.
- Q4 FY12 average USDINR 50.04 and EURINR 66.04; Mar 2012 USDINR 51.16 and EURINR 68.34.
- Q3 FY12 average USDINR 52.03 and EURINR 68.97; Dec 2011 USDINR 53.27 and EURINR 68.90.

Note: Bridging analysis is in constant currency; impact of currency movements is shown under exchange rate. S&M Exp. includes employee cost of onsite business development team.

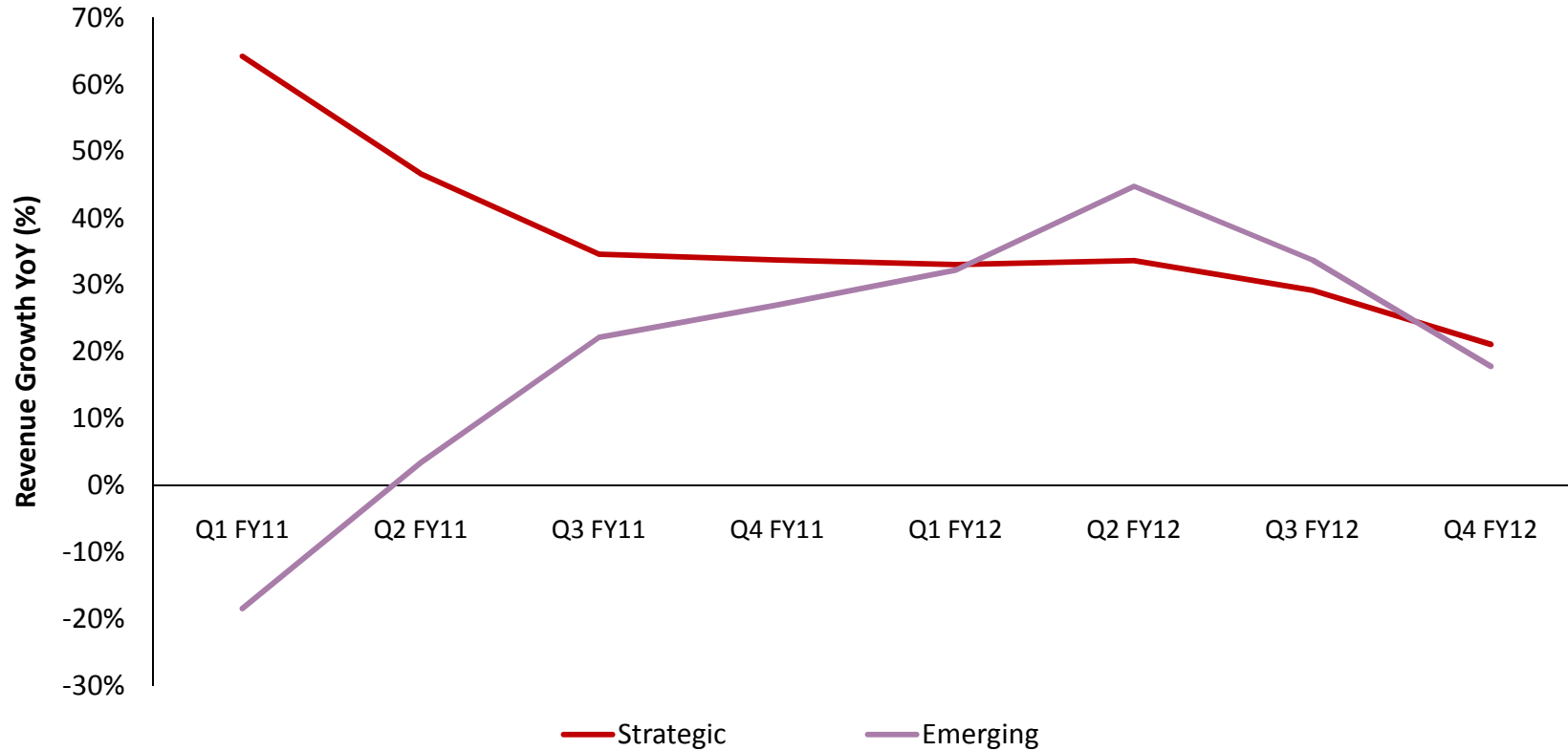
Revenue Quality



Metrics		FY 12	FY 11	FY10
Currency contribution (%)	USD	78%	75%	73%
	EURO	18%	21%	23%
	GBP	3%	3%	4%
	Other	1%	1%	0%
Geographic concentration	North America	67%	61%	61%
	Europe	26%	32%	34%
	ROW	8%	7%	5%
Debtors (at period end)	DSO	30 days	59 days	57 days
Client concentration	Top 5	86%	87%	82%
Billing mix	FTE	94%	88%	73%
	SEZ revenue	67%	59%	42%

- Significant improvement in DSO, some one-off accelerated realizations.
 - Expect DSO to stabilize within 50 - 70 day range.
- USD contribution increased on the back of USD strengthening.
- 10 new clients added in FY12; 55 clients contributed revenue in FY12 (vs 57 in FY 11).
- Revenue contribution of Fortune 500 or FT 500 clients at 97%.
- Staff utilization in Q4 same as Q3 at at 72%.

Revenue Mix Trends

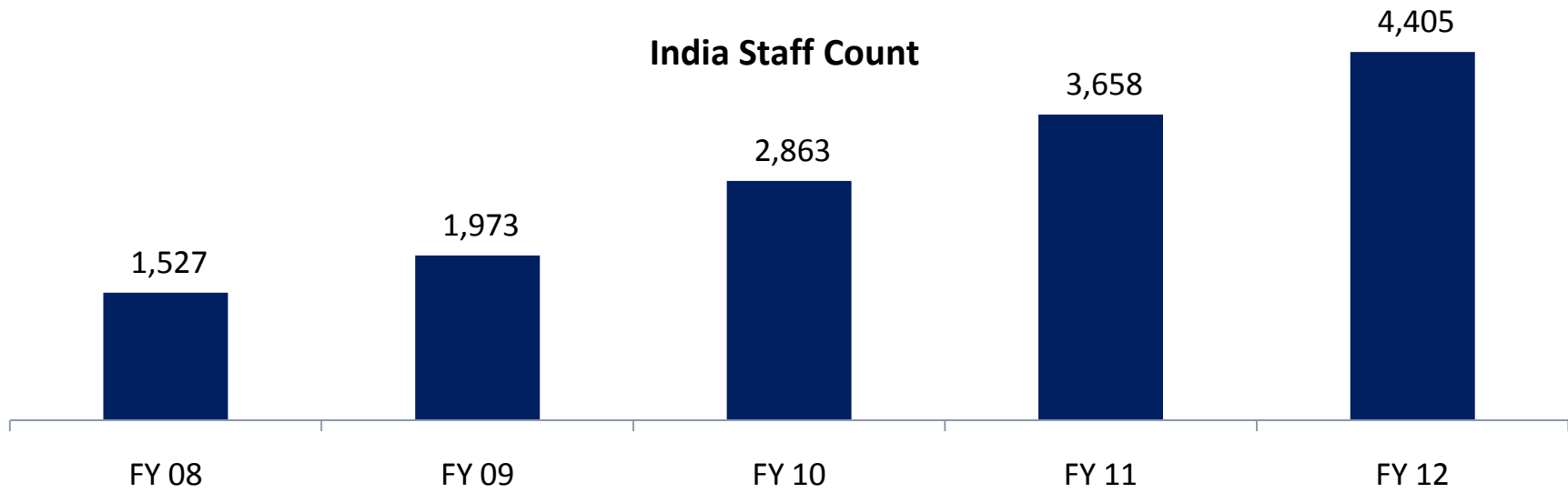


- Growth rates across both Emerging and Top 5 customers slower this quarter
- Emerging client data prone to volatility given relatively small revenue bases
- Continued investment in sales and client engagement team, current strength 52

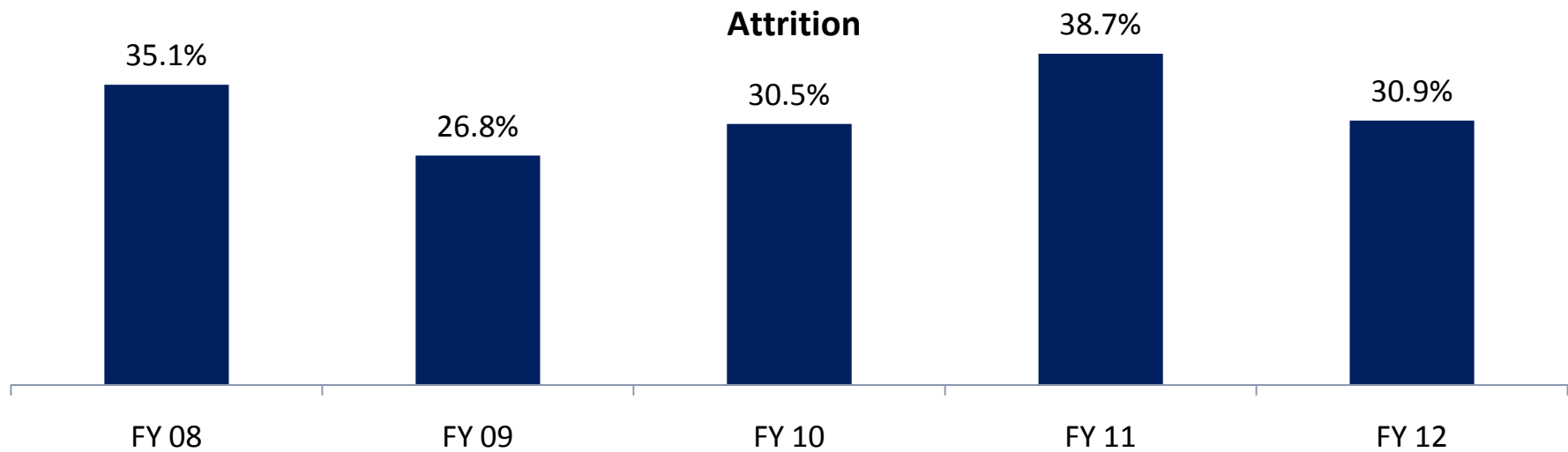
Human Resources Update



India Staff Count



Attrition



A Look Ahead

- Expect growth in FY13 to be substantially slower than FY12.
- Smallest difference in 3 years between quarter Run Rate and 12 month of Accrual, indicates softer growth.
 - Uncertainty in client orgs through budget cuts + and consolidation; decision cycles elongated.
 - Clients showing conservatism regarding outsourcing given regulatory and political uncertainty.
- Pricing may see modest adjustments over the next couple of quarters.
 - Combination of volume-linked rebates, as well as reductions on the back of currency movements.
 - Expect INR revenue realization to offset cost inflation; operating margins to be maintained.
- Medium term outlook still positive.
 - Cost pressures immense for clients - high focus on cost reduction; benefits organizations like ours.
 - Client organizations planning to move more staff to low cost locations over the next three years.
 - Continued substantial demand for our service portfolio, which continues to broaden and deepen.
 - Large number of opportunity conversations with clients, including those new to offshoring.

So.. we continue our investment in people and delivery capability to ensure we remain a partner of choice with our clients

Thank You

Balance Sheet Abstract



Particulars	March 31, 2012	March 31, 2011	Change (%)
Shareholder's Funds			
Capital	293.4	289.1	1%
Reserves and Surplus	3,138.6	2,094.7	50%
Total Shareholder's Funds	3,432.0	2,383.8	44%
Application of Funds			
Fixed Assets	488.7	370.0	32%
Deferred Tax Assets (Net)	7.6	6.8	11%
Net Current Assets and Investments (Liquid)	2,935.7	2,007.0	46%
Total Application of Funds	3,432.0	2,383.8	44%

Figures in INR millions.

Financial Summary – Quarterly View



Metrics		FY12 Q4	FY12 Q3	FY12 Q2	FY12 Q1	FY11 Q4	FY11 Q3	FY11 Q2	FY11 Q1
Revenue	Total Revenue (INR mn)	1,224	1,382	1,277	1,069	1,029	933	861	837
	Opg Revenue (INR mn)	1276	1320	1137	996	955	872	823	771
	Opg Revenue (USD mn)	25.5	25.4	24.3	22.3	21.1	19.6	18.0	16.8
Profit	EBITDA (INR mn)	416	660	582	463	475	426	336	349
	OPM (INR mn)	427	563	412	367	374	339	275	267
	Net Profit (INR mn)	304	499	442	352	295	360	276	293
Margin	EBITDA (%)	34%	48%	46%	43%	46%	46%	39%	42%
	OPM (%)	33%	43%	36%	37%	39%	39%	33%	35%
	Net Profit (%)	25%	36%	35%	33%	29%	39%	32%	35%
EPS	Basic	10.5	17.3	15.3	12.2	10.3	12.6	9.6	10.3
	Diluted	10.1	16.6	14.7	11.7	9.8	12	9.2	9.9

Revenue Quality – Quarterly View



Metrics		FY12 Q4	FY12 Q3	FY12 Q2	FY12 Q1	FY11 Q4	FY11 Q3	FY11 Q2	FY11 Q1
Currency Concentration (%)	USD	79%	80%	77%	74%	75%	75%	75%	76%
	EURO	17%	18%	19%	21%	21%	21%	21%	20%
	GBP	3%	3%	3%	3%	3%	3%	4%	3%
	Other	1%	0%	1%	2%	1%	1%	1%	–
Geographic Concentration	North America	70%	70%	65%	61%	61%	58%	60%	63%
	Europe	23%	24%	26%	31%	32%	34%	33%	30%
	ROW	7%	6%	9%	8%	7%	8%	6%	7%
Debtors	DSO	30 days	52 days	76 days	67 days	59 days	62 days	65 days	59 days
Client Concentration	Top 5	87%	86%	86%	88%	86%	86%	87%	88%
Billing Mix	FTE	95%	94%	95%	93%	90%	91%	87%	82%
	SEZ Revenue	72%	67%	64%	66%	62%	62%	58%	52%

P&L Comparison – Quarterly View



Operating P&L	FY12 Q4	OPR (%)	FY12 Q3	OPR (%)	FY12 Q2	OPR (%)	FY12 Q1	OPR (%)	FY11 Q4	OPR (%)	FY11 Q3	OPR (%)	FY11 Q2	OPR (%)	FY11 Q1	OPR (%)
Operating Revenue	1276		1320		1137		996		955		872		823		770.8	
Cost of Revenues																
India Employee Cost	419	33%	404	31%	395	35%	366	37%	309	32%	304	35%	291	35%	285	37%
General Administration and Management																
Rent	53	4%	46	3%	40	3%	40	4%	39	4%	36	4%	33	4%	29	4%
Communication Expenses	16	1%	21	2%	18	2%	23	2%	19	2%	19	2%	19	2%	15	2%
Legal and Professional Fees	37	3%	23	2%	28	2%	16	2%	40	4%	19	2%	21	3%	14	2%
Electricity	12	1%	12	1%	12	1%	10	1%	6	1%	6	1%	10	1%	7	1%
Conveyance	10	1%	15	1%	12	1%	10	1%	12	1%	7	1%	6	1%	8	1%
Provision for Bad Debt	3	0%	0	0%	0	0%	0	0%	-1	0%	0	0%	0	0%	0	0%
Others	56	4%	43	3%	44	4%	28	3%	32	3%	26	3%	29	4%	25	3%
Total G&A	187	15%	161	12%	153	13%	127	13%	146	15%	112	13%	119	14%	98	13%
Selling and Distribution*	202	16%	158	12%	147	13%	112	11%	99	10%	92	11%	115	14%	105	14%
Depreciation	40	3%	34	3%	31	3%	24	2%	27	3%	25	3%	23	3%	15	2%
Total Operating Cost	849	67%	757	57%	726	64%	629	63%	582	61%	533	61%	548	67%	503	65%
Operating Profit	427	33%	563	43%	412	36%	367	37%	374	39%	339	39%	275	33%	267	35%

Figures in INR millions.

*Selling and Distribution includes employee cost of onsite business development team.