



Financial Performance FY12 H1

October 19, 2011



eClerx – An ISO/IEC 27001:2005 Certified Company

Financial Summary



	Metrics	FY12 Q2	Q-o-Q		FY12 H1	Y-o-Y	
Revenue	Total Revenue (INR mn)	1,277	19%	↑	2,345	38%	↑
	Opg Revenue (INR mn)	1,137	14%	↑	2,133	34%	↑
	Opg Revenue (USD mn)	24.3	9%	↑	46.6	34%	↑
Profit	EBITDA (INR mn)	582	26%	↑	1,045	52%	↑
	OPM (INR mn)	412	12%	↑	779	44%	↑
	Net Profit (INR mn)	442	26%	↑	794	40%	↑
Margin	EBITDA (%)	46%	2%	↑	45%	4%	↑
	OPM (%)	36%	1%	↓	37%	2%	↑
	Net Profit (%)	35%	2%	↑	34%	0%	↔
EPS	Basic	15.3	26%	↑	27.5	38%	↑
	Diluted	14.7	25%	↑	26.3	38%	↑

- Strong quarter both for top line and bottom line
 - USD revenue up 9% Q-o-Q (up 10% in constant currency) and 34% Y-o-Y
 - INR revenue up 14% Q-o-Q
 - Operating margins at 37% for H1, vs. 34% for same period last year
- EPS up by 38% Y-o-Y

Other Updates



Current Hedge Status

- Consistent policy of hedging receivables for next 12-18 months
- Used recent bout of INR weakness to put on larger incremental hedge book
 - Total outstanding now \$121.6mn at average Rs. 48.0/\$
 - 5.0 times of last quarter revenue vs. average of 3.5 times over last 4 quarters

Contract	Year	Currency	Amount (mn)	Average Rate (INR)
Forward	FY12	USD	\$29.0	47.8
		Euro	€7.3	63.8
	Total FY12 – Equiv USD		\$38.9	47.6
	FY13	USD	\$47.0	48.2
		Euro	€9.5	66.3
	Total FY13 – Equiv USD		\$59.9	48.3
Forward	FY14	USD	\$13.5	48.9
		Euro	€2.4	68.7
	Total FY14 – Equiv USD		\$16.8	49.2
Put Option	FY12	USD	\$3.0	45.0
	FY13	USD	\$3.0	45.0

Note: EUR / USD taken at 1.36.

Highly Liquid Balance Sheet



- Total Cash and Cash equivalents of INR 1,411mn; zero debt on balance sheet
 - Equivalent to INR 48.6 per share
 - Decrease in cash over Q1 due to Annual Dividend payout (INR 758mn including DDT)
- Trailing 12 months EPS
 - Basic: INR 50.3
 - Diluted: INR 48.1
- Book value per share of INR 110.4

Utilization of IPO Proceeds

Figures in INR millions.

Particulars	Planned as per Prospectus	Utilization up to September 30, 2011	Balance
Acquisitions	220	–	220
Infrastructure investments	180	180	–
Setting up of additional facilities	100	100	–
General corporate purposes	161	161	–
Total	661	441	220

P&L Comparison: FY12 H1 vs. FY11 H1



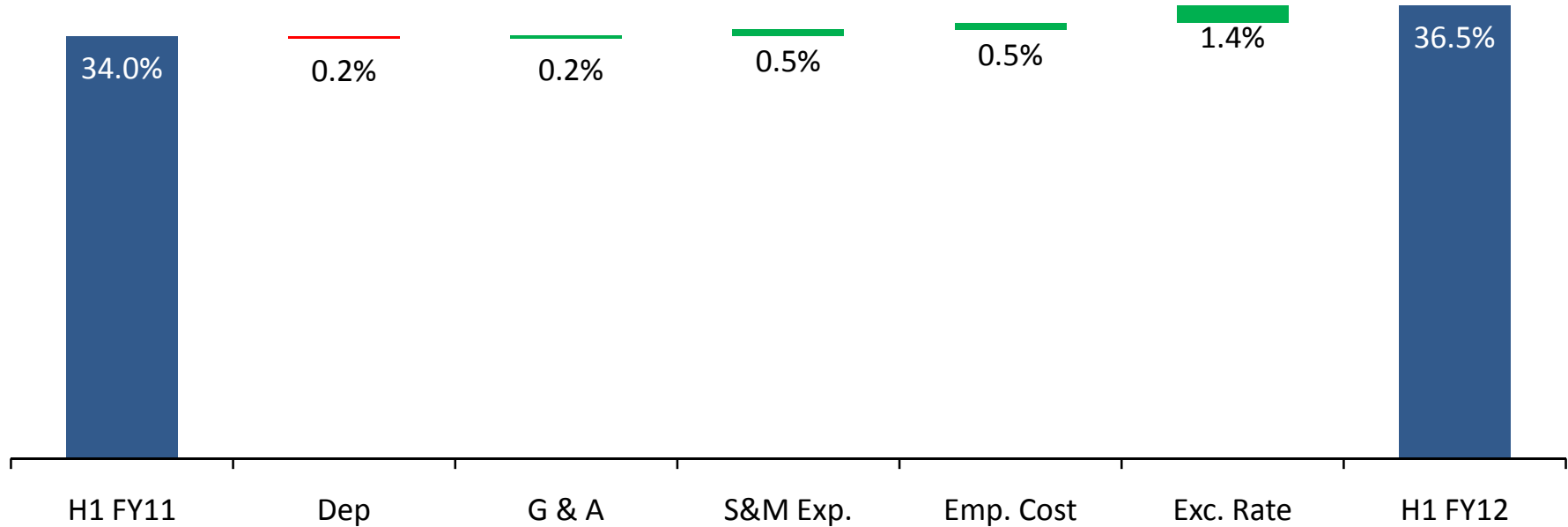
Figures in INR millions.

Operating P&L	FY12 H1	OPR (%)	FY11 H1	OPR (%)
Operating Revenue	2,133.5		1,593.7	
Cost of Revenues				
Employee Cost	944.4	44.3%	729.0	45.7%
General Administration and Management				
Rent	79.8	3.7%	61.8	3.9%
Communication Expenses	40.4	1.9%	34.1	2.1%
Legal and Professional Fees	43.5	2.0%	35.8	2.2%
Electricity	21.7	1.0%	16.7	1.0%
Conveyance	21.5	1.0%	14.3	0.9%
Provision for Bad Debt	–	0.0%	0.6	0.0%
Others	72.6	3.4%	54.1	3.4%
Total G&A	279.5	13.1%	217.4	13.6%
Selling and Distribution	76.5	3.6%	66.7	4.2%
Depreciation and Amortization	54.2	2.5%	38.4	2.4%
Total Operating Cost	1,354.6	63.5%	1,051.5	66.0%
Operating Profit	778.9	36.5%	542.1	34.0%

H1 FY12 average exchange rate INR 45.97/\$ and INR 64.46/€; September 2011 end exchange rate INR 48.93/\$ and INR 66.65/€.

H1 FY11 average exchange rate INR 45.85/\$ and INR 58.72/€; September 2010 end exchange rate INR 44.92/\$ and INR 61.00/€.

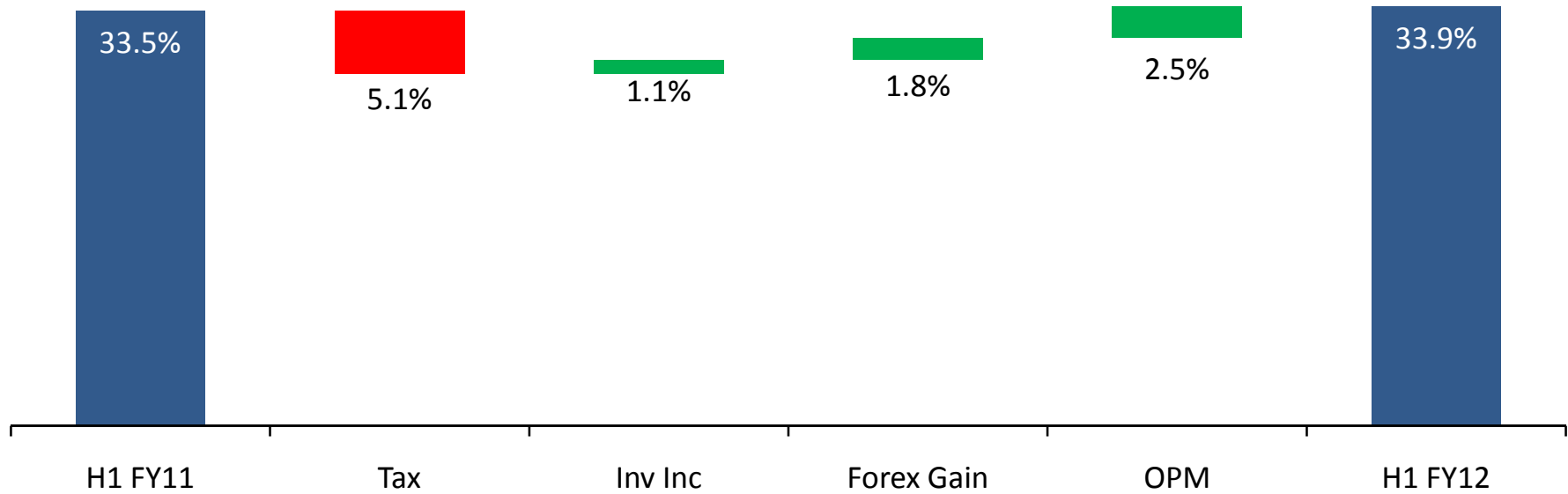
OPM Bridging Analysis: FY12 H1 vs. FY11 H1



Note: Bridging analysis is in constant currency; impact of currency movements is shown under exchange rate.

- Exchange rate movement is the largest driver for Y-o-Y OPM (%) increase

NPM Bridging Analysis: FY12 H1 vs. FY11 H1



- Increase in tax rate during FY12 to 20%, driven by imposition of MAT on SEZ
- Forex gains partly driven by period end revaluation of forex assets

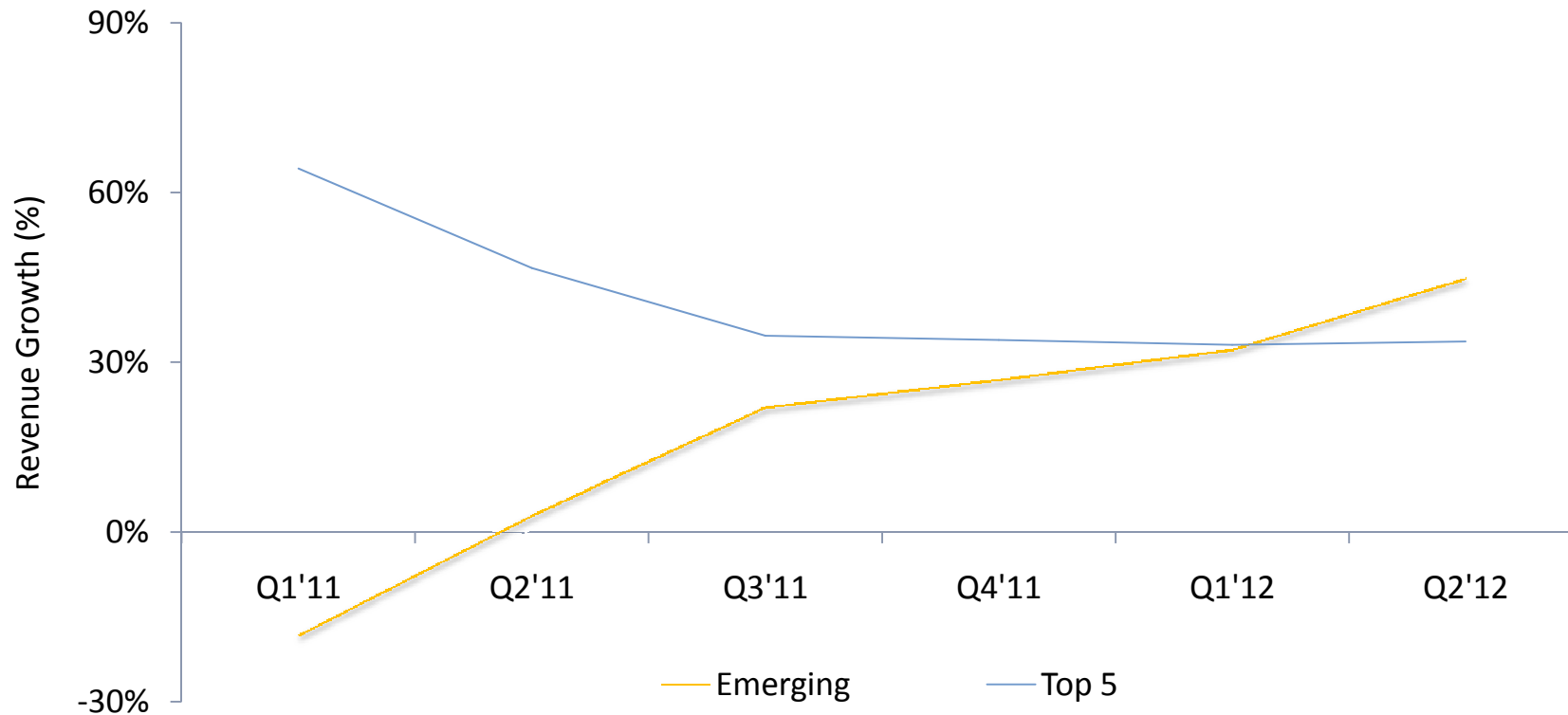
Revenue Quality



Metrics		FY12 Q2	FY12 Q1	FY11 Q2
Currency Contribution (%)	USD	77%	74%	75%
	EURO	19%	21%	21%
	GBP	3%	3%	4%
	Other	1%	2%	1%
Geographic Concentration	North America	65%	61%	60%
	Europe	26%	31%	33%
	ROW	9%	8%	6%
Debtors	DSO	76 days	67 days	65 days
Client Concentration	Top 5	86%	88%	87%
Billing Mix	FTE	95%	93%	87%
	SEZ Revenue	64%	66%	58%

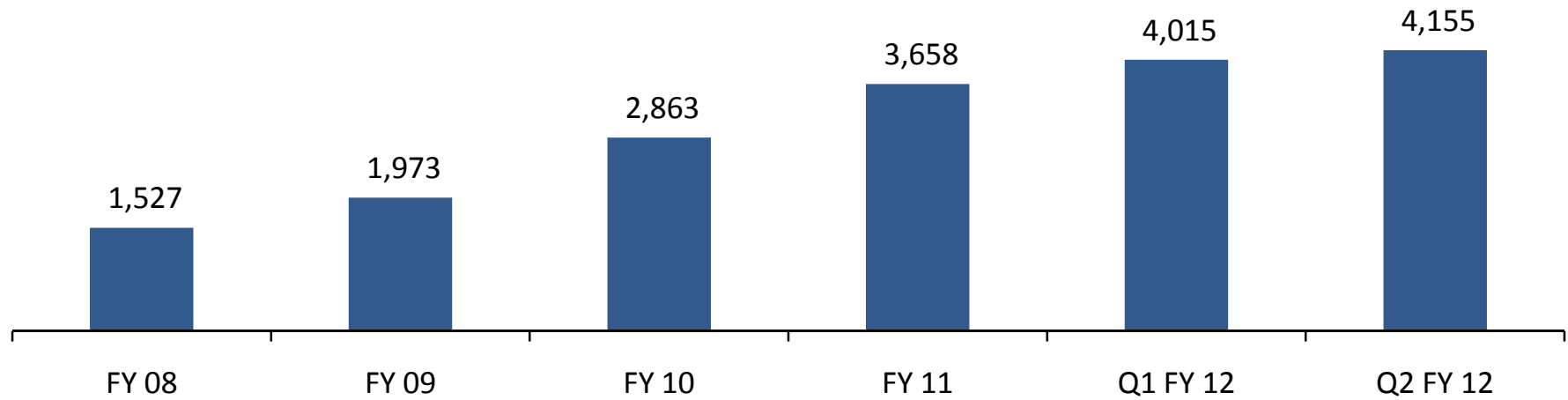
- USD contribution increased in Q2 more due to USD strength than underlying revenue moves
- Increase in DSOs over previous quarter – do not see this as degradation of quality of receivables, more due to client specific admin delays
- 5 new client added – accrued revenue from 50 clients in H1
- Revenue contribution of Fortune 500 or FT 500 clients at 97%
- Staff utilization this quarter at 71% vs. 67% last quarter

Revenue Mix Trends

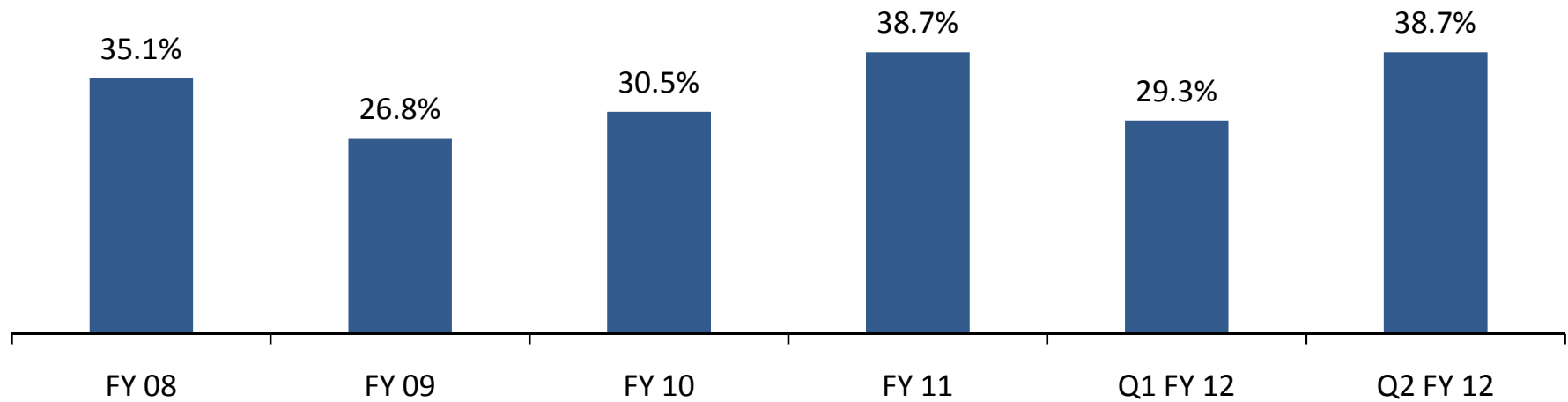


- Encouraging indications for Y-o-Y revenue growth rates for Emerging accounts
- Data is prone to volatility given quarterly fluctuations on small bases
- Enhances confidence for increasing investment in sales force covering emerging accounts

India Headcount



Attrition



Performance Analysis and Outlook

- Traction increasing with our Emerging Clients
 - First quarter in which Emerging grew faster than Top5 (Y-o-Y)
 - Return on onshore investment; will continue investing in Emerging coverage

- Adding capacity in Mumbai and Pune
 - 50k sqft added across Pune + Mumbai, contiguous to existing facilities
 - Continuing opportunistic addition across these cities

- Inorganic opportunities continue to be evaluated
 - Deal flow is higher than last year
 - On average reviewed 1-2 companies per quarter, most in \$10-25mm revenue range

- Outlook
 - Client conversations / roadmaps make us (cautiously) optimistic about CY12
 - We are well priced, and expect no dramatic changes to pricing
 - Competition remains high

Balance Sheet Abstract



Particulars	September 30, 2011	September 30, 2010	Change (%)
Shareholder's Funds			
Capital	290.1	287.4	1%
Stock Option Outstanding and Stock Options Pending Allotment	2.9	2.8	3%
Reserves and Surplus	2,909.1	2,184.6	33%
Total Shareholder's Funds	3,202.1	2,474.8	29%
Application of Funds			
Fixed Assets	402.5	302.2	33%
Intangible Assets – Goodwill	–	105.8	-100%
Deferred Tax Assets (Net)	6.3	6.5	-3%
Net Current Assets and Investments (Liquid)	2,793.3	2,060.2	36%
Total Application of Funds	3,202.1	2,474.8	29%

Figures in INR millions.

Financial Summary – Quarterly View



Metrics		FY11 Q2	FY11 Q3	FY11 Q4	FY12 Q1	FY12 Q2
Revenue	Total Revenue (INR mn)	861	933	1,029	1,069	1,277
	Opg Revenue (INR mn)	823	872	955	996	1,137
	Opg Revenue (USD mn)	18.0	19.6	21.1	22.3	24.3
Profit	EBITDA (INR mn)	336	426	475	463	582
	OPM (INR mn)	275	339	374	367	412
	Net Profit (INR mn)	276	360	295	352	442
Margin	EBITDA (%)	39%	46%	46%	43%	46%
	OPM (%)	33%	39%	39%	37%	36%
	Net Profit (%)	32%	39%	29%	33%	35%
EPS	Basic	9.6	12.6	10.3	12.2	15.3
	Diluted	9.2	12	9.8	11.7	14.7

Revenue Quality – Quarterly View



Metrics		FY11 Q2	FY11 Q3	FY11 Q4	FY12 Q1	FY12 Q2
Currency Contribution (%)	USD	75%	75%	75%	74%	77%
	EURO	21%	21%	21%	21%	19%
	GBP	4%	3%	3%	3%	3%
	Other	1%	1%	1%	2%	1%
Geographic Concentration	North America	60%	58%	61%	61%	65%
	Europe	33%	34%	32%	31%	26%
	ROW	6%	8%	7%	8%	9%
Debtors	DSO	65 days	62 days	59 days	67 days	76 days
Client Concentration	Top 5	87%	86%	86%	88%	86%
Billing Mix	FTE	87%	91%	90%	93%	95%
	SEZ Revenue	58%	62%	62%	66%	64%

P&L Comparison – Quarterly View



Operating P&L	FY11 Q2	OPR (%)	FY11 Q3	OPR (%)	FY11 Q4	OPR (%)	FY12 Q1	OPR (%)	FY12 Q2	OPR (%)
Operating Revenue	823		872		955		996		1,137	
Cost of Revenues										
Employee Cost	371	45%	367	42%	381	40%	447	45%	498	44%
General Administration and Management										
Rent	33	4%	36	4%	39	4%	40	4%	40	3%
Communication Expenses	19	2%	19	2%	19	2%	23	2%	18	2%
Legal and Professional Fees	21	3%	19	2%	40	4%	16	2%	28	2%
Electricity	10	1%	6	1%	6	1%	10	1%	12	1%
Conveyance	6	1%	7	1%	12	1%	10	1%	12	1%
Provision for Bad Debt	0	0%	0	0%	-1	0%	0	0%	0	0%
Others	29	4%	26	3%	32	3%	28	3%	44	4%
Total G&A	119	15%	112	13%	146	15%	127	13%	153	13%
Selling and Distribution	35	4%	30	3%	27	3%	32	3%	44	4%
Depreciation	23	3%	25	3%	27	3%	24	2%	31	3%
Total Operating Cost	548	67%	533	61%	582	61%	629	63%	726	64%
Operating Profit	275	33%	339	39%	374	39%	367	37%	412	36%

Figures in INR millions.