



Financial Performance FY13 H1

October 19, 2012



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Financial Summary



Metrics		FY13 Q2	Q-o-Q	FY13 H1	Y-o-Y
Revenue	Total revenue (INR mm)	1,430	-10%	3,013	28%
	OPG revenue (INR mm)	1,617	5%	3,154	48%
	OPG revenue (USD mm)	29.8	6%	57.9	24%
Profit	EBITDA (INR mm)	414	-35%	1,050	1%
	OPM (INR mm)	524	-5%	1,077	38%
	Net profit (INR mm)	252	-49%	745	-6%
Margin	EBITDA (%)	29%	-11%	35%	-10%
	OPM (%)	32%	-4%	34%	-2%
	Net profit (%)	18%	-14%	25%	-9%
EPS	Basic	8.6	-49%	25.5	-7%
	Diluted	8.4	-49%	24.7	-6%

- USD revenues up 6% Q-o-Q; with organic growth of 1.4% (1.6% in constant currency)
- INR 22 crores reduction in EBITDA, primarily driven by foreign exchange revaluation loss
- Operating margins at 32%, after a 2% impact of goodwill amortization
- Results reflect full quarter impact of pricing adjustments made in Q1

Other Income Analysis



Figures in INR millions.

Other Income	FY13 Q2	FY13 Q1	FY13 H1
Income from Investment	20	26	46
Hedge Gain / (Loss)	(120)	(82)	(202)
Revaluation Gain / (Loss)	(88)	102	14
Total	(187)	46	(141)

- **Income from Investment** - Reduced marginally after reduction in investible surplus post dividend payout
- **Hedge Gain / (Loss)** –Larger hedge maturities drove increase in losses Q-o-Q
 - \$19mm hedges matured in Q2 vs \$14mm in Q1
 - Average loss of INR 6 per USD on hedge maturity, based on difference between hedge rate and spot
- **Revaluation Gain / (Loss)** – Appreciating INR drove a INR 9 crores loss in translation compared to a INR 10 crores gain from a depreciating currency in Q1
 - Total swing of INR 19 crores, which is the majority of the swing in other income and consequently EBITDA
 - Translation impact on FX bank balances (including sums in escrow) and debtors
 - Total FX assets of ~\$ 25 mm underwent a translation loss of upto INR 3.5 per USD

Other Updates



Current Hedge Status

- Total outstanding hedges now \$67.7 mm at average INR 51.4/\$
 - 2.6 times last quarter revenue vs. average of 4.1 times in preceding 4 quarters
 - 94% forwards, 6% options
 - Have slowly resumed hedging program post recent RBI clarifications

Contract	Year	Currency	Amount (mm)	Average Rate (INR)
Forward	FY13	USD	\$ 27.0	49.4
		Euro	€ 5.5	68.3
	Total FY13 – Equiv USD		\$ 34.1	50.1
	FY14	USD	\$ 24.5	52.9
		Euro	€ 3.9	69.3
	Total FY14 – Equiv USD		\$ 29.5	53.0
Put Option	FY13	USD	\$ 2.0	50.0
	FY14	USD	\$ 2.0	52.5

Note: EUR / USD taken at 1.29

- Total Cash and Cash equivalents of INR 1,239 mm excluding escrow; zero debt on balance sheet
 - Equivalent to INR 42 per share
- Trailing 12 months EPS
 - Basic: INR 53.3; Diluted: INR 51.4
- Current Book value per share of INR 144 vs. INR 138 last quarter end
- Complete IPO proceeds now utilized

Facilities update

- Pune 2 facility now live after total capex of INR 12 crores
- Increases native seat capacity to ~4,600
- Have signed lease to take on ~22k square feet in Chandigarh
 - Will be ready in Q4; increasing total capacity in Chandigarh to 1,200 seats
- New office in London with Capex of ~INR 2 crores;
- Philadelphia office also set up
- New York office expansion planned in FY13 H2

P&L Comparison: FY13 Q2 vs. FY13 Q1



Figures in INR millions.

Operating P&L	FY13 Q2	OPR (%)	FY13 Q1	OPR (%)
Operating Revenue	1,617.0		1,537.1	
Cost of Revenues				
Employee Cost	567.7	35.1%	509.5	33.1%
General & Administrative Expenses				
Rent	58.6	3.6%	59.3	3.9%
Communication Expenses	19.9	1.2%	22.1	1.4%
Legal and Professional Fees	29.8	1.8%	82.7	5.4%
Electricity	17.0	1.0%	15.2	1.0%
Conveyance	19.2	1.2%	14.0	0.9%
Provision for Bad Debt	-	0.0%	-	0.0%
Others	54.6	3.4%	44.7	2.9%
Total G&A	199.1	12.3%	238.0	15.5%
Selling and Distribution*	248.9	15.4%	199.2	13.0%
Depreciation, Interest and Amortization	77.0	4.8%	38.0	2.5%
Total Operating Cost	1,092.7	67.6%	984.8	64.1%
Operating Profit	524.3	32.4%	552.4	35.9%

FY13 Q2 average exchange rate INR 53.98/\$, INR 69.10/€; Sep 2012 end INR 52.70/\$, INR 68.15/€.

FY13 Q1 average exchange rate INR 55.01/\$, INR 68.63/€; June 2012 end INR 56.31/\$, INR 70.91/€.

FY13 Q2 Amortization of Goodwill INR 32.8 mm

FY13 Q1 G&A includes INR 45 mm non-recurring expenses.

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

OPM Bridging Analysis: FY13 Q2 vs. FY13 Q1



- S&D Exp.: Increase mainly due to increase in onsite headcount – has gone from 52 in FY12 Q4 to 59 in FY13 Q2
- Agilyst Goodwill amortization: based on currently planned 10 years schedule
- G&A: Reduction in Q2 compared to Q1, as Q1 included some non recurring items

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

- Integration is proceeding as planned
 - Senior level hiring, both abroad and in India, largely done – team to be on board by year end
 - HR integration also complete
 - Pay, benefits and titles aligned with eClerx standards
 - Operating processes have been benchmarked and will be aligned by FY14 Q1
 - Across the board on delivery, IT and client management

- These initiatives will add to operating cost for the business
 - Expect near term operating margins of low 20s and mid term margins of mid 20s

- Total consideration for the transaction projected to be USD 19-24 mm based on current runrate
 - Of this, USD 600k expected to impact P&L in FY14H2

- Goodwill amortization
 - INR 21mm qtrly charge till earn out payment, and will increase post that

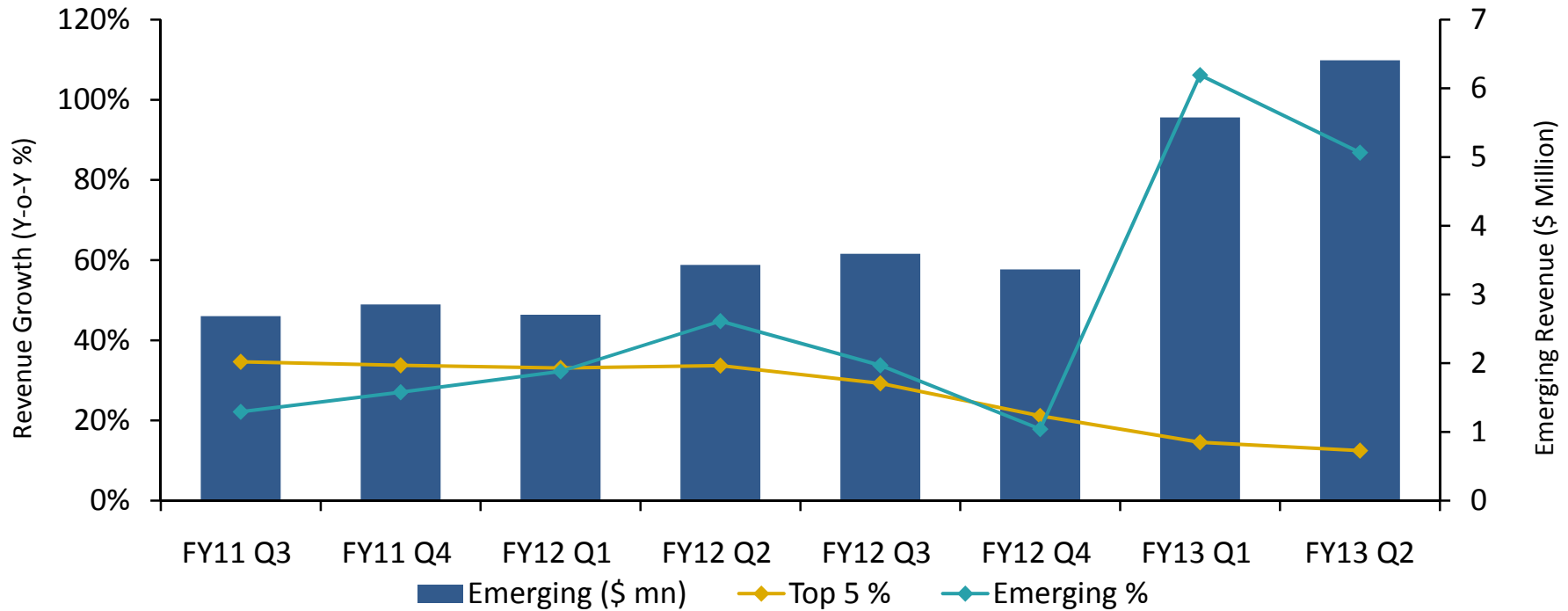
Revenue Quality



Metrics		FY13 Q2	FY13 Q1	FY12 Q4	FY12 Q3	FY12 Q2
Currency Contribution (%)	USD	83%	83%	79%	80%	77%
	EURO	13%	14%	17%	18%	19%
	GBP	3%	3%	3%	3%	3%
	Other	1%	1%	1%	0%	1%
Geographic Concentration	North America	75%	71%	70%	70%	65%
	Europe	19%	20%	23%	24%	26%
	ROW	6%	9%	7%	6%	9%
Debtors	DSO	41 days	30 days	29 days	52 days	76 days
Client Concentration	Top 5	79%	80%	87%	86%	86%
Billing Mix	FTE	93%	93%	95%	94%	95%
	SEZ Revenue	58%	62%	72%	67%	64%

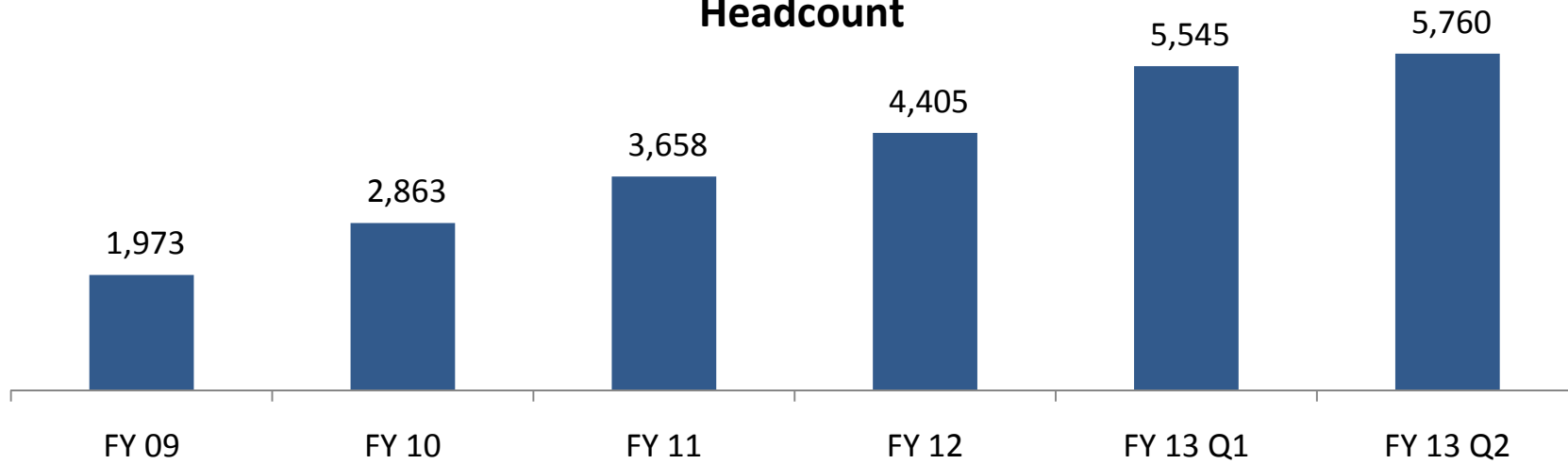
- 4 new clients added in FY13 Q2 (vs 8 new in FY13 Q1)
- 54 clients contributed for revenue in FY13 Q2
- Revenue contribution of Fortune 500 or FT 500 clients maintained at 96%.
- Staff utilization maintained at 68% in FY13 Q2 .

Revenue Mix Trends

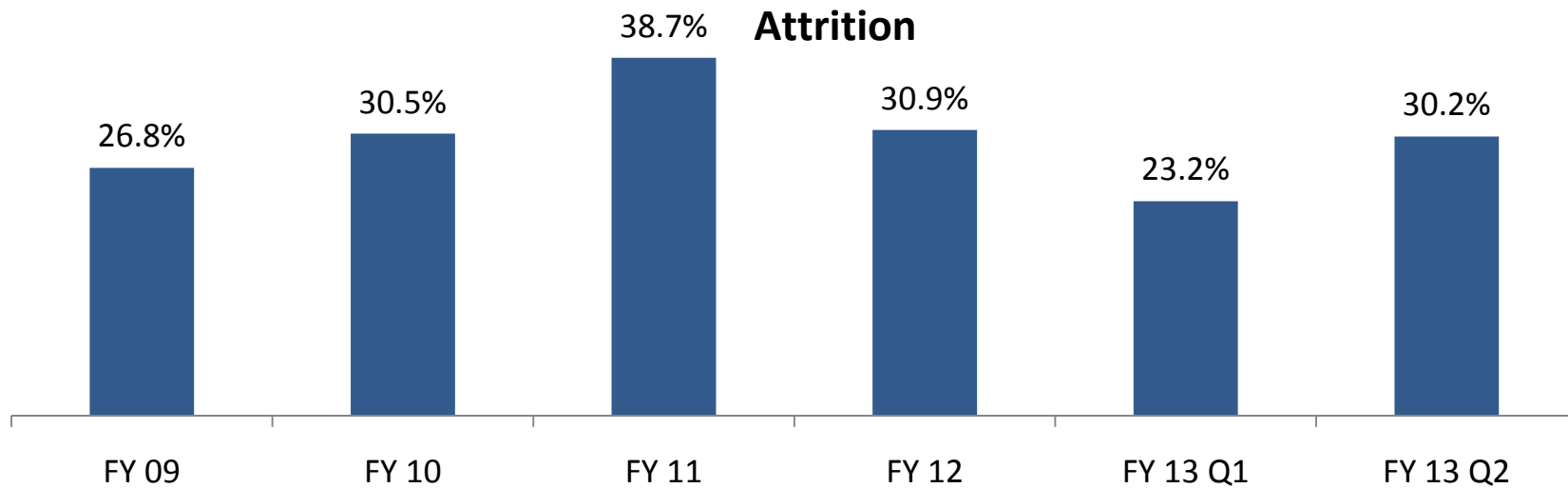


- Emerging Y-o-Y growth rates better than strategic in 3 out of last 4 quarters
- Revenue from Top 5 clients < 80% first time after 12 quarters

Headcount



Attrition



A Look Ahead



- Organic growth continues to be soft
 - Pipeline still fairly extensive, but conversions continue to take longer
 - Pricing has been stable in Q2 and expected to stay the same in H2
- Onshore organization now scaled appropriately
 - Cable and Telecom team will come on board during Q3
- Meaningful progress made on some strategic initiatives in H1
 - Integration of cable and Telecom business proceeding as per plan
 - Emerging business growth showing some encouraging signs
- Medium-term outlook still positive
 - Do expect growth to pick up as climate improves in the West

We continue to believe that differentiated people and delivery will ensure we remain a partner of choice with our clients.

Thank You

This presentation contains forward-looking statements, inter-alia, to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is, inter-alia, subject to assumptions, risks, uncertainties, including but not limited to our ability to successfully conclude and integrate (potential) acquisition(s) and general regulatory and economic conditions affecting the industry. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, expected or projected. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Further this presentation may also contain references to findings of various reports available in public domain. We make no representation as to their accuracy or that we necessarily subscribe to those findings. Figures for previous periods / year have been regrouped, wherever necessary.

Balance Sheet Abstract



Particulars	September 30, 2012	June 30, 2012	% of Change
Shareholder's Funds			
Capital	301.9	298.6	1%
Reserves and Surplus	3,940.0	3,737.4	5%
Total Shareholder's Funds	4,241.9	4,036.0	5%
Application of Funds			
Fixed Assets	1,342.7	1,378.9	-3%
Deferred Tax Assets (net)	2.4	13.2	-82%
Net Current Assets & Investments (Liquid)	2,896.8	2,644.0	10%
Total Application of Funds	4,241.9	4,036.0	5%

Figures in INR millions.

Financial Summary – Quarterly View



Metrics		FY13 Q2	FY13 Q1	FY12 Q4	FY12 Q3	FY12 Q2	FY12 Q1	FY11 Q4	FY11 Q3
Revenue	Total Revenue (INR mm)	1,430	1,583	1,224	1,382	1,277	1,069	1,029	933
	OPG Revenue (INR mm)	1617	1537	1276	1320	1137	996	955	872
	OPG Revenue (USD mm)	29.8	28.1	25.5	25.4	24.3	22.3	21.1	19.6
Profit	EBITDA (INR mm)	414	636	416	660	582	463	475	426
	OPM (INR mm)	524	552	427	563	412	367	374	339
	Net Profit (INR mm)	252	493	304	499	442	352	295	360
Margin	EBITDA (%)	29%	40%	34%	48%	46%	43%	46%	46%
	OPM (%)	32%	36%	33%	43%	36%	37%	39%	39%
	Net Profit (%)	18%	31%	25%	36%	35%	33%	29%	39%
EPS	Basic	8.6	16.9	10.5	17.3	15.3	12.2	10.3	12.6
	Diluted	8.4	16.4	10.1	16.6	14.7	11.7	9.8	12.0

Revenue Quality – Quarterly View



Metrics		FY13 Q2	FY13 Q1	FY12 Q4	FY12 Q3	FY12 Q2	FY12 Q1	FY11 Q4	FY11 Q3
Currency Concentration (%)	USD	83%	83%	79%	80%	77%	74%	75%	75%
	EURO	13%	14%	17%	18%	19%	21%	21%	21%
	GBP	3%	3%	3%	3%	3%	3%	3%	3%
	Other	1%	1%	1%	0%	1%	2%	1%	1%
Geographic Concentration	North America	75%	71%	70%	70%	65%	61%	61%	58%
	Europe	19%	20%	23%	24%	26%	31%	32%	34%
	ROW	6%	9%	7%	6%	9%	8%	7%	8%
Debtors	DSO	41 days	30 days	29 days	52 days	76 days	67 days	59 days	62 days
Client Concentration	Top 5	79%	80%	87%	86%	86%	88%	86%	86%
Billing Mix	FTE	93%	93%	95%	94%	95%	93%	90%	91%
	SEZ Revenue	58%	62%	72%	67%	64%	66%	62%	62%

P&L Comparison – Quarterly View



Operating P&L	FY13 Q2	OPR (%)	FY13 Q1	OPR (%)	FY12 Q4	OPR (%)	FY12 Q3	OPR (%)	FY12 Q2	OPR (%)	FY12 Q1	OPR (%)	FY11 Q4	OPR (%)	FY11 Q3	OPR (%)
Operating Revenue	1,617		1,537		1,276		1,320		1,137		996		955		872	
Cost of Revenues																
Employee Cost	568	35%	510	33%	419	33%	404	31%	395	35%	366	37%	309	32%	304	35%
General & Administrative Expenses																
Rent	59	4%	59	4%	53	4%	46	3%	40	3%	40	4%	39	4%	36	4%
Communication Expenses	20	1%	22	1%	16	1%	21	2%	18	2%	23	2%	19	2%	19	2%
Legal and Professional Fees	30	2%	83	5%	37	3%	23	2%	28	2%	16	2%	40	4%	19	2%
Electricity	17	1%	15	1%	12	1%	12	1%	12	1%	10	1%	6	1%	6	1%
Conveyance	19	1%	14	1%	10	1%	15	1%	12	1%	10	1%	12	1%	7	1%
Provision for Bad Debt	0	0%	0	0%	3	0%	0	0%	0	0%	0	0%	-1	0%	0	0%
Others	55	3%	45	3%	56	4%	43	3%	44	4%	28	3%	32	3%	26	3%
Total G&A	199	12%	238	15%	187	15%	161	12%	153	13%	127	13%	146	15%	112	13%
Selling and Distribution*	249	15%	199	13%	202	16%	158	12%	147	13%	112	11%	99	10%	92	11%
Depreciation, Interest and Amortization	77	5%	38	2%	40	3%	34	3%	31	3%	24	2%	27	3%	25	3%
Total Operating Cost	1,093	68%	985	64%	849	67%	757	57%	726	64%	629	63%	582	61%	533	61%
Operating Profit	524	32%	552	36%	427	33%	563	43%	412	36%	367	37%	374	39%	339	39%

Figures in INR millions.

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