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CSL: SEC: SE: 2011

June 10, 2011

The Asst. Vice President,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
MUMBAI - 400 051
Fax :No. 022 – 26598237 / 8

Department of Corporate Services - CRD
Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001
Fax No. 022 – 22723121

Dear Sir,

Sub: Invocation of corporate guarantee of USD 66 million on the Company by Xchanging UK Limited

Cambridge Solutions Limited ("the Company") had provided a corporate guarantee in favour of Xchanging UK Limited for its loan of USD 55 million to Cambridge Integrated Services Group Inc. a wholly owned subsidiary of the Company ("**CISGI**"), in the year 2009. Subsequently in the year 2010, the loan to CISGI was increased up to USD 66 million ("**Loan Amount**") and accordingly the corporate guarantee by the Company was also increased to USD 66 million. Recently CISGI has sold its USA workers compensation and third party administration operations to Sedgwick Claims Management Services, Inc. and the same was intimated to the Stock Exchanges by the Company.

Xchanging UK Limited has called the Loan amount vide its letter dated June 10, 2011 and due to CISGI's current inability to pay back the Loan amount without support, Xchanging UK Limited has invoked the corporate guarantee on the Company and thus the Company has become liable to honour the financial commitment arising out of such guarantee invocation. The Board of Directors of the Company, in its meeting held on June 10, 2011 took note of the same and discussed various options on how best to meet the financial commitment.

The Board of Directors is meeting again on June 13, 2011 to carry forward its discussions on necessary measures to meet the financial commitment.

This is for your information and record.

Thanking you,

Yours faithfully,
For CAMBRIDGE SOLUTIONS LIMITED

Vijayamahantesh V. Khannur
Company Secretary