



R Systems Announces Results for Calendar Year 2012

Q4 2012: Record Revenue: Rs 121.60 Crores, EBITDA: Rs 5.89 Crores and Net Profits: Rs 2.91 Crores
FY 2012: Record Revenue: Rs 465.01 Crores, EBITDA: Rs 34.84 Crores and Net Profit Rs 18.36 Crores

Noida, India – February 9, 2013

Highlights

Consolidated results for the quarter ended December 31, 2012

- Consolidated revenue from operations for Q4-12 was Rs 121.60 crores (US\$ 22.44 mn); QoQ increase was 6.19 % and YoY increase was 7.92 %.
- Earnings before interest, depreciation, taxes and allowances (“EBITDA”) were Rs 5.89 crores (US\$ 1.08 mn) compared to Rs 10.67 crores (US\$ 2.14 mn) in Q4, 2011 and Rs 7.63 crores (US\$ 1.37 mn) in Q3, 2012.
- Net profit after taxes was Rs 2.91 crores (US\$ 0.53 mn) compared to Rs 5.44 crores (US\$ 1.09 mn) in Q4, 2011 and Rs 4.63 crores (US\$ 0.83 mn) in Q3, 2012.

Others

- During the quarter, R Systems added 8 key customers.
- Total associates as on December 31, 2012 were 2,566 compared to 2,444 at the end of December 31, 2011 and 2,545 at the end of September 30, 2012.

Consolidated results for FY ended December 31, 2012

- Consolidated revenue for FY 2012 was Rs 465.01 crores (US\$ 87.05 mn.) as against Rs 409.49 crores (US\$ 87.79 mn.) in FY 2011; YoY increase of 13.56 %.
- EBITDA for FY 2012 was Rs 34.84 crores (US\$ 6.53 mn.) as against Rs 32.28 crores (US\$ 6.92 mn.) in FY 2011; YoY increase of 7.92 %.
- Net profit after taxes for FY 2012 was Rs 18.36 crores (US\$ 3.44 mn) as against 16.51 crores (US\$ 3.54 mn) in FY 2011; YoY increase of 11.20 %.
- Total cash and bank balances as at December 31, 2012 were Rs 88.94 crores as against Rs 94.95 crores as at December 31, 2011.

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Mr. Rekhi Singh, Chairman and MD stated “We concluded Year 2012 with record revenue of Rs. 465 crores and reported EBITDA of Rs 35 crores. Higher licensing revenue and depreciation of rupee contributed positively to overall 2012 performance. During the year, we added marquee clients across all key business verticals and geographies. Our sales funnel for 2013 is strong. However we are cautiously optimistic due to challenging economic environment.” He added “Our Balance sheet continues to be very strong with cash reserve of Rs 88.9 crores and net worth of Rs 194.6 crores”

Mr. Raj Swaminathan Executive Director and COO said “We are continuing to invest in building capabilities and capacities for Telecom, BFSI, Health-care and Manufacturing & Logistic verticals to provide innovative services and solutions to our clients. Start-up-cost for new projects has impacted utilization level during the year” He added “We ended 2012 with 2,566 associates to support the encouraging business pipeline across all our key verticals”

Dividend Declaration

The Board of Directors at its meeting held on February 9, 2013 has recommended a final dividend of Rs 7.50 per share, subject to approval of the shareholders at the forthcoming Annual General Meeting. This is in addition to a special interim dividend of Rs. 16/- per equity shares paid in June 2012, confirmation to which will be taken in forthcoming Annual General Meeting.

Key Operational Highlights for the Quarter

The Company delivers solutions and services in the area of Information Technology and Information Technology enabled services. R Systems is focused on key verticals of Telecommunication and Digital Media, BFSI, Hi-Tech Manufacturing and Logistics, Government and Health Care. The IT services today cover application development, systems integration and support and maintenance of applications. Under the ITES we cover managed services, BPO services covering both technical support for IT and Hi-Tech electronic gadgets, high-end Quality Process Management and Revenue and Claims Management. R Systems products group consists of two units. Indus[®] which address the retail lending, telecommunication and insurance industries and ECnet[®] which addresses supply chain, warehousing and inventory management.

The quarter concluded 8 key new customers and has a strong pipeline across the business verticals and geographies. The brief of some significant wins are listed below:

A UK based healthcare company which operates highly regarded private hospitals selected R Systems to revamp its hospital administration system with new architecture, user interface and work flows to address the current and future requirements of its expanding hospital operations.

One of the global leaders in management consulting, technology services and solutions has engaged R Systems for providing development and maintenance services for its IPTV product customers.

One of the largest providers of video, high-speed data and phone services in the United States has selected R Systems to provide business analysis support for their contact center operations.

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One of Philippines oldest banks has selected R Systems' Loan Originations System (LOS) and Collection System for implementation across its multi-portfolio retail lending operations.

R Systems has won a multi-year engagement from one of India's largest credit card operations to manage its IT support operations covering application and infrastructure support.

One of the leading manufacturer and supplier of laminates in Malaysia has selected ECnet, a subsidiary of R Systems as their solutions provider to implement globally renowned and comprehensive ERP System to manage its complex manufacturing and distribution requirements.

Liquidity and Shareholder Funds

Total Consolidated Cash and bank balance, including bank deposits, as at December 31, 2012 was Rs 88.94 crores compared to Rs 90.19 crores as on September 30, 2012. Total shareholder funds as on December 31, 2012 were Rs 194.60 crores compared to Rs 193.90 crores as on September 30, 2012.

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**Financial Performance****Consolidated Profit & Loss Statement (Un-audited) for the Quarter Ended December 31, 2012****(As per Indian GAAP)****(Rs. in mn, except per share data)**

Sr. No.	Particulars	Quarter Ended December 31,		Quarter Ended September 30, 2012
		2012	2011	
1	Income			
1.1	Income From Operations	1,216.03	1,126.79	1,145.15
1.2	Other Operating Income	2.89	11.08	0.40
	Total	1,218.92	1,137.87	1,145.55
2	Expenditure			
2.1	Employee Benefits Expense	795.98	714.90	796.31
2.2	Depreciation and Amortisation Expense	22.60	33.06	24.29
2.3	Traveling and Conveyance	83.22	71.09	72.41
2.4	Communication Costs	18.20	18.30	17.20
2.5	Legal and Professional Expenses	112.88	97.08	77.67
2.6	Provision for Doubtful Debts and Advances (net)	0.33	21.98	2.42
2.7	Other Expenditure	142.71	128.47	84.80
	Total Expenditure	1175.92	1084.88	1,075.10
3	Profit From Operations Before Other Income and Finance Cost	43.00	52.99	70.45
4	Other Income	11.19	12.56	9.84
5	Profit From Operations Before Finance Cost	54.19	65.55	80.29
6	Finance Cost	1.40	1.51	1.95
7	Profit Before Tax	52.79	64.04	78.34
8	Provision For Tax			
8.1	Current Tax	25.60	33.68	34.82
8.2	MAT Credit	-	(5.01)	-
8.3	Deferred Tax Charge / (Credit)	(1.87)	(19.02)	(2.74)
	Total	23.73	9.65	32.08
9	Net Profit After Tax	29.06	54.39	46.26
10	Earning Per Share			
10.1	Basic	2.33	4.42	3.71
10.2	Diluted	2.33	4.37	3.71

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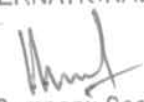
Financial Performance

Consolidated Profit & Loss Statement (Audited) for the Year Ended December 31, 2012 (As per Indian GAAP)

(Rs. in mn, except per share data)

Sr. No.	Particulars	December 31,	
		2012	2011
1	Income		
1.1	Income From Operations	4,650.09	4,094.95
1.2	Other Operating Income	7.71	14.71
	Total	4,657.80	4,109.66
2	Expenditure		
2.1	Employee Benefits Expense	3,133.24	2,622.83
2.2	Depreciation and Amortisation Expense	100.89	131.18
2.3	Traveling and Conveyance	296.27	272.06
2.4	Communication Costs	71.18	65.86
2.5	Legal and Professional Expenses	338.88	322.27
2.6	Provision for Doubtful Debts and Advances (net)	20.94	57.92
2.7	Other Expenditure	443.44	461.20
	Total Expenditure	4,404.84	3,933.32
3	Profit From Operations Before Other Income and Finance Cost	252.96	176.34
4	Other Income	42.33	40.93
5	Profit From Operations Before Finance Cost	295.29	217.27
6	Finance Cost	6.75	8.08
7	Profit Before Tax	288.54	209.19
8	Provision For Tax		
8.1	Current Tax	94.99	92.80
8.2	MAT Credit	-	(7.06)
8.3	Deferred Tax Charge / (Credit)	9.93	(41.68)
	Total	104.92	44.06
10	Net Profit After Tax	183.62	165.13
11	Earning Per Share		
11.1	Basic	14.76	13.41
11.2	Diluted	14.76	13.26

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Financial Performance

Consolidated Profit & Loss Statement (Un- audited) for the Quarter Ended December 31, 2012 (Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn, except per share data)

Particulars	Q4 2012		Q4 2011		Q3 2012	
	INR	US\$	INR	US\$	INR	US\$
Revenues	1,216.03	22.44	1,126.79	22.19	1,145.15	20.75
Cost of Revenues	807.47	14.91	695.71	13.61	746.90	13.54
Gross Margin	408.56	7.53	431.08	8.58	398.25	7.21
SG & A Expenses	33.60% 349.67 28.76%	6.45	38.26% 324.35 28.79%	6.44	34.78% 321.98 28.12%	5.84
EBITDA	58.89	1.08	106.73	2.14	76.27	1.37
Depreciation and Amortization	4.84% 22.60	0.41	9.47% 33.06	0.64	6.66% 24.29	0.44
Income From Operations	36.29	0.67	73.67	1.50	51.98	0.93
Interest Expense	(0.21)	(0.00)	(0.15)	(0.00)	(0.27)	(0.00)
Other Income (Net)	16.71	0.30	(9.48)	(0.22)	26.63	0.49
Income Before Income Tax	52.79	0.97	64.04	1.28	78.34	1.42
Income Tax Provision	23.73	0.44	9.65	0.19	32.08	0.59
Net Earnings	29.06	0.53	54.39	1.09	46.26	0.83
Earnings Per Share						
- Basic	2.33	0.04	4.42	0.09	3.71	0.07
- Diluted	2.33	0.04	4.37	0.09	3.71	0.07

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Consolidated Profit & Loss Statement (Un- audited) for the Year Ended December 31, 2012
(Contribution Analysis Format; Basis Indian GAAP)

(Figures in mn except per share data)

Particulars	Year 2012		Year 2011	
	INR	US\$	INR	US\$
Revenues	4,650.09	87.05	4,094.95	87.79
Cost of Revenues	3,014.08	56.44	2,660.11	57.03
Gross Margin	1,636.01	30.61	1,434.84	30.76
	35.18%		35.04%	
SG & A Expenses	1,287.65	24.07	1,112.05	23.84
	27.69%		27.16%	
EBITDA	348.36	6.53	322.79	6.92
	7.49%		7.88%	
Depreciation and Amortization	100.89	1.89	131.18	2.81
Operating Income Before Non-Recurring Cost	247.47	4.64	191.61	4.11
Non-Recurring Cost	29.45	0.56	-	-
Income From Operations	218.02	4.08	191.61	4.11
Interest Expense	(0.86)	(0.02)	(0.67)	(0.01)
Other Income (Net)	71.38	1.34	18.25	0.38
Income Before Income Tax	288.54	5.40	209.19	4.48
Income Tax Provision	104.92	1.96	44.06	0.94
Net Earnings	183.62	3.44	165.13	3.54
Earnings Per Share				
- Basic	14.76	0.28	13.41	0.29
- Diluted	14.76	0.28	13.26	0.28

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Consolidated Balance Sheet as at December 31, 2012 (As per Indian GAAP)

(Rs. in mn)

Particulars	As at		
	Dec 31, 2012	Dec 31, 2011	Sep 30, 2012
	(Audited)	(Audited)	(Unaudited)
EQUITY & LIABILITIES			
Shareholders' Funds			
Share capital	124.47	122.43	124.17
Reserves and Surplus	1,821.53	1,863.40	1,814.88
Sub-Total Shareholder's Funds	1,946.00	1,985.83	1,939.05
Minority Interest		-	-
Non-current liabilities			
Long-term borrowings	3.45	3.84	3.97
Other long term liabilities	7.29	75.04	7.42
Long-term provisions	71.24	61.29	67.80
Subtotal - Non-current liabilities	81.98	140.17	79.19
Current liabilities			
Trade payables	396.12	382.13	460.59
Other current liabilities	200.46	319.64	259.66
Short-term provisions	350.97	250.13	135.05
Sub-Total current Liabilities	947.55	951.90	855.30
TOTAL - EQUITY AND LIABILITIES	2,975.53	3,077.90	2,873.54
ASSETS			
Non-current assets			
Fixed assets (net)	387.07	400.10	385.07
Goodwill on consolidation	274.00	270.10	270.10
Non-current investments	0.03	0.03	0.03
Deferred tax assets (net)	54.83	63.43	52.54
Long-term loans and advances	104.79	90.47	85.37
Other non-current assets #	80.30	123.24	80.39
Subtotal - Non- current assets	901.02	947.37	873.50
Current assets			
Trade receivables	980.63	1,053.15	868.81
Cash and bank equivalent	814.56	829.11	826.17
Short-term loans and advances	107.34	79.53	126.90
Other current assets	171.98	168.74	178.16
Subtotal - Current assets	2,074.51	2,130.53	2,000.04
TOTAL - ASSETS	2,975.53	3,077.90	2,873.54

includes Rs 74.83 mn (Rs 120.44 mn as at Dec 31, 2011 and Rs 75.68 mn as at Sep 30, 2012) fixed deposits which has been pledged or marked lien in favor of various Government departments, against credit / derivative facilities taken, performance guarantees given for customer and landlords along with fixed deposit having current maturities of more than twelve months from the reporting date.



Consolidated Operational Data (Un-audited)

Profitability in Percentage	Quarter ended			Year Ended	
	Dec 31, 12	Dec 31, 11	Sep 30, 12	Dec 31, 12	Dec 31, 11
Revenues	100.00	100.00	100.00	100.00	100.00
Gross margin	33.60	38.26	34.78	35.18	35.04
SG & A	28.72	28.79	28.12	27.69	27.16
EBITDA	4.84	9.47	6.66	7.49	7.88
EBT	4.34	5.68	6.84	6.20	5.11
PAT	2.39	4.83	4.04	3.95	4.03
Basic EPS (Rs.)	2.33	4.42	3.71	14.76	13.41

Revenue from Top 10 Clients	Quarter ended			Year Ended	
	Dec 31, 12	Dec 31, 11	Sep 30, 12	Dec 31, 12	Dec 31, 11
Top 10 Clients	35.75%	45.60%	39.49%	38.87%	46.54%
Top 5 Clients	22.37%	33.44%	25.92%	26.36%	33.11%
Top 3 Clients	15.23%	26.20%	18.63%	19.21%	25.78%
Largest Client	5.58%	11.88%	7.56%	8.01%	15.20%

Revenues by Geographies	Quarter ended			Year Ended	
	Dec 31, 12	Dec 31, 11	Sep 30, 12	Dec 31, 12	Dec 31, 11
USA	51.06%	49.85%	54.45%	51.14%	47.53%
Europe	25.20%	34.26%	23.27%	26.98%	36.28%
SEAC (South East Asia)	10.19%	6.28%	10.73%	9.84%	7.33%
India	5.28%	6.01%	5.31%	5.71%	5.40%
Others	8.27%	3.60%	6.24%	6.33%	3.46%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Utilization (excluding trainees)	Quarter ended		
	Dec 31, 12	Dec 31, 11	Sep 30, 12
Onsite	65.52%	68.57%	61.65%
Offshore	70.57%	69.81%	71.36%
Blended	69.45%	69.53%	69.20%

Utilization (including trainees)	Quarter ended		
	Dec 31, 12	Dec 31, 11	Sep 30, 12
Onsite	65.52%	68.57%	61.65%
Offshore	64.64%	64.39%	64.89%
Blended	64.82%	65.28%	64.22%



Consolidated Operational Data (Un-audited)

Human resources	As at		
	Dec 31, 12	Dec 31, 11	Sep 30, 12
Technical	2,183	2,075	2,162
Software services			
Onsite	286	268	277
Offshore	1,282	1,196	1,247
BPO			
Offshore	314	314	307
Onsite	161	165	162
Trainees	140	132	169
Support	383	369	384
Total count	2,566	2,444	2,545

(Rs. in mn, except DSO)

Key Balance Sheet Data	As At		
	Dec 31, 12	Dec 31, 11	Sep 30, 12
Receivable	980.63	1,053.15	868.81
Receivable in days ("DSO")	60	60	60
Total cash and bank balance including fixed deposits	889.39	949.55	901.85
Fixed assets (net)	387.07	400.10	385.07
Shareholders' funds	1,946.00	1,985.83	1,939.05

Development/Service centres Location	As on December 31, 2012	
	Covered areas in sq ft.	No. of seats
India		
Noida	76,980	1,452
Pune	30,940	529
Chennai	12,666	170
	120,586	2,151
USA	23,300	177
Singapore	7,125	42
Europe		
Netherlands	21,194	251
France	8,601	112
Romania	14,090	137
Poland	4,865	39
Moldova	4,635	55
	53,385	594
Total	204,396	2,964



Notes:

1. US\$ equivalent figures are derived by converting the Rupee figures using average rates for profit & loss items and closing rate for balance sheet items.
2. Previous period's / year's figures have been regrouped / reclassified wherever applicable, to the extent possible, to conform to the current period presentation.

About R Systems International Limited

R Systems International Limited founded in 1993, is one of the leading provider of outsourced product development and customer support services. We help companies accelerate the speed to market for their products and services with a high degree of time and cost predictability by using our proprietary pSuite framework. Clients can choose services specific to their needs from R Systems iPLM suite of services. We help companies build scalable, configurable and secure products and applications; and help our clients support their customers worldwide for products and services using our global delivery model in 18 languages. R Systems rapidly growing customer list includes a variety of Fortune 1000, government and mid-sized organizations across a wide range of industry verticals including Banking and Finance, High Technology, Independent Software Vendors, Telecom and Digital Media, Government, HealthCare, Manufacturing and Logistic Industries. R Systems maintains thirteen development and service centres and using our global delivery model we serve customers in the US, Europe, South America, the Far East, the Middle East and Africa.

Safe Harbor:

Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.

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