**Cambridge Solutions Limited**

**Cambridge Tower, SJR I Park, Opp. Satya Sai Hospital, 13,14,15, EPIP Park, Whitefield, Bangalore-560066**

**Unaudited Financial results for the quarter ended March 31, 2010**

**(Rs in Lakhs)**

| Sl. No. | Particulars | 3 months ended 31/03/2010 | Corresponding 3 months ended 31/03/2009 in the previous year | For the year ended 31/12/2009 |
|---|---|---|---|---|
| | | Unaudited | Unaudited | Audited |
| 1. | (a) Net Sales/ Income from Operations | 5,902 | 6,401 | 25,272 |
| | (b) Other Operating Income | 0 | 0 | 0 |
| | **Total Operating income(a+b)** | **5,902** | **6,401** | **25,272** |
| 2. | Total Expenditure | | | |
| | a) Employee Costs | 2,375 | 2,433 | 9,302 |
| | b) Project Work Expenses | 1,175 | 1,793 | 5,734 |
| | c) Exchange loss / (gain) | 456 | -777 | 391 |
| | d) Depreciation and Amortisation | 344 | 339 | 1,427 |
| | e) Other Expenditure | 1,296 | 1,275 | 5,276 |
| | **Total** | **5,646** | **5,063** | **22,130** |
| 3. | **Profit from Operations before Other income, Finance cost and Exceptional items (1-2)** | **256** | **1,338** | **3,142** |
| 4. | Other Income | 182 | 178 | 690 |
| 5. | **Profit before Finance cost and Exceptional items (3+4)** | **438** | **1,516** | **3,832** |
| 6. | Finance Cost | 211 | 348 | 1,474 |
| 7. | **Profit after Finance cost but before Exceptional Items (5-6)** | **227** | **1,168** | **2,358** |
| 8. | Exceptional Items | 0 | 0 | 296 |
| 9. | **Profit(+) / Loss(-) from ordinary activities before tax (7+8)** | **227** | **1,168** | **2,062** |
| 10. | Tax Expense | 0 | 153 | -10 |
| 11. | **Net Profit(+) / Loss(-) from ordinary activities after tax (9-10)** | **227** | **1,015** | **2,072** |
| 12. | Extraordinary items (net of tax expenses) | 0 | 0 | 0 |
| 13. | **Net Profit(+) / Loss(-) for the period (11-12)** | **227** | **1,015** | **2,072** |
| 14. | Paid up Equity Share Capital (Face Value per Share Rs 10/-) | 11,140 | 11,137 | 11,138 |
| 15. | Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year | 0 | 0 | 15,920 |
| 16. | Earning Per Share (Rs.) | | | |
| (a) | Basic and diluted EPS before Extraordinary Items for the period, for the year to date and for the previous year (not annualised). | | | |
| | - Basic | 0.20 | 0.91 | 1.86 |
| | - Diluted | 0.20 | 0.91 | 1.86 |
| (b) | Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (not annualised). | | | |
| | - Basic | 0.20 | 0.91 | 1.86 |
| | - Diluted | 0.20 | 0.91 | 1.86 |
| 17. | Public shareholding | | | |
| | - Number of Shares | 27,114,029 | 55,585,051 | 26,682,988 |
| | - Percentage of shareholding | 24.34% | 49.91% | 23.96% |
| 18. | Promoters and promoter group Shareholding | | | |
| | a. Pledged / Encumbered | | | |
| | -Number of Shares | 0 | 54,552,813 | 0 |
| | -Percentage of shares (as a % of the total shareholding of Promoter and promoter group) | 0% | 97.80% | 0% |
| | -Percentage of shares (as a % of the total shareholding of the total share capital of the Company) | 0% | 48.99% | 0% |
| | b. Non Encumbered | | | |
| | -Number of Shares | 84,289,687 | 1,227,519 | 84,699,061 |
| | -Percentage of shares (as a % of the total shareholding of Promoter and promoter group) | 100.00% | 2.20% | 100.00% |
| | -Percentage of shares (as a % of the total shareholding of the total share capital of the Company) | 75.66% | 1.10% | 76.04% |

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## Segment-wise Revenue, Results and Capital Employed

**Segment Reporting** **(Rs in Lakhs)**

| Particulars | 3 months ended 31/03/2010 | Corresponding 3 months ended 31/03/2009 in the previous year | For the year ended 31/12/2009 |
|---|---|---|---|
| | Unaudited | Unaudited | Audited |
| **Segment Revenue** | | | |
| (a)IT | 2,797 | 3,683 | 13,241 |
| (b)BPO | 3,118 | 2,731 | 12,084 |
| **Total** | **5,915** | **6,414** | **25,325** |
| Less: Inter-segment revenue | 13 | 13 | 53 |
| **Net Income from operations** | **5,902** | **6,401** | **25,272** |
| **Segment Results Profit(+)/Loss(-) before Exceptional, Prior period, Tax and interest** | | | |
| IT | -309 | 498 | -404 |
| BPO | 565 | 840 | 3,546 |
| **Total** | **256** | **1,338** | **3,142** |
| Less: Inter-segment profit | 0 | 0 | 0 |
| **Net segment results** | **256** | **1,338** | **3,142** |
| **Exceptional and prior period items** | | | |
| IT | 0 | 0 | 189 |
| BPO | 0 | 0 | 107 |
| **Total** | **0** | **0** | **296** |
| **Segment Results(Profit(+)/Loss(-) before Tax and interest from each segment** | | | |
| IT | -309 | 498 | -593 |
| BPO | 565 | 840 | 3,439 |
| **Total** | **256** | **1,338** | **2,846** |
| Less: Inter-segment profit | 0 | 0 | 0 |
| **Net segment results** | **256** | **1,338** | **2,846** |
| Less: Unallocable | | | |
| Interest Expense | 211 | 348 | 1,474 |
| Other Income | -182 | -178 | -690 |
| **Total Profit Before Tax** | **227** | **1,168** | **2,062** |
| **Capital Employed** | | | |
| **(Segment Assets-Segment Liabilities)** | | | |
| (a)IT | 5,700 | 11,139 | 7,028 |
| (b)BPO | 7,599 | 4,050 | 7,008 |
| **Total** | **13,299** | **15,189** | **14,036** |

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**Unaudited Consolidated Financial results for the quarter ended March 31, 2010**

(Rs in Lakhs)

| Sl. No. | Particulars | 3 months ended 31/03/2010 | Corresponding 3 months ended 31/03/2009 in the previous year | For the year ended 31/12/2009 |
|---|---|---|---|---|
| | | Unaudited | Unaudited | Audited |
| 1. | (a) Net Sales/ Income from Operations | 26,156 | 27,935 | 115,997 |
| | (b) Other Operating Income | 0 | 0 | 0 |
| | **Total Operating income(a+b)** | **26,156** | **27,935** | **115,997** |
| 2. | Total Expenditure | | | |
| | a) Employee Costs | 17,317 | 17,994 | 70,075 |
| | b) Project Work Expenses | 2,769 | 3,836 | 14,601 |
| | c) Exchange loss / (gain) | 669 | -1,032 | 1,738 |
| | d) Depreciation and Amortisation | 708 | 1,158 | 3,984 |
| | e) Other Expenditure | 4,882 | 5,531 | 23,682 |
| | **Total** | **26,345** | **27,487** | **114,080** |
| 3. | **Profit from Operations before Other income, Finance cost and Exceptional items (1-2)** | **-189** | **448** | **1,917** |
| 4. | Other Income | 266 | 310 | 1,113 |
| 5. | **Profit before Finance cost and Exceptional items (3+4)** | **77** | **758** | **3,030** |
| 6. | Finance Cost | 793 | 789 | 3,888 |
| 7. | **Profit after Finance cost but before Exceptional and Prior period Items (5-6)** | **-716** | **-31** | **-858** |
| 8. | Exceptional Items | 0 | 6,079 | 33,477 |
| 9. | Prior period items | 0 | 0 | 1,894 |
| 10. | **Profit(+) / Loss(-) from ordinary activities before tax (7-8-9)** | **-716** | **-6,110** | **-36,229** |
| 11. | Tax Expense | 159 | 362 | 989 |
| 12. | **Net Profit(+) / Loss(-) from ordinary activities after tax (10-11)** | **-875** | **-6,472** | **-37,218** |
| 13. | Extraordinary items (net of tax expenses) | 0 | 0 | 0 |
| 14. | **Net Profit(+) / Loss(-) for the period (12-13)** | **-875** | **-6,472** | **-37,218** |
| 15. | Paid up Equity Share Capital (Face Value per Share Rs 10/-) | 11,140 | 11,137 | 11,138 |
| 16. | Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year (includes debit balance of profit & loss a/c) | 0 | 0 | -32,910 |
| 17. | Earning Per Share (Rs.) | | | |
| (a) | Basic and diluted EPS before Extraordinary Items for the period, for the year to date and for the previous year (not annualised). | | | |
| | - Basic | -0.79 | -5.81 | -33.42 |
| | - Diluted | -0.79 | -5.81 | -33.42 |
| (b) | Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (not annualised). | | | |
| | - Basic | -0.79 | -5.81 | -33.42 |
| | - Diluted | -0.79 | -5.81 | -33.42 |
| 18. | Public Shareholding | | | |
| | - Number of Shares | 27,114,029 | 55,585,051 | 26,682,988 |
| | - Percentage of shareholding | 24.34% | 49.91% | 23.96% |
| 19. | Promoters and promoter group Shareholding | | | |
| | a. Pledged / Encumbered | | | |
| | -Number of Shares | 0 | 54,552,813 | 0 |
| | -Percentage of shares (as a % of the total shareholding of Promoter and promoter group) | 0% | 97.80% | 0.00% |
| | -Percentage of shares (as a % of the total shareholding of the total share capital of the Company) | 0% | 48.99% | 0.00% |
| | b. Non Encumbered | | | |
| | -Number of Shares | 84,289,687 | 1,227,519 | 84,699,061 |
| | -Percentage of shares (as a % of the total shareholding of Promoter and promoter group) | 100% | 2.20% | 100.00% |
| | -Percentage of shares (as a % of the total shareholding of the total share capital of the Company) | 75.66% | 1.10% | 76.04% |

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## Segment-wise Revenue, Results and Capital Employed

**Segment Reporting (Consolidated) :** **(Rs in Lakhs)**

| Particulars | 3 months ended 31/03/2010 | Corresponding 3 months ended 31/03/2009 in the previous year | For the year ended 31/12/2009 |
|---|---|---|---|
| | Unaudited | Unaudited | Audited |
| **Segment Revenue** | | | |
| (a)IT | 5,365 | 7,671 | 26,199 |
| (b)BPO | 20,912 | 20,405 | 90,297 |
| **Total** | **26,277** | **28,076** | **116,496** |
| Less: Inter-segment revenue | 121 | 141 | 499 |
| **Net Income from operations** | **26,156** | **27,935** | **115,997** |
| **Segment Results Profit(+)/Loss(-) before Exceptional, Prior period, Tax and interest from each segment** | | | |
| IT | -592 | 1,000 | -774 |
| BPO | 423 | -517 | 2,699 |
| **Total** | **-169** | **483** | **1,925** |
| Less: Inter-segment profit | -20 | -35 | -8 |
| **Net segment results** | **-189** | **448** | **1,917** |
| **Exceptional and prior period items** | | | |
| IT | 0 | 0 | 1,572 |
| BPO | 0 | 6,079 | 33,799 |
| **Total** | **0** | **6,079** | **35,371** |
| **Segment Results(Profit(+)/Loss(-) before Tax and interest from each segment** | | | |
| IT | -592 | 1,000 | -2,346 |
| BPO | 423 | -6,596 | -31,100 |
| **Total** | **-169** | **-5,596** | **-33,446** |
| Less: Inter-segment profit | -20 | -35 | -8 |
| **Net segment results** | **-189** | **-5,631** | **-33,454** |
| Less: Unallocable | | | |
| Interest Expense | 793 | 789 | 3,888 |
| Other Income | -266 | -310 | -1,113 |
| **Total Profit Before Tax** | **-716** | **-6,110** | **-36,229** |
| **Capital Employed** | | | |
| **(Segment Assets-Segment Liabilities)** | | | |
| (a)IT | 15,024 | 20,953 | 16,262 |
| (b)BPO | 6,198 | 13,886 | 2,442 |
| **Total** | **21,222** | **34,839** | **18,704** |

**Notes to above results :**

1. The above financial results have been reviewed and recommended by the Audit Committee, and approved by the Board of Directors on April 26, 2010, and a limited review has been carried out by the statutory auditors of the Company.
2. The primary segment reporting of the Group is on the basis of business segments. The Company is organised into two business segments, viz., Information Technology and related services ("IT") and Business Process Outsourcing ("BPO"). Segments have been identified and reported considering industry segments of customers, risks and returns, organisation structure and internal financial reporting systems.
3. The income tax expense for the year ended December 31, 2009 includes Rs.139 lakhs and Rs.166 lakhs for standalone results and consolidated results respectively relating to provisions pertaining to earlier years.
4. Pursuant to acquisition of Cambridge Integrated Services Group Inc, USA (‘CISGI’ or the US claims business), the wholly owned subsidiary of the Company, from AON Corporation, USA (‘AON’), the Group acquired a contract named ‘CIGA Fremont’ for rendering field claims services (‘FCS’), bill review (‘BR’) services and case management (‘CM’) services. During the initial contract period (i.e., 2003-04), AON had recognised the revenue relating to FCS on a cash receipt basis, irrespective of the related servicing costs, as the payments under the contract were spread over six years. CISGI and the Company continued the same revenue recognition policy. The last instalment of payment for FCS was received during April 2008. During the previous quarter, the revenue previously recognised has been re-assessed in light of revised estimations of costs expected to be incurred to close all outstanding claims. As a result, the Group concluded that the revenue relating to the said contract requires restatement based on a proportionate completion method. Accordingly, deferred income of Rs.11,859 lakhs has been restated as at June 30, 2009.
5. As at March 31, 2010, the standalone results has net receivables (after eliminating payables) from SG Inc,USA of Rs.19,099 lakhs (net of payables of Rs.1,188 lakhs). Based on an evaluation, the Company has made a provision of Rs.7,664 lakhs against the net receivables in an earlier year. The Company, based on strategic funding plans, believes that the balance dues are good and will be recovered in the foreseeable future.
6. The amounts for the previous period/ year have been reclassified wherever necessary to conform to the current period's presentation.
7. Information on investors' complaints for the quarter ended March 31, 2010 is as following: Opening balance: Nil; New: Nil; Disposal: Nil; Closing balance: Nil.

**By Order of Board**

Place : Bangalore, India
Date : April 26, 2010

**Darren Fisher**
**Executive Director and Chief Financial officer**