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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the fourth quarter and full-year 2015 Genpact Limited earnings conference call. My name is Michelle and I will be your conference moderator for today.

(Operator Instructions)

As a reminder, this call is being recorded for replay purposes. I would like to turn the conference over to Mr. Roger Sachs, Head of Investor Relations at Genpact. Sir, please proceed.

Roger Sachs - *Genpact Limited - Head of IR*

Thank you, Michelle, and good afternoon, everybody, and welcome to Genpact's earnings call to discuss our results for the fourth quarter and full year ended December 31, 2015. We hope you had a chance to review our earnings release which was posted to the IR section of our website, genpact.com. With me in New York today are Tiger Tyagarajan, our President and Chief Executive Officer, and Ed Fitzpatrick, our Chief Financial Officer.

Our agenda today is as follows. Tiger will provide a high level overview of our results, as well as update you on some of our strategic initiatives. Ed will then discuss our financial performance in greater detail and provide our outlook for 2016. Tiger will then come back for some closing comments and then we will take your questions. As Michelle just mentioned, we expect the call to last about an hour.

Some of the matters we will discuss in today's call are forward-looking. These forward-looking statements involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those in such forward-looking statements. Such risks and uncertainties are set forth in our press release.

In addition, during our call today, we will refer to certain non-GAAP financial measures which we believe provide additional information for investors and better reflect the way (Inaudible) of the business. You can find a reconciliation of these measures to GAAP in our earnings release in the IR section of our website. And with that, let me turn the call over to Tiger.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Thank you, Roger. Good afternoon, everyone, and thank you for joining us today for our 2015 fourth quarter and year-end earnings call. I am very pleased with our 2015 results, as we continue to execute on our strategy that is focused on key verticals, service lines and geographies to drive long-term global client growth, and we feel really good about our direction. We delivered on all of our stated financial commitments for the year, while continuing to position ourselves in a highly differentiated way in our rapidly changing world.

Specifically during 2015, total revenues increased 10% on a constant currency basis, compared to 8% in 2014. Global client revenue increased 13% on a constant currency basis, compared to 11% in 2014. Adjusted operating income margin grew to 15.3% from 15.1% in 2014. Adjusted EPS was $1.26, up 22%. And bookings for the full year increased to $2.59 billion, up 20% compared to approximately $2.16 billion in 2014.

During the year, we continued to invest in both our front-end sales teams and in our capabilities, with a specific focus on deep domain, digital, consulting and analytics expertise. Our top line growth, coupled with G&A leverage, drove adjusted operating income margin to the high end of our expected range. Our full-year adjusted EPS grew more than two times the rate of our total revenue growth, reflecting both our strong adjusted operating income margin, as well as an efficient capital allocation policy.

Global client revenue was up 13% year-over-year on a constant currency basis, versus 11% in 2014. Within global clients, our core BPO business was up 17% on a constant currency basis, compared to 13% in 2014. Our strong growth during the year builds upon the momentum that began in 2014 and is a great indicator that the pivot we made to deepen our expertise and focus on a select set of chosen verticals, service lines and geographies was the right strategic direction for the Company. With this improved focus, we believe we are much better positioned to drive the most value for our clients.

As we have discussed throughout last year, growth in global clients was broad based across most of our targeted verticals, including banking and financial services, CPG, life sciences, insurance, and high tech, all increasing at a double-digit rate. Similarly, most of our service lines, including finance & accounting, our core industry vertical operations, analytics and consulting services, had solid growth rates during the year, somewhat offset by a year-over-year decline in our IT business, as clients increasingly shift their focus and spending to newer digital technologies which we embed within our end-to-end solutions.

Our G revenue declined 1% year-over-year, slightly better than the expectation we set at the beginning of 2015, largely due to our higher level of short cycle project work during the fourth quarter.

The world continues to be volatile with low global growth for many companies. At the same time, newer digital technologies, such as mobile, robotic automation, dynamic workflows, natural language processing, cognitive intelligence, and machine learning, are rapidly gaining momentum, producing disruptive outcomes for those companies that embrace them. However, while some companies succeed in adopting digital solutions, many transformational journeys fail to drive improved performance and ultimately decrease value because they don't address end-to-end processes.

Instead, companies focus solely on front-end operations and ignore digitizing the middle and back office. Helping clients transform their businesses by redesigning end-to-end processes is where we believe we create the most value for our clients. We strongly believe the power of digital needs to be complemented with domain and process depth and expertise to provide the disruptive value.

To more effectively meet our clients' needs, we improved our ability to take advantage of emerging digital technologies. Our bundled solutions integrate our deep domain and process expertise with digital technologies, data and real-time analytics, providing better outcome for our clients. We apply lean principles to drive standardization and agility and bring in design thinking to allow us to reimagine clients' operations. We call this whole approach Lean Digital and we are finding amazing traction for this thinking, approach and solution in the marketplace. This is clearly becoming one of the prime drivers of our higher win rates.

Now let me review some of the key accomplishments during the year. First, we continue to strengthen our client facing teams, bringing in high-impact experienced sales senior leaders with domain and industry expertise across our chosen verticals, service lines and geographic markets, to build deep sea level relationships.

Second, we continue to invest in specific capabilities in our chosen service lines, with an emphasis on digital expertise and analytics that when combined with domain and process depth deliver a step change in outcomes. Apart from organically building these capabilities, we used acquisitions and strategic partnerships to help develop our services and solutions.

For example, we signed a deal to acquire Endeavor Software Technologies to bring in capabilities around mobile technology services. We also entered into eight strategic partnerships to embed technologies, such as cognitive intelligence, machine learning, and robotic automation, into our solutions. We believe a combination of organic and inorganic investments and partnership-related development will be the most effective route to accelerate the deployment of these disruptive solutions.

As an example of a strategic partnership, this morning we announced an innovative partnership with NASCO, a provider of healthcare solutions that is owned by six Blue Cross Blue Shield companies. Our lean digital and data analytics expertise will collaborate with NASCO to transform Blue Cross and Blue Shield's health plan administrative processes into a digitally powered operating model.

Third, we launched Lean Digital, our unique and highly differentiated approach that encapsulates design thinking, lean principles and our unique smart enterprise process frameworks with digital technologies and analytics to deliver disruptive changes in business outcomes for our clients.

Fourth, we launched a certification program for our black belts and master black belts to train them on our Lean Digital approach to design thinking. This builds on our culture and DNA of Lean and Six Sigma that we have always been known for. Additionally, we implemented various initiatives during the year to train our sales force, consulting teams and lead solution architects in the concepts surrounding design thinking and digital technologies in support of our Lean Digital approach.

Fifth, we embedded our digital and analytical solutions in a significant number of our deal proposals that we believe provided a high degree of differentiation versus our competition and better win rates. This directly resulted in our success in signing nine large transformative deals during the year, including two new engagements within our consumer products vertical in the fourth quarter.

The first of these is with the Carlsberg Group. This is a complex global deal that redesigns and transforms their sales, commercial and finance processes. We won the deal based on our deep industry domain expertise and unique understanding of business practices within the international markets that they operate in, which gave us an upper hand relative to competition. Leveraging our Lean Digital approach, we will help design best-in-class finance and sales support shared service centers in multiple geographies around the globe. This will not only provide Carlsberg with agile operations with significant productivity gains, but critical insights from data analytics will be delivered from our system of engagement platforms to continuously improve their finance & accounting processes and generate significant business impact.

The second deal is an expansion of our global engagement with Mondelez International, where Genpact is helping them transform their finance & accounting processes outside of North America. By automating manual processes and deploying our digital systems of engagement platforms, we are creating global centers of excellence to standardize and manage critical finance & accounting functions, including internal controls across the company, as well as generate insightful analytics for faster decision making.

As we continue to execute our strategy, we expect to systematically grow a number of our large strategic relationships faster than the Company average, while at the same time, we expect to continue to reduce the proportion of our revenue from very small relationships and from clients that fall outside of our chosen verticals, service lines and geographies. This allows us to form large, sticky relationships.

For example, clients where we have a greater than $5 million annual relationship increased to 82% of our revenue in 2015, from 80% of our revenue in 2014. The number of such clients went up from 89 to 103 between 2014 and 2015. On the other hand, clients with annual revenues of less than $1 million went down from 621 to 500.

Last year, we introduced annual bookings as a metric, which we believe is a useful long-term growth potential indicator for our business which is best viewed through a multi-year lens, given the long cycle nature of our business. Since there is a large degree of variability in bookings on a quarterly basis, we believe it is most appropriate to assess this metric on an annual basis.

As a reminder, our definition of bookings has two components. First, the total value of contracts signed with new logo clients during a calendar year. Second, any incremental value from new work provided to an existing client beyond the original scope of our engagement. So bookings to us only represents new work won, not renewals of existing business.

In 2015, I'm thrilled we achieved a very healthy level of bookings of approximately $2.59 billion, up 20% year-over-year from $2.16 billion in 2014. We saw more deals filling our pipeline than we have seen in the past, and our sharply differentiated offerings helped us win a number of them. Our investments in front-end sales and various capabilities I talked about have significantly improved our ability to compete in the large deal arena, which resulted in the value of bookings from large deals increasing more than six times from the level we saw just two years ago. During 2015, large deals contributed a higher proportion of total bookings than during 2014, further reinforcing how important transformation is becoming for our clients and that our solutions are resonating in the marketplace.

Given conversion to revenue can vary significantly from year to year, depending on the nature of services, size of contract, contract terms, ramp period, and deal structure, we note that bookings provides only a directional indicator of potential future top line growth. Our pipeline continues to be healthy across our targeted industry verticals, service lines and geographies. Our win rates improved over the previous year, driven by bundled solutions with digital and analytics and deep domain expertise. Sales productivity also continues to improve, as we enhance the tools, methods and capabilities of our sales and client-facing teams, and as our recent hires become more seasoned with Genpact.

As we move into 2016, we will continue our focus of helping clients transform themselves in order to better compete in their respective markets. More than ever, our clients are looking for speed of change and need flexible, agile business models to deal with frequent rapid changes in their operating environments. Clients also need predictive real-time decision support based on data analytics that is tailored to their specific industry domain and process.

Genpact's fast-growing consulting and reengineering practice, along with our data scientists and Chief Science Officers of our Analytics business, are at the forefront of a number of these complex implementations, backed by our unique Lean Digital approach. These transformational engagements that drive disruptive change for our clients and bring together our consulting, reengineering, data science and analytics practices with new digital tools and platforms generated approximately 17% of our revenues in 2015 and represent one of the fastest growing areas of our business.

Let me now provide a quick update on GE. As we all know, during the first quarter of last year, GE announced a plan to divest a significant portion of its GE Capital businesses. Since their announcement, GE has acted swiftly and to date, has announced deals to sell more than 50% of GE Capital's assets. This is about a year ahead of their original expectations.

As I discussed in prior calls, we are actively engaged in recontracting with the new buyers for a substantial portion of the work we do for these businesses, most of which is critical to run daily operations. The rapid pacing of their planned divestitures will cause a portion of the work we do for GE Capital corporate to be phased out in early 2016, as opposed to being wound down over a longer period of time.

Our current engagement in finance and accounting, risk regulated reporting and analytics that assist GE Capital corporate with managing its consolidation of its various business portfolios will no longer be needed, as GE Capital concludes their sale process during the year. Therefore, the impact from GE's restructuring is expected to result in our GE revenue declining 8% to 10% during 2016.

As we move beyond GE's transition period, we believe we will enter 2017 in a stronger position to capture greater growth opportunities with GE, as well as the newly diversified businesses. First, the reconstituted GE is expected to have greater growth opportunities that we can potentially capitalize on, including any acquisitions that GE does and their move into the Internet of Things.

Second, we believe we are in a great position to secure new contracts with the buyers of the divested businesses. And third, GE is expected to contribute a smaller percentage of our total revenue going forward.

Finally, as I reflect back on our accomplishments during 2015, I firmly believe Genpact's future is brighter than ever. We participate in a highly underpenetrated growing market, and the world is rapidly changing in a manner that is motivating companies increasingly to turn to partners like Genpact to lead them through transformational substantial journeys. Additionally, the strength of our business model sets us up for long-term success in both challenging as well as stronger economic climates.

We have a growing top line, primarily made up of sticky long-term global relationships, providing annuity-like revenue streams. Second, the inherent operating leverage in our business represents opportunities to drive long-term margin expansion. And third, the use of our cash flows and balance sheet for potential strategic acquisitions, as well as opportunistic share repurchases, should have an attractive multiplier impact on future EPS growth, driving shareholder value.

With that, let me turn the call over to Ed for a more detailed review of our fourth quarter and full-year 2015 results.

Ed Fitzpatrick - *Genpact Limited - CFO*

Thank you, Tiger, and good afternoon, everyone. Today I'll review our fourth quarter and 2015 full-year results, followed by key balance sheet and cash flow highlights, and finally, I'll provide you with our financial outlook for 2016.

We closed the fourth quarter with total revenues of $647 million, an increase of 7% year-over-year, or approximately 10% on a constant currency basis. Business Process Outsourcing, which represents approximately 78% of total revenues, increased 9% year-over-year, or approximately 11% on a constant currency basis. IT Services revenues increased 4% year-over-year, or approximately 5% on a constant currency basis.

Revenue from global clients, which represented approximately 82% of total revenues, increased 10% year-over-year, or approximately 13% on a constant currency basis. Within global clients, our core BPO revenues were up 11% year-over-year, or approximately 14% on a constant currency basis, while IT Services revenue increased 5%, or approximately 7% on a constant currency basis. GE revenues declined 1% year-over-year.

Adjusted income from operations for the quarter totaled $96 million, up 17% year-over-year, with the corresponding margin of 14.8%, up from 13.6% during the fourth quarter of 2014. The 120 basis point year-over-year improvement to our adjusted operating margin was primarily driven by G&A efficiencies, operating leverage, and the benefit of foreign exchange.

Gross margin for the quarter was 39.1%, compared to 40.3% last year, and in line with the levels we have seen throughout 2015. We are very pleased with the stable gross margin levels that the business has been generating.

SG&A expense as a percentage of revenues declined by 220 basis points for the fourth quarter of 2014. G&A expense declined by approximately 160 basis points year-over-year, due to operating efficiencies, leverage and the favorable impact from foreign exchange.

Sales and marketing expense as a percentage of revenue declined to 6.9%, compared to 7.6% during the same period last year, as investments made during the fourth quarter of 2014 were absorbed by higher revenues during 2015.

Adjusted EPS for the quarter was up 32% year-over-year, $0.34 per share compared to $0.26 per share, primarily driven by higher operating income of $0.05, lower net interest of $0.02, and net share repurchase activity of $0.01.

I'll now to our full-year 2015 results. Our 2015 revenues were $2.46 billion, an increase of 8% year-over-year, or 10% on a constant currency basis. The adverse FX impact for the full year was approximately $52 million, driven by the euro, yen, and Australian dollar.

Business Process Outsourcing, which represents approximately 79% of total revenue, increased 11% year-over-year, or approximately 14% on a constant currency basis. IT Services revenues declined 3% year-over-year, or approximately 1% on a constant currency basis.

Revenue from global clients, which represented approximately 81% of total revenue, increased 10% year-over-year, or approximately 13% on a constant currency basis, in line with what we estimated at the beginning of last year. Excluding the impact of the Pharmalink acquisition, global client growth on a constant currency basis was approximately 12.5%, again in line with what we estimated at the beginning of last year.

Within global clients, our core BPO revenue increased 14% year-over-year, or approximately 17% on a constant currency basis, while IT Services revenue declined 2%, or was flat on a constant currency basis. GE revenues declined 1%.

Adjusted income from operations totaled $377 million, up 10% year-over-year, with the corresponding margin of 15.3% up from 15.1% in 2014. The 20 basis point increase was primarily due to G&A operating leverage and the benefits of foreign exchange offsetting capability investment activity during the year.

Our full-year gross margin for the year was stable at 39.3%, compared to 39.5% in 2014. Sales and marketing expense as a percentage of revenue was 6.9%, compared to 6.6% during 2014. Total G&A expense declined by approximately 120 basis points year-over-year, due to G&A operating efficiencies and the benefits of foreign exchange offsetting our investments in domain expertise, digital and analytics capabilities during the year.

Adjusted EPS for the year was up 22% year-over-year to $1.26 per share, compared to $1.03 per share, primarily driven by higher operating income of $0.11, gains from foreign currency remeasurement versus a loss in the previous year of $0.06, net share repurchase activity of $0.03, and lower tax expense of $0.02.

During the fourth quarter, we repurchased approximately 2.8 million shares at a weighted average price of $24.62, totaling $68 million. For the full-year 2015, we repurchased approximately 9.9 million shares totaling $227 million at a weighted average price of $23.00 per share.

Last week we completed $250 million of share repurchases under the program we announced in February, 2015. This afternoon we announced that the Board has authorized us to repurchase an additional $250 million.

Our effective tax rate for the year was 20.5%, down from 23% in 2014, due to better geographical mix of income and lower discrete charges compared to 2014.

Turning to our balance sheet, our cash and liquid assets totaled approximately $451 million, compared to $468 million at the end of the third quarter of 2015. With undrawn debt capacity of $327 million and existing cash balances, we continue to have ample flexibility to pursue growth opportunities.

Turning to operating cash flows, we generated $327 million of cash from operations in 2015, up from $272 million last year, primarily due to increased operating earnings, lower tax-related payments, and lower net cash outflows related to large contract activity that fluctuates from year-to-year. Capital expenditures as a percentage of revenue were 2.8% in 2015.

Finally our outlook for 2016. We expect total revenues to be between $2.62 billion and $2.66 billion, which assumes an adverse foreign exchange impact of approximately $42 million, or 170 basis points at today's exchange rates. We expect global client revenue growth to be in the range of 10.5% to 12%, or approximately 12.5% to 14% on a constant currency basis. This global client constant currency growth compares to approximately

12.5%, excluding the Pharmalink acquisition in 2015. As Tiger mentioned earlier, as a result of GE's planned divestiture of much of its GE Capital business, we expect our GE revenue to be down 8% to 10%.

With continuing G&A operating leverage offsetting the investments in digital capabilities, analytics and domain expertise, we expect our adjusted operating margin to improve to approximately 15.5% in 2016. We would expect our adjusted operating margin to be higher in the second half of the year relative to the first, as we absorb the higher investment activity from the latter part of 2015 into our base during the first half of the year.

Our 2016 effective tax rate is expected to be between 20% and 21%, in line with our full-year 2015 rate.

Given the outlook I just provided, we expect adjusted earnings per share to be between $1.40 and $1.42. This assumes weighted average shares outstanding of approximately 215.5 million and no impact related to foreign exchange gains or losses on balance sheet items. Cash flow from operations is expected to grow approximately 6% to 8% in 2016.

Lastly, capital expenditures as a percentage of revenues are expected to be approximately 3%. We continue to expect free cash flow to net income ratio to be approximately 1 to 1, on average, over time. With that, I'll hand it over to Tiger for his closing comments.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Thanks, Ed. In closing, 2015 was a very exciting year for us, as we drove improved growth with the investments we made to expand our sales force and build our domain, digital and analytical capabilities. We significantly improved our coverage and client engagement, particularly at the C-suite level, with the experienced hires we have added to our team. In addition, the investments we made in domain, digital and analytics capabilities enhanced our ability to integrate new advanced digital technologies into bundled solutions that helped redesign clients' end-to-end operations as part of large transformational journeys.

As we enter 2016, we feel very good about our opportunities ahead, as we regain top line momentum in our core global client BPO business that delivered a robust 17% growth during 2015 on a constant currency basis. Underlying our ability to grow our business are the very strong relationships we have developed with our clients throughout the years. We greatly value their loyalty and trust and we are defined by the way our clients think about us.

This is why we believe that Net Promoter score is a great way to measure the strength of our relationships, as it measures our performance as an organization through our clients' eyes. Results from our most recent survey continue to track very well against our own historically high ratings, a testament to the dedication and hard work of Genpact's global team serving our clients' needs and, more importantly, the thought leadership we provide through design thinking and our Lean Digital approach to help transform their businesses.

Before signing off, my team and I look forward to seeing all of you at our 2016 Investor Day on March 10 in New York City. We will provide further details on the execution of our strategy, the way our thinking approach and solutions are resonating with our clients. With that, I'd like to open our call for questions and answers.

Roger Sachs - *Genpact Limited - Head of IR*

Operator, can you please give us the instruction?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Ashwin Shirvaikar, Citibank.

Ashwin Shirvaikar - *Citigroup - Analyst*

Congratulations on the good results. The question I have is, your bookings up the way they are, which suggests that global client revenue growth should accelerate from the 13% constant currency that you delivered, but your outlook does not suggest that it will conclusively accelerate. So can you help me understand pace of conversion of bookings into revenues. Do those bookings now have a different makeup than they did same time last year?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Ashwin, no. First of all, thanks for the compliments. No, they don't have any materially different makeup, but it is a complex equation to look at trying to convert bookings to revenue. Short cycle versus long cycle, the tenor and term of the contract, the ramp on that contract, whether it includes rebatch, doesn't include rebatch, and the timing of those bookings, beginning of the year, middle of the year, end of the year. The number of factors that actually go into the conversion of booking to revenue in a very short time frame, therefore means that it's a directional indicator for predicting future performance that is not a direct formulaic indicator of the future.

The other thing I would note is we have GE Capital revenue that is declining, and then we have productivity that we've always driven to our clients, that's been one of the significant differentiators in the way we approach our client relationships, and that productivity is now turbo charged further with digital tools and analytical tools and disruptive technologies which we embrace and take to our clients. So by definition, we would have bookings that then convert to revenue and then we drive productivity, as well, and that's the way that whole math works. The current conversion of booking is the way it currently translates into the revenue guidance for 2016.

Ed Fitzpatrick - *Genpact Limited - CFO*

So I would add, as well, and if you break it down, so you see where the decline in GE is happening, but on the global client side, as we talked about more organically, the global client growth in 2015 being 12.5%, we're guiding that to 12.5% to 14%. So we are expecting some uplift there.

I'd also say that, as you heard Tiger talk about in the prepared remarks, we're going through and we're focusing on our client portfolio where we think we can have the greatest growth. Those at a non strategic level are reducing and those at a more strategic and larger types of deals are increasing. So as a result of that more focused portfolio, we've actually wound up calling certain accounts that were non-strategic and/or not as profitable as we'd want in our portfolio. And as a result, that probably affected the growth, overall growth and even global client growth, by close to 100 basis points. So part of it was very intentional, still happy with the progress that we're making and pleased with the direction that the firm is headed.

Ashwin Shirvaikar - *Citigroup - Analyst*

So the 200 basis point calling impact is a forward-looking impact, I guess. And the second part of the question would be, based on the timing comment, Tiger, that you had, can you talk maybe about the -- I know you don't guide on a quarterly basis, but can you talk about the cadence of revenue growth expectations as we progress through the year?

Ed Fitzpatrick - *Genpact Limited - CFO*

Let me first say, on the calling, it was closer to 100 basis points. I want to make sure you heard me correctly there. And then we didn't get the second part of your question. Can you repeat it again?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

The cadence of revenue through the year, quarter by quarter.

Ed Fitzpatrick - *Genpact Limited - CFO*

Sure. So as we look at that, we've gone through the planning cycle. As you know, we don't guide to quarters. We did do our plan. Obviously, that was done by quarter. We look at Q1 a little bit more closely. As we've looked at it, what I would tell you is somewhat the inverse of what we talked to you about last year, the growth in 2016 will be impacted by the growth that we had in 2015 almost inversely so. And that happened, the same thing happened in 2015 where we said it's going to the inverse of growth you saw in 2014.

So the best guide I would give you in terms of the way revenues should flow through in the quarter, sequentially at least, look at 2014, that will be your best guide. But for sure, first half of the year growth in 2016 will be lower than the second half. The average will be lower Q1 and Q2. The average should be a bit higher in Q3 and Q4.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

And Ashwin, again, just not to repeat ourselves, we should not be thinking about this business, which is a long cycle business, on a quarter-by-quarter basis. Having said that, I think Ed provided color on how we would think about 2016, the four quarters.

Ashwin Shirvaikar - *Citigroup - Analyst*

Yes. Absolutely. Understood. Thank you, guys.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Thank you, Ashwin.

Operator

Joseph Foresi, Cantor Fitzgerald.

Joseph Foresi - *Cantor Fitzgerald - Analyst*

We all knew that probably something would happen with GE. I guess I was, a couple questions around that. We were expecting maybe a little bit more of a moderation. What exactly took place with that particular piece of GE business and how are you going to handle the resourcing of it? Are you going to put people on new projects? Was that business taken in house? Just a little more color around that particular GE business would be helpful.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

So Joe, just to explain, GE has accelerated its planned sale by about a year, and I think it's there in GE's earnings call itself sometime in January, by about a year. So as a result, the expectation we had of the impact on some of the work that GE Capital needs to do that no longer is needed and therefore it's not moving the work anywhere, it just is not needed at all. And the typical work would be consolidation of the financials of 25 different businesses into GE Capital, the regulatory and risk reporting that GE Capital, as a specifically regulated entity, would have to do, all of that is not needed anymore. So that, one would have expected that to wind down over a couple of years. It's all going away in a much more accelerated fashion in 2016 itself.

That is the most significant impact. All the other businesses that are being sold and have been announced so far, every one of them we are with the buyers and in discussions on signing a new contract with the buyer. In fact, I'm happy to report that I believe we just signed one of them today. But that's just an example and there are many of them that have been announced and they will be executed for closure by GE over the next 6 to 9 months.

Joseph Foresi - *Cantor Fitzgerald - Analyst*

Got it. Okay. And so I guess obviously, understand the impact to the revenue side, is it fair to say that, because I think people were expecting some margin expansion as we got some SG&A leverage, that GE was coming in at a higher margin and that's also keeping the margins in check? Maybe you could give us a little color on the margin side.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

No, I wouldn't assume that, Joe, at all. For many years now, we've talked about the way our margin profile typically works on a client relationship. And we've said that as the relationship expands, as we get into higher value added work, as we get into more complex analytical consulting transformational type services, and now with digital and disruptive tools, that's how margin expansion happens. And that is irrespective of whether it's one client or the other. It's more dependent on the type of services. And the longer we spend time with a client, the more that expansion happens. So by definition, therefore, clients such as GE, but many other clients, one would do many services with.

So the change that we have seen in the portfolio mix between GE and global clients has really not much to do with margin. Margin is really a balance that very deliberately we are striking as a business between that margin and the investments that we think is the right investments to do to continue to grow the business in an underpenetrated, underserved, huge opportunity to write transformation business. So that balance is something that we will continue to strike as we continue to find, both in terms of the front-end domain and client facing teams, as well as the capability builds that we are doing in digital analytics and consulting, the more we find those opportunities, the more we will make sure that we continue to do those investments.

Ed Fitzpatrick - *Genpact Limited - CFO*

And I'd say at the end of the day, margin that we've talked about, the 15.5% growing from where we ended, 15.3%, 2015, was very intentional based upon the investments we wanted to make in the business to continue grow in subject matter experts. So that is continuing in 2016, as we said it would.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

And just to round it off, Joe, our objective here clearly is to drive global client growth in a significant way and obviously, given the currency impact on a constant currency basis, and margin is going up from 15.3% to around 15.5%. So we feel really good about that journey.

Joseph Foresi - *Cantor Fitzgerald - Analyst*

Okay. And then to close out the margin discussion, and the last question for me, should we expect future margin expansion? It seems like the business mix has maybe changed a little bit, the pipeline conversion looks a little bit different because you're working on different projects. I'm wondering how that translates on the margin side over the long term.

Ed Fitzpatrick - *Genpact Limited - CFO*

I wouldn't say that the mix of business is affecting. The pace of any improvement that we're going to show over time is really going to be based upon where we think we have the investments, where we think we need to place investments and capabilities to continue to grow the way that we're growing and continue to expand the top line. That's the key.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

And capture the opportunities and be the right partner for a lot of our clients who, let's face it, in the world of today, are actually finding many opportunities to disrupt their industry. And I think it's a great opportunity for us to partner with such people in pretty significant disruptive transformation journeys that a number of them are undertaking across a variety of industries.

Joseph Foresi - *Cantor Fitzgerald - Analyst*

Good. Thank you.

Ed Fitzpatrick - *Genpact Limited - CFO*

Gross margin pop is relatively stable, Joe, is what I would tell you.

Joseph Foresi - *Cantor Fitzgerald - Analyst*

Got it. Okay. Thanks.

Operator

George Tong, Piper Jaffrey.

George Tong - *Piper Jaffray - Analyst*

I wanted to get some additional context behind the 20% bookings growth you saw in 2015. Can you elaborate on which sectors you're seeing lead the growth and how the pipeline is shaping up for 2016 growth in terms of order flows?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

It's a great question. So I'll start by first talking about bookings in 2015. Very nicely spread across our chosen verticals, that's the first statement I would make. If you see our revenue growth for 2015, I would say that a lot of our booking growth in 2015 is very closely reflected in our revenue growth across the verticals, banking, insurance, CPG, life sciences, high-tech, all of those are the ones that participated in the booking growth, as well. As we go into 2016, pipeline, nicely spread. The big deals that we announced in 2015, nine of them, very nicely spread across the same verticals. So there's not much of a concentration, either of pipeline or of big deals or of bookings.

George Tong - *Piper Jaffray - Analyst*

Got it. That's helpful. And for GE, can you elaborate on opportunities for new revenue streams from business development and wider scoping of projects that could help offset the GE Capital impact?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Joe, that would be a longer term journey, as GE itself transforms itself and completes its transformation through the divestiture of its GE Capital portfolio, significant part of its GE Capital portfolio, as well as the announced acquisition and integration of [Alstorm], as an example. And then if GE participates in more growth, then we would be able to participate in that growth.

And of course, we are one of the partners in the Internet of Things in the Phoenix platform that GE has announced in the industrial world, and we are very glad to be there. And the primary reason we are there is because of our domain expertise around a number of the industrial businesses. So you put all that together, I think we are extremely well positioned as GE transforms itself to continue to be a great partner for GE in what could be a growth story for GE itself.

George Tong - *Piper Jaffray - Analyst*

Got it. Thank you.

Operator

Dave Koning, Baird.

Dave Koning - *Robert W. Baird & Company, Inc. - Analyst*

Great job. First of all, a couple things on the GE impacts. One is, does it affect either of the sub segments more, IT or BPO, is one going to be down quite a bit more than the other?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

No. So let me first talk a little bit about the fourth quarter. Fourth quarter had an interesting dimension to it, where we actually had some extra project work, as I said. Some on IT, some on regulatory risk, et cetera. So that was a benefit we had in fourth quarter of 2015. But by definition, those are short-term projects. And as GE Capital continues its divestiture, or GE continues its divestiture, those projects are going away.

Does the consolidation work in corporate of GE Capital has a significant element of analytical and risk services, as you would expect. And of course, it has a clear element around finance and accounting consolidation. So I would call those out. IT, I would not call out as a significantly pronounced piece. That is different from regular portfolio. The one that is different is analytics in the risk space. And that you would expect, as GE has already said, that it probably will not have to be part of Sifi some time in 2016.

Dave Collins - *R.W. Baird & Company - Analyst*

Okay. And then the other part of that, too, I know it's going away quickly. When does it start? The reason I'm asking is are we going to have a residual impact into Q1 of 2017 or Q2 of 2017? Wondering the timing of when we should have that big decline.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

We'll see the decline already starting, particularly the project work, et cetera. by definition, what's going to happen, Dave, is that the project work will disappear faster. The BPO work will have a ramp down, as you would expect. That's how ramp ups and ramp down work. That will have a residual impact as you get into 2017. That's a given. To the extent that there is a BPO element here, clearly, and an analytical element, which is actually all annuity streams, those will have a regulatory impact as it goes into 2017. But in terms of impact, it's now, because the divestiture is now.

Dave Koning - *Robert W. Baird & Company, Inc. - Analyst*

Okay. Finally, some of the Indian regulatory stuff around bonus expenses, did that impact you guys by -- maybe you could talk about how many basis point maybe that impacted you by in Q4 and then how you're thinking about that in the future?

Ed Fitzpatrick - *Genpact Limited - CFO*

Dave, it wasn't material for us. We believe we're compliant. There's nuances in the laws that the teams are going through. But at the end of the day, we were compliant. It really wasn't an impact for us and don't expect it to be going forward.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

And the retrospective aspect of it is currently being debated in the courts, in any case. So no. The answer is no, nothing.

Dave Koning - *Robert W. Baird & Company, Inc. - Analyst*

Okay. Well, great job. Thank you.

Operator

Jason Kupferberg, Jefferies.

Jason Kupferberg - *Jefferies & Co. - Analyst*

Just wanted to start with a question on book-to-bill, if you will. With the disclosures you've given us we can see that it improved in 2015 versus 2014. So obviously, good to see. I'm wondering what if anything we should read into that as it relates to visibility on the 2016 guidance.

Ed Fitzpatrick - *Genpact Limited - CFO*

I missed the first part.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

So the 20% bookings growth in 2015, does that change our visibility for 2016?

Jason Kupferberg - *Jefferies & Co. - Analyst*

I'm looking --

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Our visibility, the short answer, Jason, is that our visibility for our revenue in 2016 is very similar to the visibility we had at the beginning of 2015 for 2015 revenue.

Ed Fitzpatrick - *Genpact Limited - CFO*

That's fair. If that answers your question. If that doesn't answer your question, let me know. Or let us know.

Jason Kupferberg - *Jefferies & Co. - Analyst*

It does. I was just calling out the book-to-bill metric that we're able to calculate and the fact that improved in 2015 versus 2014, so was thinking that is potentially an enhancement to visibility, not necessarily just on 2016, but just beyond that just given the multi-quarter ramp nature of your bookings typically.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

No. Right now our visibility is very, very similar, broadly what it's been for actually many years now.

Jason Kupferberg - *Jefferies & Co. - Analyst*

Okay. And wanted to drill a little bit more into the broader demand environment on the global client side, it sounds like you guys have a healthy pipeline across verticals, obviously, we see a lot of negative headlines out of sectors like financial services, some companies struggling, but as you look at the landscape, whether it's on the BPO side or also in terms of project-based work, are you seeing any change at all in underlying demand patterns or spending patterns?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

No. I'd start by saying that clearly, almost all industries are impacted by classic or macro factors, as we speak today. Those typically do tend to be ones where our clients have to change and have to restructure and have to take some action and have to use technology and so on. And all of those are therefore generally beneficial, and that's one of the reasons why we are seeing buoyancy in pipeline and buoyancy in discussions.

Having said that, I would not say banking. But within banking, particularly investment banks and capital markets type of clients, we all know that environment. And that environment has therefore meant that some of the discretionary technology work does get impacted, in specifically the investment bank capital markets world.

Ed Fitzpatrick - *Genpact Limited - CFO*

And I think as we look at our forecast and our outlook and the ranges that we've given you for the outlook for 2016, a lot of the volatility that we talk about and the ranges we give you are coming from the short cycle work, and that would be one of the big ones within that.

Jason Kupferberg - *Jefferies & Co. - Analyst*

Okay. All right. That's good color. Thank you, guys.

Operator

Edward Caso, Wells Fargo.

Rick Eskelsen - *Wells Fargo Securities - Analyst*

It's actually Rick Eskelsen on for Ed. Question was on the renewals and as you see contracts come up, are there any changes that you're seeing in terms of the contract types? Are clients looking to do more on a managed services or fixed price type basis, any sort of changes that you're seeing recently on renewals from your clients?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

I'll start by saying, Ed, or Rick, that renewal rates are as high as they've always been for us, 90% plus. Don't see any change in that. And in terms of the nature of the renewals, I would say the biggest change is the change that we see in new clients, which is let's get digital and let's get analytics and let's actually really disrupt the way the work has been done. That's an expectation we would have, that's what we take to clients and that's what they would expect of us.

And that therefore changes the nature in which those services get delivered, some more outcome-based pricing for sure, some more gain share on benefits and outcomes for sure. And that's a direction that we are going, that's a direction our clients are going. And we feel all of that is good for everyone.

Rick Eskelsen - *Wells Fargo Securities - Analyst*

Just following up on that, you talked a little bit more about productivity and I think having to give clients a little bit more productivity because of some of this disruption. Wondering if you could go into that a little bit more and the impact that is or isn't having on your revenue model? When you go into any given year, are you having a higher spread that you have to give back into clients in terms of productivity? Is that what you're trying to say or was it something else? Thank you.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

That absolutely is the way it will be. That is the way it should be in our space. If you go back to the history of our type of work, the process side, we use tools like Lean and Six Sigma and so on to drive both productivity, as well as better outcomes. We now have a bigger set of tools that the world have given us, much more disruptive and many more to choose from, including a lot of digital tools, as well as analytical tools. And our job is to bring all of those to the table, bundle all of them, and therefore drive even more productivity, as well as better outcomes.

The real opportunity here for all our clients and for us is to drive hugely disruptive outcomes. How do we process a leasing transaction in two hours versus 20 days to give an approval? That's the disruption that is potentially possible with what's happening in the world.

Rick Eskelsen - *Wells Fargo Securities - Analyst*

Is there a way that you could size the difference in productivity give back now versus in the past?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

No. Given the breadth and size and variety and diversity of the work we do, Rick, it's not possible. Remember, most importantly, apart from everything else I said, it also depends on the client's propensity and readiness to change. This is not us changing. It's the client also changing. And each of them have a cadence and an appetite to drive that change. So it is a client by client, service line by service line, leader by leader discussion that takes place. Every time one is successful, it obviously means some more can be done in that client and other clients follow.

Rick Eskelsen - *Wells Fargo Securities - Analyst*

Thank you very much.

Operator

Anil Doradla, William Blair.

Anil Doralda - *William Blair & Company - Analyst*

Congrats from my end, too. I think you guys are doing a great job navigating through this difficult GE stuff. I had a couple questions around GE.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Thank you, Anil.

Anil Doralda - *William Blair & Company - Analyst*

I had a couple questions around GE, and then a bigger picture question. So based on whatever commentary in the Q&A around GE, is it fair to say as you sit here and look at 2016, you pretty much have a clear idea and visibility on how it's playing out? I remember you talked about you'll get more clarity towards the end of 2016. But because of GE's accelerated plan, is it fair to say you have a good idea how this is going to play out or you still have some uncertainty there?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

I'll start, Anil, by saying clearer than before. We know who the buyers of so far whatever GE has announced, and that allows us to actually sit with them and start the process of transferring the work and doing all the contractual stuff needed to make that happen. So obviously, all of that lends clarity. Clearer than before to the extent of GE Capital corporate and what that means. But to the extent that there is still a portion of work which is still material, hat still has to get executed in terms of divestitures by GE, and those will get announced during 2016, that portion is not clear. That portion still has to play out.

Anil Doralda - *William Blair & Company - Analyst*

And when you talk about the global client growth, 12.5% to 14% growth for the year, let's say there's a GE spinoff and you win that business from the GE spinoff, do you reallocate that in the 12.5% to 14%, or the 12.5% to 14% doesn't have anything to do with the GE spinoff?

Ed Fitzpatrick - *Genpact Limited - CFO*

We have rules as to how we do that, and we'll recast the year-over-year growth in those based upon when those happen. Right now, there's not a lot that we would assume that moves over into GC because of the stage of where this separation is.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

In the end, you can safely assume, Anil, that it will be an apples to apples comparison.

Anil Doralda - *William Blair & Company - Analyst*

Very good. And finally, Tiger, big picture question. In my recent India trip, what I increasingly found, along with the bullish tone of you and your peers, was these new age Internet companies potentially engaging you and your peers. We're talking about the Ubers of the world, the Airbnbs and so forth. Can you share with us what the level of engagement you have seen with these new age Internet companies and how these will change the composition of you and your peer group over the next 3 to 5 years?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

So there's no question that in specific industries, there are these new age companies that are doing exactly what we just described, disrupting all the others. To the extent that they also have technology, analytics, and a back office to deal with, and to the extent that they are new age, there is a real opportunity to actually build on a clean sheet of paper a partnership where we become their clear partner or one of our peers becomes a partner.

I'll give you one example and I think it will bring it to life. In the peer-to-peer lending space, in the lending club kind of space, there is a real opportunity. And we are actually in a middle of a number of them where those companies are very good at what they do and they want to partner with others who are very good at what, for example, we do. And they have hyper growth themselves. So those are relationships that you establish and then as they grow, we grow. We help them grow because we help them scale. Those are natural relationships. I think it would depend a lot on domain expertise. It depends a lot on our understanding of verticals, which is why where we would partner are those that belong to our verticals and the disruptors of the verticals that we like and we play in.

Anil Doralda - *William Blair & Company - Analyst*

Great. Thanks a lot, guys.

Operator

Keith Bachman, Bank of Montreal.

Keith Bachman - *BMO Capital Markets - Analyst*

I had two questions. Number one is some of your larger Indian-based peers have raised the specter of pricing pressure, which I think is more in the ADM space than, say, the BPO space. But could you guys talk about anything that you're seeing on the pricing front? And then I have a follow-up.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

So in our business, Keith, nothing unusual than what we've seen before. As competitive as it's always been, that's not changed. But if the value proposition is strong, if the value proposition includes all the things that we talked about, and if the global footprint, which now is becoming more and more important as clients talk about these big transformational deals, the two examples that we talked about, both Carlsberg and Mondelez, if you don't have a true global footprint that has scale, size and depth in each of those locations globally, you're not in the game. There are small -- they're not small -- for us, small segments of our portfolio, we called out the capital markets, investment bank and stress and strain that some of those businesses are going through where there will be more than normal pricing pressure.

Keith Bachman - *BMO Capital Markets - Analyst*

My follow-up relates to the global scale. You've given us some parameters on the free cash flow. I'm glad to see that free cash flow is anticipated to grow in 2016. How should investors be thinking about the allocation of that cash flow, particularly as it relates to M&A?

Ed Fitzpatrick - *Genpact Limited - CFO*

Keith, if you remember when we got together at the investor day last year, we talked about our priorities for capital. That priority really has not changed.

Keith Bachman - *BMO Capital Markets - Analyst*

Not changing?

Ed Fitzpatrick - *Genpact Limited - CFO*

It's really not changing. It's driving top line growth, and that comes from investing organically to support the business as we grow and then attractive M&A that fits into our strategies, the verticals and the service lines that we've selected, right ability to integrate the right cultural fit, the right economic profile for us, all those are the things we'll look at. And then to the extent that those opportunities aren't there, we're going to execute to the share repurchase program. You just heard that the Board has authorized an increase to the share repurchase program, so that's now in place to ensure that we're allocating capital most effectively as we go throughout the year.

Keith Bachman - *BMO Capital Markets - Analyst*

Okay. That's it for me. Thank you, guys.

Operator

Bryan Keane, Deutsche Bank.

Bryan Keane - *Deutsche Bank - Analyst*

Just wanted to clarify on the GE side, now that we know more about what GE Capital's plans are and we see the step down in revenue in 2016, should we now expect GE to potentially grow positively as we go forward from this?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Bryan, I would say too early to say that for a couple of reasons that we actually already described, which is GE Capital or GE still has to finish its whole divestiture process. It's not complete. It's got accelerated for sure, but it's not complete. The second is that there will be an impact flowing into 2017 from some of the work that is now declining in 2016.

The reality is that if we take a slightly longer term view, there is no question that when GE undergoes a transformation, it's going through. And if we read all the things that the leadership team at GE is talking about, that it's positioning itself to grow. And by definition, when our clients position themselves for growth, as long as we are doing all the right things and bringing all the right capabilities in and creating the right thought leadership, we should be able to add real value to GE and therefore grow ourselves.

Bryan Keane - *Deutsche Bank - Analyst*

Okay. So my question was more post when the GE Capital stuff is off, then we could see a resumption --

Ed Fitzpatrick - *Genpact Limited - CFO*

GE's certainly positioning themselves through focus to grow going forward.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Yes. And therefore the answer, Bryan, is yes.

Bryan Keane - *Deutsche Bank - Analyst*

Okay. Good. And is there any risk or we could be positive or negative, too, doesn't the whole MSA agreement come up with GE around the end of 2016?

Ed Fitzpatrick - *Genpact Limited - CFO*

So there is an MSA. But I think the answer there is the same that we've given you historically. We deal with each business within GE. The MSA is more of a framework on how they do business. So we'll work through that. We don't expect there to be any significant impact as a result of that.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

And one of the most interesting things, Bryan, in the transformation journey that GE is undertaking through its divestiture of some of the business of GE Capital is the fact that the total proportion of revenue from GE for us will actually go down and continues to go down as we go through 2016, that's pretty clear. And a lot of the GE Capital businesses that are being sold, now we have contracts and we will have contracts with many different buyers. So to that extent, that's actually good for everyone.

Ed Fitzpatrick - *Genpact Limited - CFO*

So from the mathematics and the outlook that we gave you, you'd expect the GE business as a percentage of the total to be something like it was about 19% in 2015, and just the math, given the outlook we gave you, it would be closer to 15% or 16%. So orders of magnitude.

Bryan Keane - *Deutsche Bank - Analyst*

That's helpful. And then Ed, on the global client constant currency revenue growth of 12.5% to 14%, does that include any acquisition revenue growth in it? And how much, if it does?

Ed Fitzpatrick - *Genpact Limited - CFO*

No. If there's any material acquisitions, we will call that out, as we've done, as we did last year with Pharmalink.

Bryan Keane - *Deutsche Bank - Analyst*

Okay. And wasn't there an acquisition in the fourth quarter --

THOMSON REUTERS

Ed Fitzpatrick - *Genpact Limited - CFO*

Nothing material. There's nothing material.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Endeavor Mobility Solutions, Bryan, not material.

Bryan Keane - *Deutsche Bank - Analyst*

Okay. Super. That's all I had. Thanks, guys.

Operator

S.K. Prasad Borra, Goldman Sachs.

S.K. Prasad Borra - *Goldman Sachs - Analyst*

Tiger, more on a broader level, are you seeing any impact of the macro concerns on the deal flow? And beyond GE, did you see any customer delays similar to what you saw in third quarter?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

I didn't get the second question, but let me answer the first one. The macro one, Prasad, I said this, which is you take any industry broadly, take any client in any industry, they're all dealing with the same macro stuff that we all know about. And therefore, it continues to put pressure on them to find answers. And those answers are the reason why we are seeing more activity and conversation, more activity in the pipeline, more thought leadership needs, and bringing all that to the table to therefore do change, and therefore drive change, and a more bigger desire to drive change. So all of that is playing out. Didn't get your second question.

S.K. Prasad Borra - *Goldman Sachs - Analyst*

I meant to ask beyond GE where you're seeing any customer delays similar to what you experienced in third quarter? I recollect in third quarter, you had some customer delays which pushed some of those revenues into 4Q.

Ed Fitzpatrick - *Genpact Limited - CFO*

No. It was just timing of deals. No.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Let me be clear, nothing material at the moment.

Ed Fitzpatrick - *Genpact Limited - CFO*

It came in line with what we expected.

S.K. Prasad Borra - *Goldman Sachs - Analyst*

Okay. Second question, more around bookings growth, so that I understand this better. So I do understand the concept around a step up in bookings growth experienced in 2015, and also the 2016 number of 20% growth looks pretty healthy. Post all the investments you have done and the step up in bookings growth, what you've seen, should you assume that probably in the next 12 or 24 months the bookings growth more closely starts reflecting the top line growth?

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Broadly, that is the long-term direction that it would go in. You've got to take into account the fact that there would be productivity that continues to get driven. But just to clarify, the bookings number that we gave was the 2015 booking number, not the 2016 booking number. And that's a 20% growth on 2014. But that's a long-term direction that it would go in, which is bookings will get, track closer to revenue growth. But remember, there is productivity in all of that also that is going on, plus, as Ed explained, a very deliberate constant reevaluation of the portfolio of services, the portfolio of accounts, the size of those relationships and the strategic nature of those relationships.

Ed Fitzpatrick - *Genpact Limited - CFO*

It's definitely a leading indicator, but I think to go to a precise level, I wouldn't go there.

S.K. Prasad Borra - *Goldman Sachs - Analyst*

Okay. Probably last one, we are seeing some improvement terms of margins coming through. Would you say that at this stage, you're probably in the second half or probably on the later stages of step up investments in domain and sales-related investments? Or you would say that given there's so many changes from a digital perspective and whatnot, investments are going to be at these levels from a percentage?

Ed Fitzpatrick - *Genpact Limited - CFO*

The way I would describe it is the investments are going to continue such that we're driving that top line growth in things like capabilities, in digital and analytics, the things that you heard Tiger. In terms of as a percentage of sale, I think that's a little more measured, as you might expect. We've already taken selling and marketing up over 200 basis points. We've taken up our capability investments what we call R&D within the G&A bucket up, as well. And that's been offset by G&A. So I'd say those investments will continue as we grow.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

And the reality is, as I think most businesses should be these days, we should constantly evaluate in a much more agile way, and if we continue to find the right growth opportunities that require investments, we should continue to drive those growth opportunities forward, because this continues to be the biggest opportunity for us as a company and for all our investors, drive the growth and do the investments that allow us to drive that growth.

S.K. Prasad Borra - *Goldman Sachs - Analyst*

Okay. That's great. Thank you.

Operator

Thank you. I'm showing no further questions. I would like to turn the call back to Mr. Roger Sachs for any closing remarks.

Roger Sachs - *Genpact Limited - Head of IR*

Thanks, everybody, for joining us today. We look forward to speaking to you next quarter and also hopefully seeing all of you in New York in March. Thanks much.

Tiger Tyagarajan - *Genpact Limited - President and CEO*

Thank you.

Operator

Ladies and gentlemen, that does conclude today's conference. Thank you so much for your participation. You may now disconnect. Have a great day.
