

process



analytics

technology

insight

Smarter Processes For **Better Business Results**

About Us

Genpact is a global leader in business process and technology management, offering a broad portfolio of enterprise and industry-specific services.

The company manages over 3,000 processes for more than 400 clients worldwide. Putting process in the forefront, Genpact couples its deep process knowledge and insights with focused IT capabilities, targeted analytics and pragmatic re-engineering to deliver comprehensive solutions for

clients. Lean and Six Sigma are an integral part of Genpact's culture and Genpact views the management of business processes as a science. Genpact has developed Smart Enterprise Processes (SEPSM), a groundbreaking, rigorously scientific methodology for managing business processes, which

focuses on optimizing process effectiveness in addition to efficiency to deliver superior business outcomes. Services are seamlessly delivered from a global network of centers to meet a client's business objectives, cultural and language needs and cost reduction goals.

400+

Global Clients

13

Operating Countries

43,900+

Employees worldwide

3,000+

Processes Managed

25+

Languages

41

Delivery Centers

500+

Certified Black Belts

29

Fortune 100 Clients

Financial performance (\$ million, except per share amounts)

	2006	2007	2008	2009	2010	CAGR %
Total Revenues	613	823	1,041	1,120	1,259	19.7
GE	453	481	490	451	479	1.4
Global Clients	160	342	551	669	780	48.7
Gross Profit	244	340	422	447	470	17.9
<i>Margin %</i>	39.8	41.3	40.5	39.9	37.4	
Income from Operations	45	89	134	162	178	41.9
Adjusted Income from Operations	97	134	178	199	204	20.4
<i>Margin %</i>	15.8	16.3	17.1	17.8	16.2	
Diluted earnings per share	(0.15)	0.12	0.57	0.58	0.63	
Diluted adjusted earnings per share	0.44	0.50	0.76	0.73	0.74	13.9
Net cash provided by operating activities	37	150	211	158	163	45.3
Capital expenditure	79	66	69	64	49	(11.3)
<i>As % of revenues</i>	12.9	8.0	6.6	5.7	3.9	

From the President & CEO



We are well positioned to seize new opportunities through our expanded breadth and depth of services including SEPSM, Smart Decision Services, technology platforms, launch of new products and expansion into new geographies.

Dear shareholders,

A year of transition and growth:

2010 marked the beginning of a global recovery that spread unevenly across industries and geographies. Within our industry, the slow pace of recovery in developed economies extended decision making and reduced deal sizes. Companies focused on capturing growth as well as reducing costs; increasing discretionary budgets to fund fast payback projects and pending IT upgrades. This was evidenced by the strong demand for services linked to these budgets, such as those of the offshore IT industry and our own Smart Decision Services; comprising of our short-cycle businesses like process transformation (re-engineering), analytics, and enterprise risk consulting. Through 2010, our growth engine continued to be business process management services for our Global Clients, where we saw revenues increase by 19%. Despite the macroeconomic uncertainty, we grew 2010 revenues by 12.4% to \$1,259M and delivered an adjusted operating income margin of 16.2%.

Driving the growth agenda: We began 2011 looking to build on this

momentum and invest in our business to drive an aggressive growth agenda. This growth agenda is focused on key areas like our client facing teams, building on innovation and the strength of our Smart Enterprise Processes (SEPSM) offering to launch new products and services, repositioning our IT business and expanding into new geographies.

Targeting key growth verticals and adding domain capability: Expanding relationships with existing clients is our stated and demonstrated business strategy. The current level of penetration for our services remains low, providing a tremendous runway for growth. We serve 29 of the Fortune 100 companies and we believe we have the potential to expand each relationship substantially. In order to broaden these relationships as well as add new logos, we are investing to increase the strength and size of our client facing teams. Such investments will be across all geographies including the US, Europe, China and India; and in key growth verticals such as consumer packaged goods (CPG), pharmaceuticals, banking, insurance and manufacturing. We are simultaneously expanding domain

expertise in all areas of our business; particularly in our Smart Decision Services such as analytics, enterprise risk management and re-engineering.

Track record of thought leadership and innovation as momentum grows with SEP:

During Genpact's 13 year history we have established ourselves as pioneers in the business process and technology management industry. SEP is our unique and proprietary scientific approach to managing business processes and continues to resonate extremely well with the market and win us business. We completed 29 SEP engagements in 2010, many of which we believe will evolve into long term relationships where Genpact will manage processes for both new and existing clients. We started SEP with 14 frameworks for processes like Source-to-Pay and Order-to-Cash, and are now targeting 15 new industry specific processes in key verticals like CPG, pharmaceuticals, healthcare and insurance that we expect will be brought to market over the course of 2011. Our commitment to innovation has been recognized and SEP won NASSCOM's Process Innovation award for 2010.

New Product Innovation: We have many unique products like SEP throughout our company. Our strategy to drive long-term growth will focus on extracting and marketing such proprietary knowledge more aggressively. We have a new leader in charge of developing a range of products and go-to-market utilities on multiple platforms by combining our unique understanding of business processes and experience with SEP. For example, the CPG industry has considerable margin pressure due to price volatility of input materials, particularly commodity items. By combining our extensive supply chain accounting capabilities with our analytics expertise in sourcing, supply chain and marketing, we are able to provide CFOs with more accurate current and future product cost visibility, as well as enabling more disciplined pricing and promotion decisions by CMOs. These standardized and customized approaches will not only help us win new clients but also allow us to expand cross-selling efforts into existing clients.

Leveraging the Cloud to develop new services: The gaining acceptance of the cloud plays well to differentiating and expanding the types

of services we can offer. For example, to provide Business Process as a Service (BPaaS) our deep understanding of specific processes enables us to setup an order management process on multiple platforms, and to offer it as a service coupled with reporting and analytics that drive unique insights to our clients. Our use of non linear “one-to-many” and “pay-per-use” models will also help generate additional operating leverage.

Repositioning IT for long term growth: Our strategic approach to accelerate long-term growth also involves increased focus on our IT business by building further on our present capabilities; particularly in areas where we can bring together our business process management expertise such as workflow management, automation tools, help desks, business intelligence, data warehousing, virtualization and cloud computing.

New Geographies and “shifting the center of gravity”: We also remain committed to expanding into growth markets such as India and China, Latin America and the Middle East; along with increasing our onshore presence in the US. We have doubled our resources in the US since the end of

2009, which has helped shift our center of gravity even closer to our clients and has provided us opportunities to undertake more complex work.

We are well positioned to seize new opportunities through our expanded breadth and depth of services including SEP, Smart Decision Services, technology platforms, launch of new products and expansion into new geographies. I believe the coming year will be a remarkable one for us as we continue to transform our business and our industry; by improving our service offerings and deploying unmatched expertise to address the challenges companies face today.

I would like to thank our employees for their continued enthusiasm, our leadership teams for their focus on flawless execution, and the members of our board for their constructive guidance. I continue to look forward to your invaluable contributions and support in the future as well.



Pramod Bhasin

President & Chief Executive Officer

Reconciliation of Adjusted Non-GAAP Financial Measures to GAAP Measures

To supplement the consolidated financial statements presented in accordance with GAAP, this annual report includes the following measures defined by the Securities and Exchange Commission as non-GAAP financial measures: non-GAAP adjusted income from operations, adjusted net income attributable to shareholders of Genpact Limited, or adjusted net income, and adjusted diluted earnings per share attributable to shareholders of Genpact Limited, or adjusted diluted earnings per share. These non-GAAP measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures, the financial statements prepared in accordance with GAAP and the reconciliations of Genpact's GAAP financial statements to such non-GAAP measures should be carefully evaluated.

For its internal management reporting and budgeting purposes, Genpact's management uses financial statements that do not include share-based compensation expense (including fringe benefit tax, or FBT thereon for Indian employees, abolished on August 18, 2009 with effect from April 1, 2009), amortization of acquired intangibles at formation in 2004 and expenses associated with the Company's March 2010 secondary offering, for financial and operational decision-making, to evaluate period-to-period comparisons or for making comparisons of Genpact's operating results to that of its competitors. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use when adopting ASC 718 "Compensation-Stock Compensation", Genpact's management believes that providing financial statements that do not include share-based compensation allows investors to make additional comparisons between Genpact's operating results to those of other companies. In addition, Genpact's management believes that providing non-GAAP financial measures that exclude amortization of acquired intangibles and expenses of the secondary offering allows investors to make additional comparisons between Genpact's operating results to those of other companies. The Company also believes that it is unreasonably difficult to provide its financial outlook in accordance with GAAP for a number of reasons including, without limitation,

the Company's inability to predict its future share-based compensation expense under ASC 718, the amortization of intangibles associated with further acquisitions and expenses of the secondary offering, if any. Accordingly, Genpact believes that the presentation of non-GAAP adjusted income from operations and adjusted net income, when read in conjunction with the Company's reported results, can provide useful supplemental information to investors and management regarding financial and business trends relating to its financial condition and results of operations.

A limitation of using non-GAAP adjusted income from operations and adjusted net income versus income from operations and net income attributable to shareholders of Genpact Limited calculated in accordance with GAAP is that non-GAAP adjusted income from operations and adjusted net income excludes costs, namely, share-based compensation, that are recurring. Share-based compensation has been and will continue to be a significant recurring expense in Genpact's business for the foreseeable future. Management compensates for this limitation by providing specific information regarding the GAAP amounts excluded from non-GAAP adjusted income from operations and adjusted net income and evaluating such non-GAAP financial measures with financial measures calculated in accordance with GAAP.

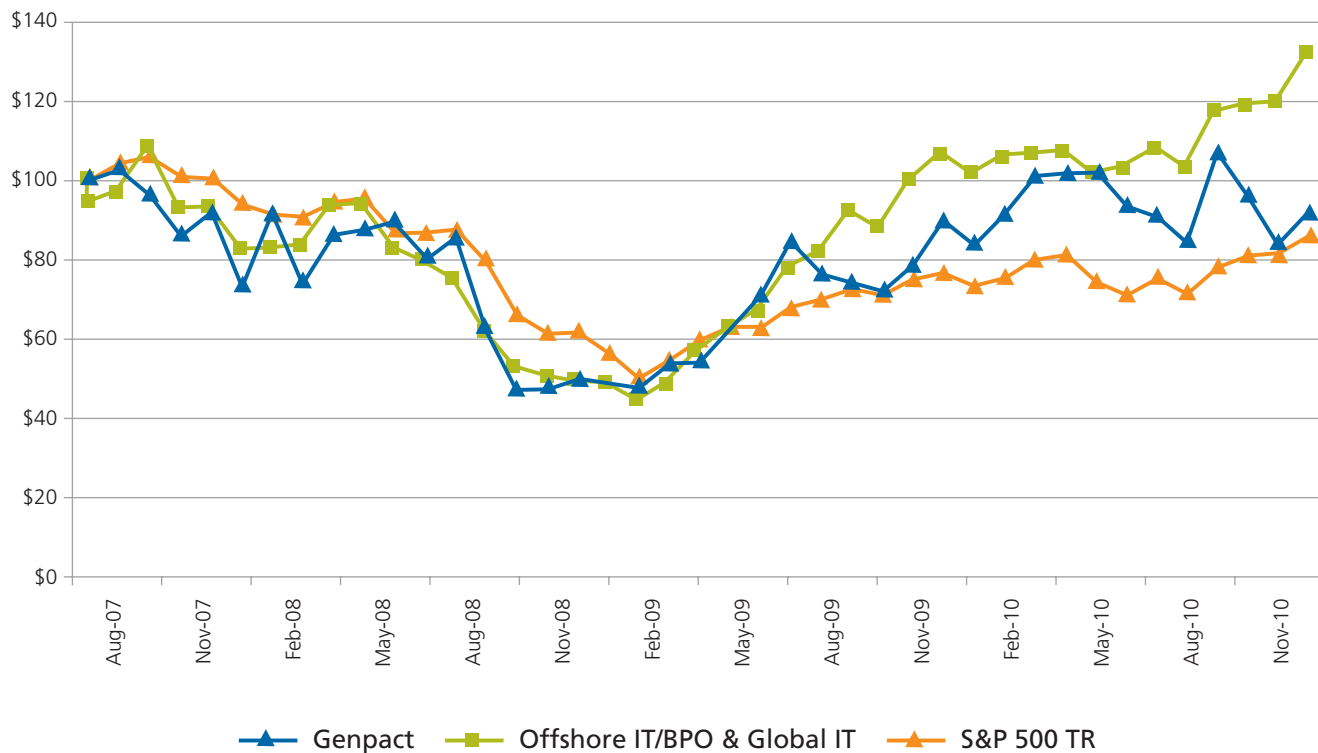
The following table shows the reconciliation of these adjusted financial measures from GAAP for the full year ended December 31, 2009 and 2010:

Reconciliation of Adjusted Income from Operations (Unaudited)	(In thousands)	
	Year ended December 31,	
	2009	2010
Income from operations as per GAAP	\$ 162,180	\$ 177,864
Add: Amortization of acquired intangible assets resulting from Formation Accounting	24,465	13,240
Add: Share based compensation	19,285	17,514
Add: FBT impact on share based compensation recovered from employees	70	-
Add: Other income	1,323	2,978
Less: Equity in loss of affiliates	(700)	(1,013)
Less: Net Income attributable to noncontrolling interest	(7,657)	(6,850)
Adjusted income from operations	\$ 198,966	\$ 203,733

Reconciliation of Adjusted Net Income (Unaudited)	(In thousands, except per share data)	
	Year ended December 31,	
	2009	2010
Net Income as per GAAP	\$ 127,301	\$ 142,181
Add: Amortization of acquired intangible assets resulting from Formation Accounting	24,465	13,240
Add: Share based compensation	19,285	17,514
Add: FBT impact on share based compensation recovered from employees	70	-
Add: Secondary offering expenses	-	591
Less: Tax impact on amortization of acquired intangibles resulting from Formation Accounting	(5,795)	(3,836)
Less: Tax Impact on share based compensation	(4,617)	(3,872)
Adjusted net income	\$ 160,709	\$ 165,818
Adjusted diluted earnings per share	\$ 0.73	\$ 0.74

Share performance

The following graph and table compares the performance of an investment in our common shares with the investments in the S&P 500 Index (capitalization weighted) and a peer group of companies for the period beginning August 2, 2007, the first day our common shares traded on the New York Stock Exchange, through December 31, 2010. The selected peer group for the period presented is comprised of six companies that we believe are our closest reporting issuer competitors: Accenture Ltd., Cognizant Technology Solutions Corp., EXLService Holdings, Inc., Infosys Technologies Limited, Wipro Technologies Limited, and WNS (Holdings) Limited. The returns of the component entities of our peer group index are weighted according to the market capitalization of each entity as of the beginning of each period for which a return is presented. The performance shown in the graph and table below is historical and should not be considered indicative of future price performance.



	08/02/07	12/31/07	03/31/08	06/30/08	09/30/08	12/31/08	03/31/09	06/30/09	09/30/09	12/31/09	03/31/10	06/30/10	09/30/10	12/31/10
Genpact	\$100.00	\$90.93	\$73.13	\$89.07	\$62.03	\$49.07	\$52.90	\$70.15	\$73.43	\$88.96	\$100.12	\$92.72	\$105.85	\$90.75
Offshore IT/BPO & Global IT	\$100.00	\$92.75	\$82.62	\$82.26	\$61.40	\$49.32	\$47.84	\$66.37	\$91.83	\$105.80	\$106.28	\$102.33	\$116.95	\$131.39
S&P 500	\$100.00	\$99.74	\$89.85	\$86.94	\$79.23	\$61.35	\$54.20	\$62.45	\$71.80	\$75.74	\$79.43	\$70.01	\$77.52	\$85.43

Awards and Accolades

- "Most Consistent Business Impact", Service Provider Excellence Award by the Outsourcing Center, 2011
- NASSCOM Innovation Award for Process Innovation – SEPSM, 2010
- Best Use of Blended Learning – Disha – Advanced Analytical Learning, Brandon Hall Awards, 2010
- Best Use of Performance Support – Performance Support Tool for IT Support-iSolve, Brandon Hall Awards, 2010
- Gold Award Best Integration of Learning and Talent Management, Brandon Hall Awards, 2010
- Excellence in Education Award by LOMA, 2010
- Technology Company of the Year – International by Economictimes.com BPO Awards, 2010
- Ranked No 1- Frost & Sullivan Asia Pacific ICT Awards – Business Process Outsourcing Service Provider of the Year, 2010
- No 1 BPO Company – Dataquest Top 20, 2006-2010
- Best ITO Service Provider and Best ITMS Provider – Chinese Enterprise Information Top 500 Conference, 2009
- Fastest Growing BPO of the Year – International ICT Awards, Philippines, 2009
- Top 10 Outsourcing Provider – Black Book of Outsourcing, 2008-09
- Top 20 in IAOP's Global Outsourcing 100, 2008-10
- No 1 ITeS-BPO Company, India – NASSCOM, 2005-10
- Best Performing BPO Provider & Best Performing FAO Firm – Global Services Survey, 2009
- Best BPO Provider in Europe – IQPC, 2008

Shareholder information

Registered Office

Canon's Court, 22 Victoria Street
Hamilton HM, Bermuda

Transfer Agent

Computershare
PO Box 43023, Providence, RI 02940
T +1 800 662 7232

Share Listing

The common shares of Genpact Limited are traded on the New York Stock Exchange under the symbol G

SEC Filings

All of our filings, including the Company's Annual Report on Form 10-K, are available on our website: genpact.com

Annual Meeting

The annual meeting of the Genpact shareholders will be held at 10.30 a.m. on Tuesday May 10, 2011 at the Genpact Offices located at DLF Phase V, Sector Road, Sector 53 Gurgaon, Haryana 122002

Auditors

KPMG

Corporate Governance Certification

Genpact has filed the certification of its Chief Executive Officer and Chief Financial Officer and each have signed and filed the required certifications under Section 202 of the Sarbanes Oxley Act of 2002 with its Annual Report on Form 10-K



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