

CAMBRIDGE SOLUTIONS. GET THERE.

A SYNERGISTIC OFFERING OF BPO AND IT SERVICES

**SCANDENT SOLUTIONS CORPORATION LTD. + CAMBRIDGE SERVICES
HOLDINGS, LLC MERGER**

The Merger

The Merger

- The Board of Directors of Scandent Solutions Corporation Limited (**SSCL**) and Cambridge Services Holdings, LLC (**Cambridge**) approved the merger of SSCL and Cambridge on September 5, 2005
- The merged entity will be called Cambridge Solutions Limited (CSL)
 - Both the existing entities will be managed as strategic business units of Cambridge Solutions Ltd (IT solutions and BPO).
- CSL will be one of the largest listed BPO/IT companies in India
 - It will be the second largest BPO company after GECIS
- Management reorganization in the merged company, CSL:
 - **Chris Sinclair**, Executive Chairman and CEO
 - **Satyen Patel**, Executive Vice-Chairman
 - **Dilip Keshu**, President IT services division
 - **Pradeep Chaudhry**, SVP/Financial Comptroller of the merged company
 - he will report to a soon to be nominated EVP/CFO for Cambridge Solutions Ltd.
- The Board of SSCL also approved plans for raising **up to \$75 Million** for infusion into the Company
 - **Primary** uses of the funds proposed to be raised
 - To fund the Capex and expansion needs for the merged company going forward
 - To fund future acquisitions of the merged company
 - To restructure and repay the current debt in Scandent Solutions Corp. Ltd.

Details of the merger process

- Merger under Sections 391-394 of the Companies Act
- The valuations and the swap ratio for the merger was determined by **two independent valuers: KPMG India and Haribhakti & Co.**
 - The Boards of both the companies approved swap ratio based on the recommendation made by the two valuation advisory firms
 - According to the swap ratio worked out by the valuers, **74,757,507** new shares of face value of Rs 10 each of SSCL will be issued to Cambridge stakeholders
- Financial Advisors
 - Advisor to SSCL and the overall transaction - Ambit Corporate Finance Pte Limited
 - Advisor to Cambridge - Standard Chartered Bank
- Merger process likely to be completed by 1st quarter of 2006
 - Subject to customary statutory, regulatory and shareholder approvals

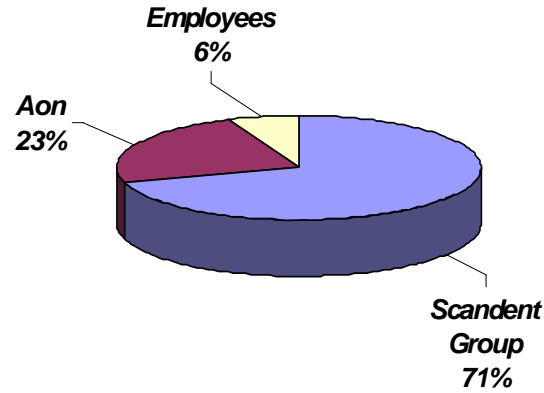
The Merger Rationale

- To create a comprehensive portfolio of outsourcing services
- To leverage a globally networked organization
- To strengthen management depth and infuse world class leadership for the combined business
- To significantly expand the scale of operations
- To create an opportunity to cross sell services
 - Potential for IT division to leverage the global client base of Cambridge
- To capitalize on the increasing trend of integrating outsourcing requirements between BPO and IT services

Shareholding Distribution

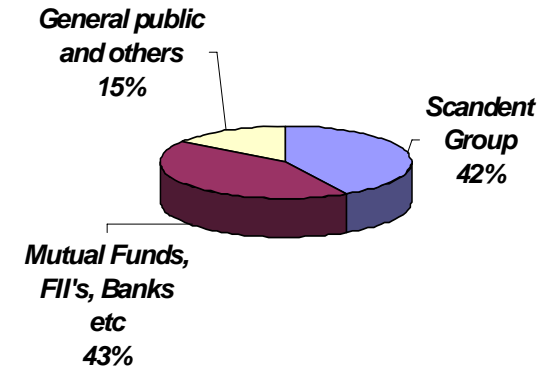
Pre-merger and post-merger

Cambridge



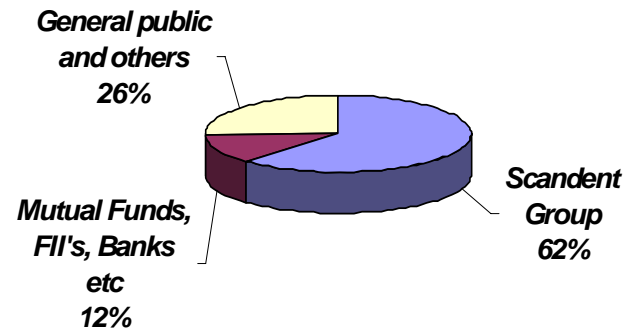
Total no of units – 0.12 Million

Scandent Solutions



Total no of shares – 28.91 Million

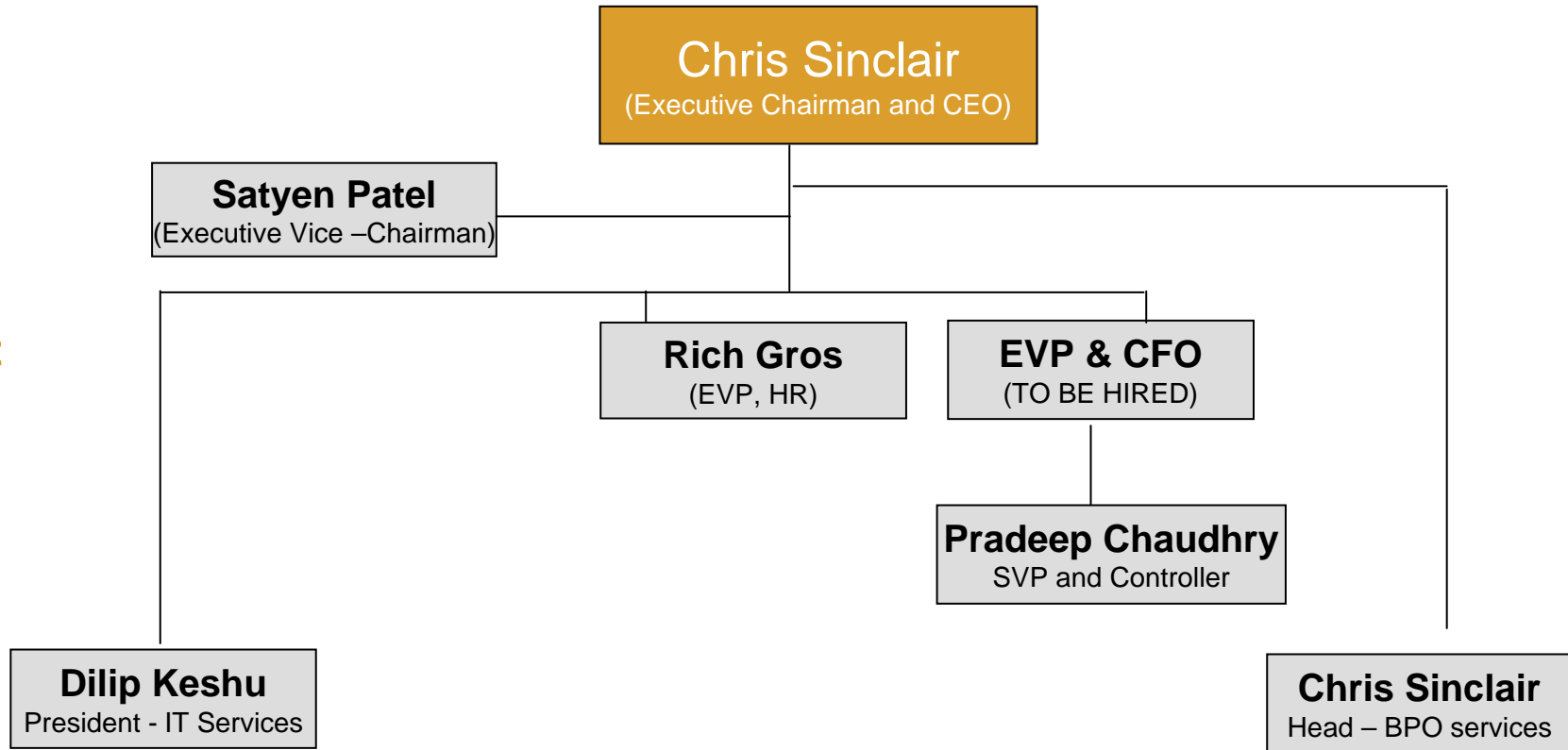
Cambridge Solutions



Total no of shares – 103.67 Million

Cambridge Solutions Ltd.

Management Structure



Senior management biographies are available on www.scandentsolutions.com and www.cambridgeworldwide.com

Cambridge Solutions Ltd.

The resultant company

- **The new name reflects the identities of both companies**
- **Revenue of US\$275 million**
- **3500 employees**
- **A global footprint - Operating in 9 countries, 4 continents**
 - Including the USA, UK, Germany, France, Singapore, Japan, Malaysia and Australia, besides India

Services offered

- World class information technology services
- High end business process outsourcing
- Specialized insurance claims management services

Focused Verticals

- Insurance
- Financial Services
- Healthcare

Cambridge Solutions Ltd

Financial highlights

**The combined companies'
(Cambridge Solutions Ltd.)
EPS in fiscal year 2006/07
will be accretive to current
shareholders of Scandent
Solutions Corp. Ltd.**

- Revenue run rate (annualized – June 05) **US\$275MM**
- Pro forma performance - 6 months ended June 2005 (Unaudited)

Particulars	US\$ 000		
	Scandent Solutions	Cambridge	Pro forma consolidated
	<u>Indian GAAP</u>	<u>USGAAP</u>	
Revenues	34,301	99,429	133,730
EBITDA	5,622	12,529	18,151
Cash	1,545	27,387	28,932
Net current assets	15,228	4,224	19,452
Other assets	35,630	122,582	158,212
	52,402	154,193	206,595
Debt	22,650	66,000	88,650
Other liabilities	6,172	26,436	32,608
Shareholders equity	23,580	61,757	85,337
	52,402	154,193	206,595

- **Growth drivers for future performance**
 - Strong demand for Cambridge's core offerings
 - Economies of scale and scope
 - Cross selling opportunities
 - Market Positioning as one of the leading players
 - Increasing share of business being done from India
 - Significant SG&A leverage
 - Operational synergies

The BPO business will be the incremental driver of our future earnings growth

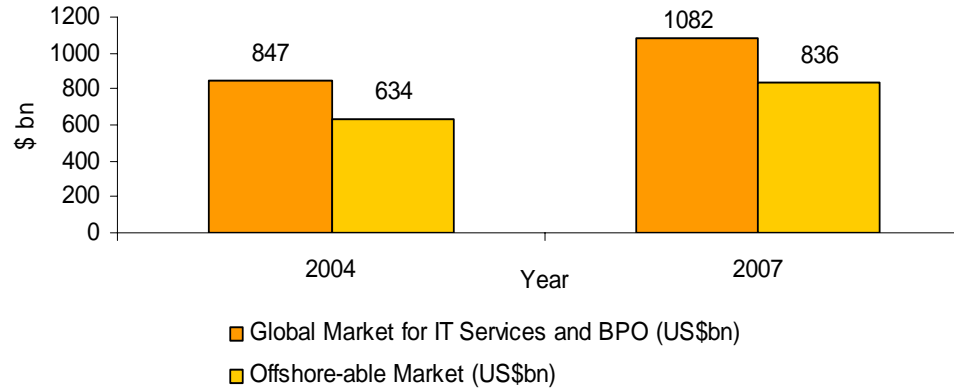
Cambridge Solutions

Market place dynamics



Continuing growth trends in IT/BPO outsourcing

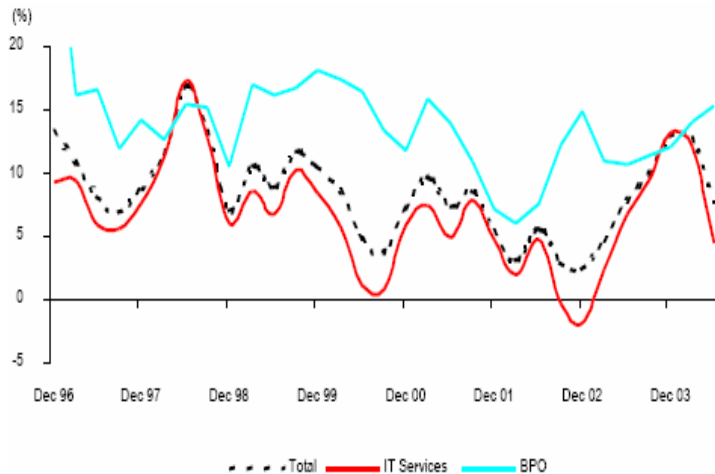
Global demand for IT Services and BPO



Source: NASSCOM, IDC

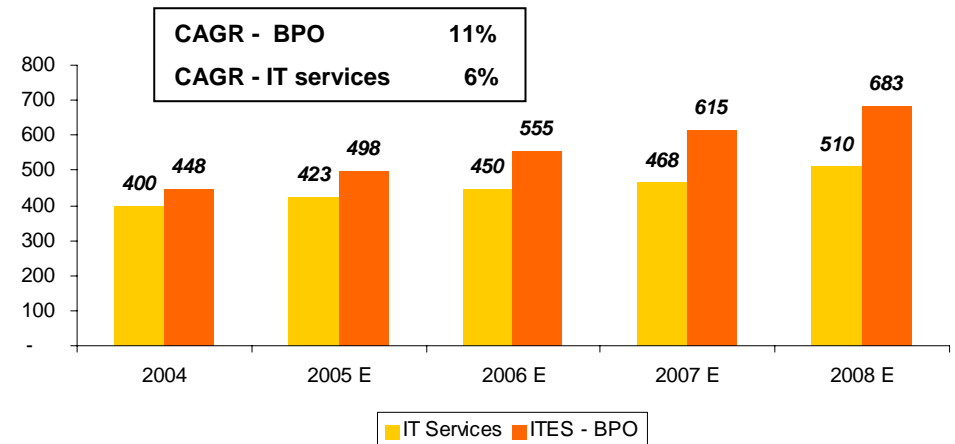
- **28%** growth in outsourced IT/ BPO during 2004-2007
 - **\$235 Billion+** of new business opportunity
 - **\$200 Billion +** new offshore business opportunities
- Increasingly **BPO** is becoming a key driver of growth in outsourcing opportunities

Y-o-Y growth of Global IT Services and BPO companies



Source: Industry estimates, CSFB research

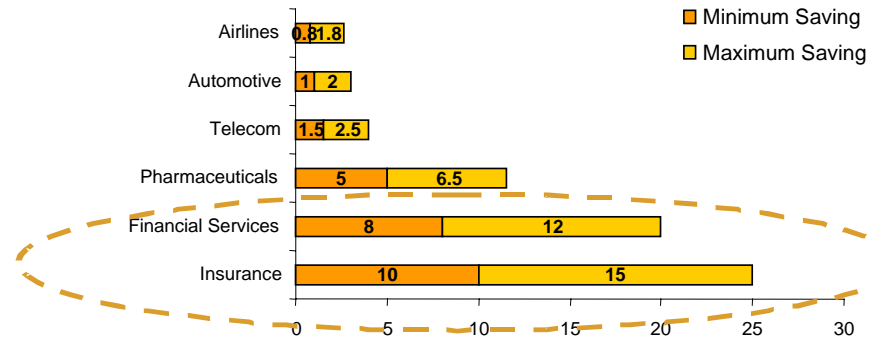
Y-o-Y growth of Global IT spend and BPO spend (\$ Bn)



Source: NASSCOM IDC

Significant growth prospects in the key market segments

Cost savings across verticals from outsourcing %



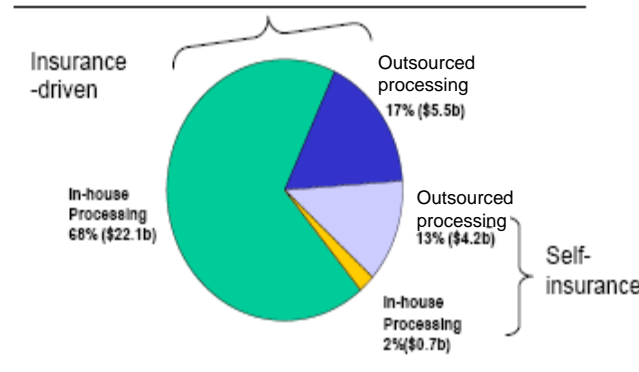
Source: NASSCOM, McKinsey Analysis

- Insurance and Financial services have the highest potential for savings from outsourcing.
 - The opportunity for outsourcing from these segments is huge
- Cambridge Solutions is one of the leading players in these segments
 - Well positioned to take advantage of significant potential that exists in these key market segments

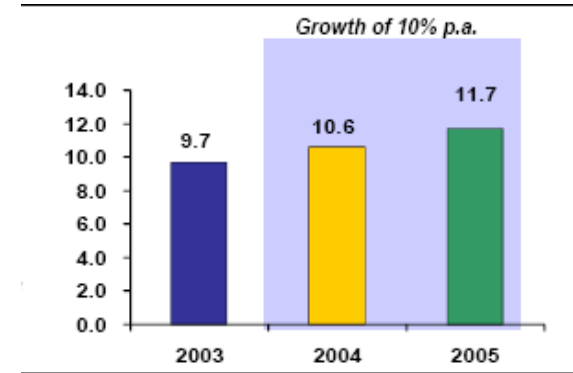
US claims outsourcing market

Cambridge is a Dominant player (15%+ market share amongst large players)

US claims outsourcing market

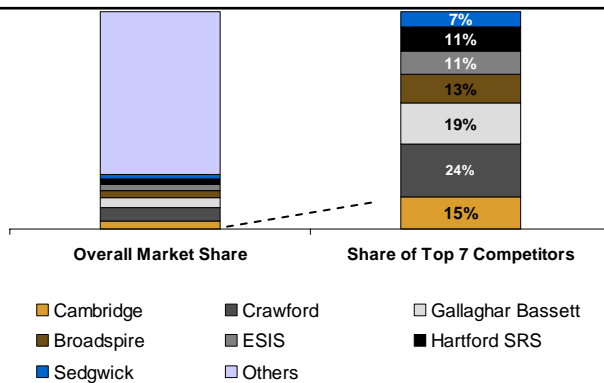


Source: Industry Research



Source: Industry Research

Market Share (2003)



Source: Industry Research

- The total market for claims processing is approx **\$33Bn**
- Outsourced claims processing in 2004 approximately was **\$10.6Bn** growing at 10% p.a
 - \$ 1Bn+ new business created every year
- Cambridge is amongst **top 3** players in this market and the **largest independent claims outsourcing solution provider**
- Increasing trend of outsourcing to larger national players
 - Cambridge is one of the largest player with presence in all key states and comprehensive claims service offerings

Overview of our businesses

Cambridge Integrated Services

Cambridge Integrated

A Snapshot

- The **largest** independently owned property and casualty insurance processing and claims outsourcing provider
- The second largest BPO company in India (after GECIS)
- One of the **top 3 players** in the US P&C claims administration market
 - Largest provider of professional liability claims services to the healthcare industry
 - Second largest structured settlement service provider
- Headquartered in Greenwich, CT, USA with offices in **4 continents** and **9 countries**
- Development centers in **USA (60 locations)** **India** and **Australia**
- Focused on the next generation of business processing outsourcing (BPO)
 - Higher-end knowledge-based services and key back office services



Cambridge Integrated

Service Portfolio

High end
knowledge
based
outsourcing
player

US\$ 3Bn +
pay outs
processed on
behalf of the
clients each
year

Specialized claims management services

- Workers' compensation
- General liability
- Auto liability
- Professional liability
- Product liability
- Property
- Personal lines
- Assumed/ceded reinsurance
- Special investigations
- Recoveries management
- Structured settlements
- Insurance policy set-up and administration

High end outsourcing services

- **Transaction processing**
 - Mortgage processing/
Application processing/
Renewal processing / Medical
bill processing/ Collection
processing/ Order processing/
Membership processing / Lead
generation processing
- **Finance and accounting**
 - Savings and investments /
Credit cards/ Underwriting /
Collections
 - Accounts payable / Accounts
receivable / Travel and
expenditures / Bank
reconciliation General ledger /
Asset accounting / Financial
reporting / Financial planning
and analysis
- **Process Consulting**

Cambridge's Client base

Fortune 500
companies

Large insurance
carriers

Public entities

Managed Care
providers

With a 90%+
revenue retention
ratio

Snapshot of some of our clients

- American Express
- Bank of America
- Burger King
- California Insurance Guarantee Fund
- Cintas
- City of Houston, Texas
- City and County of San Francisco, California
- Corporate Express
- DHL
- Manpower
- MasterCard
- Southwest Airlines
- Toyota Motors
- United Rentals
- Victoria Australia Work Cover Authority
- Wal-Mart

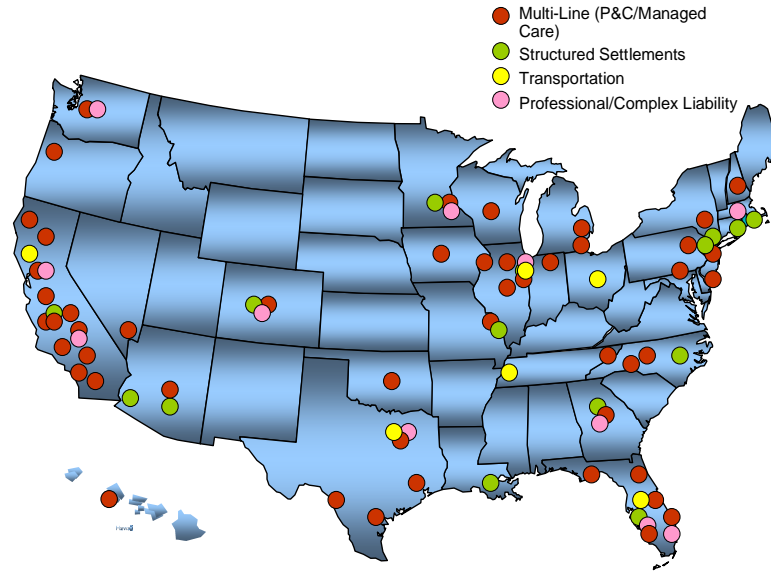
Over 30 clients with revenues in excess of US\$ 1Million

A diversified client base – with no single client contributing more than 10% revenue

Cambridge Integrated

Locations,
infrastructure
and processes

USA – Delivery Infrastructure with Locations



Bangalore - India
(Offshore development centre)



Melbourne - Australia
(Development centre)



- **Six Sigma processes**
 - CPVI – Industry leader in best practices standard
 - CP VI positions Cambridge as the industry’s “leader and innovator”.
- **Technology leadership**
 - Significant investments in “Ovation” Suite of IT solutions and products
 - Best in breed technology platform. Enables the customers to view real time information
 - World class data centers
- **Global delivery capabilities**



Cambridge India (formerly ProcessMind)

It brings additional competencies and service offerings to channel through the Cambridge Integrated Sales organization

This will drive incremental growth and profitability

- Cambridge India (formerly ProcessMind) has over past 4 years developed significant expertise in business process outsourcing for focus verticals and horizontals
 - Property and casualty insurance
 - Life insurance
 - Mortgage processing
 - Banking
 - Healthcare
 - Finance and accounting
- Cambridge India was merged into Cambridge Integrated in May 05.
 - Fully integrated front to back presence
- Cambridge India is 400+ strong and growing
- Cambridge India is driving the growth of BPO business of Cambridge Integrated Services
 - Leveraging the existing customer base of Cambridge Integrated
 - Leveraging the sales force/ scale and brand equity of Cambridge integrated
- During the last 6 months Cambridge India has already signed up various long term large outsourcing contracts, including,
 - A Fortune 500, Insurance brokerage firm
 - A Fortune 500, global investment bank
- Cambridge India operations are also driving improvement of Cambridge operations through migration / addition of head count to service new business of Cambridge Integrated.

Cambridge Integrated

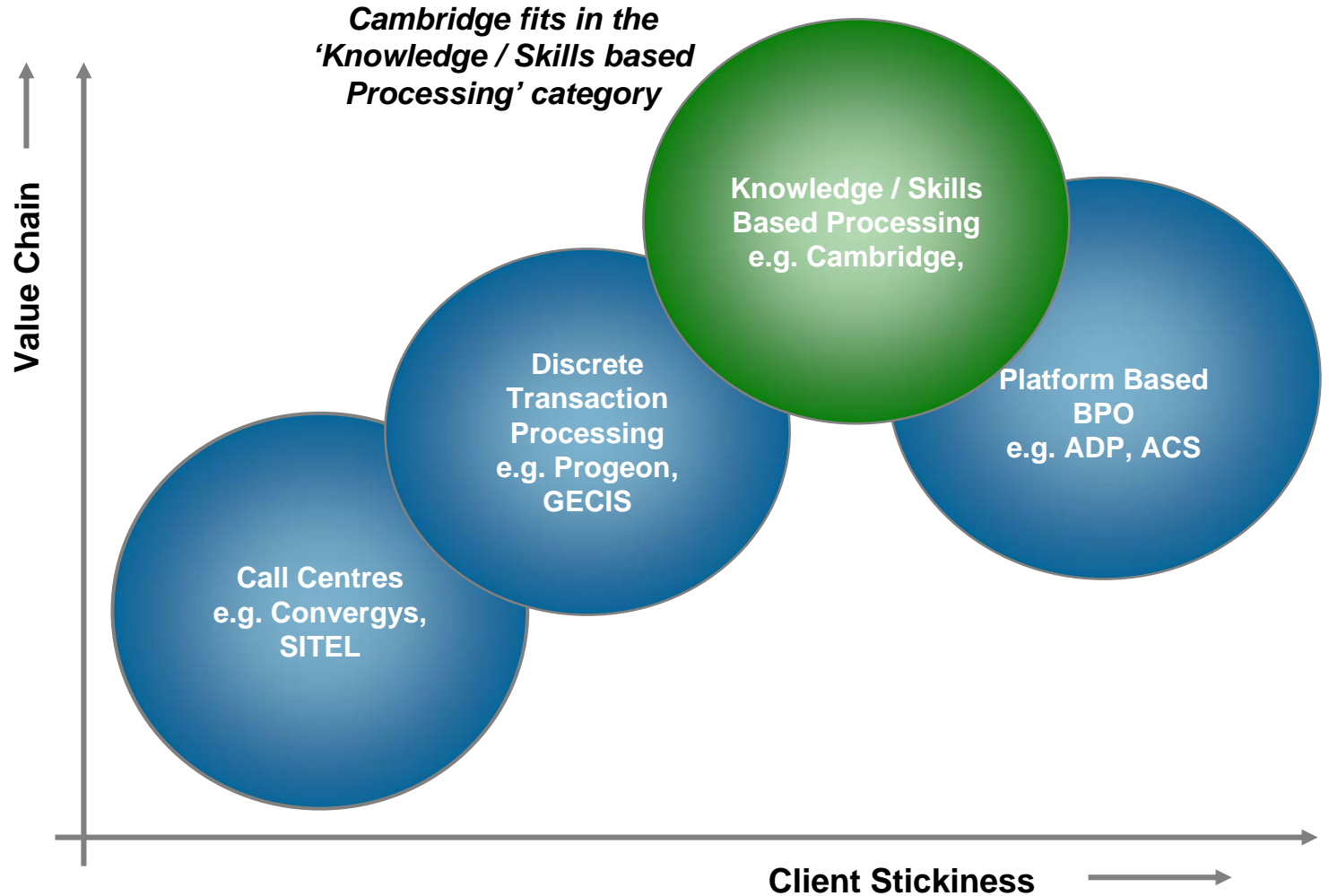
Key Differentiators

- **Cambridge has set new standards for best practices in the industry**
 - Six Sigma practices to claims processing (CPVI)
 - Measurable reductions in “paid loss”
- **State-of-the-art technology**
 - Ovation Client Portal
 - Core
 - World class data centers
- **Global presence with India advantage will drive consistent improvement in bottom-line performance**
- **In-house experts – hires adjusters, nurses and attorneys who specialize and know the industry**
- **Comprehensive service offerings**
 - Only large player in the market to address all industry segments and key growth service segments
- **Barriers to entry**
 - One of the few BPO’s licensed to operate across all the states in the USA
- **Significant Brand Equity**



Cambridge Integrated

Its positioning relative to other BPO cos. (I)

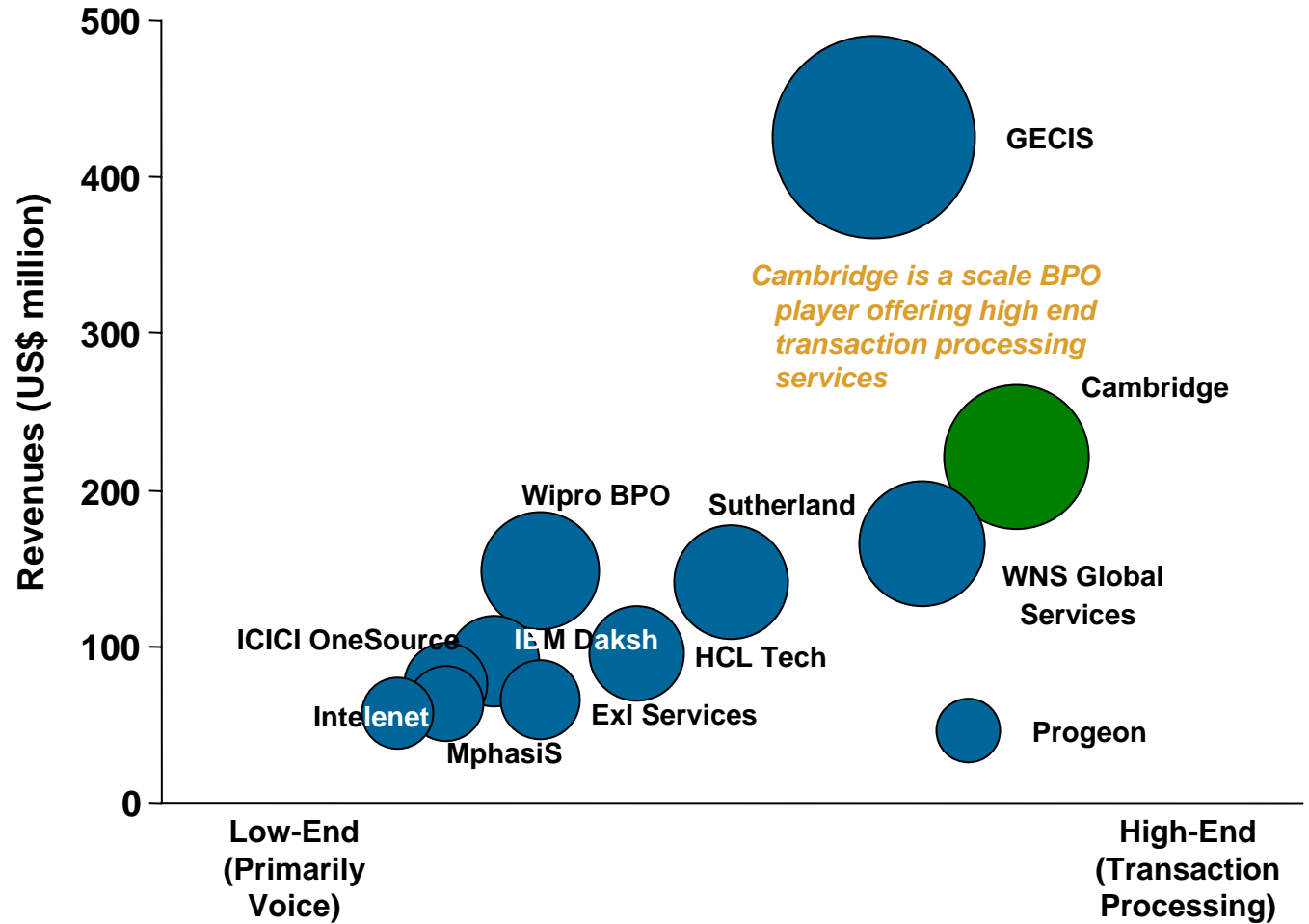


Source: SCB Research



Cambridge Integrated

Its positioning relative to other BPO cos. (II)



Source: SCB Research

Cambridge Integrated

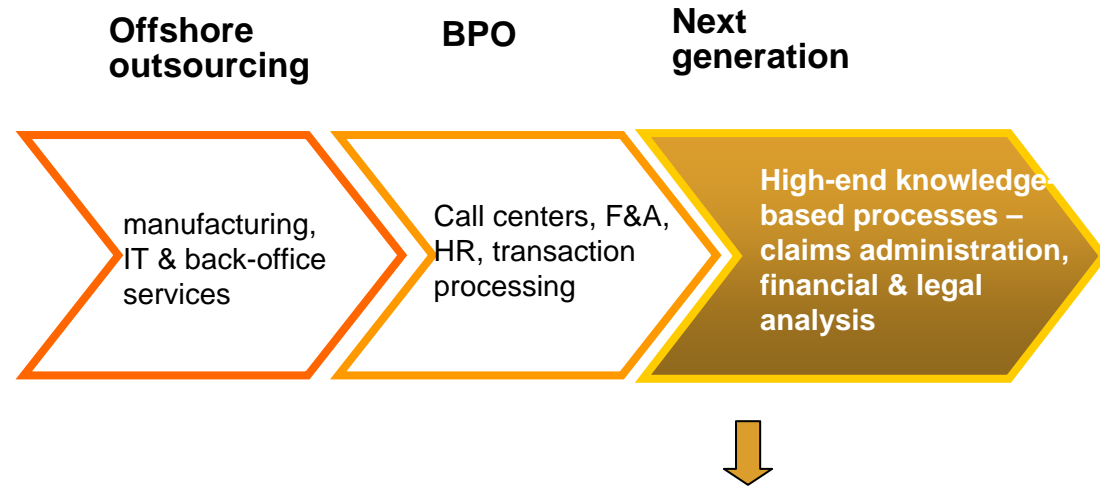
Its positioning
relative to other
BPO cos. (III)

Indian BPO
companies
ranked
basis revenues

Company	No. of Employees	Revenues (US\$ million) FYE Dec 2004 / Mar 05
GECIS	15,000	425
Cambridge	2,300	>200
WNS Global Services	7,500	165
Sutherland Global Services	10,000	140-150
Wipro BPO (Spectramind)	15,000	148
HCL Technologies BPO	5,400	94
IBM Daksh	10,000	90
E-Serve (Citibank)	6,000	75
SCOPE (Standard Chartered)	4,500	75
eFunds	4,000	75
Accenture	6,000	65
ICICI Onesource	4,250	65
Exl services	5,200	65
Mphasis BFL	6,000	62
Progeon	4,000	45

Cambridge Integrated

Leadership
position in the
high end BPO
space



Cambridge is a leader in the high end BPO space with

- Significant domain expertise
- Over 20+ years of relevant experience
- Very strong brand equity as the leading outsourcing player in the insurance space



Cambridge Integrated revenue drivers

Growth drivers	Growth potential over current revenue
Organic growth – US claims administration market growth	10%- 15%
US markets – gaining competitors market share (Better pricing, infrastructure, presence)	3% - 5%
BPO business in F&A, Mortgage Processing, Banking and Financial services	7%-10%
Growth in new markets	4 - 6%
Inorganic growth – Roll up strategy/ tactical acquisitions	10% - 15%

US Claims outsourcing business flow of \$1Bn + per annum

- Cambridge is a leading player with strong Brand equity
- Gaining market share through value added offerings and national presence in the US

BPO business

- Second largest player after GECIS with fully integrated front to back presence
- Solid front-end sales engine to drive sales growth
- Leveraging Cambridge Scale/ Brand/ clients/ sales force

New Markets (Australia & New Zealand)

- First mover advantage

Implementation of a roll up strategy

- Potential targets include mid tier Claims outsourcing companies

Positioned to realize substantial growth in the coming years

Cambridge has closed new deals worth \$20MM+ during the 6 month period ended June 05

Cambridge Integrated

Key drivers for improvement in operating margins

- **Leveraging the Indian operations**
 - Over 200 seats migrated
 - Potential for additional 400 to 600 seat migration over next 6-10 quarters
 - Disproportionate increase in Indian operations to service new business
- **SG&A leverage**
 - Cambridge's current infrastructure and SG&A spend can handle up to \$350MM of revenues without significant additional outlays
- **Improving revenue mix**
 - Higher margins on the BPO business (high end non-voice based business)
 - Consistent increase in the share of specialty services (higher margins than workers compensation)
 - Cambridge's share of revenues from higher margin specialty business is approx 50% vis a vis < 10% for its competitor group

Overview of our businesses

Scandent Solutions

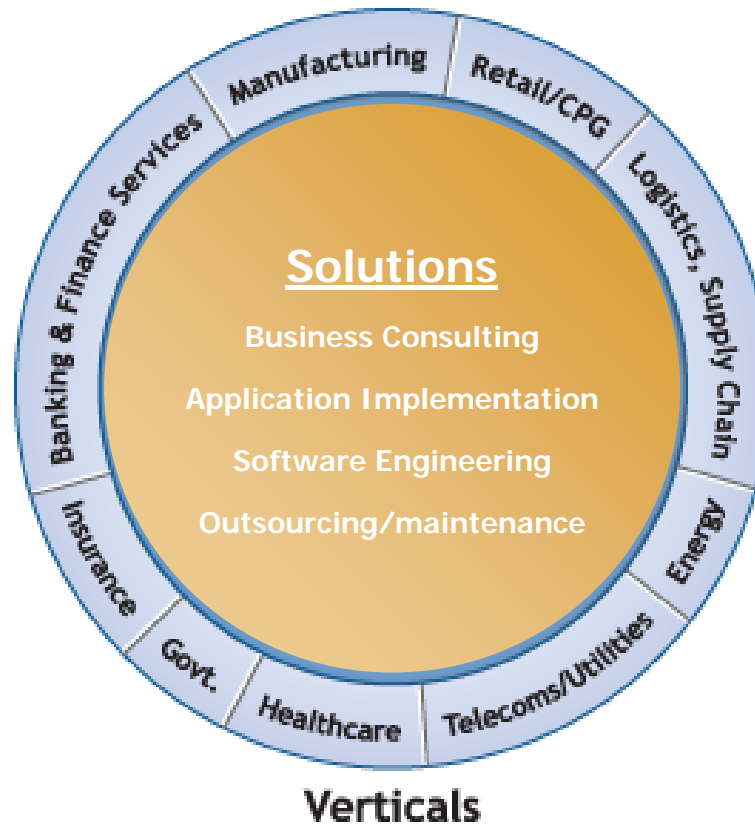
Scandent Solutions

- Broad based Information Technology solutions firm
 - Focus on BFSI, Government, Manufacturing and Logistics.
- Currently operating at an annual revenue run rate of approximately US \$75 MM
- Achieved approximately 400% + growth rate in a span of around two years through a mix of organic and inorganic growth strategies.
- Specialized and differentiated service offerings (with productized IP)
- Global operations spread covering all the major markets in North America, Europe and Asia Pacific.
- Over 1000 employees.
- Quality delivery — CMMi 5 Certified, PCMM level 3 certified, ISO 9001 certified.
- Strong and diversified client base comprising of blue chip companies

A snapshot

Scandent Solutions

Services portfolio



Key Domain/verticals Served

Banking & Financial Services

Government

Manufacturing (Electronics, Automotive, Technology, Infrastructure, and others)

Distribution/Logistics

Scandent Solutions

Sample list of Clients

Diversified and Blue chip

Manufacturing and logistics

Manufacturing

- Pepsi
- John Deere
- Dell
- GE
- Nokia

Distribution and Logistics

- Exel Logistics
- Bax Global
- Nippon Express
- Cargo 200

Government

- Department of Transitional Assistance, Massachusetts
- Ministry of Manpower
- Department of Human Services, Minnesota
- Department of Family Services, Wyoming
- The State of New Mexico, USA

Banking and Financial Services

Banking

- State Bank of India
- ING Bank
- Citibank
- Central Bank of Sri Lanka
- Southern Bank Barhad

Capital Markets

- JP Morgan
- Pacific Stock Exchange
- NASDAQ
- NASDAQ Europe
- Dhaka Stock Exchange
- Cognotec

Insurance

- Liberty Mutual

Scandent Solutions + Cambridge merger

Value enhancement for stakeholders

Cambridge Solutions Ltd.

Improved
positioning
amongst IT
players (based
on revenues)

Ranking	Name	Approx. revenue
1	TCS	2Bn+
2	Infosys	1.7Bn+
3	Wipro	\$1.5Bn+
4	Satyam Computers	\$1 Bn+
5	HCL Technologies	\$750 MM+
6	Patni Computers	400MM+
8	Cambridge Solutions	\$275MM+
9	Mahindra British Telecom	\$240MM+
10	Polaris Software	\$175MM+

Source : Nasscom, IDC, press articles

**Cambridge Solutions Ltd. becomes one of the dominant players in the Indian
IT and BPO sectors**

Scandent Solutions + Cambridge merger

What does this bring to Scandent Solutions

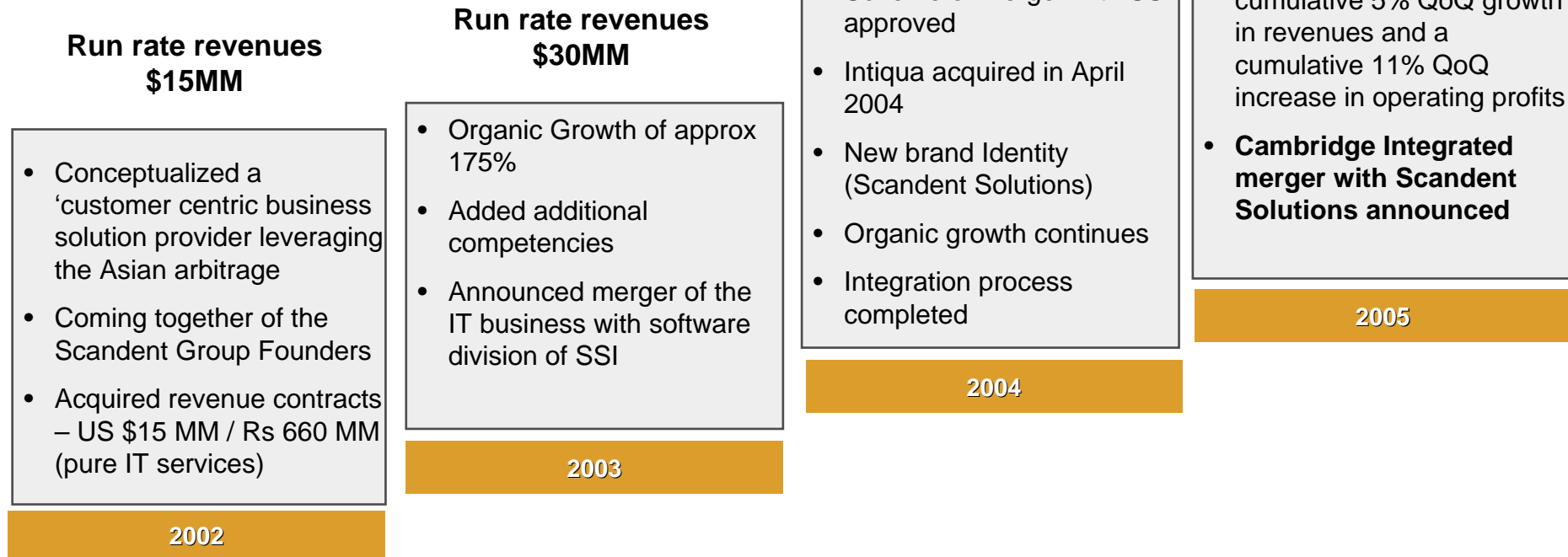
- **Better quality of revenues**
 - Dominant portion of Cambridge revenue are annuity based
 - 90% + retention ratio
 - Blue chip client base
- **Solid brand equity in the US/UK/Australia markets to improve customer acquisition capabilities**
 - Cambridge has a very strong Brand presence in these markets
 - Merger improves chances of qualifying for large RFP's for the IT business
 - Cambridge client base can be leveraged for getting additional IT business
- **Scale advantage**
 - Scandent moves a notch above versus other tier two IT players
 - Puts it in the industry leader segment (top 10 league)
 - This improves the chances of qualifying and winning larger deals
- **Synergies in the Cambridge+ SSL operations**
 - Real estate, Infrastructure, IT spend rationalisation, HR, Finance, Sales, Marketing etc.
- **Strengthened management team**

The story so far.....



**In a short span
of four years
we've created
significant
shareholder
value**

The making of a global
outsourcing company with scale



The promise of our future is growth



CAMBRIDGE

