

HOV Services
Exceed Expectations



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HOV Services, Ltd Reports First Quarter FY 2008-09 Results

Mumbai, 30 July, 2008: HOV Services, Ltd. (NSE: HOVS), among India's top tier BPO companies, reported its consolidated financial results for the first fiscal quarter ended June 30, 2008.

Financial Highlights for Fiscal Quarter ended June 30, 2008

Consolidated Financial Performance for the Three Months ended June 30, 2008

- Total Income for the Three months has decreased 1.7% to Rs 2,108.8 million from Rs 2,144.2 million for the corresponding period last fiscal year
- Consolidated Operating Income decreased by 13.4% for the quarter to Rs 192.3 million from Rs 223.2 million for the corresponding period last fiscal year
- Consolidated Net Profit decreased by 67.9% to Rs13.3 million from Rs 41.4 million for the corresponding period last fiscal year
- The basic and diluted Earnings Per Share for this three month period is Rs 1.06 per share
- Total Income, Operating Income and Net Profit in the reporting quarter was less the comparable 1st quarter of FY 2007-08 related to the divestiture of our tax processing services in the third quarter of FY 2007-08 and present macro economic environment.

Significant Developments during the First Quarter Fiscal Year 2008-09 and noteworthy items

Highlights of Business Performance

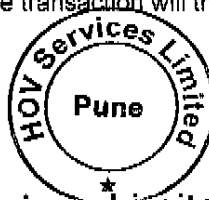
- Added \$26.0 million in customer contracts in the 1st fiscal quarter; and \$119.4 million over the last four quarters.
- Ranked 15th on the International Association of Outsourcing Professionals' (IAOP) Global Outsourcing 100 list for 2008
- Substantial savings from integration and rationalization of global operations in the FY 2009 and beyond
- Diversified Client Base - Top 100 clients represent over 78% of total revenues

Global Presence and experienced HOVS Team

- Over 12,550 associates, strategically located across the globe
- India 9,714; North America 1,848; China 632; Mexico 357
- Our process re-engineering, technology leverage and consolidation is expected to both contribute to income and reduce associates need by offsetting the effects of wage escalations and attrition

Update on Material Transaction Proposal

The Company had received an offer in June 2008 of approximately \$202 million to purchase 100% of its wholly owned subsidiary HOV Services, LLC and its Hong Kong subsidiary, which, our independent directors believes is in the best interest of the shareholders. The Company continues to review the offer with independent legal and financial advisers. Upon satisfactory statutory or regulatory approvals, as required by law and subject to positive recommendation by the Company's independent advisors to our board of directors, the transaction will then be submitted for approval to our shareholders.



HOV Services Limited

For HOV Services Limited

[Signature]
Rohit Sharma
Company Secretary

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As we look to the Future

- HOV Services expects growth momentum to continue in spite of a difficult business environment and sees top-line growth for FY 09 between \$230 mm to \$237 mm with EBITDA margins 13 to 15% for FY 2008-2009
- Expansion into the B cities in India and China. Diligence under way for expansion into South America and Eastern Europe
- Key technology initiatives underway to improve quality, reduce cost and reduce turnaround time
- Formed a business development team to take advantage of the growing domestic market

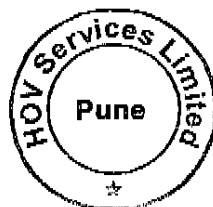
About HOV Services Limited

HOV Services Limited one of the largest end-to-end BPO company headquartered in Chennai, India provides Finance and Accounting services in the BFSI, Healthcare, Government, Telco, Publishing, Retail, Commercial and Industrial Manufacturing industries. Its clients include over 50% of the FORTUNE 100® and are some of the largest companies in the industries served. RightShore delivery centers strategically located in India, North America, China and Mexico with over 12,500 associates working together to Exceed Expectations® of our clients.

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