



HOV SERVICES, LTD

Reports First Quarter FY 2011-12 Results

August 11, 2011, Pune: HOV Services Ltd (BSE: 532761 & NSE: HOVS) a BPO company with its registered office in Pune, Maharashtra has announced its first quarter results for FY 2011-12.

HOV Services, Ltd reported Sales of Rs.3.99 Crs, EBIDTA of Rs.1.30 Crs and Net Profit of Rs.0.83 Crs. in its first quarter ended June 30, 2011

Following were the key highlights of the company during the quarter.

The Merger: As of April 29, 2011, the Company completed previously announced merger of its indirect subsidiary HOV Services, LLC ("HOV Services") with SOURCECORP, Inc., a portfolio company of Apollo Management V, L.P. incorporated under the laws of Delaware ("SOURCECORP"), a Texas-based BPO services and specialty consulting Services company (the "Transaction").

The financial results of the JV for the three months period ended 30 June 2011 are: Revenues of Rs.542.18 Crs (US \$ 121.185 Mn) and EBIDTA of Rs.97.68 Crs (US \$ 21.83 Mn). The Company has 27.2% of financial interest in the Joint Venture (JV).

Change of Financial Year End: The financial year of the Company has been changed to the Calendar year and the financial statements will be prepared for the current financial year for a period of 9 months commencing from April 1, 2011 to 31 December 2011. Henceforth, the Company will report its quarterly reviewed financial results on a stand-alone basis and the annual report will contain the consolidated financial statements.

Corporate Guarantee: The Corporate Guarantee given by the Company of US\$ 37.5 million (Rs. 166 crores approx) stands extinguished on account of repayment of loan on completion of Transaction.

Class A Preferred Units: Effective April 29, 2011, by virtue of the closure of the merger of its indirect subsidiary HOV Services LLC ("HOV Services") with SOURCECORP, Inc. ("SOURCECORP"), the 10,467,532 Class A preferred Units issued by HOV Services LLC and outstanding as of March 31, 2011, have ceased to exist. Therefore, effective April 29, 2011 the fully diluted outstanding share capital of the Company comprise of 12, 491, 022 equity shares of Rs 10/- each.

Commenting on the financial results Mr. Sunil Rajadhyaksha, Chairman HOV Services, Ltd said "We are excited about the transaction and firmly believe it would enhance shareholders value".

He further cited that "The merger brings together two highly recognised companies. The combined entity, currently is amongst the largest BPO /KPO company globally having High visibility and large recurring revenue stream, Deep domain expertise in several Industries, Increased access to global customers with an extensive global footprint, Significant operating





leverage, scalable operating platforms with new revenue growth will generate sustained profitability margins and better returns.”

About HOV Services, Ltd:

HOV Services Limited (“HOVS” or “The Company”) is incorporated under the laws of Republic of India with registered Office in Pune, Maharashtra. We have strategically positioned ourselves by developing and acquiring skills across many industries, enabling us to continuously innovate our services and win long-lasting relationships with many of the world’s largest companies.

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