

Significant Developments during First Quarter FY' 2008-2009 and Growth Prospects

- (1) **Top Tier Indian BPO Service Provider**
- (2) **Established reputation for Reliable, High Quality and Secure services:**
 - Over 50% of leading FORTUNE 100® companies as reference-able clients in our core Service offering;
 - Long Standing Relationships: Top 30 clients have been with us for 5+ years;
 - Ranked 15 on the International Association of Outsourcing Professionals' (IAOP) Global Outsourcing 100 list for 2008, published in the May 5 issue of FORTUNE Magazine. This is the third consecutive ranking for HOV Services within the top 25, improvement of nine positions from last year's ranking
 - Diversified Client Base - Top 100 clients represent over 78% of total revenues
- (3) **Right Shore Delivery Model – 12,551 associates across over 40 delivery centers in India, China, Mexico, U.S. & Canada**
 - Deployment of technology and productivity improvements scheduled in FY 2009 are slowing down the rate of employee growth as compared with previous years
- (4) **Highlights of Business Performance and Growth Prospects**
 - Added over \$26.0 million in customer contracts in the 1st Fiscal Quarter with \$5.3 million from existing customers;
 - Very successful Launch of Screen 360 suite of services under Risk Management Services: We will cross sell/up-sell employment verification services into our existing customer base
- (5) **Key Accomplishments and Noteworthy Items in the quarter**
 - Substantial savings from integration and rationalization of global operations helped defray overall increases in costs in India;

In conclusion, HOVS made great strides to build upon our past successes and solidify its position as Top Tier Indian BPO Service Provider

Fact Sheet – Consolidated Financial Information, First Quarter, 2008-2009

Profit Statement Three Months Ended June 30, 2008 vs. June 30, 2007 And vs. Sequential Quarter ended March 31, 2008

Particulars	Quarter ended June 30,	Quarter ended June 30,	% Change in Q1 FY 2008 over Q1 FY 2007	Quarter ended March 31,	% Change in Q1 FY 2008 over Q4 FY 2007
<i>Rs In Million's</i>	2008	2007		2008	
	Reviewed	Reviewed		Reviewed	
INCOME					
Income from Services	2,105.04	2,139.63		1,974.85	
Other Income	3.76	4.57		350.88	
TOTAL INCOME	2,108.80	2,144.20	-1.7%	2,325.73	-9.3%
EXPENDITURE					
Operating costs	789.34	1,000.42		913.78	
Personal expenses	1,126.21	920.76		915.36	
TOTAL	1,915.55	1,921.18		1,829.14	
EARNINGS BEFORE INTEREST, TAX, AND DEPRECIATION (EBITDA)	193.25	223.02	-13.4%	496.59	-61.1%
EBITDA %	9.2%	10.4%		21.4%	
Depreciation	53.86	42.99		43.28	
EARNINGS BEFORE INTEREST AND TAX	139.39	180.03	-22.6%	453.31	-69.3%
EBIT %	6.6%	8.4%		19.5%	
Interest expense, net	108.94	118.88		130.93	
PROFIT (LOSS) BEFORE TAX	30.45	61.15	-50.2%	322.38	-90.6%
PBIT %	1.4%	2.9%		13.9%	
Taxes	11.77	11.73		5.53	
PROFIT (LOSS) AFTER TAX BEFORE MINORITY INTEREST	18.68	49.42		316.85	
Minority interest	5.39	8.07		301.85	
PROFIT (LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	13.29	41.35	-67.9%	15.00	-11.4%
PAT %	0.6%	1.9%		0.6%	
Basic and Diluted EPS (Not Annualized)	1.06	3.29		1.20	
Weighted average equity shares used in computing earnings per equity share for basic and diluted	5,606,114				

Fact Sheet – Consolidated Financial Information, First Quarter, 2008-2009

Revenue - YoY Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q1 FY 2007 -08		Q1 FY 2008 -09		% Q over Q
	Revenue	%	Revenue	%	
BFSI	19,637	37.7%	14,213	28.2%	-27.6%
Healthcare	17,814	34.2%	21,554	42.7%	21.0%
Telecom	2,101	4.0%	2,379	4.7%	13.3%
Media & Publishing	1,739	3.3%	2,242	4.4%	28.9%
Manufacturing	3,897	7.5%	3,254	6.5%	-16.5%
Retail	-	0.0%	1,302	2.6%	100.0%
Government	6,910	13.3%	5,497	10.9%	-20.5%
Total Revenue	52,098	100.0%	50,441	100.0%	-3.2%

Revenue - Sequential Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q4 FY 2007-08		Q1 FY 2008 -09		% Sequential Q's
	Revenue	%	Revenue	%	
BFSI	15,160	30.5%	14,213	28.2%	-6.3%
Healthcare	19,566	39.4%	21,554	42.7%	10.2%
Telecom	2,121	4.3%	2,379	4.7%	12.2%
Media & Publishing	2,462	5.0%	2,242	4.4%	-8.9%
Manufacturing	3,392	6.8%	3,254	6.5%	-4.1%
Retail	1,263	2.5%	1,302	2.6%	3.0%
Government	5,679	11.4%	5,497	10.9%	-3.2%
Total Revenue	49,644	100.0%	50,441	100.0%	1.6%

Revenue - Q1 FY 2008-2009 by Service Type in the Industries served

Service Type <i>(In 000's US\$'s)</i>	Industries Served						
	BFSI	Healthcare	Telecom	Media & Publishing	Manufacturing	Retail	Government
A/P Services	1.4%	0.2%	0.2%	0.0%	0.6%	1.5%	0.5%
ARM/ A/R Cycle Management	5.2%	9.9%	4.2%	0.0%	0.0%	0.2%	0.0%
Healthcare Payor/Provider Services	0.2%	26.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Risk management & Employee Verification Services	0.8%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Construction Services	2.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.7%
Document Lifecycle Services	8.1%	5.3%	0.2%	0.3%	3.5%	0.7%	8.4%
Presentment Services	8.8%	0.8%	0.1%	0.1%	2.2%	0.1%	1.3%
Content Transformation	1.5%	0.0%	0.0%	4.1%	0.2%	0.0%	0.0%
Total Revenue	28.2%	42.7%	4.7%	4.4%	6.5%	2.6%	10.9%

Fact Sheet – Consolidated Financial Information, First Quarter, 2008-2009

Revenue Q1 FY 2008-2009 by Service Type in the Industry Served

Service Type (In 000's US\$'s)	Growth by Industries Served Q1 FY 2008-09 over Q1 FY 2007-08								3 Month Period 6/30/2008
	3 Mth Period 6/30/2007	BFSI	Healthcare	Telecom	Media & Publishing	Manufacturing	Retail	Government	
A/P and A/R Services	2,006	(230)	(31)	(7)	-	(292)	770	239	2,454
ARM/ A/R Cycle Management	8,216	(4,300)	5,673	309	-	(83)	111	(96)	9,829
Healthcare Payor/Provider Services	11,784	(19)	788	-	-	-	-	-	12,553
Risk management & Employee Verification Services	842	(438)	-	45	-	-	-	-	449
Construction Services	2,472	368	(1,656)	-	-	-	-	337	1,521
Document Lifecycle Services	17,690	(1,291)	(468)	(18)	(142)	(295)	369	(1,896)	13,948
Presentment Services	6,241	539	46	(50)	23	(80)	52	3	6,774
Content Transformation	1,700	483	-	-	622	107	-	-	2,913
Tax Processing	1,147	(534)	(613)	-	-	-	-	-	-
Total Revenue	52,098	(4,889)	4,353	278	503	(643)	1,302	(1,413)	50,442

*In October 1, 2007 the Company divested of its tax processing services to the former business owners in order to focus on scalable services offerings

TOP 350 by Industry and Service Type Q1 FY2008-09

Service Type (In 000's US\$'s)	BFSI	Healthcare	Telecom	Media & Publishing	Manufacturing	Retail	Government	Total
A/P and A/R Services	702	125	84	-	289	742	239	2,181
ARM/ A/R Cycle Management	2,590	4,971	2,105	-	-	111	-	9,777
Healthcare Payor/Provider Services	94	13,253	-	-	-	-	-	13,347
Risk management & Employee Verification Services	343	-	45	-	-	-	-	388
Construction Services	1,030	75	-	-	-	-	337	1,442
Document Lifecycle Services	3,404	2,337	84	120	1,470	321	3,246	10,982
Presentment Services	4,005	408	50	52	1,058	22	597	6,192
Content Transformation	729	-	-	2,007	101	-	-	2,838
Total Revenue	12,898	21,170	2,368	2,179	2,918	1,196	4,419	47,147

Additional New Business Won in the First Quarter FY 2008-2009

Industry Vertical In 000' US\$'s	New Client Major Wins Q1	
	New Clients	Contract Value
BFSI	1	1,100
Healthcare	7	13,538
Telecom	1	1,600
Media & Publishing	2	700
Manufacturing	1	1,000
Retail	5	6,458
Government	1	1,625
Total Revenue	18	26,021

Customer Concentration and Industry Highlights

Customer and Industry Highlights	
<u>Industry Served</u>	<u>Customer Ranking</u>
Banking	4 out of the top 10
Healthcare	3 out of top 10
Insurance	9 out of the top 20
Mortgage Services	5 out of top 10
Retailers	8 out of the top 20
Student Loans	1 out of the top 2
Telecom	2 out of the top 5

Top Clients	% of Total Revenue	Q over Q Change
Top 1 Client	15%	1%
Top 5 Clients	35%	4%
Top 10 Clients	44%	4%
Top 20 Clients	54%	5%
Top 50 Clients	67%	4%
Top 100 Clients	78%	5%
Top 200 Clients	88%	6%
Top 350 Clients	93%	6%

Global Infrastructure and Resources — as of June 30, 2008

Category	North America	India	China -Xi'an	Mexico	Total
Accounting	40	36	1	5	82
Administration	51	63	3	14	131
Management	119	166	10	1	296
Sales & Marketing	37	8	0	0	45
Techonology	121	267	1	11	400
Operations	1,480	9,174	617	326	11,597
Total	1,848	9,714	632	357	12,551