

Highlights of Business Performance, Key Accomplishments and Noteworthy Items in the 2nd Fiscal Quarter

- Sales increased by 7% to Rs 226.9 Crores over the sequential quarter.
- EBITDA increased by 63.1% to Rs 31.3 Crore or 14% of sales in the 2nd Quarter from Rs19.3 crore or 9% of sales in the sequential quarter.
- Added over \$12.8 million in customer contracts in the 2nd Fiscal Quarter with \$6.8 million from existing customers. And added for the 6 month period ended September 30, 2008 \$38.8 million in customer contracts and \$12.1million from existing customers
- Substantial savings from integration and rationalization of global operations helped defray overall increases in costs in India – 11,734 associates across over 40 delivery centers in India, China, Mexico, U.S. & Canada
- Productivity improvements being achieved in FY 2009 by deployment of technology, improved capacity utilization and process improvements are slowing down the rate of employee growth as compared with previous years
- Our two new facilities in Xian, China and Chico, USA are fully operational
- Diversified Client Base with low Customer Concentration with and no exposure to financial services companies, however the changes in the USA consumer behavior has led to lower collections in the Accounts Receivable Management space (approx. 17% of total revenue) which has impacted our revenue growth rate by a few percentage points over the past few quarters- Top 100 clients represent over 78% of total revenues with the largest customer representing only 14% of total revenues Over 50% of leading FORTUNE 100® companies as reference-able clients in our core Service offerings
- Long Standing Relationships: Top 30 clients have been with the company for 5+ years
- Foreign exchange hedging strategy positively impacted the Company by \$0.5 million in the Quarter
- Company maintained strong liquidity position with DSO of 48.5 days, Debt to Equity Ratio of 1.37 and Net Bank Debt of \$113.3 million at September 30, 2008 with total reduction in borrowings of \$2.3 million during the quarter

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

- Successfully continue to leverage company's Top Tier BPO Service Provider with established reputation for Reliable, High Quality and Secure services
- Ranked 15 on the International Association of Outsourcing Professionals' (IAOP) Global Outsourcing 100 list for 2008, published in the May 5, 2008 issue of FORTUNE Magazine. This is the third consecutive ranking for HOV Services within the top 25, improvement of 9 positions from last year's ranking
- Future Outlook - looking forward revenues are expected to grow based on market conditions based on current trend revenues for full FY 2008-2009 will be in the range of Rs1,000 Crores to Rs 1,050 Crores with approximately similar EBITDA margins in the next 2 future quarters due to productivity gains by rapid deployment of technology and process improvements . Management is focused on improving people and the global infrastructure utilization with continued strong focus on quality and security.

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Profit Statement Three Months Ended September 30, 2008 vs. Sequential Quarter ended June 30, 2008 and vs September 30, 2007

Particulars	Quarter ended September 30,	Quarter ended June 30,	% Change in Q2 FY 2008 over Q1 FY 2008	Quarter ended September 30,	% Change in Q2 FY 2008 over Q2 FY 2007
<i>Rs In Million's</i>	2008	2008		2007	
	Reviewed	Reviewed		Reviewed	
INCOME					
Income from Services	2,255.70	2,105.04		2,132.98	
Other Income	14.20	13.01		335.65	
TOTAL INCOME	2,269.90	2,118.05	7.2%	2,468.63	-8.1%
EXPENDITURE					
Operating costs	885.81	789.34		887.22	
Personal expenses	1,071.18	1,136.87		1,027.07	
TOTAL	1,956.99	1,926.21		1,914.29	
EARNINGS BEFORE INTEREST, TAX, AND DEPRECIATION (EBITDA)	312.91	191.84	63.1%	554.34	-43.6%
EBITDA %	13.8%	9.2%		22.5%	
Depreciation	47.17	53.86		43.94	
EARNINGS BEFORE INTEREST AND TAX	265.74	137.98	92.6%	510.40	-47.9%
EBIT %	11.7%	6.6%		20.7%	
Interest expense, net	111.61	108.94		124.18	
PROFIT (LOSS) BEFORE TAX	154.13	29.04	430.7%	386.22	-60.1%
PBIT %	6.8%	1.4%		15.6%	
Taxes	12.15	11.77		6.89	
PROFIT (LOSS) AFTER TAX BEFORE MINORITY INTEREST	141.98	17.27		379.33	
Minority interest	3.34	5.39		(15.85)	
PROFIT (LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	138.64	11.88	1066.7%	395.18	-64.9%
PAT %	6.1%	0.6%		16.0%	
Basic and Diluted EPS (Not Annualized)	11.04	1.06		31.48	
Weighted average equity shares used in computing earnings per equity share for basic and diluted	12,595,635				

*Effective April 1, 2008, the operations of foreign subsidiaries is accounted for as non-integral under AS 11. As such the quarter ended September 30, 2007 includes foreign exchange gain of Rs. 334.65 million Rs. in Other Income.

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

Revenue - YoY Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q2 FY 2007 -08		Q2 FY 2008 -09		% Q over Q
	Revenue	%	Revenue	%	
BFSI	19,595	37.2%	13,805	26.8%	-29.5%
Healthcare	18,558	35.3%	19,987	38.8%	7.7%
Telecom	2,423	4.6%	2,896	5.6%	19.5%
Media & Publishing	2,183	4.1%	3,117	6.0%	42.8%
Manufacturing	4,220	8.0%	3,131	6.1%	-25.8%
Retail	-	0.0%	1,794	3.5%	100.0%
Government	5,654	10.7%	6,833	13.3%	20.8%
Total Revenue	52,633	100.0%	51,562	100.0%	-2.0%

Revenue - Sequential Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q1 FY 2008 -09		Q2 FY 2008 -09		% Sequential Q's
	Revenue	%	Revenue	%	
BFSI	14,213	28.2%	13,805	26.8%	-2.9%
Healthcare	21,554	42.7%	19,987	38.8%	-7.3%
Telecom	2,379	4.7%	2,896	5.6%	21.7%
Media & Publishing	2,242	4.4%	3,117	6.0%	39.0%
Manufacturing	3,254	6.5%	3,131	6.1%	-3.8%
Retail	1,302	2.6%	1,794	3.5%	37.8%
Government	5,497	10.9%	6,833	13.3%	24.3%
Total Revenue	50,441	100.0%	51,562	100.0%	2.2%

Revenue - Q2 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	1.6%	0.2%	0.2%	0.0%	0.5%	1.7%	0.0%
ARM/ A/R Cycle Management	3.9%	5.3%	5.1%	0.0%	0.0%	1.0%	0.0%
Healthcare Payor/Provider Services	0.0%	26.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Risk management & Employee Verification Services	0.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction Services	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%
Document Lifecycle Services	7.9%	5.8%	0.2%	0.2%	3.5%	0.7%	10.6%
Presentment Services	10.5%	0.8%	0.1%	0.1%	1.9%	0.1%	1.3%
Content Transformation	0.4%	0.0%	0.0%	5.7%	0.1%	0.0%	0.0%
Total Revenue	26.8%	38.8%	5.6%	6.0%	6.1%	3.5%	13.3%

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

Revenue Q2 FY 2008-2009 by Service Type in the Industry Served

Service Type (In 000's US\$'s)	Growth by Industries Served Q2 FY 2008-09 over Q2 FY 2007-08								3 Month Period 9/30/2008
	3 Mth Period 9/30/2007	BFSI	Healthcare	Telecom	Media & Publishing	Manufacturing	Retail	Government	
A/P and A/R Services	1,715	(37)	33	2	(0)	(433)	887	-	2,167
ARM/ A/R Cycle Management	9,914	(3,563)	449	606	-	-	498	-	7,904
Healthcare Payor/Provider Services	12,432	(105)	1,339	-	-	-	-	-	13,666
Risk management & Employee Verification Services	572	(106)	30	-	-	-	-	-	496
Construction Services	2,227	(1,352)	(87)	-	-	-	-	680	1,468
Document Lifecycle Services	15,447	(1,365)	609	(1)	(1)	(414)	361	306	14,943
Presentment Services	6,552	1,065	47	(57)	18	(171)	48	193	7,694
Content Transformation	2,430	(58)	6	-	916	(71)	-	(1)	3,222
Tax Processing *	1,344	(269)	(998)	(77)	-	-	-	-	-
Total Revenue	52,633	(5,790)	1,429	473	934	(1,089)	1,794	1,178	51,562

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

TOP 350 by Industry and Service Type Q2 FY2008-09

Service Type <i>(In 000's US\$'s)</i>	Media &							
	BFSI	Healthcare	Telecom	Publishing	Manufacturing	Retail	Government	Total
A/P and A/R Services	792	125	71	-	248	867	-	2,103
ARM/ A/R Cycle Management	1,993	2,742	2,650	-	-	498	-	7,883
Healthcare Payor/Provider Services	-	13,640	-	-	-	-	-	13,640
Risk management & Employee Verification Services	419	30	-	-	-	-	-	449
Construction Services	736	-	-	-	-	-	680	1,416
Document Lifecycle Services	3,421	2,621	112	89	1,525	321	4,494	12,583
Presentment Services	5,047	418	35	58	965	21	630	7,172
Content Transformation	204	-	-	2,902	49	-	-	3,155
Total Revenue	12,613	19,577	2,867	3,049	2,787	1,706	5,804	48,402

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

Industry Vertical In 000' US\$'s	New Client Major Wins Q2	
	New Clients	Contract Value
BFSI	2	1,422
Healthcare	3	4,070
Telecom	-	-
Media & Publishing	2	1,982
Manufacturing	2	2,251
Retail	-	-
Government	1	2,950
Total Revenue	10	12,675

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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	14%	-1%
Top 5 Clients	33%	-2%
Top 10 Clients	42%	-2%
Top 20 Clients	54%	0%
Top 50 Clients	68%	1%
Top 100 Clients	78%	0%
Top 200 Clients	88%	0%
Top 350 Clients	94%	1%

Global Infrastructure and Resources — as of September 30, 2008

Category	North America	India	China -Xi'an	Mexico	Total
Accounting	39	36	1	5	81
Administration	49	63	3	14	129
Management	119	162	10	1	292
Sales & Marketing	40	8	0	0	48
Techonology	121	267	1	11	400
Operations	1,527	8,490	550	217	10,784
Total	1,895	9,026	565	248	11,734