Fact Sheet – Consolidated Financial Information, First Quarter 2010-2011

Highlights of Business Performance, Key Accomplishments and Noteworthy Items in the First Quarter

The table below summarizes the condensed consolidated results for the first quarter FY 2010-11 verses first quarter FY 2009-10 and verses the proforma first quarter FY 2009-10 and proforma quarter ended March 31, 2010. The proforma results excluded the ARM business activities that were sold in Q4 FY 2009-10:

Rs In Million's	Quarter ended June 30, 2010-11 Reported	Quarter ended June 30, 2009-10 Reported	% Change	Quarter ended June 30, 2009-10 Proforma	% Change	Quarter ended March 31, 2009-10 Proforma	% Change
TOTAL INCOME	1,834.6	2,234.1	-17.9%	1,863.0	-1.5%	1,843.5	-0.5%
EBITDA	314.8	287.1	9.6%	296.0	6.3%	342.4	-8.1%
EBITDA %	17.2%	12.8%		15.9%		18.6%	
PAT	176.5	122.7	43.8%	149.3	18.2%	197.5	-10.6%
PAT %	9.6%	5.5%		8.0%		10.7%	
Basic and Diluted EPS	14.13	9.82		11.96		15.81	

First Quarter FY 2010-11 verses Proforma First Quarter FY 2009-10

- Total Income for the first quarter FY 2010-11 decreased 1.5% to Rs 1,834.6 million from Rs 1,863.0 million over the first quarter FY 2009-10.
- EBITDA increased by 6.3% for the first quarter FY 2010-11 to Rs 314.8 million from Rs 296.0 million over the first quarter FY 2009-10.
- Net Profit increased by 18.2% to Rs 176.5 million from Rs 149.3 million over the first quarter FY 2009-10.
- The Basic and Diluted Earnings per share (EPS) were Rs 14.13 for the quarter ended June 30, 2010, and Proforma Diluted Earnings per share (EPS) were Rs 7.69.

First Quarter FY 2010-11 verses Proforma Fourth Quarter FY 2009-10

- Total Income for the first quarter FY 2010-11 decreased 0.5% to Rs 1,834.6 million from Rs 1,843.5 million over the fourth quarter FY 2009-10.
- EBITDA decreased by 8.1% for the first quarter FY 2010-11 to Rs 314.8 million from Rs 342.4 million over the fourth quarter FY 2009-10.
- Net Profit decreased by 10.6% to Rs 176.5 million from Rs 197.5 million over the fourth quarter FY 2009-10.

Significant Developments during the First Quarter Fiscal Year 2010-11 and noteworthy items

- Added over US $7.6 million in customer contracts in the first quarter FY 2010-11.
- Top 100 clients represent over 79% of total revenues with the largest customer representing only 17% of total revenues.
- Company maintained strong liquidity position with DSO of 52 days, Debt to Equity Ratio of 1.3 and Net Bank Debt of US $100.3 million at June 30, 2010, down $19.7 million from June 30, 2009.
- International Association of Outsourcing Professionals (IAOP) ranked us:
  - Best 20 Leaders by Industry Focus: Health Care;
  - Best 10 Companies by Service Offered: Document Management;
  - Best 10 Leaders by Service Offered: Financial Management;
  - Best 20 Leaders by Region Served: India;
  - Best 20 Leaders by Region Served: Canada;

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 8,873 associates working together to Exceed Expectations® of our clients.

Profit Statement
Quarter ended June 30, 2010 vs. Quarter ended June 30, 2009
And Quarter ended March, 31 2010

Particulars *Rs In Million's*	Quarter ended June 30, 2010-11	Quarter ended June 30, 2009-10	% Change in Q1 FY 2010-11 over Q1 FY 2009-10	Quarter ended March 31, 2009-10	% Change in Q1 FY 2010-11 over Q4 FY 2009-10
	Unaudited	Unaudited		Unaudited	
INCOME					
Income from Services	1,834.63	2,234.07		1,843.52	
TOTAL INCOME	**1,834.63**	**2,234.07**	**-17.9%**	**1,843.52**	**-0.5%**
EXPENDITURE					
Employee expenses	914.61	1,173.82		902.96	
Operating costs	605.27	753.87		596.70	
Foreign exchange (gain)/losses, net	-	19.32		1.44	
TOTAL	1,519.87	1,947.01		1,501.10	
EARNINGS BEFORE INTEREST, TAX, AND DEPRECIATION (EBITDA)	314.75	287.06	**9.6%**	342.41	**-8.1%**
EBITDA %	**17.2%**	**12.8%**		**18.6%**	
Depreciation	61.50	61.23		55.55	
EARNINGS BEFORE INTEREST, TAX, AND EXCEPTIONAL ITEM	**253.25**	**225.83**	**12.1%**	**286.86**	**-11.7%**
EBIT %	13.8%	10.1%		15.6%	
Other income	(2.48)	(19.71)		(2.11)	
Interest expense, net	73.68	94.11		65.35	
PROFIT (LOSS) BEFORE TAX	**182.05**	**151.43**	**20.2%**	**223.62**	**-18.6%**
PBIT %	9.9%	6.8%		12.1%	
Taxes	5.56	17.44		26.13	
PROFIT (LOSS) AFTER TAX BEFORE EXCEPTIONAL ITEM AND MINORITY INTEREST	**176.49**	**134.00**		**197.50**	
EXCEPTIONAL ITEM	-	-		1,327.64	
PROFIT (LOSS) AFTER EXCEPTIONAL ITEM	**176.49**	**134.00**	**31.7%**	**(1,130.14)**	**-115.6%**
Minority interest	-	11.28		-	
PROFIT (LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	**176.49**	**122.71**	**43.8%**	**(1,130.14)**	**-115.6%**
PAT %	9.6%	5.5%		-61.3%	
EARNINGS PER SHARE:					
BEFORE EXCEPTIONAL ITEM					
Basic and Diluted EPS	14.13	9.82		15.81	
AFTER EXCEPTIONAL ITEM					
Basic and Diluted EPS	6,421,943.00	-		(90.48)	
Weighted average equity shares used in computing earnings per equity share for basic and diluted	12,491,022	12,491,022		12,491,022	

HOVServices Exceed Expectations

Fact Sheet – Consolidated Financial Information, First Quarter 2010-2011

Revenue - YoY Quarter over Quarter by Industry Vertical

Industry Vertical *In 000' US$'s*	Q1 FY 2009 -10 Revenue	%	Q1 FY 2010 -11 Revenue	%	% Q over Q
Healthcare	17,198	44.9%	15,534	38.8%	-9.7%
BFSI	8,085	21.1%	10,636	26.6%	31.5%
Government	5,858	15.3%	6,327	15.8%	8.0%
Media & Publishing	2,908	7.6%	3,420	8.5%	17.6%
Manufacturing	2,666	7.0%	2,331	5.8%	-12.6%
Retail	1,565	4.1%	1,752	4.4%	12.0%
Total Revenue	38,280	100.0%	40,000	100.0%	4.5%

Revenue - Sequential Quarter over Quarter by Industry Vertical

Industry Vertical *In 000' US$'s*	Q4 FY 2009 -10 Revenue	%	Q1 FY 2010 -11 Revenue	%	% Sequential Q's
Healthcare	15,779	39.3%	15,534	38.8%	-1.5%
BFSI	9,788	24.4%	10,636	26.6%	8.7%
Government	6,447	16.1%	6,327	15.8%	-1.9%
Media & Publishing	3,313	8.3%	3,420	8.5%	3.2%
Manufacturing	2,577	6.4%	2,331	5.8%	-9.5%
Retail	2,241	5.6%	1,752	4.4%	-21.8%
Total Revenue	40,144	100.0%	40,000	100.0%	-0.4%

Revenue – Q1 FY 2010-2011 by Service Type in the Industries served

Service Type *(In 000's US$'s)*	Industries Served: Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail
A/P Services	0.3%	2.1%	0.2%	0.0%	0.8%	2.0%
Construction Services	0.4%	1.9%	2.1%	0.0%	0.0%	0.0%
Content Transformation	0.0%	0.0%	0.3%	8.4%	0.0%	0.0%
Document Lifecycle Services	4.3%	13.1%	11.6%	0.0%	2.8%	2.2%
Presentment Services	1.1%	9.0%	1.6%	0.2%	2.2%	0.2%
Healthcare Payor/Provider Services	32.5%	0.3%	0.0%	0.0%	0.0%	0.0%
Risk management & Employee Verification Services	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%
Total Revenue	38.8%	26.6%	15.8%	8.5%	5.8%	4.4%

Revenue Q1 FY 2010-2011 by Service Type in the Industry Served

Service Type *(In 000's US$'s)*	3 Mth Period 6/30/2009	Growth by Industries Served Q1 FY 2010-11 over Q1 FY 2009-10: Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail	3 Month Period 6/30/2010
A/P and A/R Services	2,198	30	382	12	(5)	(38)	(402)	2,177
Construction Services	1,403	53	(5)	302	-	-	-	1,753
Content Transformation	3,025	-	(10)	(39)	522	(17)	-	3,481
Document Lifecycle Services	10,507	(75)	2,707	12	(13)	(162)	599	13,575
Presentment Services	6,334	(339)	(355)	181	8	(117)	(10)	5,702
Healthcare Payor/Provider Services	14,462	(1,329)	(10)	-	-	-	-	13,122
Risk management & Employee Verification Services	351	(4)	(157)	0	-	-	-	190
Total Revenue	38,280	(1,664)	2,551	469	512	(335)	187	40,000

HOVServices
Exceed Expectations

Fact Sheet – Consolidated Financial Information, First Quarter 2010-2011

Additional New Business Won in the First Quarter FY 2010-2011

Industry Vertical *In 000' US$'s*	New Client Major Wins Q1 New Clients	Contract Value
BFSI	9	6,415
Government	-	-
Healthcare	-	-
Manufacturing	1	300
Media & Publishing	1	300
Retail	1	600
Total Revenue	**12**	**7,615**

TOP 350 by Industry and Service Type Q1 FY2010-11

Service Type *(In 000's US$'s)*	Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail	Total
A/P and A/R Services	112	799	88	-	320	796	2,115
Construction Services	158	685	829	-	-	-	1,672
Content Transformation	-	-	119	3,308	-	-	3,427
Document Lifecycle Services	1,531	4,812	3,973	-	959	822	12,097
Presentment Services	403	3,298	595	68	847	60	5,271
Healthcare Payor/Provider Services	13,003	103	-	-	-	-	13,106
Risk management & Employee Verification Services	85	69	24	-	-	-	178
Total Revenue	15,293	9,766	5,627	3,376	2,125	1,678	37,865

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Customer Concentration and Industry Highlights

Customer and Industry Highlights	
Industry Served	*Customer Ranking*
Banking	4 out of the top 10
Healthcare	10 out of top 20
Insurance	9 out of the top 20
Automotive	2 out of top 5
Retailers	8 out of the top 20
Publishing	5 out of the top 20

Top Clients	% of Total Revenue	Q over Q Change
Top 1 Client	17%	0%
Top 5 Clients	33%	0%
Top 10 Clients	44%	0%
Top 20 Clients	54%	-1%
Top 50 Clients	68%	-1%
Top 100 Clients	79%	0%
Top 200 Clients	89%	0%
Top 350 Clients	95%	1%

Global Infrastructure and Resources as of June 30, 2010

Category	North America	India	China	Mexico	Total
Finance/Accounting	35	24	1	5	65
Administration	47	51	3	14	115
Management	89	160	10	1	260
Sales & Marketing	34	6	-	-	40
Technology	31	267	1	11	310
Operations	1,275	6,062	449	297	8,083
Total	**1,511**	**6,570**	**464**	**328**	**8,873**