

## Fact Sheet – Consolidated Financial Information, Second Quarter 2010-2011

### Consolidated Profit Statement Year ended September 30, 2010 vs. Half Year Ended September 30, 2009 and Quarter ended September 30, 2010 vs. Quarter ended June, 30 2010

(Rs in Million's)	Un-audited Result, Quarter Ended September 30,		Q vs. PYQ	Un-audited Result, Half Year Ended September 30,		HY vs. PHY	Un-audited Result, Quarter Ended June 30,	Sequential Q vs. Q
	Reported	Proforma		Reported	Proforma		Reported	
	2010-11	2009-10*		2010-11	2009-10*		2010-11	
Total Income	1,876.23	1,890.88	-0.8%	3,710.86	3,739.24	-0.8%	1,834.60	2.3%
EBITDA	325.73	333.64	-2.4%	640.48	657.13	-2.5%	314.80	3.5%
Margin (%)	17.4%	17.6%		17.3%	17.6%		17.2%	
PAT	186.89	195.70	-4.5%	363.37	379.14	-4.2%	176.50	5.9%
Margin (%)	10.0%	10.3%		9.8%	10.1%		9.6%	
Basic and Diluted EPS	14.96	15.67		29.09	30.35		14.13	
Basic and Diluted EPS With Preferred CLASS A Units	8.14	8.52		15.83	16.51		7.69	

# Figures for FY 2010-11 are excluding ARM segment.

### Consolidated Proforma Financial Performance:

#### **Second Quarter FY 2010-11 verses Proforma Second Quarter FY 2009-10**

- Total Income for the second quarter FY 2010-11 decreased 0.8% to Rs 1,876.23 million from Rs 1,890.88 million over the second quarter FY 2009-10.
- EBITDA decreased by 2.4% for the second quarter FY 2010-11 to Rs 325.73 million from Rs 333.64 million over the second quarter FY 2009-10.
- Net Profit decreased by 4.5 % to Rs 186.89 million from Rs 195.70 million over the second quarter FY 2009-10.
- The Basic and Diluted Earnings per share (EPS) were Rs 14.96 for the quarter ended September 30, 2010, and Proforma Diluted Earnings per share (EPS) were Rs 8.14.
- The results for the Second Quarter of FY 2010-11 were negatively impacted by approximately 4% due to Rupee appreciation.

#### **Second Quarter verses First Quarter of FY 2010-11**

- Total Income for the second quarter increased 2.3% to Rs 1,876.23 million from Rs 1,834.60 million over the first quarter of FY 2010-11.
- EBITDA increased by 3.5% for the Second quarter to Rs 325.73 million from Rs 314.80 million over the first quarter FY 2010-11.
- Net Profit increased by 5.9% to Rs 186.89 million from Rs 176.50 million over the first quarter FY 2010-11.

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### First Half FY 2010-11 versus Proforma First Half FY 2009-10

- Total Income for the first half FY 2010-11 decreased by 0.8% to Rs 3,710.86 million from Rs 3,739.24 million over the first half FY 2009-10.
- EBITDA decreased by 2.5% for the first half FY 2010-11 to Rs 640.48 million from Rs 657.13 million over the first half FY 2009-10.
- Net Profit decreased by 4.2% to Rs 363.37 million from Rs 379.14 million over the first half FY 2009-10.
- The results for the first half FY 2010-11 were negatively impacted by approximately 5% due to Rupee appreciation.

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

- Added over US\$ 7.7 million in customer contracts in the second quarter FY 2010-11.
- Top 100 clients represent over 79% of total revenues with the largest customer representing only 15% of total revenues.
- In October we open our second site in China that will house approximate 1000 people when fully ramped up, and are adding additional headcount in 10 sites in India and 1 site in Mexico.
- In October we purchased a new site in Chennai that will house 800 people.
- Company maintained strong liquidity position with –  
     DSO of 52 days; Debt to Equity Ratio of 1.3; and Net Bank Debt of US \$100.1 million at September 30, 2010, down US\$18.1 million from September 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;
- Global Presence and experienced team with over 9,149 associates, strategically located across the globe; India 6,860; North America 1,489; China 473; Mexico 327.
- HOVS was recognized with the following awards during the year 2010:
  - Nasscom Annual Survey 2010 has ranked HOV Services amongst the “Top 15 BPO Exporters 2009 10” in India.
  - 2010 Global Services 100 (GS 100) Survey has awarded HOV Services as a Top BPO provider in three categories namely, “Industry Specific BPO Vendors”, “Top BPO Vendors” and “Top FAO Vendors” list.
  - Government of Maharashtra has honored HOV Services with “Maharashtra Information Technology Support Services- BPO /KPO award 2010”

### 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 9,149 associates working together to Exceed Expectations® of our clients.

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### Profit Statement Half Year ended September 30, 2010 vs. Half Year Ended September 30, 2009 and Quarter ended September 30, 2010 vs. Quarter ended June, 30 2010

Particulars	Six Months ended September 30,	Six Months ended September 30,	% Change FY 2010-11 over FY 2009-10	Quarter ended September 30,	Quarter ended June 30,	% Change in Q2 FY 2010-11 over Q1 FY 2010-11
<i>Rs In Million's</i>	2010-11	2009-10		2010-11	2010-11	
	Unaudited	Unaudited		Unaudited	Unaudited	
<b>TOTAL INCOME</b>	3,710.86	4,457.50	-16.8%	1,876.23	1,834.63	2.3%
<b>EXPENDITURE</b>						
Employee expenses	1,840.30	2,369.35		925.69	914.61	
Operating costs	1,230.07	1,487.70		624.81	605.27	
Foreign exchange (gain)/losses, net	-	13.60		-	-	
<b>TOTAL</b>	3,070.38	3,870.64		1,550.50	1,519.87	
<b>EARNINGS BEFORE INTEREST, TAX, AND DEPRECIATION (EBITDA)</b>	640.48	586.86	9.1%	325.73	314.75	3.5%
<b>EBITDA %</b>	17.3%	13.2%		17.4%	17.2%	
Depreciation	132.07	124.40		70.57	61.50	
<b>EARNINGS BEFORE INTEREST, AND TAX</b>	508.42	462.46	9.9%	255.16	253.25	0.8%
<b>EBIT %</b>	13.7%	10.4%		13.6%	13.8%	
Other income	(5.58)	(7.31)		(3.10)	(2.48)	
Interest expense, net	136.85	185.67		63.17	73.68	
<b>PROFIT (LOSS) BEFORE TAX</b>	377.15	284.09	32.8%	195.10	182.05	7.2%
<b>PBIT %</b>	10.2%	6.4%		10.4%	9.9%	
Taxes	13.78	29.87		8.21	5.56	
<b>PROFIT (LOSS) AFTER TAX BEFORE MINORITY INTEREST</b>	363.37	254.23		186.89	176.49	
Minority interest	-	1.92		-	-	
<b>PROFIT AFTER TAX AND MINORITY INTEREST (PAT)</b>	363.37	252.31	44.0%	186.89	176.49	5.9%
<b>PAT %</b>	9.8%	5.7%		10.0%	9.6%	
<b>EARNINGS PER SHARE:</b>						
Basic and Diluted EPS	29.09	20.19		14.96	14.13	
<b>EARNINGS PER SHARE INCLUDING PREFERRED CLASS A UNITS:</b>						
Basic and Diluted EPS	15.83	10.99		8.14	7.69	

## Fact Sheet – Consolidated Financial Information, Second Quarter 2010-2011

### Revenue - YoY Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q2 FY 2009 -10		Q2 FY 2010 -11		% Q over Q
	Revenue	%	Revenue	%	
Healthcare	16,613	42.5%	15,476	38.4%	-6.8%
BFSI	8,047	20.6%	8,847	21.9%	9.9%
Government	6,774	17.3%	8,009	19.9%	18.2%
Media & Publishing	2,983	7.6%	3,481	8.6%	16.7%
Manufacturing	2,802	7.2%	2,591	6.4%	-7.5%
Retail	1,832	4.7%	1,904	4.7%	3.9%
<b>Total Revenue</b>	<b>39,052</b>	<b>100.0%</b>	<b>40,309</b>	<b>100.0%</b>	<b>3.2%</b>

### Revenue - Sequential Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q1 FY 2010 -11		Q2 FY 2010 -11		% Sequential Q's
	Revenue	%	Revenue	%	
Healthcare	15,534	38.8%	15,476	38.4%	-0.4%
BFSI	10,325	25.8%	8,847	21.9%	-14.3%
Government	6,327	15.8%	8,009	19.9%	26.6%
Media & Publishing	3,420	8.5%	3,481	8.6%	1.8%
Manufacturing	2,331	5.8%	2,591	6.4%	11.2%
Retail	2,063	5.2%	1,904	4.7%	-7.7%
<b>Total Revenue</b>	<b>40,000</b>	<b>100.0%</b>	<b>40,309</b>	<b>100.0%</b>	<b>0.8%</b>

### Revenue – Q2 FY 2010-2011 by Service Type in the Industries served

Service Type <i>US\$'s</i> <i>(In 000's)</i>	Industries Served					
	Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail
F&A Services	0.3%	1.9%	0.2%	0.0%	1.1%	3.6%
Strategic Consulting	0.7%	2.9%	2.7%	0.0%	0.0%	0.0%
E Content Management Services	0.0%	0.0%	0.2%	8.4%	0.0%	0.2%
Document Lifecycle Services	4.7%	8.4%	15.0%	0.0%	3.1%	0.7%
Presentment Services	1.2%	8.6%	1.7%	0.2%	2.2%	0.2%
Healthcare Payor/Provider Services	31.5%	0.0%	0.0%	0.0%	0.0%	0.0%
HR Assist	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
<b>Total Revenue</b>	<b>38.4%</b>	<b>21.9%</b>	<b>19.9%</b>	<b>8.6%</b>	<b>6.4%</b>	<b>4.7%</b>

### Revenue Q2 FY 2010-2011 by Service Type in the Industry Served

Service Type <i>US\$'s</i> <i>(In 000's)</i>	Growth by						
	3 Mth Period 9/30/2009	Healthcare	BFSI	Government	Media & Publishing	Manufacturing	3 Month Period 9/30/2010
F&A Services	2,700	12	170	15	(8)	20	(60)
Strategic Consulting	2,597	61	(290)	164	-	-	-
E Content Management Services	3,058	-	1	(62)	515	3	92
Document Lifecycle Services	10,889	81	1,172	950	(17)	(174)	16
Presentment Services	5,774	10	(279)	167	7	(60)	23
Healthcare Payor/Provider Services	14,026	(1,317)	(12)	-	-	-	-
HR Assist	9	15	38	0	-	-	-
<b>Total Revenue</b>	<b>39,052</b>	<b>(1,137)</b>	<b>800</b>	<b>1,236</b>	<b>498</b>	<b>(211)</b>	<b>72</b>

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### Additional New Business Won in the Second Quarter FY 2010-2011

Industry Vertical <i>In 000' US\$'s</i>	<u>New Client Major Wins Q2</u>		<u>New Client Major Wins YTD</u>	
	New Clients	Contract Value	New Clients	Contract Value
BFSI	2	1,350	11	7,765
Government	1	1,000	1	1,000
Healthcare	2	5,030	2	5,030
Manufacturing	1	325	2	625
Media & Publishing	-	-	1	300
Retail	-	-	1	600
<b>Total Revenue</b>	<b>6</b>	<b>7,705</b>	<b>18</b>	<b>15,320</b>

### TOP 350 by Industry and Service Type Q2 FY2010-11

Service Type <i>US\$'s</i>	<i>(In 000's)</i>							Total
		Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail	
F&A Services		100	724	82	-	436	1,448	2,792
Strategic Consulting		285	1,141	1,073	-	-	-	2,500
E Content Management Services		-	-	100	3,353	-	92	3,544
Document Lifecycle Services		1,660	2,991	5,348	-	1,107	236	11,341
Presentment Services		455	3,099	637	75	814	62	5,143
Healthcare Payor/Provider Services		12,690	-	-	-	-	-	12,690
HR Assist		-	34	-	-	-	-	34
<b>Total Revenue</b>		<b>15,190</b>	<b>7,990</b>	<b>7,241</b>	<b>3,428</b>	<b>2,357</b>	<b>1,838</b>	<b>38,044</b>

### 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	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	15%	-2%
Top 5 Clients	30%	-3%
Top 10 Clients	43%	-1%
Top 20 Clients	55%	1%
Top 50 Clients	68%	0%
Top 100 Clients	79%	-4%
Top 200 Clients	88%	-1%
Top 350 Clients	94%	-1%

### Global Infrastructure and Resources as of September 30, 2010

Category	North America	India	China	Mexico	Total
Finance/Accounting	35	24	1	5	65
Administration	47	51	3	13	114
Management	89	160	10	1	260
Sales & Marketing	34	6	-	-	40
Technology	31	277	2	11	321
Operations	1,253	6,342	457	297	8,349
<b>Total</b>	<b>1,489</b>	<b>6,860</b>	<b>473</b>	<b>327</b>	<b>9,149</b>