

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

Consolidated Profit Statement Quarter Ended December 31, 2010 vs. Proforma Quarter Ended December 31, 2009 and Nine Months Ended December 31, 2010 vs. Proforma Nine Months Ended December 31 2009

(Rs in Million's)	Un-audited Result, Quarter Ended December 31		Q vs. PY Q	Un-audited Result Nine Months Ended December 31,		YTD vs. PYTD	Un-audited Result Quarter Ended September 31,	Q vs. Q
	Reported	Proforma		Reported	Proforma		Reported	
	2010-11	2009-10*		2010-11	2009-10*		2010-11	
Total Income	1,736.2	1,815.2	-4.4%	5,445.1	5,509.5	-1.2%	1,876.2	-7.5%
EBIDTA	290.0	329.7	-12.1%	930.4	982.0	-5.2%	325.7	-11.0%
Margin (%)	16.7%	18.2%		17.1%	17.8%		17.4%	
PAT	133.9	191.5	-30.0%	497.3	570.6	-12.8%	186.9	-28.3%
Margin (%)	7.7%	10.5%		9.1%	10.4%		10.0%	
Basic and Diluted EPS	10.72	15.33		39.81	45.68		14.96	

* Figures for FY 2009-10 are excluding ARM segment.

Consolidated Proforma Financial Performance:

Third Quarter FY 2010-11 Versus Proforma Third Quarter FY 2009-10

- Total Income for the third quarter FY 2010-11 decreased by 4.4% to Rs 1,736.2 million from Rs 1,815.2 million over the third quarter FY 2009-10.
- In dollar terms, Total Income for the third quarter FY 2010-11 decreased by 0.6% to USD 38.7 Mn from USD 38.9 Mn over the third quarter FY 2009-10.
- EBITDA decreased by 12.1% for the third quarter FY 2010-11 to Rs 290.0 million from Rs 329.7 million over the third quarter FY 2009-10.
- Net Profit decreased by 30.0% to Rs 133.9 million from Rs 191.5 million over the third quarter FY 2009-10.
- The Basic and Diluted Earnings per share (EPS) were Rs 10.72 for the quarter ended December 31, 2010, and Proforma Diluted Earnings per share (EPS) were Rs 5.83.

Third Quarter Versus Second Quarter of FY 2010-11

- Total Income for the third quarter decreased 7.5% to Rs 1,736.2 million from Rs 1,876.2 million over the second quarter of FY 2010-11.
- In dollar terms, Total Income for the third quarter FY 2010-11 decreased by 0.9% to USD 38.7 Mn from USD 39.1 Mn over the second quarter FY 2009-10.
- EBITDA decreased by 11.0% for the third quarter to Rs 290.0 million from Rs 325.7 million over the second quarter FY 2010-11.
- Net Profit decreased by 28.3% to Rs 133.9 million from Rs 186.9 million over the second quarter FY 2010-11.

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Nine Months FY 2010-11 Versus Proforma Nine Months FY 2009-10

- Total Income for the nine months FY 2010-11 decreased by 1.2% to Rs 5,445.1 million from Rs 5,509.5 million over the nine months FY 2009-10.
- In dollar terms, Total Income for the nine months FY 2010-11 increased by 3.6% to USD 119.2 Mn from USD 115.0 Mn over the nine months FY 2009-10.
- EBITDA decreased by 5.2% for the nine months FY 2010-11 to Rs 930.4 million from Rs 982.0 million over the nine months FY 2009-10.
- Net Profit decreased by 12.8% to Rs 497.3 million from Rs 570.6 million over the nine months FY 2009-10.

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

- Added over US \$10.3 million in customer contracts in the third quarter FY 2010-11.
- Top 100 clients represent over 78% of total revenues with the largest customer representing only 15% of total revenues.
- Company maintained strong liquidity position with –
 - a. DSO of 50 days,
 - b. Debt to Equity Ratio of 1 to 1.24 and
- Net Bank Debt of US \$98.0 million at December 31, 2010
- International Association of Outsourcing Professionals (IAOP) ranked us:
 - a. Best 20 Leaders by Industry Focus: Health Care;
 - b. Best 10 Companies by Service Offered: Document Management;
 - c. Best 10 Leaders by Service Offered: Financial Management;
 - d. Best 20 Leaders by Region Served: India;
 - e. Best 20 Leaders by Region Served: Canada;
- Global Presence and experience team with over 8,787 associates, strategically located across the globe; India 6,323, North America 1,450, China 666 and Mexico 348 operating from strategically located in 46 delivery centers comprising of 33 centers in US & Canada, 10 in India, 2 in China and 1 site in Mexico.
- HOVS is also nominated with the following recognition / awards during the year 2010:
 - a. Nasscom Annual Survey 2010 has ranked HOV Services amongst the “Top 15 BPO Exporters 2009-10” in India.
 - b. 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.
 - c. Government of Maharashtra has honor 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 8,787 associates working together to Exceed Expectations® of our clients.

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Consolidated Profit Statement Quarter Ended December 31, 2010 vs. Quarter Ended December 31, 2009 and Nine Months Ended December 31, 2010 vs. Nine Months Ended December 31 2009

Particulars	Nine Months ended December 31,	Nine Months ended December 31,	% Change FY 2010-11 over FY 2009-10	Quarter ended December 31,	Quarter ended September 30,	% Change in Q3 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	
TOTAL INCOME	5,445.1	6,640.4	-18.0%	1,736.2	1,876.2	-7.5%
EXPENDITURE						
Employee expenses	2,696.5	3,571.6		856.2	925.7	
Operating costs	1,818.2	2,157.8		588.1	624.8	
Foreign exchange (gain)/losses, net	-	49.5		1.9	-	
TOTAL	4,514.7	5,779.0		1,446.2	1,550.5	
EARNINGS BEFORE INTEREST, TAX, AND DEPRECIATION (EBITDA)	930.4	861.5	8.0%	290.0	325.7	-11.0%
EBITDA %	17.1%	13.0%		16.7%	17.4%	
Depreciation	210.3	196.6		78.2	70.6	
EARNINGS BEFORE INTEREST, AND TAX	720.2	664.8	8.3%	211.7	255.2	-17.0%
EBIT %	13.2%	10.0%		12.2%	13.6%	
Other income	(9.7)	(12.6)		(4.1)	(3.1)	
Interest expense, net	212.8	270.9		75.9	63.2	
PROFIT (LOSS) BEFORE TAX	517.1	406.6	27.2%	139.9	195.1	-28.3%
PBIT %	9.5%	6.1%		8.1%	10.4%	
Taxes	6.0	37.8		6.0	8.2	
PROFIT (LOSS) AFTER TAX BEFORE MINORITY INTEREST	511.1	368.8		133.9	186.9	
Minority interest	-	(2.9)		-	-	
PROFIT AFTER TAX AND MINORITY INTEREST (PAT)	511.1	371.7	37.5%	133.9	186.9	-28.3%
PAT %	9.4%	5.6%		7.7%	10.0%	
EARNINGS PER SHARE:						
Basic and Diluted EPS	39.81	29.76		10.72	14.96	
EARNINGS PER SHARE INCLUDING PREFERRED CLASS A UNITS:						
Basic and Diluted EPS	21.66	16.19		5.83	8.14	

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Revenue - YoY Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q3 FY 2009 -10		Q3 FY 2010 -11		% Q over Q
	Revenue	%	Revenue	%	
Healthcare	15,867	40.8%	14,258	36.8%	-10.1%
BFSI	9,105	23.4%	8,603	22.2%	-5.5%
Government	5,555	14.3%	7,342	19.0%	32.2%
Media & Publishing	3,429	8.8%	4,011	10.4%	17.0%
Manufacturing	2,738	7.0%	2,688	6.9%	-1.8%
Retail	2,226	5.7%	1,796	4.6%	-19.3%
Total Revenue	38,921	100.0%	38,698	100.0%	-0.6%

Revenue - Sequential Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q2 FY 2010 -11		Q3 FY 2010 -11		% Sequential Q's
	Revenue	%	Revenue	%	
Healthcare	16,613	42.5%	14,258	36.8%	-14.2%
BFSI	8,047	20.6%	8,603	22.2%	6.9%
Government	6,774	17.3%	7,342	19.0%	8.4%
Media & Publishing	2,983	7.6%	4,011	10.4%	34.5%
Manufacturing	2,802	7.2%	2,688	6.9%	-4.1%
Retail	1,832	4.7%	1,796	4.6%	-2.0%
Total Revenue	39,052	100.0%	38,698	100.0%	-0.9%

Revenue – Q3 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	0.6%	2.1%	0.2%	0.0%	1.0%	1.9%
Strategic Consulting	0.4%	2.9%	2.9%	0.0%	0.0%	0.0%
E Content Management Services	0.0%	0.0%	0.3%	10.2%	0.0%	0.1%
Document Lifecycle Services	3.6%	7.6%	14.3%	0.1%	3.6%	2.5%
Presentment Services	1.4%	9.0%	1.4%	0.2%	2.3%	0.1%
Healthcare Payor/Provider Services	30.3%	0.5%	0.0%	0.0%	0.0%	0.0%
HR Assist	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%
Total Revenue	36.6%	22.3%	19.1%	10.4%	7.0%	4.7%

Revenue Q3 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 12/31/2009			3 Month Period 12/31/2010			
	Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail	
F&A Services	2,609	113	155	25	-	61	(694)
Strategic Consulting	1,594	16	461	320	-	-	2,391
E Content Management Services	3,485	-	7	(34)	586	(10)	27
Document Lifecycle Services	12,124	(478)	(1,141)	1,451	(3)	12	233
Presentment Services	5,470	72	86	49	(0)	(114)	4
Healthcare Payor/Provider Services	13,297	(1,512)	76	-	-	-	-
HR Assist	341	3	(147)	(24)	-	-	-
Total Revenue	38,921	(1,786)	(503)	1,787	583	(50)	(430)

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

Industry Vertical <i>In 000' US\$'s</i>	<u>New Client Major Wins Q3</u>		<u>New Client Major Wins YTD</u>	
	New Clients	Contract Value	New Clients	Contract Value
BFSI	2	2,286	13	10,051
Government	1	2,400	2	3,400
Healthcare	2	1,765	4	6,795
Manufacturing	-	-	2	625
Media & Publishing	1	600	2	900
Retail	3	3,200	4	3,800
Total Revenue	9	10,251	27	25,571

Revenue Q3 FY 2010-2011 by Service Type in the Industry Served

Service Type <i>(In 000's US\$'s)</i>	<u>Growth by</u>							3 Month Period 12/31/2010
	3 Mth Period 12/31/2009	Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail	
F&A Services	2,609	113	155	25	-	61	(694)	2,268
Strategic Consulting	1,594	16	461	320	-	-	-	2,391
E Content Management Services	3,485	-	7	(34)	586	(10)	27	4,062
Document Lifecycle Services	12,124	(478)	(1,141)	1,451	(3)	12	233	12,198
Presentment Services	5,470	72	86	49	(0)	(114)	4	5,568
Healthcare Payor/Provider Services	13,297	(1,512)	76	-	-	-	-	11,861
HR Assist	341	3	(147)	(24)	-	-	-	174
Total Revenue	38,921	(1,786)	(503)	1,787	583	(50)	(430)	38,521

Customer Concentration and Industry Highlights

Customer and Industry Highlights		Top Clients	% of Total Revenue	Q over Q Change
<u>Industry Served</u>		<u>Customer Ranking</u>		
Banking	4 out of the top 10	Top 1 Client	15%	0%
Healthcare	10 out of the top 20	Top 5 Clients	30%	0%
Insurance	9 out of the top 20	Top 10 Clients	43%	0%
Automotive	2 out of the top 5	Top 20 Clients	54%	-1%
Retailers	8 out of the top 20	Top 50 Clients	67%	-1%
Publishing	5 out of the top 20	Top 100 Clients	78%	-1%
		Top 200 Clients	89%	1%
		Top 350 Clients	95%	1%

Global Infrastructure and Resources as of December 31, 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	33	6	-	-	39
Technology	31	284	2	11	328
Operations	1,215	5,798	650	318	7,981
Total	1,450	6,323	666	348	8,787