

Fact Sheet – Consolidated Financial Information, Fiscal Year Ended March 31, 2011

Mumbai, May 27, 2011: HOV Services Ltd (BSE: 532761, NSE: HOVS), India's top tier BPS company today announced consolidated result for the fourth quarter and 12 months ended March 31, 2011. The company's board of directors in the meeting also recommends a final dividend of Rs. 2/- per equity share of Rs. 10/- each for the year ended March 31, 2011 subject to the approval of the shareholders.

Financial Highlights for Fourth quarter and Yearly result ended March 31, 2011

The table below summarizes condensed consolidated result for the fourth quarter and FY 2010-11 Versus fourth quarter and yearly results of the same period last year: The figures of the current quarter/ year are not comparable to prior year since the Group had sold its "Accounts Receivable Management" activities effective January 1, 2010 and the related loss was recorded in Q4 2009-10.

Particulars	Year ended March 31,	Year ended March 31,	% Change	Quarter ended March 31,	Quarter ended March 31,	% Change
<i>Rs In Million's</i>	2010-11	2009-10		2010-11	2009-10	
TOTAL INCOME	7,092.5	8,483.9	-16.4%	1,655.1	1,843.5	-10.2%
EBITDA	1,110.4	1,203.9	-7.8%	180.0	342.4	-47.4%
EBITDA %	15.7%	18.3%		10.9%	18.3%	
PAT	537.3	(758.4)	170.8%	40.0	(1,130.1)	103.5%
PAT %	7.6%	10.4%		2.4%	10.4%	

Consolidated Financial Performance:

Fiscal Year 2010-11 Versus Fiscal Year 2009-10

- Total Income for the FY 2010-11 decreased 16.4% to Rs 7,092.5 million from Rs 8,483.9 million over the FY 2009-10.
- EBITDA decreased by 7.8% for the FY 2010-11 to Rs 1,110.4 million from Rs 1,203.9 million over the FY 2009-10.
- Net Profit was Rs 537.3 million versus a Net Loss of Rs 758.4 million reported in the prior year.
- Basic and Diluted Earnings per share (EPS) were Rs 23.40 for the year ended March 31, 2011.

Fourth Quarter FY 2010-11 Versus Fourth Quarter FY 2009-10

- Total Income for the fourth quarter FY 2010-11 decreased by 10.2% to Rs 1,655.1 million from Rs 1,843.5 million over the fourth quarter FY 2009-10.
- EBITDA decreased by 47.4% for the fourth quarter FY 2010-11 to Rs 180.0 million from Rs 342.4 million over the fourth quarter FY 2009-10.
- Net Profit for the quarter was Rs 40.0 million versus a Net Loss of Rs 1,130.1 million reported in the corresponding quarter in the prior year.
- The Basic and Diluted Earnings per share (EPS) were Rs 1.74 for the quarter ended March 31, 2011

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

- As announced on March 12, 2011 the Company's indirect subsidiary HOV Services, LLC signed an agreement to merge with SOURCECORP, Inc. subject to regulatory approval which was obtained and the merger was completed on April 29, 2011.
- Added new business with over USD12.0 million in total contract value in the fourth quarter FY 2010-11.
- Top 100 clients represent over 78% of total revenues with the largest customer representing only 19% of total revenues.
- Company maintained strong liquidity position with –
 - a. DSO of 56 days
 - b. Debt to Equity Ratio of 1.39
 - c. Net Bank Debt of US 113.6 million at March 31, 2011
- 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 experienced team with over 8,357 associates, strategically located across the globe; India 5,851, North America 1,440, China 655 and Mexico 411
- HOVS is also nominated with the following recognition / awards during the year 2010-2011:
 - (1) Nasscom Annual Survey 2010 has ranked HOV Services amongst the "Top 15 BPO Exporters 2009-10" in India.
 - (2) 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.
 - (3) Government of Maharashtra has honoured 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 8,357 associates working together to Exceed Expectations® of our clients.

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Consolidated Profit Statement Year Ended March 31, 2011 vs. Year Ended March 31, 2010 and Quarter Ended March 31, 2011 vs. Quarter Ended March 31 2010

Particulars	Twelve Months ended March 31,	Twelve Months ended March 31,	% Change FY 2010-11 over FY 2009-10	Quarter ended March 31,	Quarter ended March 31,	% Change in Q4 FY 2010-11 over Q3 FY 2010-11
<i>Rs In Million's</i>	2010-11	2009-10		2010-11	2009-10	
	Audited	Audited				
INCOME						
Income from Services	7,092.54	8,483.94		1,655.11	1,843.52	
TOTAL INCOME	7,092.54	8,483.94	-16.4%	1,655.11	1,843.52	-10.2%
EXPENDITURE						
Employee expenses	3,607.22	4,474.60		910.74	902.96	
Operating costs	2,376.55	2,754.53		558.37	596.70	
Foreign exchange losses, net	(1.68)	50.95		6.00	1.44	
TOTAL	5,982.09	7,280.07		1,475.11	1,501.10	
EARNINGS BEFORE INTEREST, TAX, AND DEPRECIATION (EBITDA)	1,110.45	1,203.86	-7.8%	180.00	342.41	-47.4%
EBITDA %	15.7%	14.2%		10.9%	18.6%	
Depreciation	291.64	252.17		81.34	55.55	
EARNINGS BEFORE INTEREST, TAX, AND EXCEPTIONAL ITEM	818.81	951.70	-14.0%	98.66	286.86	-65.6%
EBIT %	11.5%	11.2%		6.0%	15.6%	
Other income	(15.65)	(14.74)		(5.92)	(2.11)	
Interest expense, net	292.76	336.25		79.96	65.35	
PROFIT (LOSS) BEFORE TAX	541.70	630.19	-14.0%	24.61	223.62	-89.0%
PBIT %	7.6%	7.4%		1.5%	12.1%	
Taxes	4.41	63.88		(15.37)	26.13	
PROFIT (LOSS) AFTER TAX BEFORE EXCEPTIONAL ITEM AND MINORITY INTEREST	537.30	566.31		39.98	197.50	
EXCEPTIONAL ITEM	-	1,327.64		-	1,327.64	
PROFIT (LOSS) AFTER EXCEPTIONAL ITEM	537.30	(761.32)	170.6%	39.98	(1,130.14)	103.5%
Minority interest	-	(2.92)		-	-	
PROFIT (LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	537.30	(758.40)	170.8%	39.98	(1,130.14)	103.5%
PAT %	7.6%	-8.9%		2.4%	-61.3%	

Fact Sheet – Consolidated Financial Information, Fiscal Year Ended March 31, 2011

Revenue - YoY Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q4 FY 2009 -10		Q4 FY 2010 -11		% Q over Q
	Revenue	%	Revenue	%	
Healthcare	15,779	39.3%	13,898	38.1%	-11.9%
BFSI	9,788	24.4%	8,691	23.8%	-11.2%
Government	6,447	16.1%	6,309	17.3%	-2.2%
Media & Publishing	3,313	8.3%	3,411	9.3%	3.0%
Manufacturing	2,577	6.4%	2,695	7.4%	4.6%
Retail	2,241	5.6%	1,498	4.1%	-33.1%
Total Revenue	40,144	100.0%	36,502	100.0%	-9.1%

Revenue - Sequential Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q3 FY 2010 -11		Q4 FY 2010 -11		% Sequential Q's
	Revenue	%	Revenue	%	
Healthcare	14,258	35.5%	13,898	38.1%	-2.5%
BFSI	8,603	21.4%	8,691	23.8%	1.0%
Government	7,342	18.3%	6,309	17.3%	-14.1%
Media & Publishing	4,011	10.0%	3,411	9.3%	-15.0%
Manufacturing	2,688	6.7%	2,695	7.4%	0.3%
Retail	1,796	4.5%	1,498	4.1%	-16.6%
Total Revenue	38,698	106.0%	36,502	100.0%	-5.7%

Revenue – Q4 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%	2.2%	0.2%	0.0%	1.1%	1.9%
Strategic Consulting	0.0%	3.3%	3.3%	0.0%	0.0%	0.0%
E Content Management Services	0.0%	0.0%	0.4%	9.1%	0.0%	0.0%
Document Lifecycle Services	4.9%	7.5%	11.8%	0.0%	3.7%	2.0%
Presentment Services	1.3%	9.6%	1.5%	0.2%	2.6%	0.1%
Healthcare Payor/Provider Services	31.4%	0.8%	0.0%	0.0%	0.0%	0.0%
HR Assist	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%
Total Revenue	38.1%	23.8%	17.3%	9.3%	7.4%	4.1%

Revenue Q4 FY 2010-2011 by Service Type in the Industry Served

Service Type <i>(In 000's US\$'s)</i>	Growth by						
	3 Mth Period 3/31/2010			3 Month Period 3/31/2011			
	Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail	
F&A Services	2,517	(4)	120	21	-	91	(632)
Strategic Consulting	1,616	-	517	307	-	-	-
E Content Management Services	3,353	-	(1)	38	102	(2)	6
Document Lifecycle Services	13,387	25	(1,613)	(672)	(2)	72	(245)
Presentment Services	5,670	3	(230)	199	(2)	(43)	(22)
Healthcare Payor/Provider Services	13,244	(1,686)	196	-	-	-	-
HR Assist	356	(5)	(156)	(24)	-	-	0
Total Revenue	40,144	(1,668)	(1,167)	(131)	98	118	(893)

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

Industry Vertical <i>In 000' US\$'s</i>	New Client Major Wins Q4		New Client Major Wins YTD	
	New Clients	Contract Value	New Clients	Contract Value
BFSI	4	3,116	17	13,167
Government	4	3,050	6	6,450
Healthcare	4	3,867	8	10,662
Manufacturing	1	540	3	1,165
Media & Publishing	2	1,460	4	2,360
Retail	-	-	4	3,800
Total Revenue	15	12,033	42	37,604

TOP 350 by Industry and Service Type Q4 FY2010-11

Service Type <i>(In 000's US\$'s)</i>	Healthcare	BFSI	Government	Media & Publishing	Manufacturing	Retail	Total
F&A Services	230	791	87	-	379	738	2,225
Strategic Consulting	158	1,114	1,099	-	-	-	2,371
E Content Management Services	-	-	100	3,877	-	27	4,004
Document Lifecycle Services	1,159	2,527	4,937	-	1,264	893	10,779
Presentment Services	510	3,164	489	68	856	40	5,128
Healthcare Payor/Provider Services	11,837	184	-	-	-	-	12,021
HR Assist	97	60	-	-	-	-	157
Total Revenue	13,990	7,840	6,712	3,945	2,499	1,698	36,685

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>	Top 1 Client	19%	4%
Banking	4 out of the top 10	Top 5 Clients	31%	1%
Healthcare	10 out of the top 20	Top 10 Clients	41%	-2%
Insurance	9 out of the top 20	Top 20 Clients	52%	-2%
Automotive	2 out of the top 5	Top 50 Clients	66%	-1%
Retailers	8 out of the top 20	Top 100 Clients	78%	0%
Publishing	5 out of the top 20	Top 200 Clients	88%	-1%
		Top 350 Clients	94%	-1%

Global Infrastructure and Resources as of March 31, 2011

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	21	338
Operations	1,205	5,326	639	371	7,541
Total	1,440	5,851	655	411	8,357