

## HOV Services, Ltd Reports FY 2008-09 Results

**Mumbai, 4 June, 2009:** HOV Services, Ltd. (NSE: HOVS), among India's top tier BPO companies, reported its consolidated financial results for the fiscal year and quarter ended March 31, 2009.

### Financial Highlights for Fiscal Year and Quarter ended March 31, 2009

#### **Consolidated Financial Performance for the Fiscal Year ended March 31, 2009**

- Consolidated total Income for the current FY increased 3.8% to Rs 8,970.7 million from Rs 8,645.0 million for the corresponding last fiscal year 2007-08.
- EBITDA increased by 6.7% for the FY to Rs 1,168.4 million from Rs 1,095.5 million over the corresponding last fiscal year 2007-08
- Net Profit decreased by 14.8% for the current FY to Rs 463.9 million from Rs 544.4 million over the corresponding last fiscal year.
- Rupee depreciation against the USD resulted in decrease of the company's Net Profit to the tune of Rs 80.6 million.
- The basic and diluted Earnings per share (EPS) is Rs 36.96 for the FY.
- Pro forma diluted EPS is Rs 20.45 after giving effect to all shares that would be issued.

#### **Consolidated Financial Performance for the Fourth Quarter ended March 31, 2009**

- Total Income for the fourth quarter decreased 3.0% to Rs 2,289.0 million from Rs 2,358.6 million over the third quarter FY 2008-09.
- EBITDA increased by 12.6% for the fourth quarter to Rs 355.9 million from Rs 316.0 million over the third quarter FY 2008-09
- Net Profit increased by 62.0% to Rs192.9 million from Rs119.1 million over the third quarter FY 2008-09.
- The basic and diluted Earnings Per Share for this three month period is Rs 15.37 per share

### Significant Developments during the Fourth Quarter Fiscal Year 2008-09 and noteworthy items

- The Board of Directors approved the buy-back of the Company's fully paid-up equity shares of Rs 10/- each from the existing owners of shares from the open market through Stock Exchanges at a price not exceeding Rs. 50/- per share payable in cash for an aggregate amount not exceeding Rs. 5 crore. At March 31, 2009 the Company had purchased 43,034 shares
- Added over \$17.5 million in customer contracts in the 4th Fiscal Quarter with \$12.5 million from existing customers.
- Substantial savings from integration and rationalization of global operations helped defray overall increases in costs in India with 11,419 associates across over 40 delivery centers in India, China, Mexico, U.S. & Canada
- By right shoring we were able to successfully transition some key business processes from US to our near shore and off shore operations in Mexico, India and China.
- Diversified Client Base with low Customer Concentration with and minimal exposure to financial services companies.



- Top 100 clients represent over 79% of total revenues with the largest customer representing only 16% of total revenues.
- Over 50% of leading FORTUNE 100® companies as reference-able clients in our core Service offerings
- 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;
- Company maintained strong liquidity position with DSO of 51.6 days, Debt to Equity Ratio of 1.4 and Net Bank Debt of \$110.9 million at March 31, 2009.
- Successfully continue to leverage company's Top Tier BPO Service Provider with established reputation for Reliable, High Quality and Secure services.

#### 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 11,700 associates working together to Exceed Expectations® of our clients.

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