

HOV Services, Ltd Reports First Quarter 2009-10 Results

Mumbai, 28 July, 2009: HOV Services, Ltd. (NSE: HOVS), among India's top tier BPO companies, reported its consolidated financial results for the first quarter ended June 30, 2009.

Financial Highlights for First Quarter ended June 30, 2009

Consolidated Financial Performance for the First Quarter ended June 30, 2009

- Total Income for the first quarter 2009-10 increased 6.1% to Rs 2,234.1 million from Rs 2,105.0 million over the first quarter FY 2008-09.
- EBITDA increased by 51.5% for the first quarter 2009-10 to Rs 287.1 million from Rs 189.5 million over the first quarter FY 2008-09.
- Net Profit increased by 822.8% to Rs 122.7 million from Rs 13.3 million over the first quarter FY 2008-09.
- Total Income for the first quarter 2009-10 decreased 2.4% to Rs 2,234.1 million from Rs 2,289.0 million over the fourth quarter FY 2008-09.
- EBITDA decreased by 19.3% for the first quarter 2009-10 to Rs 287.1 million from Rs 355.9 million over the fourth quarter FY 2008-09.
- Net Profit decreased by 36.4% to Rs 122.7 million from Rs 192.9 million over the fourth quarter FY 2008-09.
- Rupee appreciation against the USD resulted in increase of the company's Net Profit to the tune of Rs 0.3 million.
- The basic and diluted Earnings per share (EPS) were Rs 9.82 for the quarter ended June 30, 2009.
- Pro forma diluted EPS is Rs 5.42 after giving effect to all shares that would be issued.

Significant Developments during the First Quarter Fiscal Year 2009-10 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 June 30, 2009 the Company had purchased 63,034 shares
- Added over US \$ 41.0 million in customer contracts in the 1st Fiscal Quarter 2009-10.
- Substantial savings from integration and rationalization of global operations helped defray overall increases in costs in India with 10,950 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 81% 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 52.1 days, Debt to Equity Ratio of 1.32 and Net Bank Debt of US \$112.0 million at June 30, 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 10,950 associates working together to Exceed Expectations® of our clients.

For More Information, Please Contact:

Investor Relations:
Concept Communications:
David Franklin
+91 93 221 96698 (M)

Company Contact:
Jim Reynolds, Global CFO
+91 98 2390 4286 (M)
R Vijayakumar, CFO India
+91 44 42858062 (O)

