



HOV Services, Ltd, Reports First Quarter 2010-11 Results

Pune, July 22, 2010: HOV Services, Ltd., (BSE: 532761, NSE:HOVS) India's top tier BPO/KPO Company announced its consolidated financial results for the first quarter ended June 30, 2010.

Financial Highlights for First Quarter ended June 30, 2010

The table below summarizes the condensed consolidated results for the first quarter FY 2010-11 verses first quarter FY 2009-10 and verses the proforma first quarter FY 2009-10 and proforma quarter ended March 31, 2010.

The proforma results excluded the ARM business activities that were sold in Q4 FY 2009-10:

<i>Rs In Million's</i>	Quarter ended June 30, 2010-11 Reported	Quarter ended June 30, 2009-10 Reported	% Change	Quarter ended June 30, 2009-10 Proforma	% Change	Quarter ended March 31, 2009-10 Proforma	% Change
TOTAL INCOME	1,834.6	2,234.1	-17.9%	1,863.0	-1.5%	1,843.5	-0.5%
EBITDA	314.8	287.1	9.6%	296.0	6.3%	342.4	-8.1%
EBITDA %	17.2%	12.8%		15.9%		18.6%	
PAT	176.5	122.7	43.8%	149.3	18.2%	197.5	-10.6%
PAT %	9.6%	5.5%		8.0%		10.7%	
Basic and Diluted EPS	14.13	9.82		11.96		15.81	

Consolidated Proforma Financial Performance

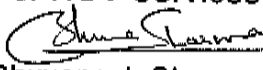
First Quarter FY 2010-11 verses Proforma First Quarter FY 2009-10

- Total Income for the first quarter FY 2010-11 decreased 1.5% to Rs 1,834.6 million from Rs 1,863.0 million over the first quarter FY 2009-10.
- EBITDA increased by 6.3% for the first quarter FY 2010-11 to Rs 314.8 million from Rs 296.0 million over the first quarter FY 2009-10.
- Net Profit increased by 18.2% to Rs 176.5 million from Rs 149.3 million over the first quarter FY 2009-10.
- The Basic and Diluted Earnings per share (EPS) were Rs 14.13 for the quarter ended June 30, 2010, and Proforma Diluted Earnings per share (EPS) were Rs 7.69.

First Quarter FY 2010-11 verses Proforma Fourth Quarter FY 2009-10

- Total Income for the first quarter FY 2010-11 decreased 0.5% to Rs 1,834.6 million from Rs 1,843.5 million over the fourth quarter FY 2009-10.
- EBITDA decreased by 8.1% for the first quarter FY 2010-11 to Rs 314.8 million from Rs 342.4 million over the fourth quarter FY 2009-10.
- Net Profit decreased by 10.6% to Rs 176.5 million from Rs 197.5 million over the fourth quarter FY 2009-10.

For HOV Services Limited


Bhuvanesh Sharma
Company Secretary



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

- Added over US \$7.6 million in customer contracts in the first quarter FY 2010-11.
- Top 100 clients represent over 79% of total revenues with the largest customer representing only 17% of total revenues.
- Company maintained strong liquidity position with DSO of 52 days, Debt to Equity Ratio of 1.3 and Net Bank Debt of US \$100.3 million at June 30, 2010, down \$19.7 million from June 30, 2009.
- International Association of Outsourcing Professionals (IAOP) ranked us:
 1. Best 20 Leaders by Industry Focus: Health Care;
 2. Best 10 Companies by Service Offered: Document Management;
 3. Best 10 Leaders by Service Offered: Financial Management;
 4. Best 20 Leaders by Region Served: India;
 5. Best 20 Leaders by Region Served: Canada;

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 8,873 associates working together to Exceed Expectations® of our clients.


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