



**HOV Services**  
**Exceed Expectations**

March 14, 2011

**HOV Services and SourceCORP Agree to Merge**

**Combined Enterprise with over USD 481 Million in Revenues, Merger creates Economies of Scale across Key Verticals.**

Chennai, India (Wire Services) –HOV Services Limited. (NSE: *HOVS and BSE: 532761*), end-to-end global BPO and services company providing Healthcare, Finance and Accounting, E-Content Management, Presentment and HRO services, announced today that an agreement has been entered into to combine its indirect subsidiary HOV Services LLC (“HOV Services”) with SOURCECORP, Inc. (“SOURCECORP”), a portfolio company of Apollo Management V, L.P. (the “Transaction”).

SOURCECORP is a Texas-based BPO services and specialty consulting services company. Shareholders of HOV Services and SOURCECORP will each control 50% of the combined entity, i.e. SCH Services, Inc., a Delaware corporation, incorporated under the laws of US (“SCH Services”). The Transaction is expected to be completed in the next 45-60 days subject to regulatory approvals under laws of US and customary closing conditions.

**Transaction Highlights:**

- **Strong global management team**
- **Combined headcount of approximately 14,200 globally on February, 2011**
- **Marquee customers – more than 50% of the Fortune 100®**
- **High visibility and large recurring revenue stream**
- **Deep domain expertise in several industries**
- **Increased access to global customers with an extensive global footprint**
- **Significant operating leverage, scalable operating platforms with new revenue growth opportunities**

The merger will bring together two highly recognized companies and create a global business process outsourcing and professional services consulting entity.

HOV Services has approximately 8,750 associates, 46 global delivery centers, and reported revenues of \$159 million for the 12 months ended December 31, 2010. SOURCECORP has approximately 5,500 employees, and 37 global delivery centers, with revenues of \$322 million for the aforesaid period.

SCH Services expects to realize multiple synergies from this combination:

- Complementary horizontal services with demand-side economies of scale position the entity to participate in large BPO/KPO transactions globally
- Significant Operating Leverage
- Opportunity to expand services to non-overlapping customer pool
- Potential for seamless expansion into foreign markets
- Highly customizable service offerings with extended range of core competencies

Commenting on the merger, Suresh Yannamani, President of HOV Services, said **"This merger is about two strong companies coming together to create a sustainable platform for value creation and growth. In joining forces, this merger creates an entity positioned to be a global provider of business process solutions and consultancy services in the industry."** He added, "The combined

**HOV Services Limited**

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entity is globally positioned across four continents. Its enhanced platforms will enable us to collectively better service the needs of our customers and provide them with additional expertise in Healthcare, Insurance, Banking, Automotive, Retail, Government and Publishing verticals. We are very excited about this combination and look forward to working with Ed Bowman and the entire SOURCECORP team in partnership as one."

Management teams of both the companies will continue in current key leadership roles while the best alignment for future growth is assessed and executed.

The Board of SCH Services will consist of 7 members with 3 members each nominated by shareholders of HOV Services and SOURCECORP and the CEO will serve as the 7<sup>th</sup> member of the board upon election.

The previously announced ADR offering by HOV Services Limited will be cancelled upon closing of the Transaction.

As part of the Transaction, the Promoters of HOV Services Limited and affiliates have agreed to certain restrictions including transfer and sale of their stake within an agreed specified time and will continue to provide vision, strategy and guidance to SCH Services.

To refinance each company's existing debt and to provide working capital for growth, SCH Services has secured committed debt financing from consortium of global banks totaling \$625 million in the aggregate.

### Conference Call and Webcast Details:

HOV Services Limited will also host a conference call today to discuss the Transaction at 4 PMIST/ 6:30 AM Eastern Time / 3:30 AM Pacific Time. The live discussion can be accessed by all concerned, including the shareholders of HOV Services Limited dialing in India, (Pune 02030360201; Mumbai 02230360201; Chennai 04430360201 Bangalore 08030360201; Delhi 01130360201; Hyderabad 04030360201 India Toll Free 180030121212) and internationally (USA & Canada 18663944524; United Kingdom 080-8168-1755 China North 10-800-712-1884; China South 10-800-140-1104), with passcode number 7903944325 #. The audio webcast of the call providing an overview of the Transaction and strategic rationale will be available at [www.hovservices.com](http://www.hovservices.com) for a period of one year from the date of this release. A replay of the call will be available via webcast.

### About HOV Services Limited

HOV Services Limited (*NSE:HOVS and BSE: 532761*), a portfolio company of HandsOn Ventures, LLC and one of the largest end-to-end BPO Companies, provides healthcare, finance and accounting, e-content, document management and business intelligence services across key industries such as BFSI, Healthcare, Government, Telecom, Publishing, Retail, Commercial and Industrial Manufacturing. HOV Services Limited's RightShore delivery centers are strategically located in India, North America, China and Mexico with over 8,750 associates with over 46 delivery centers servicing over 50% of the FORTUNE 100® and some of the other largest companies in the industries served.

### Contact for HOV Services Limited

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