

For Immediate Release

February 5, 2015

Hinduja Global Solutions Limited

Consolidated Financial Performance: Q3 FY2015

Net Sales of Rs. 7,325 million, an increase of 11.5% y-o-y

EBITDA of Rs. 904 million with margin of 12.3%

PAT of Rs. 528 million with margin of 7.2%

As of December 31, 2014, the Company had Net Debt of Rs. 651 million and Net Worth of Rs. 15,562 million

Declared third interim dividend of Rs. 5 per share

NelsonHall recognized HGS as a Leader in Customer Management Services in Telecommunication, Satellite & Cable industry

HGS opened its 60th delivery center at El Paso, TX

Mumbai, India, February 5, 2015 - : Hinduja Global Solutions Limited ([HGS](#)) (Listed on NSE & BSE, India) today announced its Unaudited Third Quarter Results for FY2015.

Commenting on the results and performance, **Mr. Partha DeSarkar, Chief Executive Officer** said:

“Our continued focus on our sales and marketing initiatives resulted in the addition of new clients as well as increased business from existing clients. The strong demand for our services has resulted in an optimal level of operation across all our facilities. During the quarter, we recorded a strong revenue growth of around 12% to reach Rs. 7,325 million. This performance was achieved despite the revenue loss on account of exit of non-profitable clients which is in-line with our portfolio rationalization strategy.

During Q3 FY2015, the ramp-ups in the Philippines coupled with unfavorable movement of the Canadian Dollar had a negative impact on our profitability. We believe that our profitability will improve on completion of ramp-ups in Philippines. Improvement in demand from telecom clients in Canada and steady performance of Europe and US operations strengthens our confidence that the growth momentum will continue in the mid to long term.”

Consolidated Financial Highlights

(Rs. Million)	Q3		y-o-y	Q2		q-o-q	Nine Months		y-o-y
	FY2015	FY2014	Growth (%)	FY2015	Growth (%)		FY2015	FY2014	Growth (%)
Net Sales	7,325	6,569	11.5%	7,021	4.3%		21,008	18,634	12.7%
EBITDA	904	919	(1.6)%	810	11.6%		2,479	2,366	4.8%
Margin (%)	12.3%	14.0%		11.5%			11.8%	12.7%	
Profit Before Tax (PBT)	589	618	(4.6)%	519	13.5%		1,567	1,733	(9.6)%
Margin (%)	8.0%	9.4%		7.4%			7.5%	9.3%	
Profit After Tax (PAT)	528	541	(2.4)%	385	37.2%		1,237	1,346	(8.1)%
Margin (%)	7.2%	8.2%		5.5%			5.9%	7.2%	
Basic EPS (Rs.)	25.49	26.27	(3.0)%	18.65	36.7%		59.90	65.39	(8.4)%

Consolidated Q3 FY2015 Financial Highlights:

- Net Sales increased by 11.5% y-o-y to Rs. 7,325 million driven by increased contribution from the healthcare vertical. Revenue growth was broad-based across geographies with Philippines being the major contributor.
- EBITDA for the quarter was Rs. 904 million with margin 12.3%. EBITDA was impacted by the ongoing ramp-up activities in the Philippines and Canada. Cost related to the ongoing portfolio rationalization initiatives also had an adverse impact on the margin.
- PAT for the quarter was Rs. 528 million with a margin of 7.2%. Profitability was impacted by higher depreciation charge on account of implementation of the new Companies Act.
- As of December 31, 2015, the Company had Net Debt of Rs. 651 million and Net Worth of Rs. 15,562 million

Q3 FY2015 Business Highlights:

- The US operation is focused on expansion, with the announcement of its second site in El Paso, Texas, a center with the capability to accommodate over 800 seats
- The Canadian operation to start a new site with over 400 seats at Windsor, Ontario to cater to additional volumes
- The UK and Europe operation is focused on consolidation of two London sites into one to cater to multilingual services primarily for Government and consumer goods sectors
- The Philippines operations experienced client expansion. It received two new contracts from a fitness client and a durable medical equipment provider
- Strong growth momentum gained in the healthcare vertical which has benefitted both India and Philippines operations
- Overall profitability of the India Domestic operation remained subdued due to the ongoing portfolio rationalization. Non telecom clients continue to contribute to the profitability
- As of December 31, 2014, HGS had 140 active clients (excluding payroll processing clients)
- As of December 31, 2014, total headcount was 28,630, of which 57% were based in India, 21% in Philippines, 9% in the US, 10% in Canada and the remaining 3% in Europe

Performance Outlook:

- USA: Continues to invest in sales and account management to strengthen client relationships
- Canada: Experiencing strong demand from telecom clients
- Europe: Efforts to leverage wider organization capabilities with the aim to capitalize on the traction building in the UK healthcare BPM market
- Philippines: Fructification of the new contracts will be visible from the next fiscal year
- India: Strong growth momentum gained in the healthcare vertical; trend expected to continue

Industry Recognitions:

In 2014, HGS has made significant progress in being recognized as one of the leading players in the Contact Center Outsourcing space by the analyst and advisor community. In the past quarter, HGS has been featured in a number of high profile reports that showcase the Company's vertical expertise and extensive capabilities to potential clients.

- Nelson Hall recognized HGS as a Leader in the Customer Management Services for telecommunications, cable and satellite
- Everest Group included HGS as a Major Contender in their Peak Landscape for banking, financial services and insurance
- Gartner included HGS in the Magic Quadrant for Customer Management Contact Center BPO
- HfS Research included HGS in their Telecom Operations assessment Blueprint
- HfS Research included HGS in their Marketing Operations and Digital Engagement Management Blueprint

About Hinduja Global Solutions:

HGS is a leader in optimizing the customer experience and helping our clients to become more competitive. HGS provide a full suite of business process management services from marketing and digital enablement services, consumer interaction services to platform enabling back office business services. By applying analytics and interaction expertise to deliver innovation and thought leadership, HGS increases revenue, improves operating efficiency and helps to retain valuable customers. HGS expertise span the telecommunications and media, healthcare, insurance, banking, consumer electronics and technology, retail, consumer packaged goods industries, as well as the public sector. HGS operates on a global landscape with over 28,000 employees in 60 worldwide locations delivering localized solutions. For the year ended 31st March 2014, HGS had revenues of US \$412 million. HGS, part of the multi-billion dollar Hinduja Group, has over four decades of experience working with some of the world's most recognized brands.

www.teamhgs.com

Safe Harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

For more information visit us at www.teamhgs.com or contact:

Srinivas Palakodeti

Hinduja Global Solutions Limited

Tel: +91 80 2573 2620

Email: pala@teamhgs.com

Bijay Sharma

Churchgate Partners

Tel: +91 22 3953 7444

Email: HGS@churchgatepartnersindia.com