

For Immediate Release

November 6, 2015

Hinduja Global Solutions Limited

Q2 FY2016 Consolidated Performance Highlights

Net Sales of Rs. 7,890 million, an increase of 12.4% y-o-y

EBITDA of Rs. 807 million at 10.2% margin

PAT of Rs. 269 million at 3.4% margin

As of September 30, 2015, the Company had Net Debt of Rs. 2,591 million and

Net Worth of Rs. 11,222 million

The Board declared second interim dividend for FY2016 of Rs. 5 per share

Mumbai, India, November 6, 2015: Hinduja Global Solutions Limited ([HGS](#)) (Listed on NSE & BSE, India) today announced its Unaudited Second Quarter and Half Year Results for FY2016.

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

"HGS has recorded a revenue growth of 12.4% in Q2. In addition, increased capacity utilization and cost control measures initiated has led to significant improvement in EBITDA margins over Q1.

Healthcare continues to be the growth engine for the Company. Further, the Consumer & Public Sector verticals have shown good momentum with 3 new large contract wins in H1.

We are seeing traction in our investments in value added solutions such as platform-based tools, digital marketing services, analytics and consulting that are fundamentally changing how we interact with our clients end customers and drive efficiencies."

Consolidated Financial Highlights:

| (Rs. Million) | Q2 | | y-o-y | Q1 | | q-o-q | H1 | | y-o-y |
|-------------------------|--------|--------|------------|--------|------------|-------|--------|--------|------------|
| | FY2016 | FY2015 | Growth (%) | FY2016 | Growth (%) | | FY2016 | FY2015 | Growth (%) |
| Net Sales | 7,890 | 7,021 | 12.4% | 7,388 | 6.8% | | 15,278 | 13,683 | 11.7% |
| EBITDA | 807 | 810 | (0.4)% | 541 | 49.1% | | 1,348 | 1,575 | (14.4)% |
| Margin (%) | 10.2% | 11.5% | | 7.3% | | | 8.8% | 11.5% | |
| Profit Before Tax (PBT) | 420 | 519 | (19.2)% | 251 | 67.3% | | 671 | 978 | (31.4)% |
| Margin (%) | 5.3% | 7.4% | | 3.4% | | | 4.4% | 7.1% | |
| Profit After Tax (PAT) | 269 | 385 | (30.0)% | 162 | 66.5% | | 431 | 710 | (39.3)% |
| Margin (%) | 3.4% | 5.5% | | 2.2% | | | 2.8% | 5.2% | |
| Basic EPS (Rs.) | 12.99 | 18.65 | (30.4)% | 7.80 | 66.4% | | 20.79 | 34.41 | (39.6)% |

Q2 FY2016 Consolidated Financial Highlights:

- Net Sales increased by 12.4% y-o-y to Rs. 7,890 million. This growth was primarily driven by an improvement in volume across all key geographies, except Canada.
- EBITDA was Rs. 807 million, down 0.4% y-o-y. EBITDA margins were at 10.2%. EBITDA was impacted due to under performance by HGS Canada.
- PAT was Rs. 269 million with a margin of 3.4%. Profitability was impacted due to lower operating profit coupled with higher tax incidence.
- As of September 30, 2015, the Company had Net Debt of Rs. 2,591 million and Net worth of Rs. 11,222 million.

Q2 FY2016 Business Highlights:

- HGS US showcased strong performance and business growth from existing clients and new client wins, Healthcare is the primary growth driver in this market. Colibrium, the acquisition done earlier this year, has signed up 150 FTEs for multiple clients.
- HGS Canada signed its first Public Sector client. The expected ramp up is 100 FTEs. It also received additional business worth 100 FTEs from a major Canadian Telecommunications company. The business experienced billing efficiencies across all clients. Benefits of all business initiatives expected to accrue in the coming quarters.
- HGS UK continues to grow on the back of two new large contract wins in the Consumer and Public Sector vertical. The Preston site has been expanded to support this growth. HGS UK remains focused on new business in the government, telecom and consumer goods verticals.
- HGS Philippines profitability improved driven by stabilization of investments and completion of ramp-up. Outlook is promising primarily due to higher volumes in the healthcare vertical driven by start of Open Enrollment Season.
- As Open Enrollment Season commences, the India International business is expected to perform well.
- India Domestic business revenues increased over Q1 on account of ramps in the Telecom sector. COLA (Cost of Living Adjustments) increases in some of the large accounts will benefit margins going forward. The Domestic business started operations for three new clients in E-commerce, Insurance and Healthcare sectors.
- The acquisition of a significant part of Mphasis Group's BPM business in India concluded this quarter, with the smooth transition of clients and over 8,000 employees.
- The company signed 7 new logos in the quarter.
- As Healthcare moves to a B2C model, HGS is investing in solutions to enhance the customer experience. For a leading Healthcare Payer, HGS has implemented multiple automation projects which will yield cost saving in operational costs for the client.

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- The Consulting Business has seen traction with our largest Healthcare Payer client, where the Sales Operations process was re-engineered, with an aim to deliver significant savings.
- The Company has also invested in HR Analytics to improvise the recruitment methodology.
- Digital Natural Assist (DNA), a new customer experience platform was launched to streamline customer service communications across all channels.
- As of September 30, 2015, HGS had 181 active clients (excluding payroll processing clients).
- As of September 30, 2015, contribution from Healthcare vertical is 41.8%, Telecom & Technology 25.3%, Consumer Electronics 14.8%, BFS 7.0%, Media 2.1%, Chemicals & Biotech 2.3% and 6.7% from other verticals.
- As of September 30, 2015, total headcount was 39,466. 68.5% in India, 16.4% in Philippines, 6.4% in the US, 6.2% in Canada and 2.5% in Europe.

Other Highlights:

HGS has signed India's No. 1 and Asia's No. 2 Golfer Anirban Lahiri as its Brand Ambassador. Anirban is also ranked 39th in the World ranking. He will play a significant role in developing the HGS brand in global markets.

Industry Recognitions:

During the quarter, HGS received several accolades from various outsourcing research & analysis firms. These are a testament to the Company's leadership position in the BPM industry.

- HfS Research has named HGS to the Winners Circle in the Healthcare Payer Operations Blueprint, 2015.
- HGS continues to share mindshare with Everest Research: Was named a Major Contender in the CCO PEAK Matrix, 2015 and included in the CCO Service Provider Compendium, 2015.
- HGS has been included in a few recent Frost & Sullivan reports including:
 - Frost & Sullivan 2015 Europe Contact Center Outsourcing Buyer's Guide: Negotiating a Changing Landscape
 - BPO Enabling Technology Part II Radically Transforming Client Partnerships, 2015
 - 2015 North American Mergers & Acquisitions Update: Contact Center Outsourcing Growth at Warp Speed

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About Hinduja Global Solutions:

HGS is a leader in optimizing the customer experience and helping our clients to become more competitive. HGS provides a full suite of business process management (BPM) services from consumer interaction solutions to platform based back office services and digital enablement solutions. By applying analytics and interaction expertise to deliver innovation and thought leadership, HGS increases revenue, improves operating efficiency and helps retain valuable customers. HGS expertise spans 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 around 40,000 employees in 65 worldwide locations delivering localized solutions. For the year ended 31st March 2015, HGS had revenues of US\$ 458 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:

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