



Hinduja Global Solutions

Earnings Presentation

Q3 FY2013

Cautionary Statement

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in the BPO industry including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-timeframe contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hinduja Global has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Hinduja Global may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

Highlights of the Quarter

Consolidated Financial Highlights: Q3 FY2013 vs. Q3 FY2012

- Consolidated Net Sales increased by 13.9% to reach the highest ever quarterly sales of ₹5,212 million. This growth was primarily due to seasonal business and revenue contribution from the recently acquired Revenue Cycle Management business
- Consolidated business EBITDA grew by 4.6% as revenues are now better matched to the ramp-up costs incurred earlier and measures being taken for cost management. Business EBITDA margins were 11.1% for the quarter before adjusting for certain one-time non-recurring costs of ₹47.9 million
- Consolidated PAT was ₹200 million with PAT margin of 3.8%
- As of December 31, 2012, the Company had Net Debt position of ₹714 million and Net Worth of ₹12,763 million

Management Commentary

Commenting on the results, **Mr. Partha De Sarkar, CEO of Hinduja Global Solutions** said:

“It gives us great pleasure to announce our record quarterly revenues of more than Rs. 5,000 million. Overall, we have seen a sharp recovery of volumes across all clients in Canada. Margins have improved through better capacity utilization globally and initiatives taken on cost management. The Revenue Cycle Management business we acquired in October is progressing as per plan. Our recent wins in healthcare and consumer sector has improved our capacity utilization.

We expect global demand to remain stable across our business, particularly in the core verticals of healthcare and telecom. Profitability is likely to improve in the coming quarters as current excess capacity is expected to be filled mainly in the US and Philippines.”

Highlights of the Quarter



Business Highlights

- Revenue Cycle Management business (EBOS), which was acquired during October 2012, has already contributed approximately US\$2.8 million to revenue during the quarter. This is in line with management's expectations
- All requisite approvals have been received for setting-up a SEZ in Hyderabad for servicing Revenue Cycle Management business. This new delivery facility is expected to be operational by end of February 2013
- Completed proof of concept for a worker's insurance compensation project for a new client. This project will be serviced from India and is expected to commence in March 2013. In the process of setting up the second SEZ in Bangalore to service this contract
- 527 active clients as of December 31, 2012
 - Client contributing revenues more than ₹150 million for the quarter increased from 7 to 9 compared to Q3 FY2012
 - Recently won two consumer brands for servicing customers in Philippines and the Asia Pacific region
- The delivery centers in Philippines and India are key to servicing potential clients in the Middle-East, in particular the UAE
- Appointed Steve Sacks as Senior Vice President of Sales, USA. Steve will be responsible for defining strategy to meet our growth targets and helping to win new priority clients
- As of December 31, 2012 total headcount stood at 23,258, of which 63% were based in India, 15% in Philippines, 9% in the US, 9% in Canada and remaining 4% in Europe

Region	Operational Update	Strategic Initiatives
North America & Canada	<ul style="list-style-type: none"> Canada benefitted from a sharp recovery of volumes across all key client accounts New center at North Bay operational after integrating Antigonish center Bellville Center in Ontario expected to reach full utilization by March 2013 Jamaica center successfully servicing domestic clients and attracting near-shore interest 	<ul style="list-style-type: none"> Marketing and business development establishing a strong sales pipeline Potential to optimize delivery center platform further A 'Strategic Partnerships' team set up to focus on larger and high-profile deals Grow Revenue Cycle Management business and leverage capabilities in other markets
India	<ul style="list-style-type: none"> India international continues to perform well India domestic is benefitting from better cost management <ul style="list-style-type: none"> Ongoing assessment of existing clients to ensure better profitability Telecom volumes remain soft Emerging markets performing well HRO outsourcing (HGS Business Services) continues to add clients across verticals 	<ul style="list-style-type: none"> Planned SEZ for EBOS business in Hyderabad is expected to be operational by end of February 2013 Management on track to integrate another successful acquisition Completed proof of concept for an worker's insurance compensation project for a new client; to start in March 2013 In the process of setting-up the second SEZ in Bangalore to service this contract

Business Update

Region	Operational Update	Strategic Initiatives
Philippines	<ul style="list-style-type: none">▪ Improved client traction from the US, Canada and the UK for voice based services▪ Current volumes remain challenging especially in context of weaker demand from consumer clients▪ With recent client wins management expects utilization level to improve in next twelve months	<ul style="list-style-type: none">▪ Successfully diversifying customer base. Two consumer client wins for servicing customers in Philippines and APAC▪ Successful completion of trial period for a clinical authorization voice based service; to commence from Q1 FY2014
Europe	<ul style="list-style-type: none">▪ Preston site has reached full capacity level ahead of schedule▪ Continues to receive strong interest from clients in retail, telecom and the public sector	<ul style="list-style-type: none">▪ Marketing and sales efforts focussed on the public sector▪ Building on success with leading telco “TalkTalk” and takeover of Preston site

Financial Performance Summary

Consolidated Financial Highlights

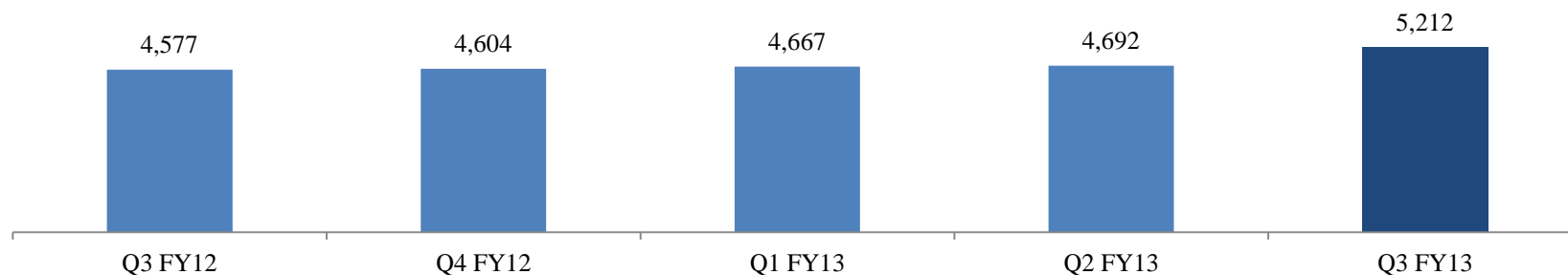
(₹ million)	Q3		y-o-y	Q2		q-o-q	Nine Months		y-o-y
	FY2013	FY2012	Growth (%)	FY2013	Growth (%)		FY2013	FY2012	Growth (%)
Net Sales	5,212	4,577	13.9%	4,692	11.1%		14,572	10,939	33.2%
Business EBITDA	581	555	4.6%	499	16.4%		1,527	1,238	23.3%
Margin (%)	11.1%	12.1%		10.6%			10.5%	11.3%	
Reported EBITDA	533	555	(4.0)%	499	6.8%		1,479	1,238	19.4%
Margin (%)	10.2%	12.1%		10.6%			10.2%	11.3%	
Profit Before Tax (PBT)	321	332	(3.3)%	182	76.7%		858	836	2.7%
Margin (%)	6.2%	7.3%		3.9%			5.9%	7.6%	
Profit After Tax (PAT)	200	282	(29.1)%	111	80.2%		504	750	(32.8)%
Margin (%)	3.8%	6.2%		2.4%			3.5%	6.9%	
Basic EPS (₹)	9.69	13.69	(29.2)%	5.38	80.2%		24.48	36.43	(32.8)%

Notes:

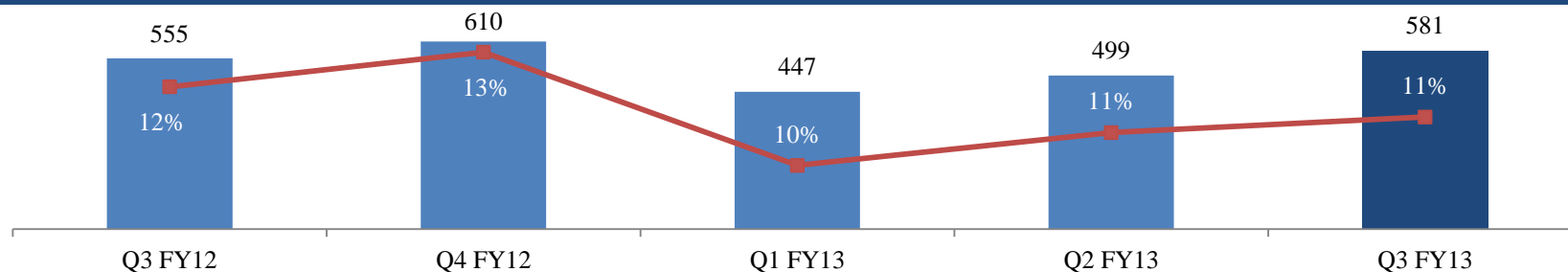
1. Business EBITDA: Q3 FY2013 EBITDA before adjusting for certain one-time non-recurring costs of ₹47.9 million
2. Q3 FY2013 consolidated PAT was impacted by associated one-time non-recurring costs
3. Q2 FY2013 consolidated PAT was negatively impacted by ₹53.2 million on account of foreign exchange re-measurement loss due to an appreciation of rupee towards end September 2012

Financial Performance Summary

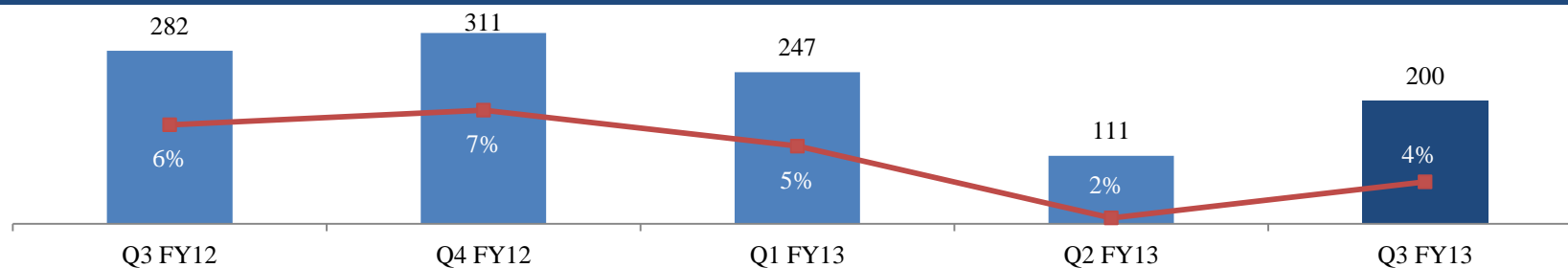
Revenue (₹ Million)



Business EBITDA (₹ Million) and Business EBITDA Margin (%)



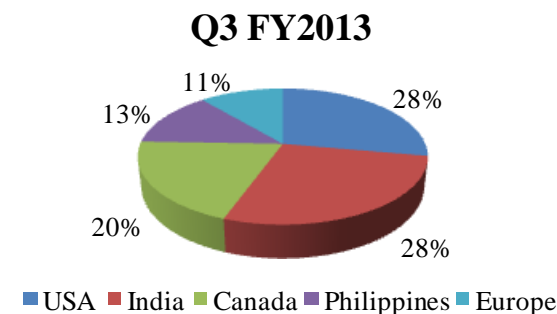
PAT (₹ Million) and PAT Margin (%)



Key Metrics

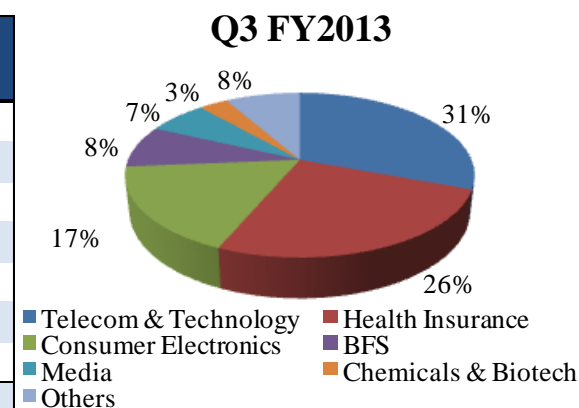
Revenue by Delivery Centers

(₹ Million)	Q3		y-o-y Growth (%)	Q2	
	FY2013	FY2012		FY2013	q-o-q Growth (%)
USA ¹	1,452	1,207	20.3%	1,303	11.5%
India	1,444	1,206	19.8%	1,239	16.6%
Canada	1,043	929	12.3%	900	15.9%
Philippines	691	658	5.0%	681	1.4%
Europe	583	577	0.9%	570	2.2%
Total	5,212	4,577	13.9%	4,692	11.1%



Revenue by Vertical

(₹ Million)	Q3		y-o-y Growth (%)	Q2	
	FY2013	FY2012		FY2013	q-o-q Growth (%)
Telecom & Technology	1,589	1,360	16.8%	1,491	6.5%
Health Insurance	1,328	977	36.0%	1,102	20.5%
Consumer Electronics	908	870	4.4%	810	12.1%
BFS	435	395	10.3%	398	9.4%
Media	346	374	(7.4)%	334	3.5%
Chemicals & Biotech	169	231	(27.1)%	171	(1.6)%
Others	437	370	18.0%	385	13.4%
Total	5,212	4,577	13.9%	4,692	11.1%



Note(s):

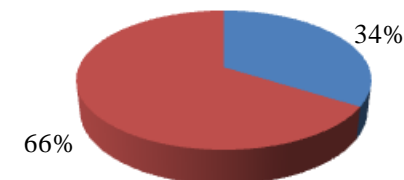
1. For Q3 FY2013 USA includes revenue contribution from Jamaica delivery center

Key Metrics

India Based Exposure

(₹ Million)	Q3		y-o-y Growth (%)	Q2	
	FY2013	FY2012		FY2013	q-o-q Growth (%)
India - Domestic ¹	490	527	(7.1)%	492	(0.6)%
India - International	955	679	40.6%	747	27.9%
Total India	1,444	1,206	19.8%	1,239	16.6%

Q3 FY2013

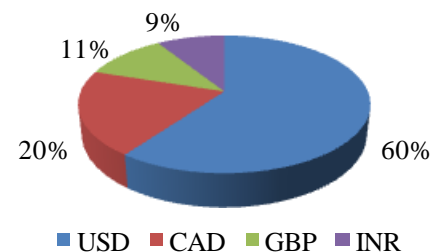


■ India - Domestic ■ India - International

Revenue by Currency Exposure

(₹ Million)	Q3		y-o-y Growth (%)	Q2	
	FY2013	FY2012		FY2013	q-o-q Growth (%)
USD	3,097	2,544	21.8%	2,731	13.4%
CAD	1,043	929	12.3%	900	15.9%
GBP	583	577	0.9%	570	2.2%
INR	490	527	(7.1)%	492	(0.6)%
Total	5,212	4,577	13.9%	4,692	11.1%

Q3 FY2013



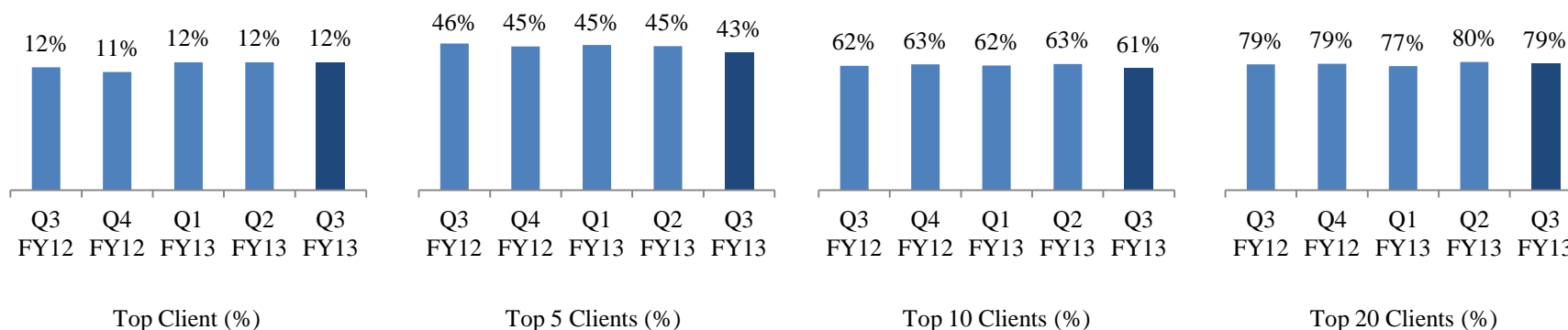
■ USD ■ CAD ■ GBP ■ INR

Note(s):

1. Includes revenues from HGS Business Services (formerly HCCA Business Services)

Key Metrics

Key Client Metrics



Client contributing revenues	Q3 FY12	Q4 FY12	Q1 FY13	Q2 FY13	Q3 FY13
> ₹200 million during the quarter	6	6	6	6	7
> ₹150 million during the quarter	7	7	7	7	9
> ₹100 million during the quarter	11	11	9	11	12
> ₹50 million during the quarter	20	21	23	20	20
> ₹10 million during the quarter	54	53	53	50	53

Key Employee Metrics

Employee by Geography	Q3 FY12	Q4 FY12	Q1 FY13	Q2 FY13	Q3 FY13
India	63%	63%	63%	62%	63%
Philippines	15%	14%	14%	14%	15%
US	8%	9%	9%	10%	9%
Canada	9%	10%	10%	9%	9%
Europe	5%	4%	4%	5%	4%
Total Headcount	24,402	23,899	23,865	22,883	23,258

Commentary

- As on December 31, 2012, the total seats stood at 22,985
 - Net increase of 541 seats as compared to Q2 FY2013
- SEZ for Hyderabad is expected to be operational by end of February 2013
- In the process of setting-up the second SEZ in Bangalore for servicing new healthcare client

Conservative Leverage Profile

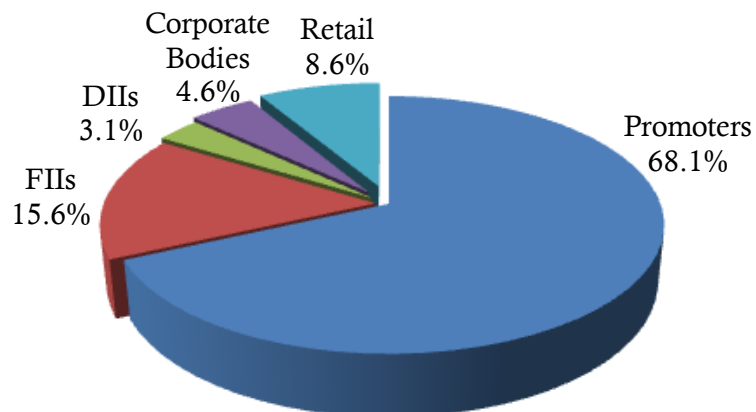
(₹ Million)	Q3 FY2013	Q2 FY2013
Total Debt	6,771	6,081
Less: Cash & Cash Equivalents	6,057	5,796
Net Debt / (Net Cash)	714	285
Net Worth	12,763	12,229

Commentary

- Q3 FY2013 total debt includes \$10 million loan which has been taken against deposits of HGS International
- Issuance of commercial paper provides an alternative to manage working capital requirement at a lower cost

Market Information

Shareholding Pattern



Market Data

Market Cap. (Rs. Million)	6,120
Outstanding Shares	21
Book Value per Share (Rs.) (30-Sep-12)	590.86
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Note: Information as on 11-Feb-12

Shareholders	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
Promoters	68.2%	68.1%	68.1%	68.1%	68.1%
Foreign Institutional Investors (FIIs)	16.0%	15.9%	15.7%	15.7%	15.6%
Domestic Institutional Investors (DIIs)	2.9%	2.9%	3.2%	3.1%	3.1%
Corporate Bodies	4.5%	4.6%	4.5%	4.6%	4.6%
Retail	8.4%	8.5%	8.5%	8.5%	8.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Hinduja Global Solutions: At a Glance





Contact Details:

Hinduja Global Solutions Limited

HGS House, #614,
Vajpayee Nagar, Bommanahalli,
Hosur Road, Bangalore – 560068
Ph.: +91 80 2573 2620
Fax: +91 80 2573 1592

Srinivas Palakodeti
Chief Financial Officer

pala@teamhgs.com
+91 80 2573 2620 x 209

Mark SD Popaly
Vice President – Global Business Finance

Mark.popaly@teamhgs.com
+91 80 2573 2620 x 229

Bijay Sharma
Churchgate Partners

bijay@churchgatepartnersindia.com
+91 22 3953 7444