Q3 FY2015 Earnings Presentation

February 5, 2015

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 BPM 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 Solutions 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 Solutions 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 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

Management Commentary

Commenting on the results, **Mr. Partha DeSarkar, CEO, Hinduja Global Solutions Limited** 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."

Highlights of the Quarter

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

Business Update

Region	Operational Update / Strategic Initiatives
USA and Canada	**US:** ▪ Second site in El Paso, Texas has started operation with over 400 employees and has potential to double the capacity ▪ Revenue growth along with change in business mix helped to improve overall profitability ▪ Added new client in fitness vertical; additional business from existing clients in consumer electronics and financial services vertical **Canada:** ▪ Added a number of new sales opportunities into its pipeline totaling over $25 mn of annualized revenue potential ▪ Plans to open a new site at Windsor, Ontario over 400 seats expected to be completed by Q1 FY2016
India	**International:** ▪ Strong growth momentum gained in the healthcare vertical; benefit realized by both India and Philippines operations ▪ Increased cost pressure due to ramp up for open enrolment season ▪ Added three new clients in healthcare vertical **Domestic:** ▪ Ongoing rationalization of portfolio impacted the margins ▪ All non-telecom clients were profitable ▪ Overall performance is expected to be in line with expectations

Business Update

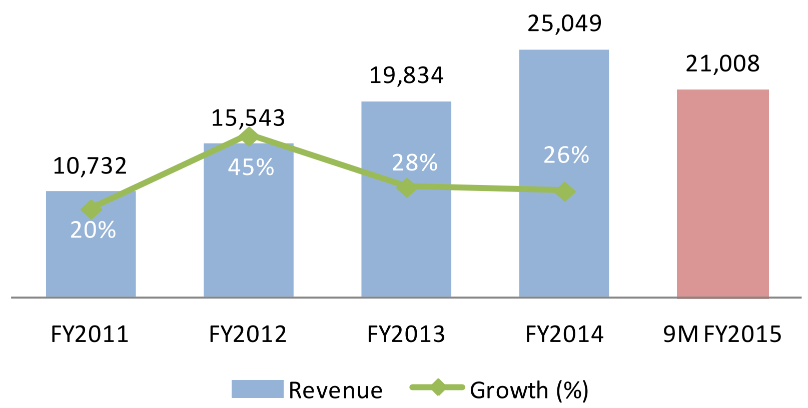
Region	Operational Update / Strategic Initiatives
Philippines	▪ Continued focus on ramp-up and customer service excellence ▪ Fifth facility at Alabang is operating at optimum levels ▪ Sixth facility with a capacity of 420 FTEs expected to start by March 2015 ▪ New client wins in the fitness and durable medical equipment sectors ▪ The contract from fitness vertical will begin with first phase of 120 FTEs and could potentially ramp-up to 600 FTEs ▪ Expect steady growth and ramp-up in Q4 FY2015 ▪ Continues to build robust sales pipeline primarily in the telecom and healthcare vertical
UK and Europe	▪ Ongoing consolidation of two London sites into one to focus on multilingual services primarily for Government and consumer goods sectors ▪ UK sites re-certified for ISO27001 and ISO9001 ▪ Expansion of the Preston site to cater to increased client demand ▪ Overall sales pipeline strengthened primarily in the telecom and public sectors ▪ Expect steady growth during rest the year with improved margins ▪ Continues to leverage wider organization capabilities, with increasing traction in the UK healthcare BPM market

Financial Performance Summary

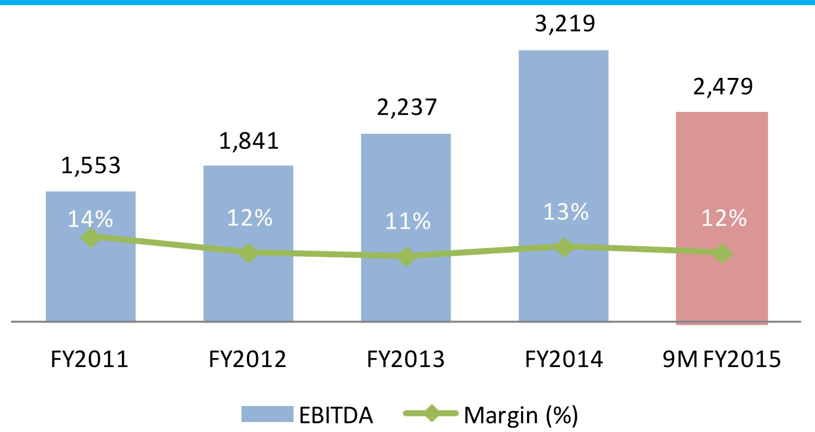
Consolidated Financial Highlights

(Rs. Million)	Q3 FY2015	Q3 FY2014	y-o-y Growth (%)	Q2 FY2015	q-o-q Growth (%)	Nine Months FY2015	Nine Months FY2014	y-o-y 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)%*

Annual Revenue Trend (Rs. Million)

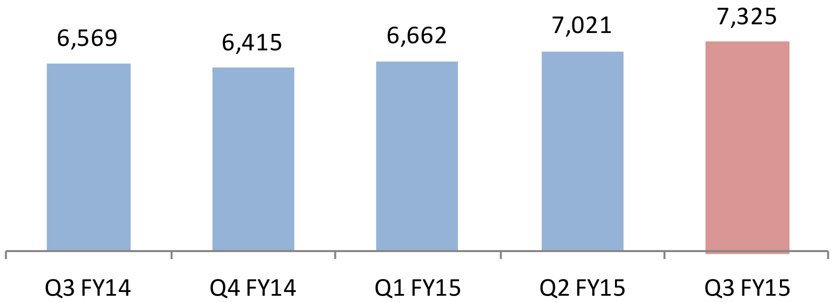


Annual EBITDA Trend (Rs. Million)

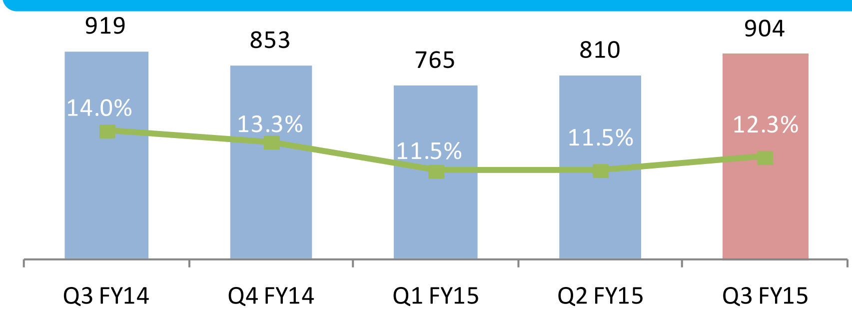


Financial Performance Summary

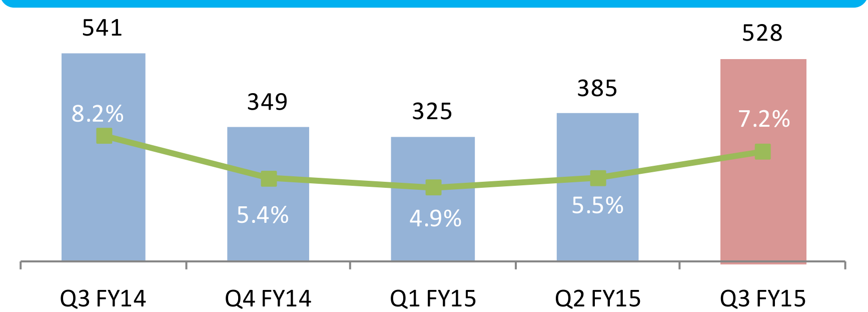
Revenue (Rs. Million) and Y-o-Y Growth (%)



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)



Q3 FY2015

- Revenue benefitted from increasing contribution from the healthcare vertical
- Growth was broad-based across geographies with Philippines being the major contributor
- Maintained growth momentum despite exit of unprofitable accounts

Q3 FY2015

- Ongoing ramp-up activities in Philippines and Canada impacted the EBITDA
- Cost related to ongoing portfolio rationalization initiatives also had an adverse impact on the operating profit

Q3 FY2015

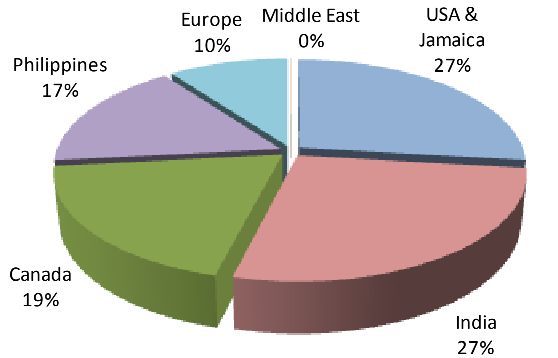
- Profitability was impacted by higher depreciation charge on account of implementation of the new Companies Act
- Depreciation of CAD vs. USD compared to the same period last year also impacted PAT

Key Metrics

Revenue by Delivery Centers

(Rs. Million)	Q3 FY2015	Q3 FY2014	y-o-y Growth (%)	Q2 FY2015	q-o-q Growth (%)
USA & Jamaica	1,959	1,869	*4.8%*	1,910	*2.5%*
India	1,968	1,634	*20.5%*	1,937	*1.6%*
Canada	1,408	1,499	*(6.1)%*	1,288	*9.3%*
Philippines	1,210	950	*27.4%*	1,159	*4.4%*
Europe	778	617	*26.0%*	727	*7.0%*
Middle East	3	na	*n/a*	na	*n/a*
Total	**7,325**	**6,569**	***11.5%***	**7,021**	***4.3%***

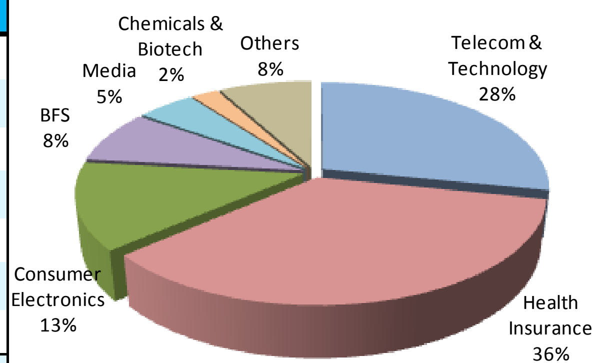
Q3 FY2015



Revenue by Vertical

(Rs. Million)	Q3 FY2015	Q3 FY2014	y-o-y Growth (%)	Q2 FY2015	q-o-q Growth (%)
Telecom & Technology	2,084	2,134	*(2.3)%*	2,037	*2.3%*
Health Insurance	2,615	1,801	*45.2%*	2,370	*10.4%*
Consumer Electronics	972	1,046	*(7.1)%*	936	*3.9%*
BFS	594	501	*18.5%*	514	*15.6%*
Media	366	488	*(25.1)%*	412	*(11.3)%*
Chemicals & Biotech	169	175	*(3.1)%*	178	*(4.7)%*
Others	524	424	*23.7%*	575	*(8.8)%*
Total	**7,325**	**6,569**	***11.5%***	**7,021**	***4.3%***

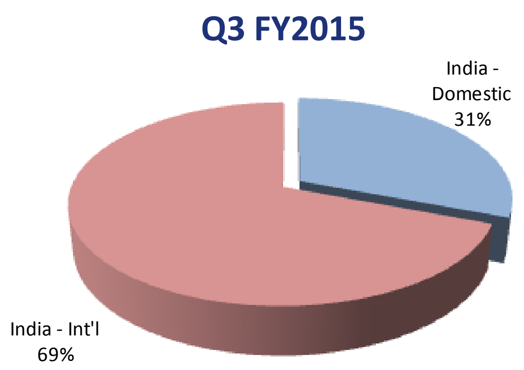
Q3 FY2015



Key Metrics

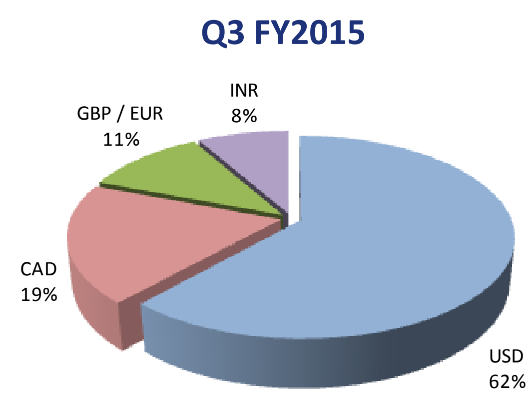
India Based Exposure

(Rs. Million)	Q3 FY2015	Q3 FY2014	y-o-y Growth (%)	Q2 FY2015	q-o-q Growth (%)
India - Domestic[1]	605	546	*10.8%*	578	*4.6%*
India - International	1,363	1,088	*25.3%*	1,359	*0.3%*
Total India	**1,968**	**1,634**	***20.5%***	**1,937**	***1.6%***



Revenue by Currency Exposure

(Rs. Million)	Q3 FY2015	Q3 FY2014	y-o-y Growth (%)	Q2 FY2015	q-o-q Growth (%)
USD	4,535	3,907	*16.1%*	4,428	*2.4%*
CAD	1,408	1,499	*(6.1)%*	1,288	*9.3%*
GBP / EUR	778	617	*26.0%*	727	*7.0%*
INR	605	546	*10.8%*	578	*4.6%*
Total	**7,325**	**6,569**	***11.5%***	**7,021**	***4.3%***

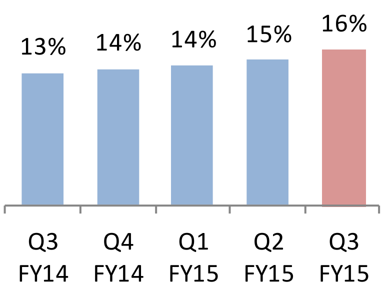


Note(s):

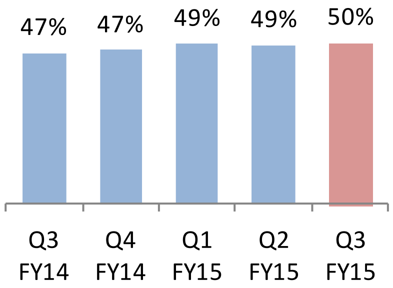
1. Includes revenues from HGS Business Services

Key Metrics

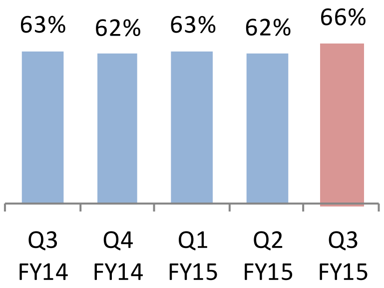
Key Client Metrics



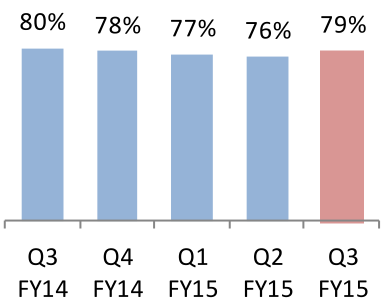
Top Client (%)



Top 5 Clients (%)



Top 10 Clients (%)

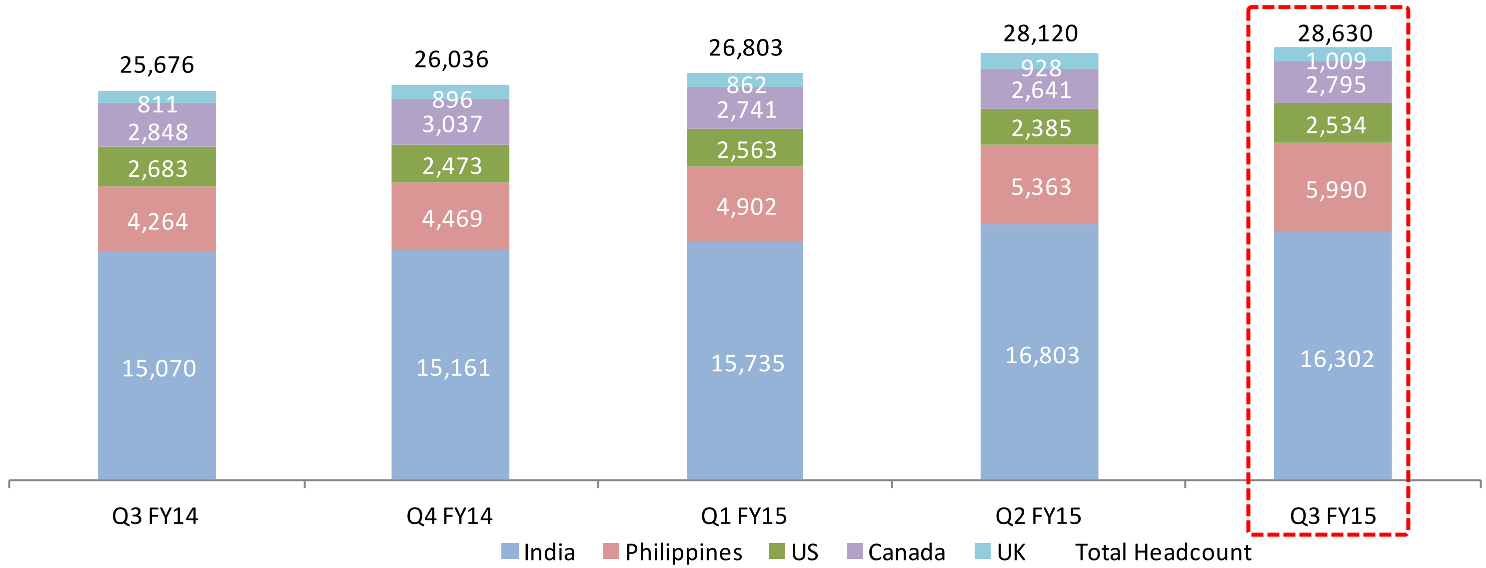


Top 20 Clients (%)

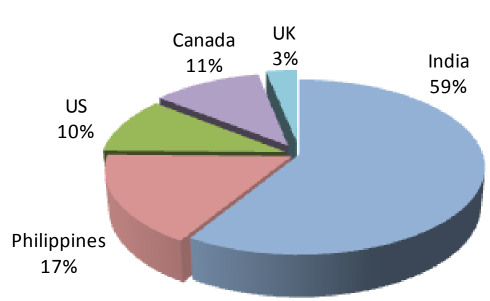
Client contributing revenues	Q3 FY14	Q4 FY14	Q1 FY15	Q2 FY15	Q3 FY15
> Rs. 200 million during the quarter	8	7	7	7	8
> Rs. 150 million during the quarter	10	11	9	11	9
> Rs.100 million during the quarter	15	16	14	15	13
> Rs.50 million during the quarter	26	29	25	25	27
> Rs.10 million during the quarter	54	59	57	60	56

Key Metrics

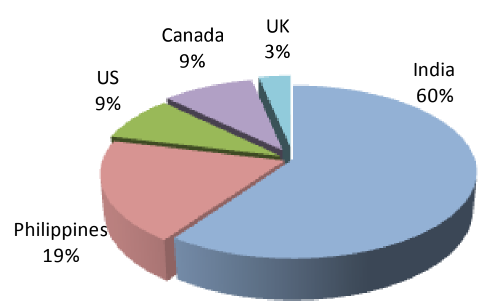
Employee Trend by Geography



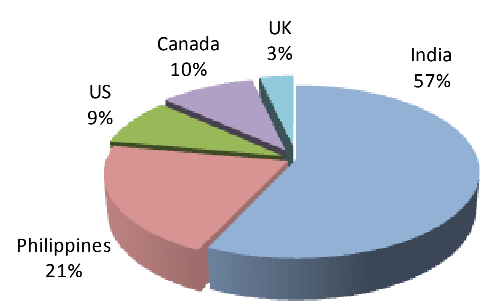
Q1 FY2015



Q2 FY2015



Q3 FY2015



Leverage Profile

Conservative Leverage Profile

(Rs. Million)	31-Dec-14	30-Sep-14
Total Debt	**6,297**	**6,457**
Less: Cash & Treasury Surplus	5,647	5,779
Net Debt / (Net Cash)	**651**	**678**
Net Worth	**15,562**	**15,221**
Net Debt / EBITDA[1]	**0.20x**	**0.20x**
Total Debt / Equity	**0.40x**	**0.42x**

Note(s):

1. LTM EBITDA used for computing net debt / EBITDA ratio

Summary Unaudited Balance Sheet

(Rs. Million)	31-Dec-14	30-Sep-14
Shareholder's Funds	**15,562**	**15,221**
Total Debt	6,297	6,457
Other Current and Non Current Liabilities	3,023	3,026
Total Equity and Liabilities	**24,882**	**24,704**
Net Fixed Assets and Intangibles	11,093	10,956
Other Non Current Assets	1,928	1,814
Total Non Current Assets	**13,022**	**12,770**
Trade Receivables and Other Current Assets	6,213	6,155
Cash and Treasury Surplus*	5,647	5,779
Total Current Assets	**11,860**	**11,934**
Total Assets	**24,882**	**24,704**

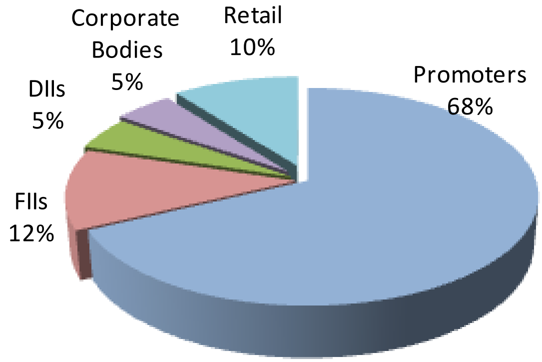
* Includes $48.5 million of HGS International, Mauritius deposited with Bank of Baroda London

Summary Unaudited Cash Flow Statement

(Rs. Million)	Nine Months Ended 31-Dec-14
Cash flow from Operations and after working capital changes	1,825
Cash Flow due to Capex	(1,197)
Cash Flow due other investing activities	64
Total Cash Flow from Investing Activities	**(1,133)**
Cash Flow from allotment to shares under ESOP Scheme	24
Proceeds/(Repayment) from/of Short-term borrowings	(278)
Cash from Interest payment and others	(560)
Total Cash Flow from Financing Activities	**(814)**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(121)**
Cash and Treasury Surplus as on April 1, 2014	5,733
Adjustments for exchange rate variations	34
Cash and Treasury Surplus as on December 31, 2014	**5,647**

Market Information

Shareholding Pattern



Market Data

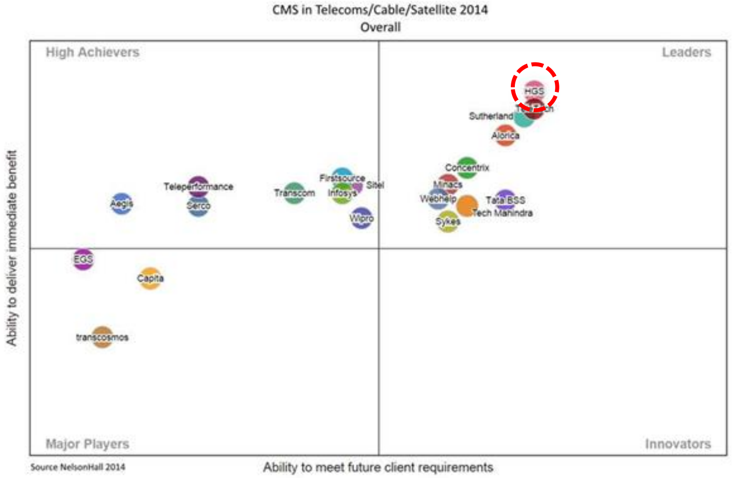
Market Cap. (Rs. million) (5-Feb-15)	13,167
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (31-Dec-14)	752.4
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Shareholders	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Promoters	68.1%	68.1%	68.0%	67.9%	67.8%
Foreign Institutional Investors (FIIs)	15.7%	15.7%	16.1%	16.7%	12.0%
Domestic Institutional Investors (DIIs)	0.0%	0.0%	0.0%	0.6%	5.0%
Corporate Bodies	5.4%	4.9%	5.7%	5.1%	4.8%
Retail	10.7%	11.4%	10.1%	9.7%	10.4%
Total Shares (Million)	**20.59**	**20.62**	**20.62**	**20.65**	**20.68**

Industry Recognition

Accolades from Analyst and Advisor community

In 2014, HGS has made significant progress in being recognised as one of the leading players in Contact Center Outsourcing space by the analyst and advisor community.



In the past quarter, HGS have been featured in a number of high profile reports that showcase our vertical expertise and extensive capabilities to potential future buyers

- Nelson Hall recognized HGS as a Leader in the Customer Management Services for telecommunications, cable and satellite
- Nelson Hall published a profile of HGS Healthcare Provider capabilities
- Everest Group included HGS as a Major Contender in their Peak Landscape for banking, financial services and insurance
- Everest Group included HGS in their Healthcare Contact Center Outsourcing Peak Landscape
- 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

Hinduja Global Solutions: At a Glance

Analytics

Marketing and Digital Enablement Services

- Customer Experience Management
- Digital Enablement
- Social Media Engagement
- Digital Marketing

Business Services

- Analytics & Insight
- Transaction Servicing
- Business Solutions

Consumer Interaction Services

- Voice Solutions
- Digital Assist – chat, email, video
- Social Care
- Mailroom Solutions
- Interaction Transformation

Innovation

Thank You

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