

YOUR GLOCAL TRANSFORMATION PARTNER

RIGHT SHORE • ONE EXPERIENCE • COLLABORATIVE SOLUTIONS

Q1 FY2015 Earnings Presentation

August 12, 2014



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: Q1 FY2015 vs. Q1 FY2014

- Net Revenues increased by 19.1% to Rs. 6,662 million
- EBITDA increased by 20.7% to Rs. 765 million at a margin of 11.5%
- As of June 30, 2014, the Company had Net Debt of Rs. 244 million and Net Worth of Rs. 14,938 million
- Awarded the “Best Large Contact Center” title at the EMEA finals of Contact Center World Awards 2014
- Declared an interim dividend of Rs. 5.00 per share

Management Commentary

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

“HGS continued its growth momentum during the quarter, delivering a strong performance across key geographies including the US, Philippines and India. Despite the first quarter being typically a slower period, we achieved revenue and EBITDA growth rates of 19% and 21%, respectively. However, our PAT declined mainly due to higher non-cash depreciation charges in accordance with the new Companies Act and lower other income on account of exchange rate variations.

The healthcare vertical continues to benefit from US healthcare reforms and was a primary driver of growth, led by some exciting new business opportunities. The performance of our Canadian operations was slightly subdued due to the seasonal downswing. Various profitability improvement measures undertaken last year resulted in a stable performance for our India domestic operations. Our UK and European businesses both experienced a significant revival in revenue growth, underpinned by public sector and other new client wins. We are pleased to announce that our UK operations was acknowledged with the “Best Large Contact Center” title at the EMEA finals of the recent Contact Center World Awards 2014. HGS has also been positioned as a “Major Contender” in Everest Group’s 2014 PEAK Matrix Assessment on the Contact Center Outsourcing Service Provider market, released in July, 2014.

Management’s ongoing focus and investment in global sales and marketing has enabled us to establish a promising sales pipeline across verticals. We are quite confident that this will ultimately translate into long standing customer relationships, quality revenue streams and an improved profitability going forward..”

Business Highlights

- The US operations continued its strong momentum and added two major clients, a large financial services company and a healthcare client, for US-based delivery services.
- Canadian operations remained subdued on account of the seasonal downswing. HGS continues to invest in sales and marketing efforts to build a quality pipeline from existing as well as new clients.
- The European and UK operations recorded significant performance improvement during the quarter. The operation was acknowledged with the “Best Large Contact Center” title at the EMEA finals of the recent Contact Center World Awards 2014, for a second consecutive year.
- The Philippines operation experienced strong demand from US and Canadian clients, mainly in the healthcare vertical.
- India International operations continued its growth momentum. EBOS business signed two new clients for account receivable management services.
- India Domestic operations reported stable performance during the quarter. HGS received a new line of business from an existing telecom client for its premium customers.
- As of June 30, 2014, HGS had 141 active clients (excluding payroll processing clients).
- As of June 30, 2014, total headcount was 26,803, of which 59% were based in India, 18% in Philippines, 10% in the US, 10% in Canada and the remaining 3% in Europe.

Region	Operational Update / Strategic Initiatives
USA and Canada	<p>US:</p> <ul style="list-style-type: none"> ▪ Significant improvement in demand scenario ▪ Added a major client in the BFSI sector for US based delivery ▪ Won the first major contract for onshore delivery from an existing healthcare client ▪ Signed a lease for a larger facility at El Paso, Texas ▪ Continues to strategically review accounts and exit from unprofitable accounts <p>Canada:</p> <ul style="list-style-type: none"> ▪ Performance was subdued due to the seasonal downswing on existing lines of business ▪ Added 210 FTEs to manage increased volumes for new lines of service wins from our existing clients ▪ Continues to invest in sales and marketing efforts to build a quality pipeline from existing as well as new clients
India	<p>International:</p> <ul style="list-style-type: none"> ▪ Ongoing strong performance driven primarily by healthcare clients ▪ EBOS business signed two new clients for account receivable management services ▪ Experiencing increased demand for new lines of services from existing clients <p>Domestic:</p> <ul style="list-style-type: none"> ▪ Stable performance driven by profitability improvement measures undertaken last year ▪ Received a new line of business from an existing telecom client to service its premium customers ▪ Continue to add clients in the non telecom sectors such as loyalty solutions, NGOs, BFS, consultancy and medical equipment

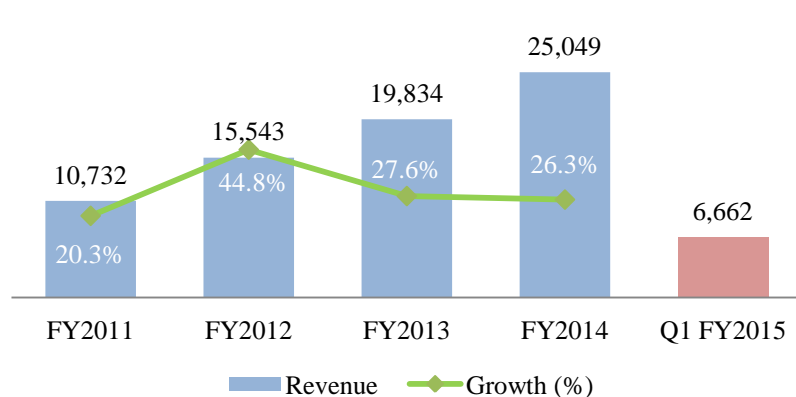
Region	Operational Update / Strategic Initiatives
Philippines	<ul style="list-style-type: none"> ▪ Continued to ramp up due to strong demand from US and Canadian clients, especially in the healthcare vertical ▪ Strong growth in volumes in existing and new lines of business from existing healthcare clients ▪ Two centers, set up in Alabang earlier this year, are operating at optimal levels ▪ Opened a third center at Alabang, with 250 agent seats in July 2014 ▪ Keeping in view strong demand, plans to open the fourth center at Alabang later this year ▪ Business and demand outlook, primarily for healthcare clients, continues to be strong
UK and Europe	<ul style="list-style-type: none"> ▪ Significant performance improvement during the quarter ▪ A new contract with the UK government went live in April 2014 and has been progressing well ▪ Finalized a contract with a major consumer brands company which is scheduled to go live in October 2014 ▪ Adjudged the “Best Large Contact Center” at the EMEA finals of the recent Contact Center World Awards 2014, for a second consecutive year. ▪ Focused on developing new opportunities with a large telecom client in both consumer and commercial sectors ▪ Continues to focus on government, consumer, automotive and telecom verticals

Financial Performance Summary

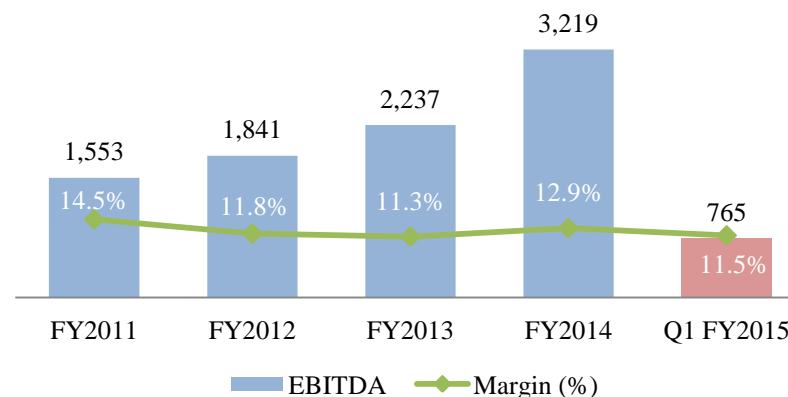
Consolidated Financial Highlights

(Rs. Million)	Q1		y-o-y	Q4	
	FY2015	FY2014	Growth (%)	FY2014	q-o-q Growth (%)
Net Sales	6,662	5,592	19.1%	6,415	3.9%
EBITDA	765	634	20.7%	853	(10.2)%
Margin (%)	11.5%	11.3%		13.3%	
Profit Before Tax (PBT)	458	532	(13.9)%	576	(20.5)%
Margin (%)	6.9%	9.5%		9.0%	
Profit After Tax (PAT)	325	376	(13.6)%	349	(6.9)%
Margin (%)	4.9%	6.7%		5.4%	
Basic EPS (Rs.)	15.76	18.27	(13.7)%	16.94	(6.9)%

Annual Revenue Trend (Rs. Million)

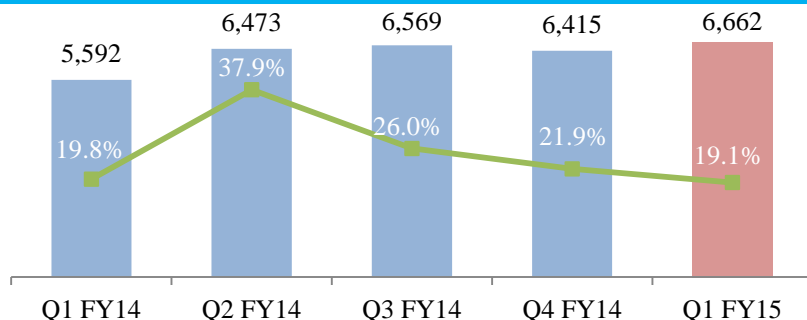


Annual EBITDA Trend (Rs. Million)



Financial Performance Summary

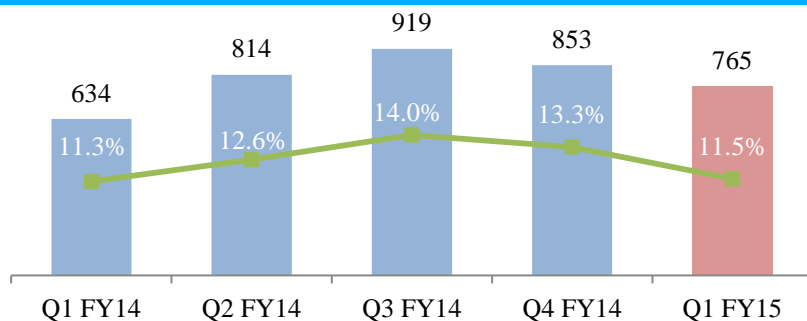
Revenue (Rs. Million) and Y-o-Y Growth (%)



Q1 FY2015

- Growth driven by a combination of increased volumes across existing clients, addition of new logos and a better demand scenario
- On a constant currency basis revenue growth was 14.5% y-o-y

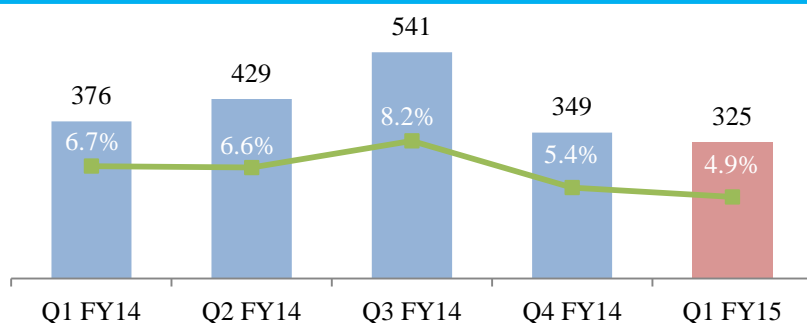
EBITDA (Rs. Million) and Margin (%)



Q1 FY2015

- Performance driven by better capacity utilization levels across all geographies and delivery centers
- Various performance management and cost control measures undertaken during the last year have resulted in a strong margin profile

PAT (Rs. Million) and Margin (%)



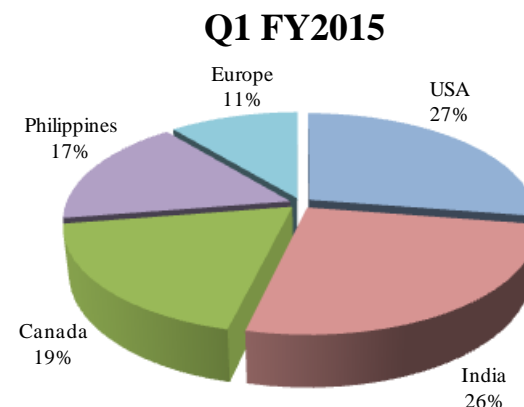
Q1 FY2015

- PAT was impacted primarily due to higher depreciation caused by implementation of the provisions of the new Companies Act
- Lower Other Income because of decreased exchange rate volatility

Key Metrics

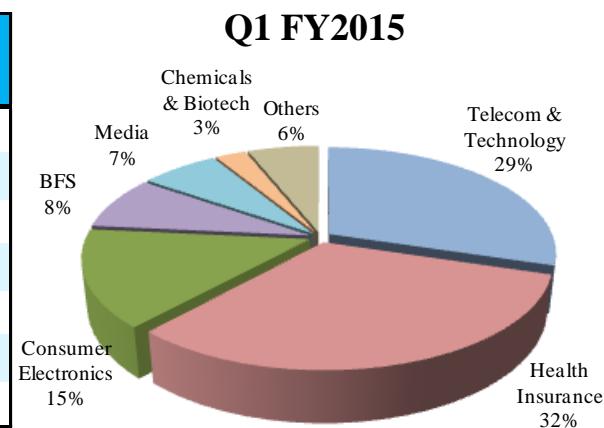
Revenue by Delivery Centers

(Rs. Million)	Q1		y-o-y	Q4		q-o-q
	FY2015	FY2014	Growth (%)	FY2014		Growth (%)
USA ¹	1,830	1,527	19.9%	1,581		15.8%
India	1,749	1,450	20.6%	1,639		6.7%
Canada	1,249	1,208	3.4%	1,433		(12.8)%
Philippines	1,105	852	29.7%	1,085		1.8%
Europe	730	555	31.4%	677		7.8%
Total	6,662	5,592	19.1%	6,415		3.9%



Revenue by Vertical

(Rs. Million)	Q1		y-o-y	Q4		q-o-q
	FY2015	FY2014	Growth (%)	FY2014		Growth (%)
Telecom & Technology	1,960	1,801	8.8%	1,985		(1.3)%
Health Insurance	2,113	1,561	35.4%	1,882		12.3%
Consumer Electronics	974	867	12.3%	981		(0.7)%
BFS	535	458	16.9%	543		(1.4)%
Media	438	394	11.3%	459		(4.6)%
Chemicals & Biotech	175	178	(1.9)%	169		3.5%
Others	467	333	40.1%	396		17.9%
Total	6,662	5,592	19.1%	6,415		3.9%



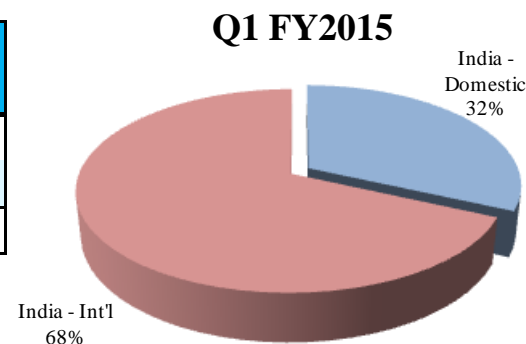
Note(s):

1. USA includes revenue contribution from Jamaica delivery center

Key Metrics

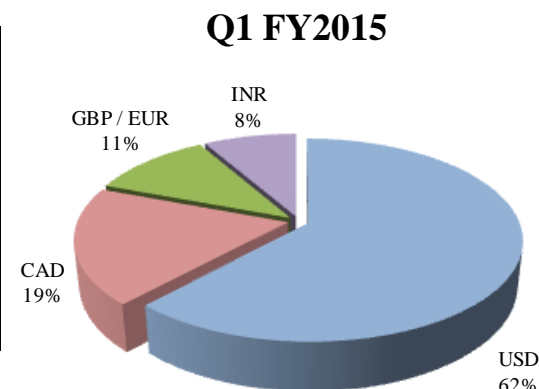
India Based Exposure

(Rs. Million)	Q1		y-o-y	Q4		q-o-q
	FY2015	FY2014	Growth (%)	FY2014	Growth (%)	
India - Domestic ¹	555	483	14.9%	559	(0.6)%	
India - International	1,193	967	23.4%	1,080	10.4%	
Total India	1,749	1,450	20.6%	1,639	6.7%	



Revenue by Currency Exposure

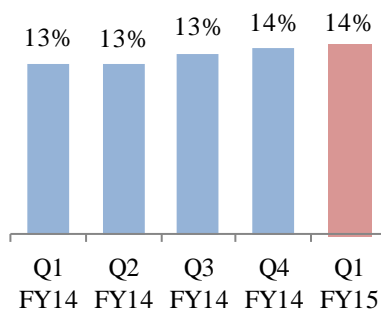
(Rs. Million)	Q1		y-o-y	Q4		q-o-q
	FY2015	FY2014	Growth (%)	FY2014	Growth (%)	
USD	4,128	3,345	23.4%	3,746	10.2%	
CAD	1,249	1,208	3.4%	1,433	(12.8)%	
GBP / EUR	730	555	31.4%	677	7.8%	
INR	555	483	14.9%	559	(0.6)%	
Total	6,662	5,592	19.1%	6,415	3.9%	



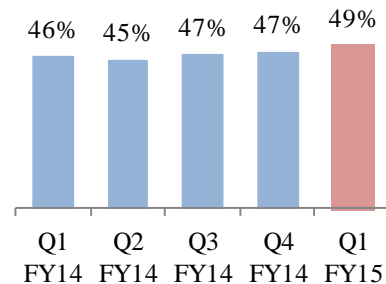
Note(s):

1. Includes revenues from HGS Business Services

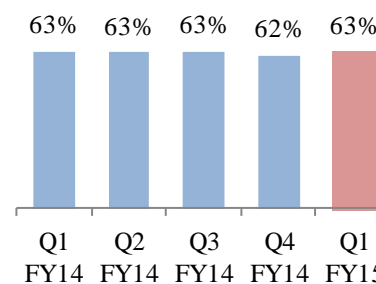
Key Client Metrics



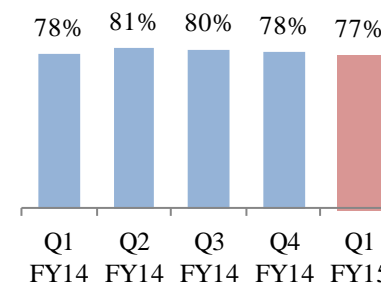
Top Client (%)



Top 5 Clients (%)



Top 10 Clients (%)

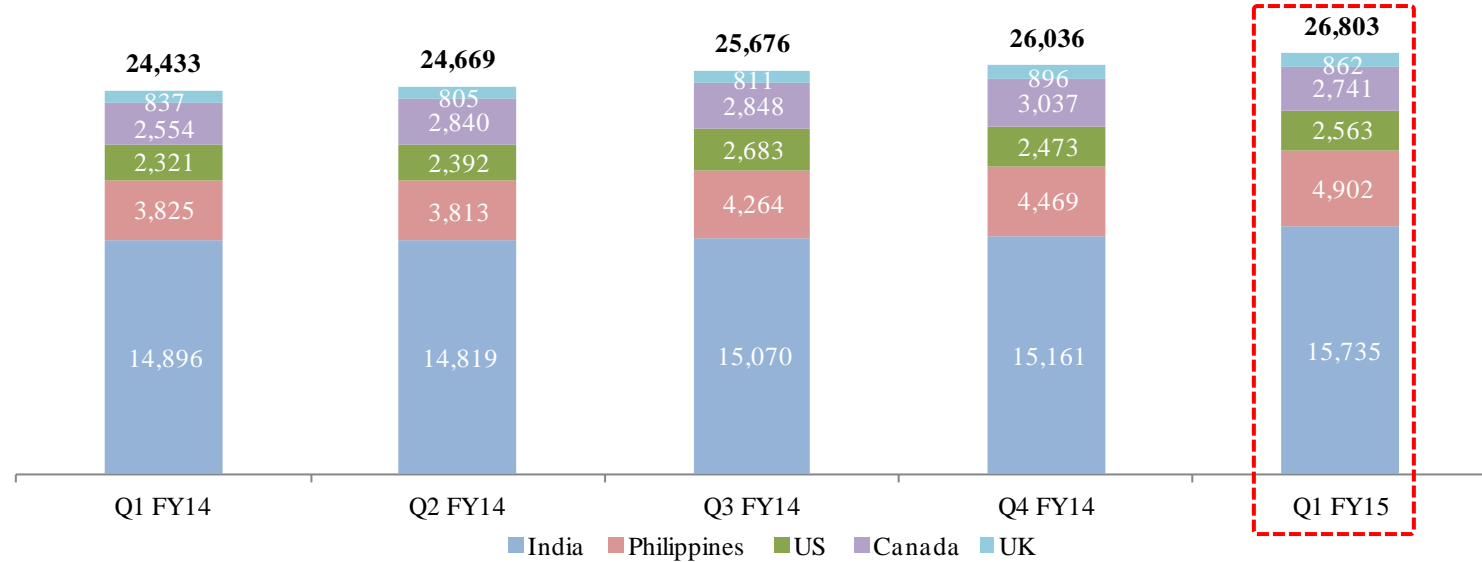


Top 20 Clients (%)

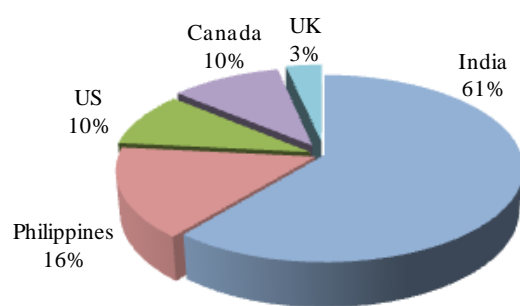
Client contributing revenues	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14	Q1 FY15
> Rs. 200 million during the quarter	8	9	8	7	7
> Rs. 150 million during the quarter	9	10	10	11	9
> Rs.100 million during the quarter	12	16	15	16	14
> Rs.50 million during the quarter	21	23	26	29	25
> Rs.10 million during the quarter	51	52	54	59	57

Key Metrics

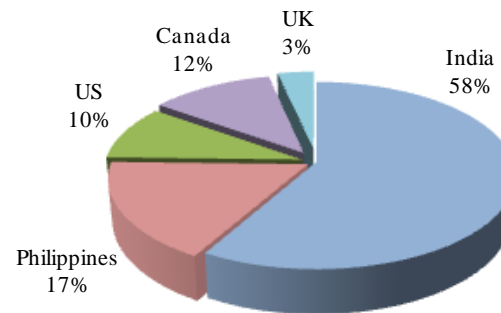
Employee Trend by Geography



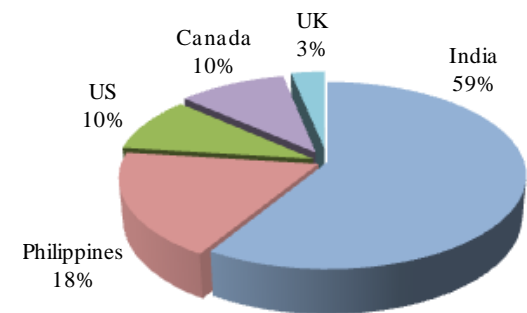
Q1 FY2014



Q4 FY2014



Q1 FY2015



Leverage Profile

Conservative Leverage Profile

(Rs. Million)	30-Jun-14	31-Mar-14
Total Debt	5,799	6,342
Less: Cash & Treasury Surplus	5,555	5,618
Net Debt / (Net Cash)	244	724
Net Worth	14,938	14,521
Net Debt / EBITDA¹	0.07x	0.22x
Total Debt / Equity	0.39x	0.44x

Note(s):

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

Summary Unaudited Balance Sheet

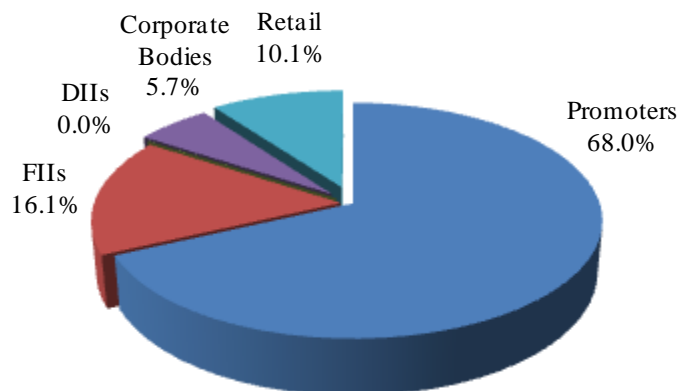
(Rs. Million)	30-Jun-14
Shareholder's Funds	14,938
Total Debt	5,799
Other Current and Non Current Liabilities	3,371
Total Equity and Liabilities	24,108
Net Fixed Assets and Intangibles	10,806
Other Non Current Assets	1,514
Total Non Current Assets	12,320
Trade Receivables and Other Current Assets	6,233
Cash and Treasury Surplus*	5,555
Total Current Assets	11,788
Total Assets	24,108

* Includes \$ 49.3 million of HGS International, Mauritius deposited with Bank of Baroda London

Summary Unaudited Cash Flow Statement

(Rs. Million)	30-Jun-14
Cash flow from Operations and after working capital changes	917
Cash Flow due to Capex	(276)
Cash Flow due other investing activities	(86)
Total Cash Flow from Investing Activities	(362)
Cash Flow from allotment to shares under ESOP Scheme	3
Cash from Debt Repayment	(543)
Cash from Interest payment and others	(111)
Total Cash Flow from Financing Activities	(652)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(96)
Cash and Treasury Surplus at the Beginning of the Quarter	5,648
Adjustments for exchange rate variations	3
Cash and Treasury Surplus at the End of the Quarter	5,555

Shareholding Pattern



Market Data

Market Cap. (Rs. million) (12-Aug-14)	13,365
Outstanding Shares (Million)	20.6
Book Value /Share (Rs.) (30-Jun-14)	724
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Shareholders	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
Promoters	68.1%	68.1%	68.1%	68.1%	68.0%
Foreign Institutional Investors (FIIs)	15.7%	15.7%	15.7%	15.7%	16.1%
Domestic Institutional Investors (DIIs)	3.0%	0.0%	0.0%	0.0%	0.0%
Corporate Bodies	4.4%	5.6%	5.4%	4.9%	5.7%
Retail	8.8%	10.5%	10.7%	11.4%	10.1%
Total Shares (Million)	20.59	20.59	20.59	20.62	20.62

Hinduja Global Solutions: At a Glance



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