



EXPANDING OUR REACH  
DELIVERING VALUE

23<sup>rd</sup> May 2012

# Q4FY12 Earnings Presentation

# DISCLAIMER

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  - FY12 Revenues grow 45%
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# Key Highlights – Q4FY12

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## ✓ **Robust Topline growth**

- YoY growth of 57%
- Contribution from organic & inorganic initiatives

## ✓ **North American Operations progressing well**

- Growth in US onsite operations
- Driving organic growth in OLS, increased team size

## ✓ **Europe**

- Strong business visibility in Careline Operations
- Pan European rollout complete, also reported new account wins

# Key Highlights – Q4FY12

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## ✓ **Philippines**

- Completed 10 years with two marquee clients
- Increased capacity, added customers & new lines of business

## ✓ **India**

- Signs of revival in domestic operations
- HCCA scaling up with new client wins

## ✓ **Emerging Geographies**

- Gearing up to launch Jamaican operations in Q1FY13
- Leveraging HCCA acquisition to enhance presence in the Middle East

# Financial Performance Snapshot

In Rs. Mn

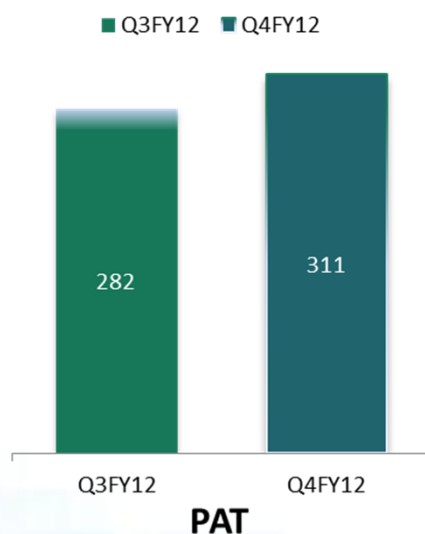
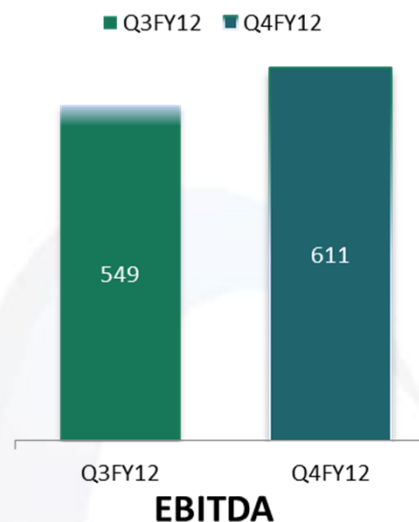
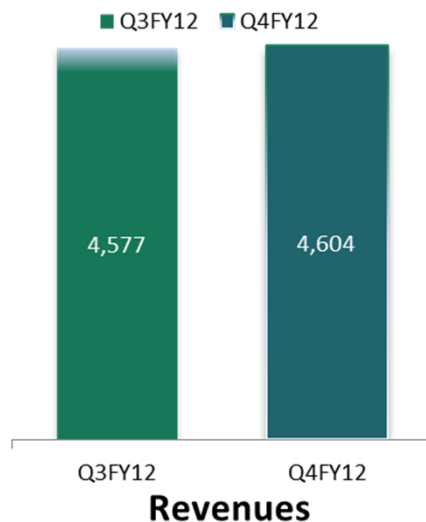
	Q4 FY12	Q4 FY11	%	Q3 FY12	%	FY12	FY11	%
<b>Revenue</b>	4,604.1	2,935.0	56.9%	4,576.7	0.6%	15,543.1	10,730.6	44.8%
<b>EBITDA</b>	610.5	441.0	38.4%	549.3	11.1%	1841.0	1553.4	18.5%
<b>EBITDA %</b>	13.3%	15.0%		12.0%		11.8%	14.5%	
<b>PBT</b>	388.3	385.2	0.8%	332.5	16.8%	1228.1	1103.2	11.3%
<b>PBT%</b>	8.4%	13.1%		7.3%		7.9%	10.3%	
<b>PAT</b>	310.7	308.6	0.7%	281.7	10.3%	1,060.7	1,073.2	-1.2%
<b>PAT%</b>	6.7%	10.5%		6.2%		6.8%	10.0%	

## Performance highlights – Q4 and FY12

- Revenue growth driven by mix of organic and inorganic growth
- Cost management leads to sequential expansion of EBITDA margins
- Acquired facilities and organic additions leading to increased depreciation
- Y-o-Y profitability impacted by investments for growth – outlook stable to improving

# Seq. Financial Performance – Q4FY12 vs Q3FY12

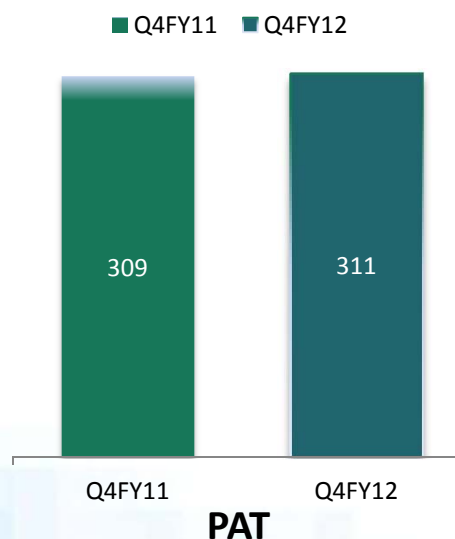
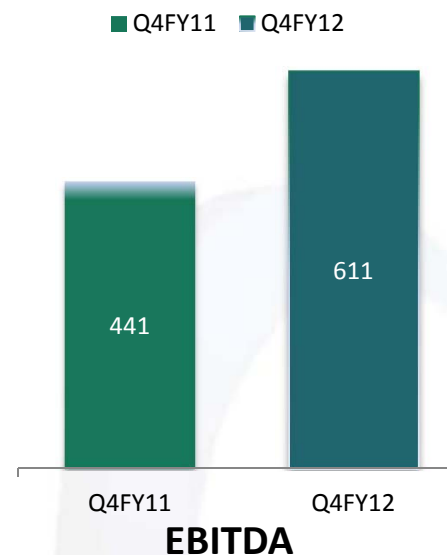
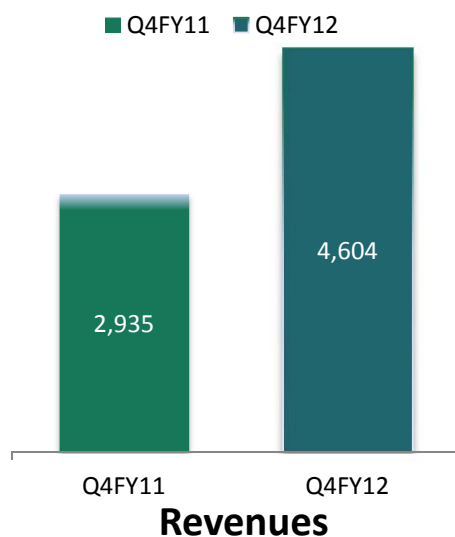
In Rs. Mn



- OLS and HCCA contributed 22% of Q4 revenues
- EBITDA expansion continues, EBITDA margins up by 130 basis points to 13.3%
- OLS and HCCA acquisitions have been earnings accretive, PAT higher despite higher interest and depreciation

# YoY Financial Performance – Q4FY12 vs Q4FY11

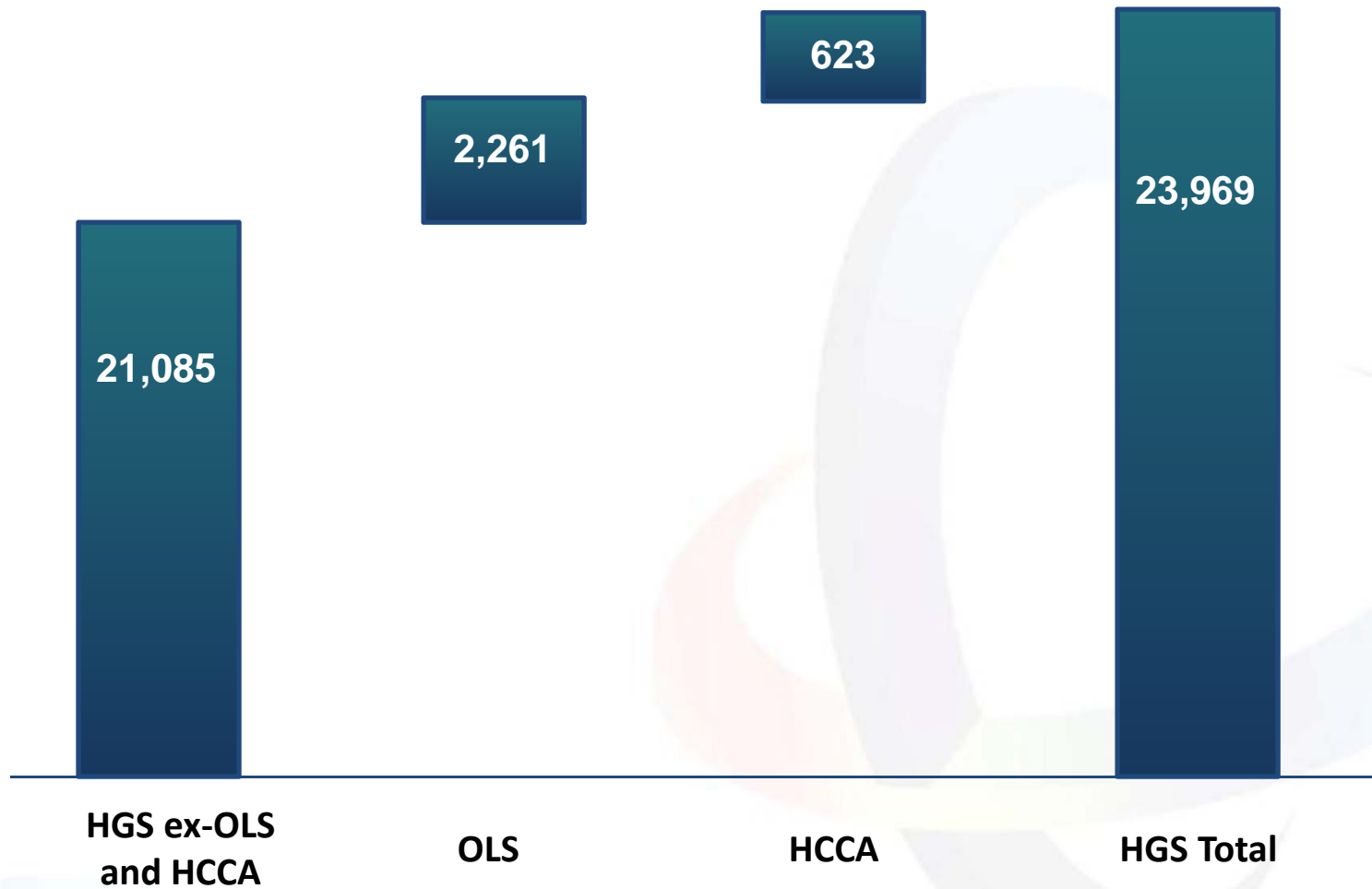
In Rs. Mn.



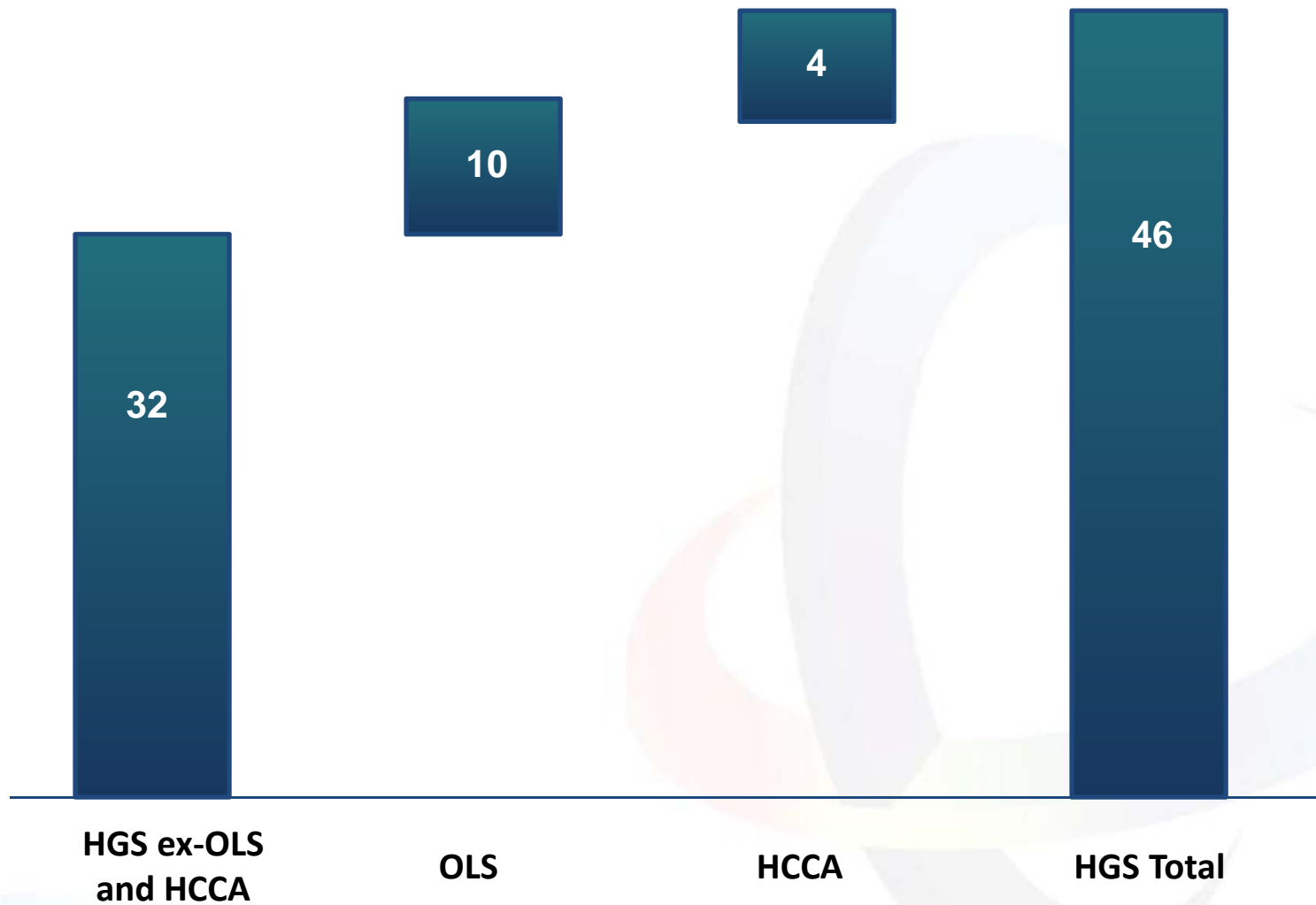
## Comments

- Robust YoY revenue growth of 57% - driven by mix of organic and inorganic growth
- EBITDA grows 38.4% - margin moderation due to investments in growth – focussed on margin expansion going forward

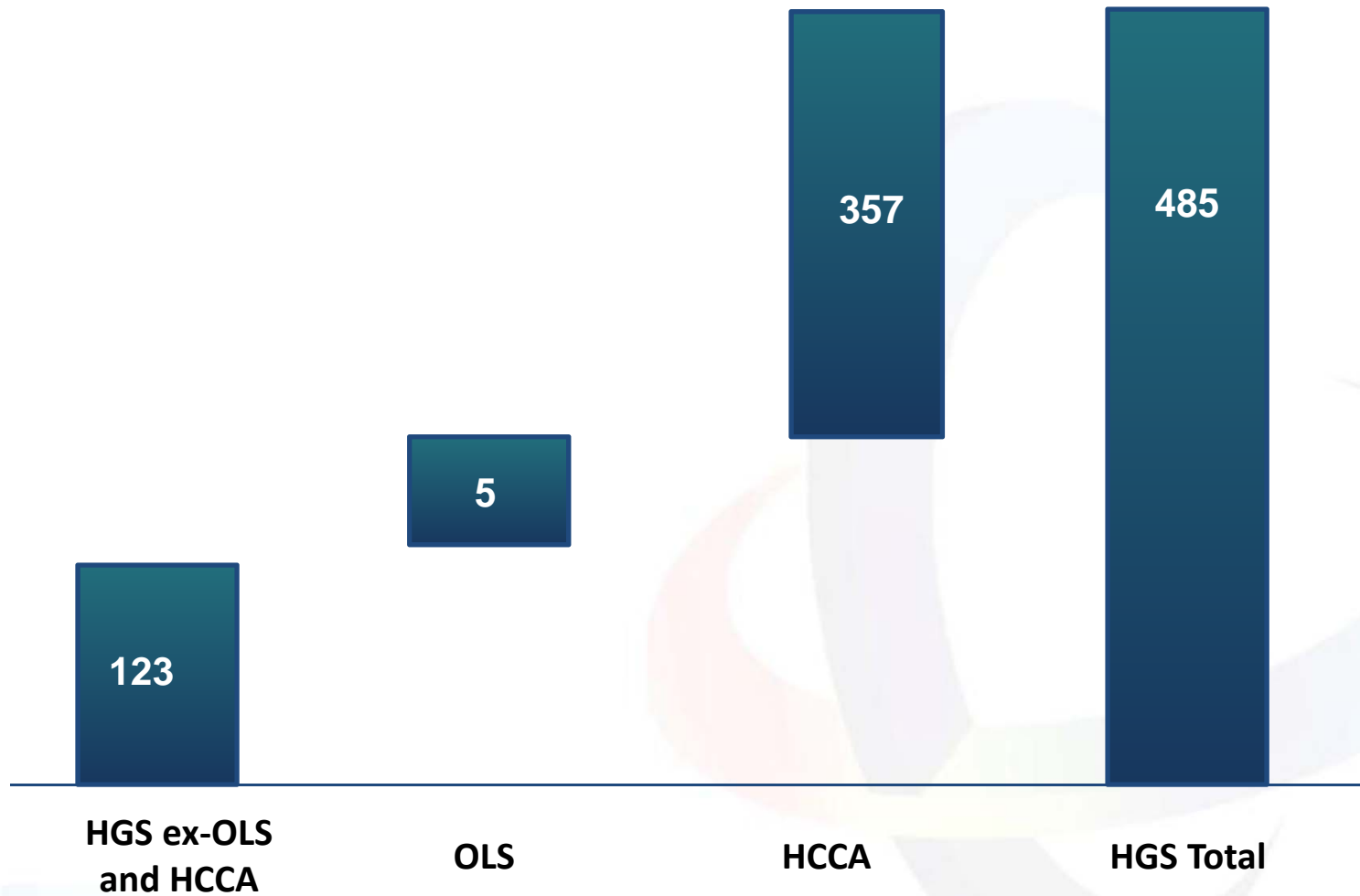
# EMPLOYEES



# CENTERS



# CLIENTS





# Detailed Financials

# Profit & Loss Account

In Rs Million

P&L Account Q4FY12 Vs. Q4FY11	Q4FY12	Q4FY11	% Growth
<b>Sales / Income from operations</b>	<b>4,604.1</b>	<b>2,935.0</b>	<b>56.9%</b>
<b>Expenditure</b>			
b) Employees Cost	(2,895.4)	(1,859.2)	55.7%
c) Depreciation, Amortisation and Impairment	(177.0)	(133.4)	32.7%
d) Other Expenditure	(1,098.2)	(634.8)	73.0%
<b>e) Total</b>	<b>(4,170.6)</b>	<b>(2,627.4)</b>	<b>58.7%</b>
<b>Profit from Operations</b> (Before other Income, Interest & Exceptional items)	<b>433.5</b>	<b>307.6</b>	<b>40.9%</b>
<b>Other Income</b>	<b>68.0</b>	<b>98.4</b>	<b>-30.9%</b>
<b>Profit before Interest &amp; Exceptional Items</b>	<b>501.5</b>	<b>406.0</b>	<b>23.5%</b>
Interest and Other Finance charges	(113.1)	(20.8)	445.0%
<b>Profit from Ordinary Activities before tax</b>	<b>388.4</b>	<b>385.2</b>	<b>0.8%</b>
<b>Tax Expense</b>	<b>(77.6)</b>	<b>(76.6)</b>	
<b>Net Profit from Ordinary Activities after Tax</b>	<b>310.8</b>	<b>308.6</b>	<b>0.7%</b>
PAT %	6.8%	10.5%	
<b>EBITDA</b>	<b>610.5</b>	<b>441.0</b>	<b>38.4%</b>
EBITDA%	13.3%	15.0%	

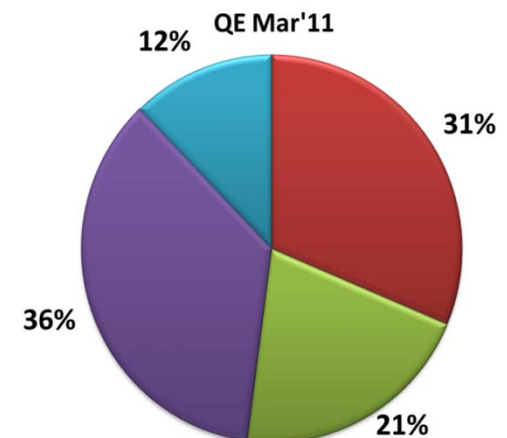
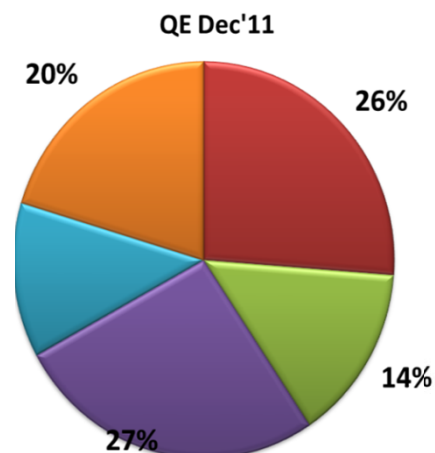
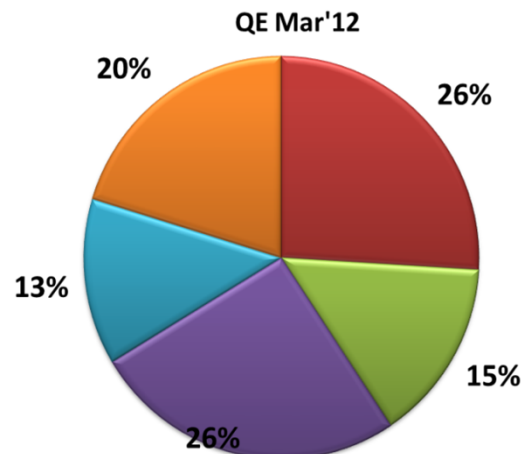
# Revenue Analysis

## Growth by Geography

In Rs Million

Particulars	QE Mar'12	QE Dec'11	Q-on-Q Growth (%)	QE Mar'11	Y-on-Y Growth (%)
India	1,193.2	1,197.7	-0.4%	920.8	29.6%
Manila	675.0	657.8	2.6%	607.4	11.1%
USA	1,181.7	1,215.1	-2.7%	1,048.6	12.7%
U. K.	614.2	577.3	6.4%	358.0	71.6%
Canada	931.6	928.8	0.3%	NA	NA
<b>Total Revenues</b>	<b>4,604.1</b>	<b>4,576.7</b>	<b>0.6%</b>	<b>2,935.0</b>	<b>56.9%</b>

## Revenue Contribution by Geography



India Manila USA U. K. Canada

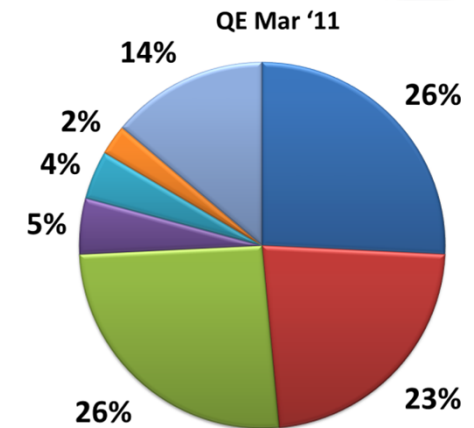
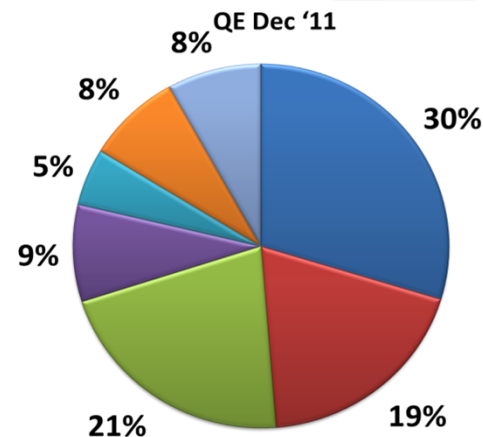
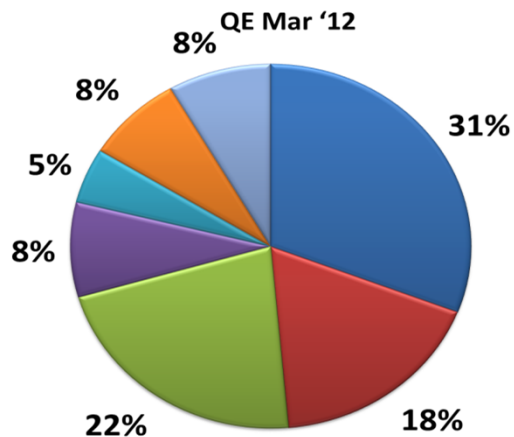
# Revenue Analysis

## Growth by Vertical

In Rs Million

Particulars	QE Mar'12	QE Dec'11	Q-on-Q Growth (%)	QE Mar'11	Y-on-Y Growth (%)
Telecom & Technology	1,421.4	1,360.3	4.5%	756.3	87.9%
Consumer Electronics	815.1	869.5	-6.3%	667.2	22.2%
Health Insurance	1,008.7	977.0	3.2%	755.1	33.6%
BFS	387.6	394.5	-1.7%	145.0	167.2%
Pharmaceuticals	225.5	231.3	-2.5%	126.1	78.8%
Media	362.8	373.7	-2.9%	78.1	364.2%
Others	383.0	370.4	3.4%	407.1	-5.9%
<b>Total Revenues</b>	<b>4,604.1</b>	<b>4,576.7</b>	<b>0.6%</b>	<b>2,935.0</b>	<b>56.9%</b>

## Revenue Contribution by Vertical



■ Telecom & Technology  
■ BFSI  
■ Others

■ Consumer Electronics  
■ Pharmaceuticals

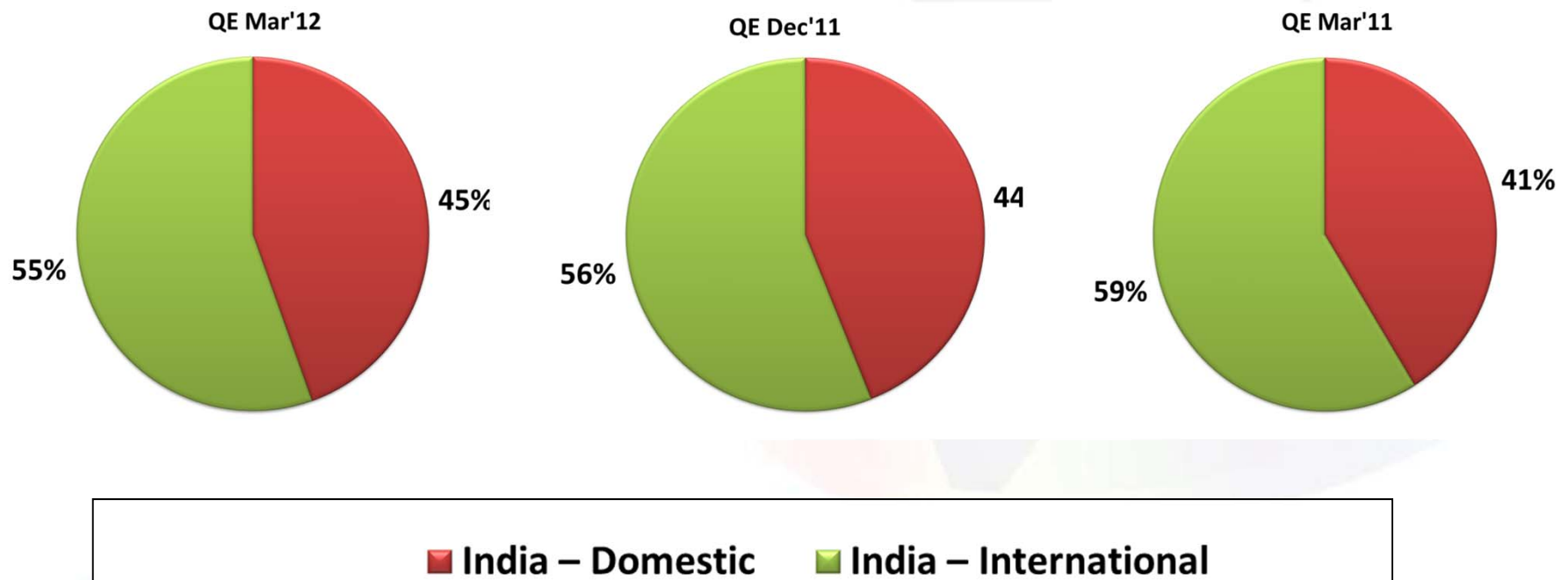
■ Health Insurance  
■ Media

# Revenue Analysis

India based exposure

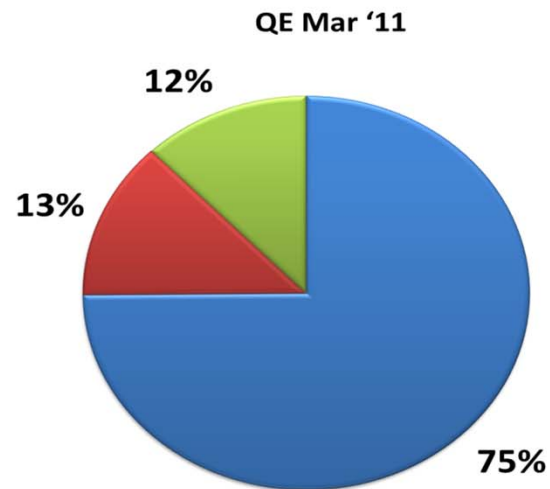
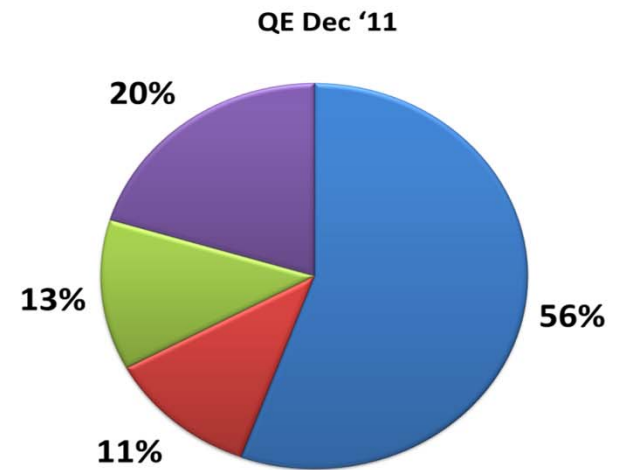
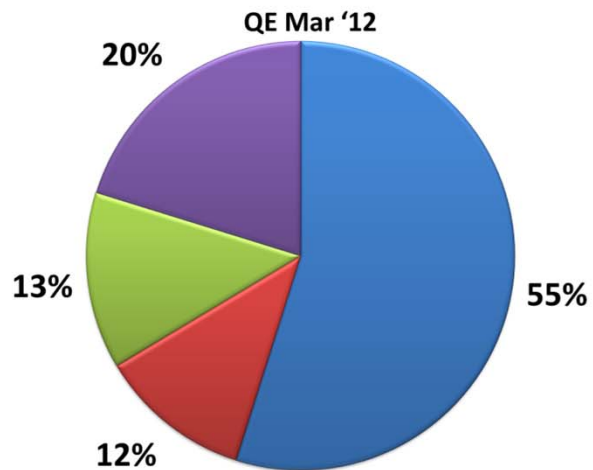
In Rs Million

Particulars	QE Mar'12	QE Dec'11	Q-on-Q Growth (%)	QE Mar'11	Y-on-Y Growth (%)
India – Domestic	531.6	527.1	0.9%	379.8	40.0%
India – International	661.6	670.6	-1.3%	541.1	22.3%
Total India based Revenues	1,193.2	1,197.7	-0.4%	920.9	29.6%

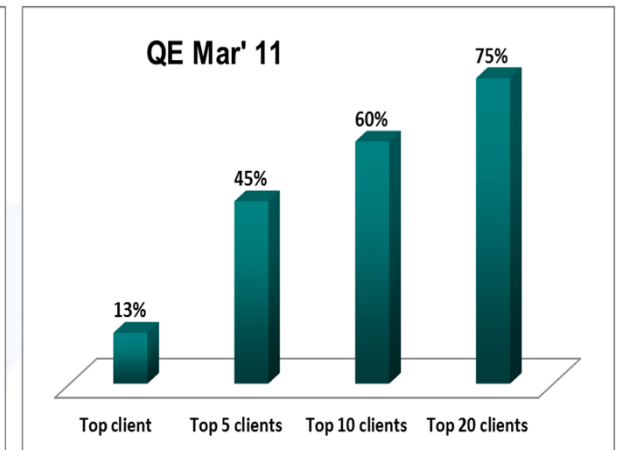
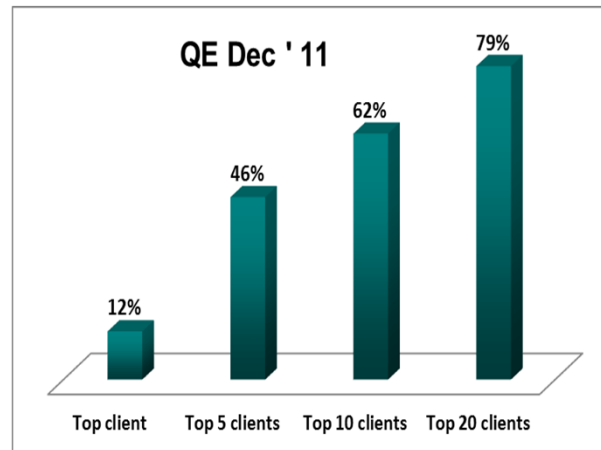
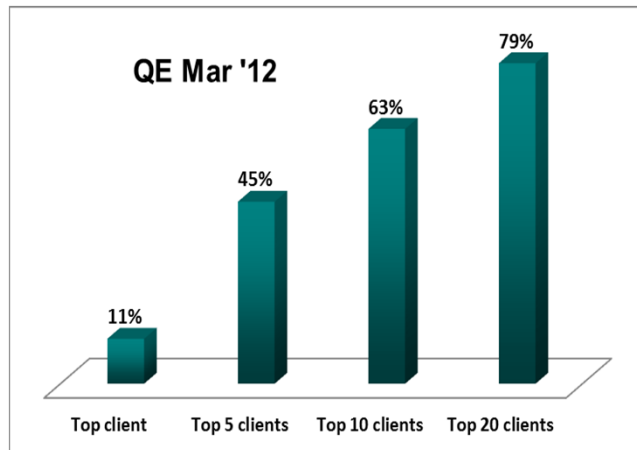


# Revenue Analysis

## Revenue by Currency Exposure

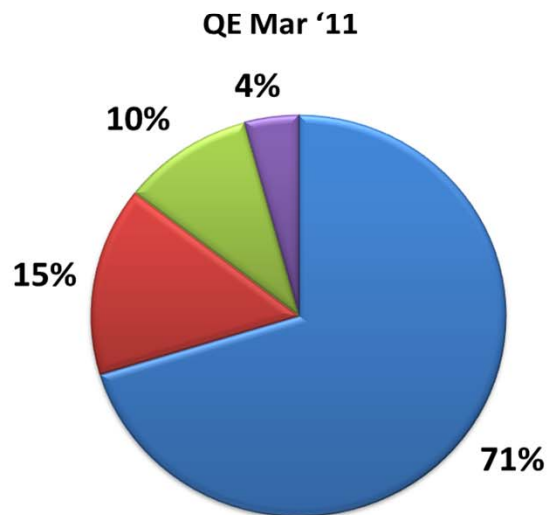
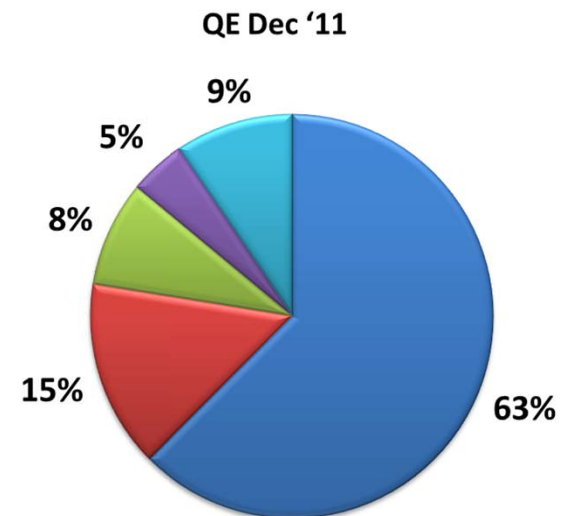
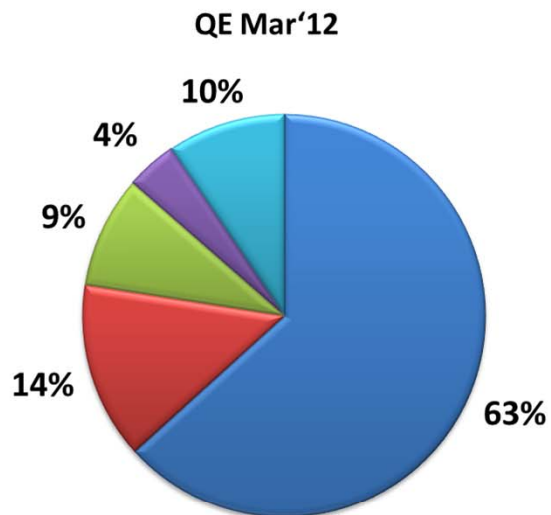


# Client Metrics



Particulars	QE Mar'12	QE Dec '11	QE Mar'11
Over \$ 20 million	6	6	3
Over \$ 15 million	7	7	4
Over \$ 10 million	11	11	7
Over \$ 5 million	21	20	12
Over \$ 1 million	53	54	46

# Employee Metrics



■ India ■ Manila ■ US ■ UK ■ Canada

# Update on Cash & Cash Equivalents

Type of Asset	Amt (\$ Mn)	Amt (Rs. Mn.)
Fiduciary Deposits	120.0	6,104.4
<b>Total</b>	<b>120.0</b>	<b>6,104.4</b>

- As of March 31, 2012:
  - Net worth of Rs. 11,482.5 million
  - Total debt of Rs. 7,296.6 million
  - Cash & Cash Equivalents of Rs. 7,197.6 million.

# Business Update

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## **NORTH AMERICA**

- Economic outlook stable
- Increased volumes from onsite customers
- Jamaica operations set to commence in Q1FY13 – training currently underway
- OLS increases team size – organic growth in key customer account
- Setting up a new centre in Canada
- Rebranding OLS as HGS Canada

# Business Update

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## **EUROPE**

- Deepening of crisis with uncertainty on position of Greece
- Business visibility remains stable with pressure on corporates to cut opex
- New order wins to lead to revenue traction
- Pan-European contract complete – FY13 to see increased volumes
- Setting up a New Center in UK to cater to new customer wins
- To rebrand Careline in keeping with 'One HGS' positioning

# Business Update

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## **INDIA**

- New telecom customer wins providing enhanced volumes
- Seeing good traction in non-telecom businesses
- HCCA commenced delivery on recent account wins
- HRO vertical helps to augment non-voice business
- HCCA renamed as 'HGS Business Services'

# Business Update

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## **PHILIPPINES**

- Continued growth across customer accounts
- Completed 10 years with two marquee customers
- Fourth Center started in September, 2011 with 250 seats has ramped up further as of March 31
- Have won new sub-accounts and lines of business from customers – deepening of existing relationships
- Low attrition rates and steady growth – Philippines operations on strong footing



# CORPORATE OVERVIEW

# Global delivery

## Canada - OLS, Inc

Antigonish      Montague  
 Charlottetown   North Bay  
 Dartmouth      Pembroke  
 Kentville      Thunder Bay  
 Liverpool      Timmins

## United Kingdom - Careline

London  
 Selkirk

## United States

St. Louis  
 Peoria  
 Waterloo  
 El Paso

## Philippines

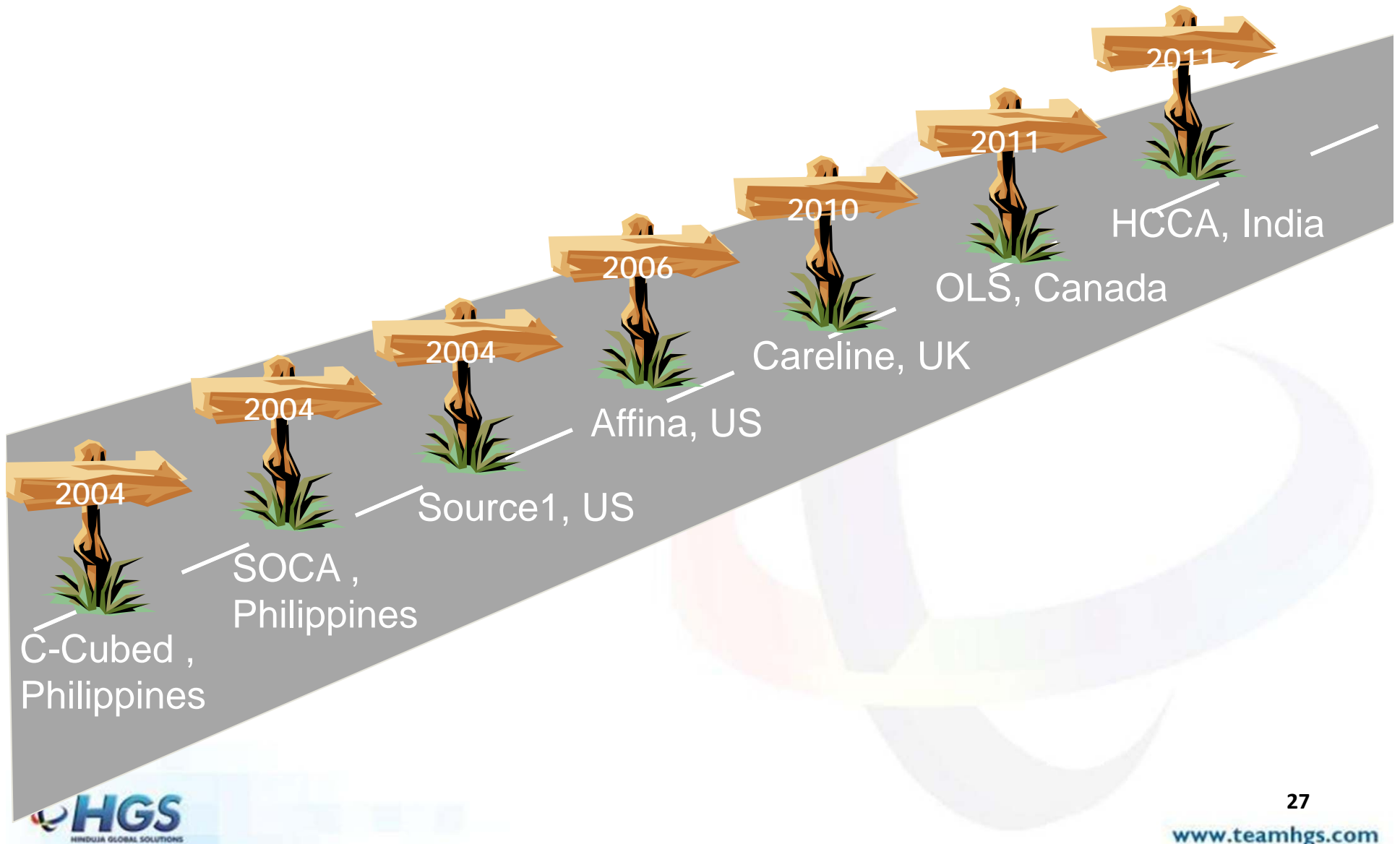
Manila  
 Iloilo

## India

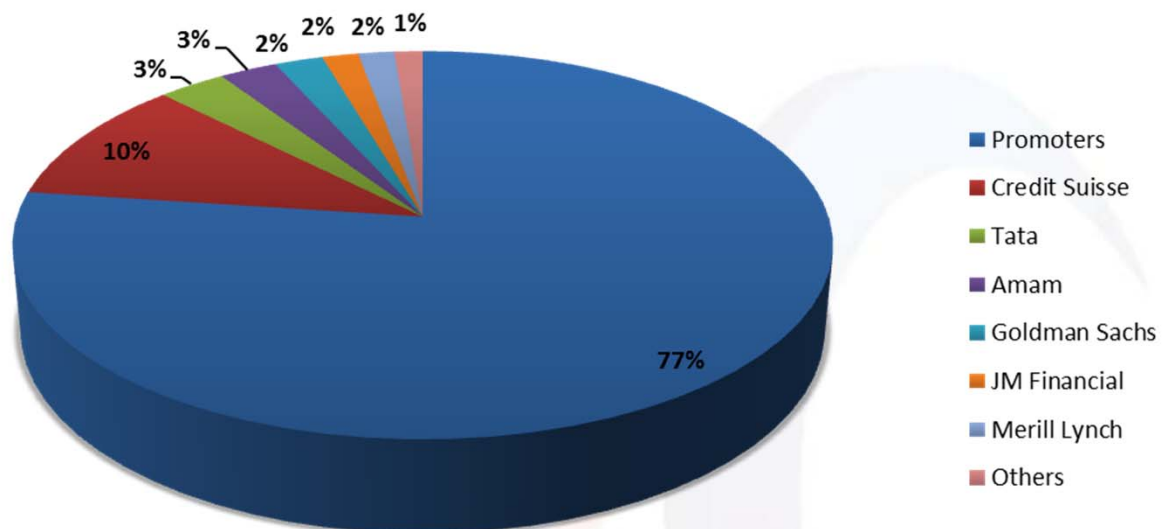
Bangalore  
 Chennai  
 Hyderabad  
 Mumbai → HGS Business Services  
 Durgapur (formerly HCCA)  
 Mysore  
 Nagercoil  
 Guntur

Mauritius

# Inorganic Growth Story



# Shareholding



# Key Management & Board of Directors

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- Board of Directors

- Ramkrishan P. Hinduja – Chairman
- Dheeraj G. Hinduja
- Vinoo S. Hinduja
- Rajendra P. Chitale
- Anil Harish
- Rangan Mohan

- Key Management Personnel

- Dr. Partha Sarkar - Global CEO



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THANK YOU

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