

YOUR GLOCAL TRANSFORMATION PARTNER

RIGHT SHORE • ONE EXPERIENCE • COLLABORATIVE SOLUTIONS

Q4 and Full Year FY2014 Earnings Presentation

May 21, 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.

Consolidated Financial Highlights: FY2014 vs. FY2013

- Net Revenues increased by 26.3% to Rs. 25,049 million
- EBITDA increased by 43.9% to Rs. 3,219 million. EBITDA margin of 12.9%, up 157 basis points
- PAT increased by 87.2% to Rs. 1,696 million with margin of 6.8%, up 220 basis points. PAT included impact of higher tax of Rs. 82.6 million on account of dividend from a foreign subsidiary
- As of March 31, 2014, the Company had Net Debt of Rs. 724 million and Net Worth of Rs. 14,521 million
- The Board recommended a final dividend of Rs. 10 per share, bringing the total dividend for the year to Rs. 20 per share

Management Commentary

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

“We are delighted to report HGS’s best ever annual financial performance in terms of top-line and profitability. This strong performance has been led by broad-based volume growth across geographies and verticals, and was supported by optimal utilization of our global facilities and favorable exchange rate variations. Our ongoing efforts to rationalize India domestic operations also enabled further margin enhancement.

During the year, we opened five new delivery centers in the US, Canada, Philippines and India to cater to the increasing demand for our services from new as well as existing clients. Due to emergence of the Philippines as the most preferred delivery centre, HGS plans to open its third facility at Alabang, Philippines by July 2014. With this expansion, the total number of centers in Philippines will reach seven.

The management’s continuous focus and investments to strengthen our sales and marketing team have enabled us to build a strong sales pipeline. This gives us the confidence that HGS will continue its robust growth trajectory and further enhance shareholders’ return. In context of the strong performance, the Board recommended a final dividend of Rs. 10 per share, bringing the total dividend for the year to Rs. 20 per share.”

Business Highlights

- The US operations continues to perform well and has added five new clients in the telecom, consumer and retail verticals
- Canadian operations demonstrated strong growth, supported by better onshore and offshore mix. A second Canadian client has decided to offshore work to HGS Philippines starting June 2014
- The European and UK operations performed as per management's expectations and added three new clients in the consumer, telecom, automotive and public sector verticals. During March 2014, HGS started delivery of customer support services in 22 languages from London for a UK government department
- The Philippines operation experienced robust financial performance led by increased volumes across key clients. Also added new clients in healthcare, telecom and consumer verticals
- India International operations continued to perform well and has been gaining traction for new lines of services
- India Domestic operations' profitability improved primarily due to the focused initiative of ongoing assessment of client profitability and corrective actions undertaken
- As of March 31, 2014, HGS had 139 active clients (excluding payroll processing clients). The number of clients contributing revenue more than Rs. 100 million for the quarter increased from 12 to 16 compared to Q4 FY2013
- As of March 31, 2014, total headcount was 26,036, of which 58% were based in India, 17% in Philippines, 10% in the US, 12% 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"> ▪ Added new clients in the telecom, consumer and retail verticals ▪ Recently signed contracts with a financial services company for onshore delivery. Also won first significant healthcare contract for onshore delivery ▪ Added a new center in Princeton, NJ to focus on client-facing activities for HGS EBOS ▪ Continued focus on client retention through improved client service offerings and pursuing large deals with multi-geography delivery model <p>Canada:</p> <ul style="list-style-type: none"> ▪ Received business for new lines of services from existing clients in the telecom vertical ▪ Plans for additional expansion of 500 people in FY2015 to cater to the strong demand ▪ Continues to invest in sales and marketing with the objective of benefitting from a better alignment of economic trends and client needs
India	<p>International:</p> <ul style="list-style-type: none"> ▪ Expanded its presence in the Middle-East region with Urdu language support for a telecom client; Continues to explore additional opportunities in the region ▪ Strong demand across all key clients and increased traction for new lines of services ▪ Expects to benefit from ongoing healthcare reforms in the US and is focused on gradually increasing offshoring revenues <p>Domestic:</p> <ul style="list-style-type: none"> ▪ Optimized operational processes to derive better operating efficiencies ▪ Focused on diversifying client base across verticals ▪ Seeking selective growth opportunities with emphasis on better profitability

Region	Operational Update / Strategic Initiatives
Philippines	<ul style="list-style-type: none"> Two new centers launched in Alabang, near Manila; Currently under ramp up and benefits would accrue in H1 FY2015 Plans to open its third facility at Alabang, Philippines by July 2014 Expects to increase offshore volumes from healthcare clients driven by ongoing healthcare reforms in the US Has built a strong sales pipeline across verticals such as telecom, healthcare, consumer, financial services and media Focused on acquiring new lines of business from existing healthcare clients
UK and Europe	<ul style="list-style-type: none"> Performance of the European and UK operations improved led by the economic recovery in the region Volumes from the consumer electronics clients remained soft During March 2014, HGS started delivery of support services in 22 languages from London for a UK government department Continues to focus on building its new business pipeline in the government, retail, consumer goods and telecom sectors Focused on delivering multi-channel capabilities with innovative solutions around digital self-service, web-chat and social media

Financial Performance Summary

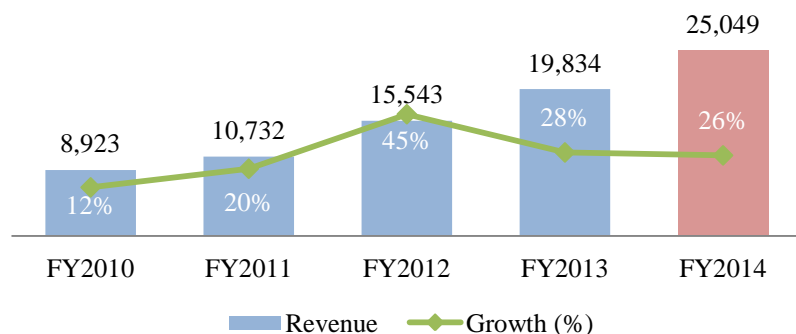
Consolidated Financial Highlights

(Rs. Million)	Q4		y-o-y	Q3		Full Year		y-o-y
	FY2014	FY2013	Growth (%)	FY2014	Growth (%)	FY2014	FY2013	Growth (%)
Net Sales	6,415	5,262	21.9%	6,569	(2.4)%	25,049	19,834	26.3%
EBITDA	853	758	12.5%	919	(7.2)%	3,219	2,237	43.9%
Margin (%)	13.3%	14.4%		14.0%		12.9%	11.3%	
Profit Before Tax (PBT)	576	551	4.7%	618	(6.7)%	2,309	1,361	69.7%
Margin (%)	9.0%	10.5%		9.4%		9.2%	6.9%	
Profit After Tax (PAT)	349	402	(13.1)%	541	(35.5)%	1,696	906	87.2%
Margin (%)	5.4%	7.6%		8.2%		6.8%	4.6%	
Basic EPS (Rs.)	16.94	19.51	(13.2)%	26.27	(35.5)%	82.33	43.99	87.2%
Adjusted PAT ¹	418	402	4.1%	428	(2.4)%	1,652	906	82.4%
Margin (%)	6.5%	7.6%		6.5%		6.6%	4.6%	

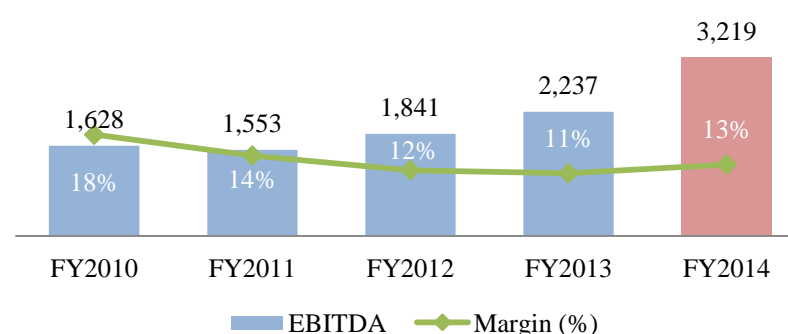
Note:

1. PAT for Q3, Q4 FY 2014 and FY 2014 adjusted for benefits of MAT credit availed . PAT for Q4 FY 2014 and FY 2014 adjusted for tax impact of Rs. 82.6 million on dividend from a foreign subsidiary

Annual Revenue Trend (Rs. Million)

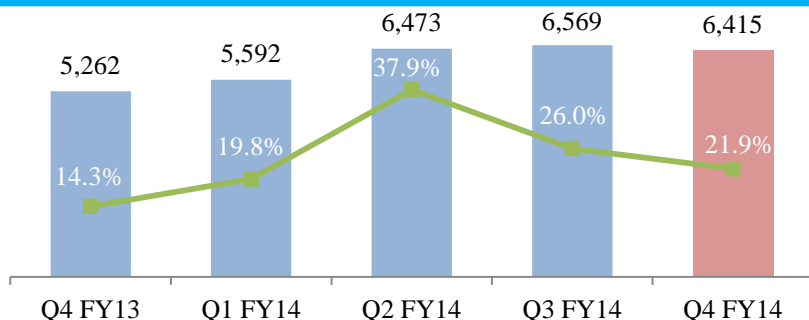


Annual EBITDA Trend (Rs. Million)



Financial Performance Summary

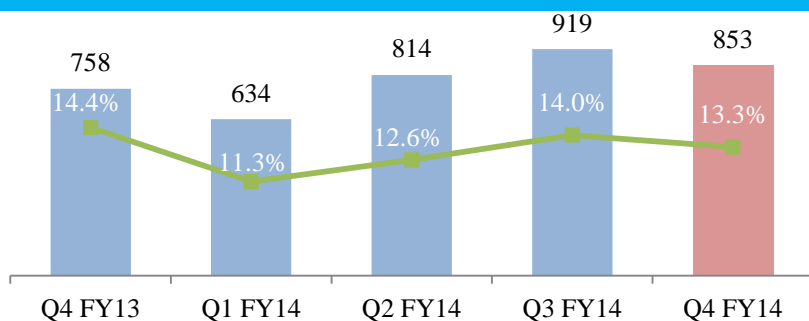
Revenue (Rs. Million) and Y-o-Y Growth (%)



Q4 FY2014

- Strong volumes from existing customers as well as new client additions across geography supported revenue growth
- Sequential growth was offset to some extent by unfavorable exchange rate variation

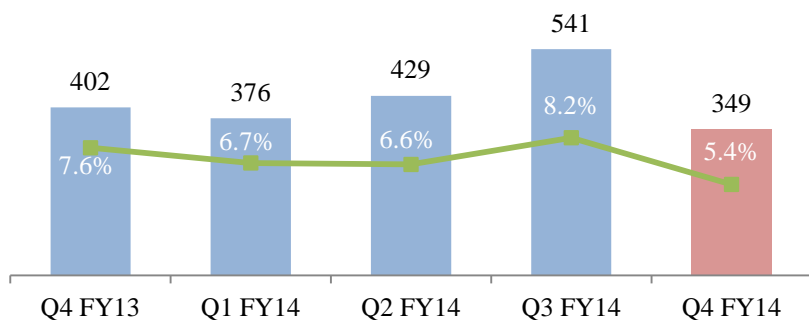
EBITDA (Rs. Million) and Margin (%)



Q4 FY2014

- EBITDA improved due to optimal capacity utilization levels across all geographies
- Ramp-up cost of two new centers in Philippines adversely impacted the EBITDA margins

PAT (Rs. Million) and Margin (%)



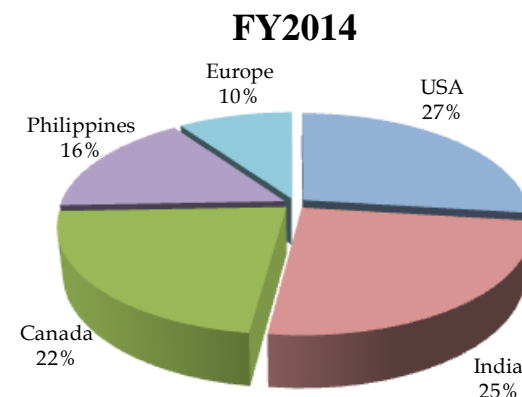
Q4 FY2014

- PAT includes benefits of lower tax expense due to MAT credit availed of Rs.13.6 million
- Higher tax of Rs. 82.5 million on account of dividend from a foreign subsidiary impacted the profitability

Key Metrics

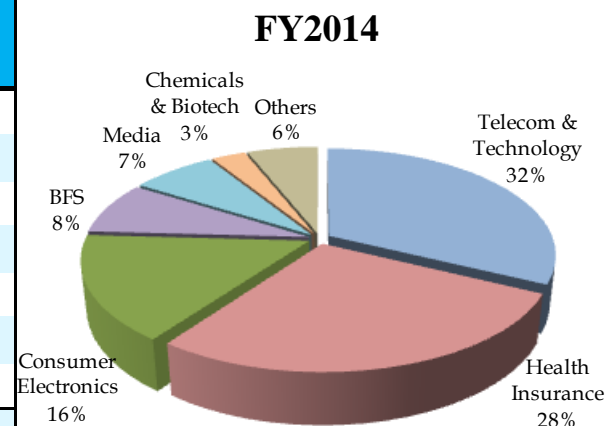
Revenue by Delivery Centers

(Rs. Million)	Q4		y-o-y	Q3	
	FY2014	FY2013	Growth (%)	FY2014	q-o-q Growth (%)
USA ¹	1,581	1,286	22.9%	1,869	(15.4)%
India	1,639	1,467	11.8%	1,634	0.3%
Canada	1,433	1,117	28.3%	1,499	(4.4)%
Philippines	1,085	760	42.8%	950	14.2%
Europe	677	633	6.8%	617	9.6%
Total	6,415	5,262	21.9%	6,569	(2.4)%



Revenue by Vertical

(Rs. Million)	Q4		y-o-y	Q3	
	FY2014	FY2013	Growth (%)	FY2013	q-o-q Growth (%)
Telecom & Technology	1,985	1,651	20.2%	2,134	(7.0)%
Health Insurance	1,882	1,383	36.1%	1,801	4.5%
Consumer Electronics	981	850	15.4%	1,046	(6.2)%
BFS	543	446	21.7%	501	8.3%
Media	459	379	21.1%	488	(6.0)%
Chemicals & Biotech	169	169	(0.3)%	175	(3.5)%
Others	396	384	3.2%	424	(6.6)%
Total	6,415	5,262	21.9%	6,569	(2.4)%



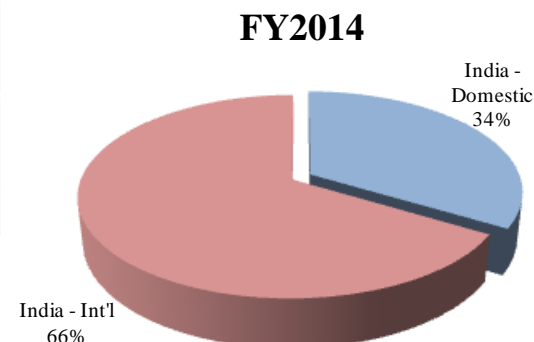
Note(s):

1. USA includes revenue contribution from Jamaica delivery center

Key Metrics

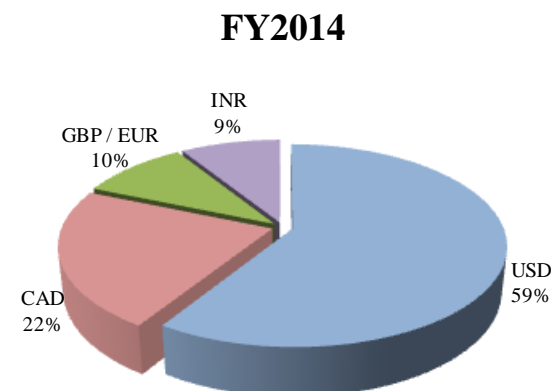
India Based Exposure

(Rs. Million)	Q4		y-o-y	Q3		q-o-q
	FY2014	FY2013	Growth (%)	FY2013	Growth (%)	
India - Domestic ¹	559	503	11.1%	546	2.4%	
India - International	1,080	964	12.1%	1,088	(0.7)%	
Total India	1,639	1,467	11.8%	1,634	0.3%	



Revenue by Currency Exposure

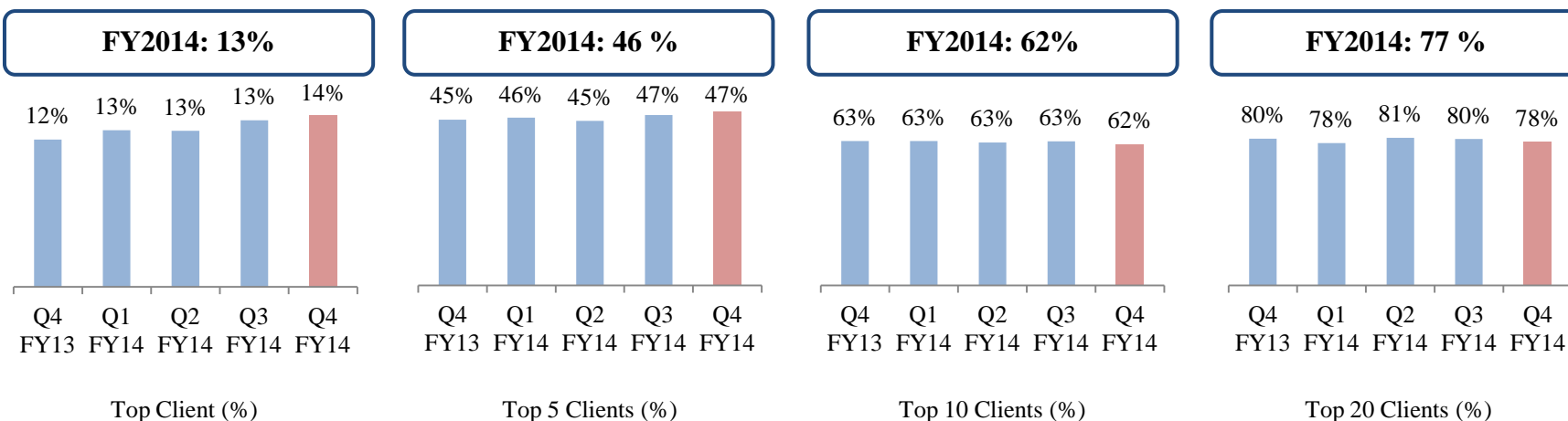
(Rs. Million)	Q4		y-o-y	Q3		q-o-q
	FY2014	FY2013	Growth (%)	FY2013	Growth (%)	
USD	3,746	3,011	24.4%	3,907	(4.1)%	
CAD	1,433	1,117	28.3%	1,499	(4.4)%	
GBP / EUR	677	633	6.8%	617	9.6%	
INR	559	501	11.6%	546	2.4%	
Total	6,415	5,262	21.9%	6,569	(2.4)%	



Note(s):

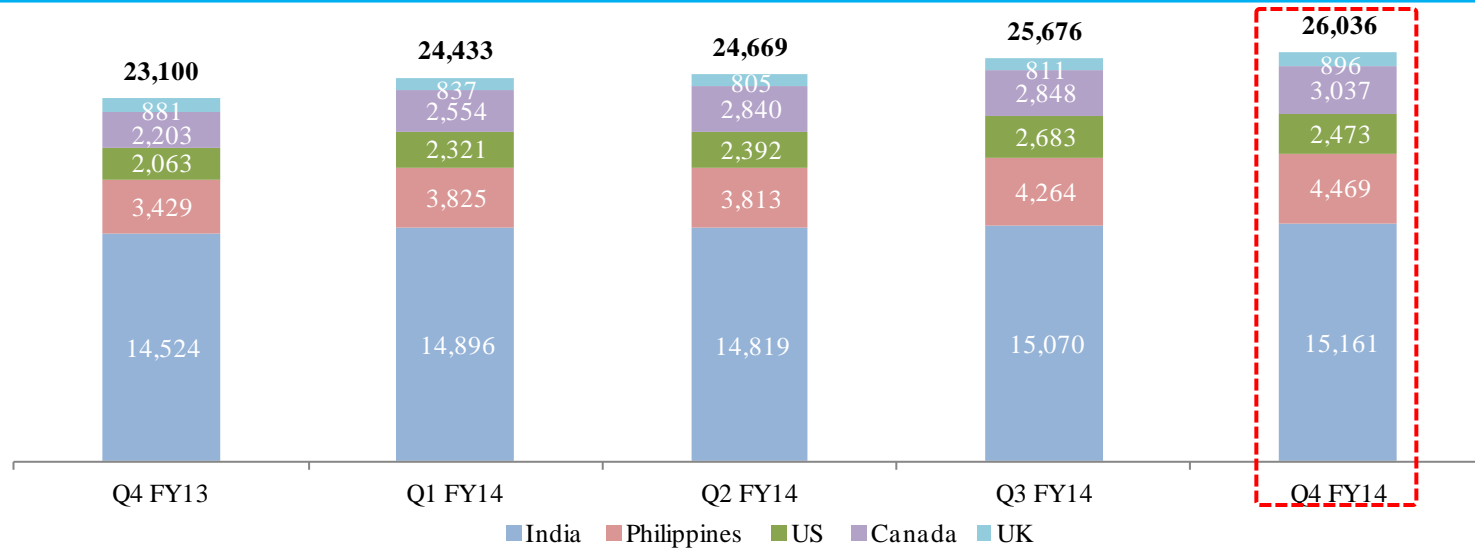
1. Includes revenues from HGS Business Services

Key Client Metrics

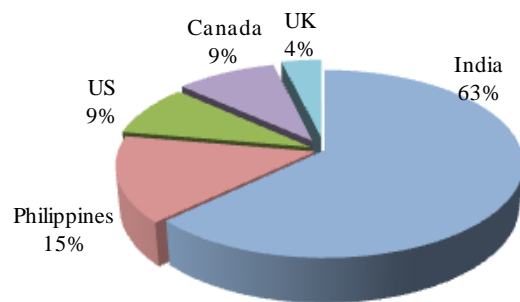


Client contributing revenues	Q4 FY13	Q1 FY14	Q2 FY14	Q3 FY14	Q4 FY14
> Rs. 200 million during the quarter	8	8	9	8	7
> Rs. 150 million during the quarter	9	9	10	10	11
> Rs.100 million during the quarter	12	12	16	15	16
> Rs.50 million during the quarter	20	21	23	26	29
> Rs.10 million during the quarter	51	51	52	54	59

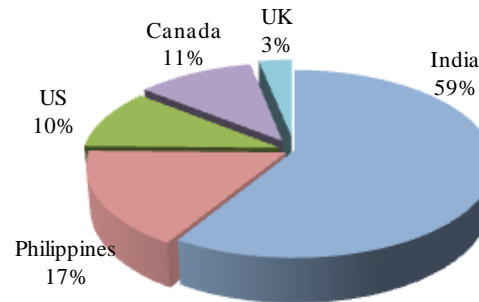
Employee Trend by Geography



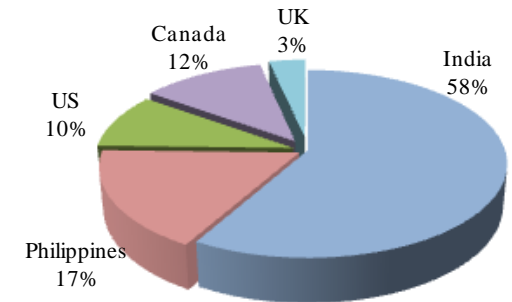
Q4 FY2013



Q3 FY2014



Q4 FY2014



Leverage Profile

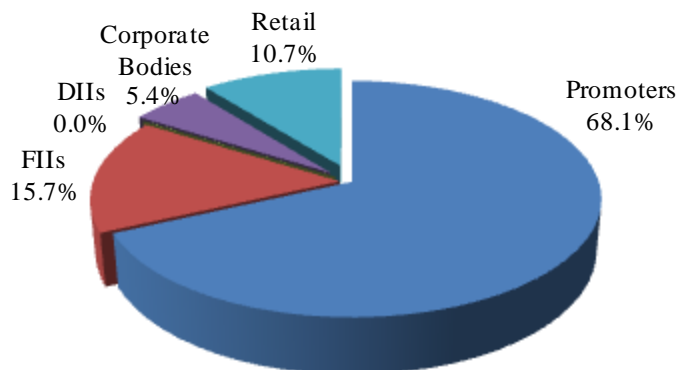
Conservative Leverage Profile

(Rs. Million)	31-Mar-14	31-Dec-13
Total Debt	6,342	6,362
Less: Cash & Treasury Surplus	5,618	5,740
Net Debt / (Net Cash)	724	621
Net Worth	14,521	14,650
Net Debt / EBITDA¹	0.2x	0.2x
Total Debt / Equity	0.4x	0.4x

Note(s):

1. FY2014 EBITDA used for computing net debt / EBITDA ratio

Shareholding Pattern



Market Data

Market Cap. (Rs. million) (21-May-14)	10,803
Outstanding Shares (Million)	20.6
Book Value /Share (Rs.) (31-Mar-14)	704
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Shareholders	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Promoters	68.1%	68.1%	68.1%	68.1%	68.1%
Foreign Institutional Investors (FIIs)	15.6%	15.7%	15.7%	15.7%	15.7%
Domestic Institutional Investors (DIIs)	3.1%	3.0%	0.0%	0.0%	0.0%
Corporate Bodies	4.5%	4.4%	5.6%	5.4%	4.9%
Retail	8.7%	8.8%	10.5%	10.7%	11.4%
Total (Million)	20.59	20.59	20.59	20.59	20.62

Hinduja Global Solutions: At a Glance



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