

HGSL's Q3FY12 Revenues up by 60% y-o-y at Rs. 4,577 million EBITDA grows 27% to Rs. 549 million, PAT at Rs. 282 million

Mumbai, February 9, 2011: Hinduja Global Solutions, a leading provider of Outsourcing Solutions to Fortune 500 companies, today announced its Audited financial results for the quarter ended December 31, 2011

Financial Highlights

- Consolidated Operating Revenue for Q3FY12 was Rs. 4,576.7 million against Rs. 2,869.9 million in Q3FY11, registering Y-o-Y growth of 59.5%. On a sequential quarter basis, revenues were higher by 27.9% than Q2FY12 revenues of Rs. 3,578.2 million. Revenue growth was driven by a mix of organic growth, inorganic growth and favourable exchange rates.
- Consolidated EBITDA for Q3FY12 was Rs. 549.3 million against Rs. 431.2 million in Q3FY11, a y-on-y increase of 27.2 %. On a sequential basis, EBITDA was higher by 43.1% compared to Rs 383.9 million in Q2FY12. The EBITDA margin improved by 130 basis points from 10.7% in Q2FY12 to 12.0% in Q3FY12.
- Consolidated PAT for Q3FY12 was Rs. 281.7 million as against Rs. 280.1 million in Q3FY11. PAT for Q3FY12 was higher by 6.2% on a sequential basis. While acquisitions have been accretive to profitability, PAT has been impacted by ramp up costs in various locations and higher interest costs.

CEO's message

Commenting on the results, **Mr. Partha De Sarkar, CEO**, said, "We are pleased to report a robust performance during the quarter with revenue growth of 60% on a y-on-y basis and 28% on a sequential quarter basis. Organic growth has come from higher volumes as well as improved realization due to INR depreciation. The contribution from our acquisitions of OLS and HCCA has also been higher as we have consolidated the financials for the entire quarter in Q3.

We are also delighted to report an improvement in EBITDA margin on a sequential quarter basis. Revenue growth and cost synergies have led to a 130 basis points improvement in margins.

Despite inherent challenges to business performance worldwide we have strong visibility of growth in all our major geographies. Business traction has been healthy with new wins across geographies and growth in established as well as emerging verticals. Our recent investments in infrastructure keep us well poised to absorb increased volumes and we are focused on realizing the potential of the unique and valuable businesses recently added to our portfolio."

Operating Highlights

- The company added 20 new Clients on an organic basis during the quarter. This included 5 customer wins in Europe and 2 in USA.
- In August 2011, the company acquired Canada based OLS Inc and India based HCCA business services. These businesses were consolidated for part of the quarter in Q2FY12 and Q3FY12 represents the first complete quarter of consolidation.
- The fourth centre in Philippines near Metro Manila is has ramped up from 250 seats at end-Sep 2011 to 870 seats at end-Dec 2011. HGS experienced strong traction in the region with growth in all major accounts.
- European operations now cover five countries, viz. UK, Germany and recently launched Italy, Netherlands & France. Continued momentum witnessed with commencement of recent client wins at existing centres in England and Scotland. Also renewed a major contract for 2012 with a confirmed price increase.
- One of HGS customers in Canada, for which it handles 60% of calls volume, was recognized for 'Highest Customer Satisfaction in its Industry.'

Key Perspectives

- Consolidated PAT for Q3FY12 – Rs. 281.7 million
 - Diluted EPS – Rs. 13.69 per share (for the quarter)
- Consolidated PAT TTM (Jan '10 to Dec '11) – Rs. 1,058.6 million
 - Diluted EPS – Rs. 51.42 per share
- Net Worth as on December 31, 2011 – Rs. 11,897.3 million
 - Book Value – Rs. 577.84 per share
- Debt of Rs. 7,520.3 million as on December 31, 2011
- Cash & Cash equivalents as on Dec 31, 2011 – Rs. 7,634 million

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About Hinduja Global Solutions (HGS)

HGS, part of the multi-billion dollar conglomerate - Hinduja Group, is a world leader in Customer Relationship and Business Process Management, with a global footprint across North America, Europe, Asia and Africa. With over three decades of experience with some of the world's most recognized brands, it delivers the best practices that drive exceptional results for its clients. Its contact center solutions, back office transaction processing services, domain analytics and process consulting solutions combine operational excellence with functional expertise. It enjoys "Preferred Partner" status with most of its major clients. HGS currently serves several fortune 500 customers through its 47 Global Delivery Centers & employs over 24,000 people worldwide. HGS is a public limited company, listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. It had a turnover of \$242 million in the fiscal year 2010-11.

Disclaimer

Some of the statements in this document that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and global market conditions and other risks not specifically mentioned herein but those that are common to industry.

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