Q1 FY2017 Press Release

Hinduja Global Solutions Limited

Consolidated Financial Performance: Highlights of Q1 FY 2017

Net Sales of Rs. 9,095 million, an increase of 23.1% y-o-y

EBITDA of Rs. 1,066 million with margins of 11.7%

PAT of Rs. 517 million with margins of 5.7%

The Board declared an interim dividend of Rs. 2.50 per share

Mumbai, **India, August 11, 2016:** Hinduja Global Solutions Limited (HGS) (Listed on NSE & BSE, India) today announced its Unaudited First Quarter Results for FY2017.

Commenting on the performance and outlook, **Mr. Partha DeSarkar, CEO** said:

"HGS posted a robust performance in the first quarter of FY2017 with revenue growing by 23% y-o-y, EBITDA up by 96 % and Net Profits trebling on y-o-y basis. These strong numbers were driven by multiple factors such as increased offshoring, recovery of Canadian operation, strong performance of India Domestic business and turnaround of Colibrium business.

We continue to remain focused on improving profitability and cash flow generation. Further, our investment in technology-powered innovation to provide a differentiating customer experience is supporting our growth trajectory in coming quarters. The results are evident in the encouraging growth numbers for this quarter."

Financial Highlights: Q1 FY2017

- Net Sales increased by 23.1% y-o-y to Rs. 9,095 million.
- EBITDA was Rs. 1,066 million with margins of 11.7%.
- PAT was Rs.517 million with margins of 5.7%.
- As of June 30, 2016, the Company had Net Debt of Rs. 3,421 million and a Net Worth of Rs. 12,650 million.
- Cashflow from operation and after working capital changes was Rs. 886 million
- Capex was Rs. 527 million

Q1 FY2017 Press Release

Financial Summary: Q1 FY2017

(Rs. Million)	Q1 FY2017	Q1 FY2016	*y-o-y Growth (%)*
Net Sales	9,095	7,388	*23.1%*
EBITDA	1,066	544	*95.8%*
Margin (%)	*11.7%*	*7.4%*	
Profit Before Tax (PBT)	753	268	*181.0%*
Margin (%)	*8.3%*	*3.6%*	
Profit After Tax (PAT)	517	166	*212.4%*
Margin (%)	*5.7%*	*2.2%*	
Basic EPS (Rs.)	24.95	7.99	*212.3%*

Revenue Summary: Q1 FY2017

- **Revenue origination:** US: 65%, Canada: 12%, UK & Europe: 10% and India 13%.
- **Revenue by vertical:** Healthcare 43%, Telecom & Technology 25%, Consumer 14%, Banking & Financial Services 7% and Others 11%.
- **Clients:** Top client: 17%, Top 5: 47%, Top 10: 60% and Top 20: 72%.

Business Highlights: Q1 FY2017

- **Active Clients:** 189 core BPM clients and 450 payroll processing clients.
- **New Business:**
  - HGS India was awarded a contract from a Fortune 100 etailer to provide customer care support to the client's B2C customers from Mysore in Kannada and English languages. The program will operate with over 200 FTEs, with seasonality demand set to increase up to 500 FTEs from November 2016 through January 2017.
  - HGS Jamaica continues to be a great nearshore option.
    - Went live with a new line of business with 50 associates for a healthcare client; Added support for pre and post service medical, and dental segments for same client
    - Won new business for social media services from a leading Jamaican bank
  - HGS Philippines –
    - Launched a line of business to support provider medicare calls for a leading US-based healthcare client
    - Won a contract from a consumer electronics giant for customer support services
  - HGS USA
    - Awarded a contract from a consumer products leader to provide specialist product support for its new concierge service. HGS' team will assist the client's distributors with pre-sales questions, installations, parts, repairs, etc. through multi-channels including inbound calls, email, live chat, video chat and Twitter support.

- HGS started handling social media support for a major car-sharing company. Using a social media tool, our associates will monitor various accounts on Facebook and Twitter 24/7.
- A technology company that manufactures action cameras engaged HGS to provide customer service support.

- **New Delivery Centers:** In Q1, 2017, HGS opened three new centers: Kingston in Jamaica, and Chennai and Bangalore in India. Currently, HGS has 69 global delivery centers across 11 countries.
- **Employee Headcount:** 40,938, an increase of over 1,000 compared to 31st March 2016; India: 68% (India Offshore 22% and India Domestic 46%), Philippines: 17%, US: 5%, Canada: 6% and Europe: 4%.
- **New Solutions & Innovation:**
  - Launched DigiCX, a suite of CX (Customer Experience) services focused on transforming traditional customer experiences. DigiCX leads with self-service intelligently integrating people to help consumers 'Get the Right Answer Fast' at every moment of truth using analytics, automation and artificial intelligence.

  - Colibrium partnered with Health Alliance Medical Plans to implement Colibrium's Tuo® Marketplace to provide a sales automation solution for individual and group markets.

<u>Other Highlights:</u>

- HGS was ranked 11th on Nasscom's Top 20 IT/ BPO Employers list for FY2016; HGS jumped from 18th position the previous year
- HGS won two Gold awards for the second year in a row at the Contact Center World Best Practices Americas 2016 competition in Miami, Florida:
  - Gold in the category of Best Outsourcing Partnership based on our partnership with a major electronics company
  - Gold for Best Use of Self-Service Technology
- HGS was recognized as a Leader in the NelsonHall Customer Management Services NelsonHall Evaluation Assessment Tool, showcasing both a focus on improving customer experience and taking out cost.
- HGS was recognized as a High Performer in the HfS Contact Center Operation Blueprint.
- HGS was included as a "Rising Star" in Gartner Competitive landscape: Building Differentiated Customer Management BPO Services.

Q1 FY2017 Press Release

About Hinduja Global Solutions:

HGS is a leader in optimizing the customer experience and helping our clients to become more competitive. HGS provides a full suite of business process management (BPM) services from consumer interaction solutions to platform based back office services and digital enablement solutions. By applying analytics, automation and interaction expertise to deliver innovation and thought leadership, HGS increases revenue, improves operating efficiency and helps retain valuable customers. HGS expertise spans the telecommunications and media, healthcare, insurance, banking, consumer electronics and technology, retail, consumer packaged goods and the public sector verticals. HGS operates on a global landscape with around 41,000 employees in 69 worldwide delivery centers providing localized solutions. For the year ended 31st March 2016, HGS had revenues of US$ 507 million. HGS, part of the multi-billion dollar Hinduja Group, has over four decades of experience working with some of the world's most recognized brands.

www.teamhgs.com

Safe Harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

For more information, visit us at www.teamhgs.com or contact:

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Q1 FY2017

Earnings Presentation

August 11, 2016

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

Consolidated Financial Highlights: Q1 FY2017

- Net Sales of Rs. 9,095 million, an increase of 23.1% compared to same period last year
- EBITDA of Rs. 1,066 million with margin of 11.7%
- PAT of Rs. 517 million with margin of 5.7%
- As of June 30, 2016, the Company had Net Debt of Rs. 3,421 million and a Net Worth of Rs. 12,650 million
- The Board declared an interim dividend of Rs. 2.50 per share

Management Perspective

Commenting on the performance and outlook, Mr. Partha DeSarkar, CEO, Hinduja Global Solutions said:

"HGS posted a robust performance in the first quarter of FY2017 with revenue growing by 23% y-o-y, EBITDA up by 96 % and Net Profits trebling on y-o-y basis. These strong numbers were driven by multiple factors such as increased offshoring, recovery of Canadian operation, strong performance of India Domestic business and turnaround of Colibrium business.

We continue to remain focused on improving profitability and cash flow generation. Further, our investment in technology-powered innovation to provide a differentiating customer experience is supporting our growth trajectory in coming quarters. The results are evident in the encouraging growth numbers for this quarter."

Highlights

Q1 FY2017 Business Highlights

- Launched DigiCX, a suite of CX (Customer Experience) services focused on transforming traditional customer experiences. DigiCX leads with self-service intelligently integrating people to help consumers 'Get the Right Answer Fast' at every moment of truth using analytics, automation and artificial intelligence.
- Being a preferred nearshore location, Jamaica operation continued its robust growth. During the quarter, the operation received additional business from two healthcare clients and one BFS client.
- Colibrium partnered with Health Alliance Medical Plans to implement Colibrium's Tuo® Marketplace to provide a sales-automation solution for individual and group markets.
- Awarded contract from a Fortune 500 e-tailer to provide customer care support to the client's B2C customers from Mysore, India in Kannada and English languages. Program to start in Q2 FY2017 with 200 FTEs.
- Set up three new centers in Q1: Kingston in Jamaica, Chennai and Bangalore in India
- As of June 30, 2016, HGS had 189 core BPM clients and 450 payroll processing clients
- In Q1 FY2017, contribution from Healthcare vertical was 43%, Telecom & Technology 25%, Consumer 14%, Banking & Financial Services 7%, Others 11%
- As of June 30, 2016, total headcount was 40,938: India: 68% (India Offshore 22% and India Domestic 46%), 17% in Philippines, 5% in the US, 6% in Canada and 4% in Europe

Financial Performance Summary

Consolidated Financial Highlights

(Rs. Million)	Q1 FY2017	Q1 FY2016	*y-o-y Growth (%)*
Net Sales	9,095	7,388	*23.1%*
EBITDA	1,066	544	*95.8%*
Margin (%)	*11.7%*	*7.4%*	
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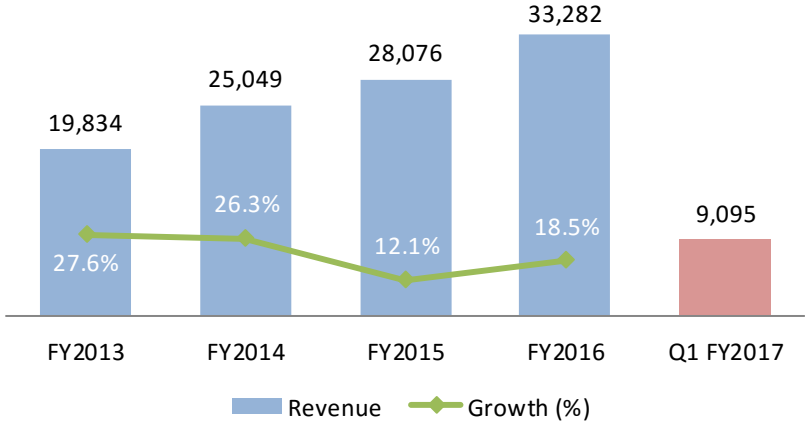
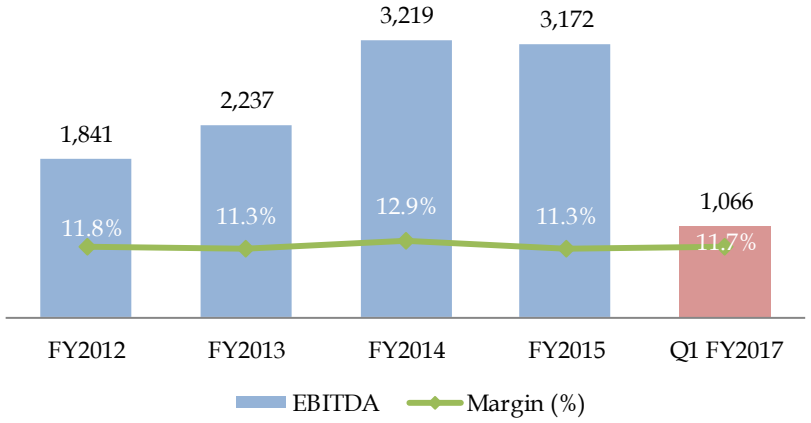
Annual Revenue Trend (Rs. Million)



Annual EBITDA Trend (Rs. Million)



Note: Q1 FY2017 and Q1 FY2016 financials as per IND-AS, financials for all other periods are as per IGAAP

Business Update

Region	Geography Highlights
USA, Jamaica and Canada	**USA and Jamaica:** ▪ Added new clients as well as additional business from existing clients in verticals such as insurance, consumer products, car sharing and technology ▪ Also received a contract from a major US government agency ▪ Jamaica operation continued to build on its growth momentum; opened a new center in Kingston with over 500 seats ▪ Continue to see significant traction from clients across sectors, primarily consumer products and BFS verticals **Canada:** ▪ Received additional business from existing clients in the telecom and public sector verticals ▪ In process of ramping down in the Pembroke center for a BFS client; expected to be completed by Q2 FY2017 ▪ Continued focus on improving operational efficiencies
UK and Europe	▪ Strong growth driven by contract wins in the telecom and public sector verticals ▪ Added a temporary site at Preston to support seasonal volumes for public sector clients ▪ Started multi-channel CRM program for a consumer packaged goods client with 40 FTEs ▪ Seasonal demand anticipated to drive growth momentum in coming quarters

Business Update

Region	Geography Highlights
Philippines	▪ Continued expansion mode; added over 600 employees in Q1 ▪ Healthcare vertical was the primary growth driver for this operation ▪ Added a leading consumer electronics client for providing customer support services; program to start with 25 associates ▪ Launched additional lines of business for a leading US-based healthcare client and a home medical equipment services provider ▪ Anticipate continued traction in business expansion and growth driven by significant client demand for offshore services from Philippines
India	**International:** ▪ Saw additional volumes in existing LoBs of major healthcare accounts; trend expected to continue in Q2, FY 2017 ▪ EBOS and Colibrium business recorded robust performance during the quarter ▪ EBOS' growth was led by significant demand from a home medical equipment services provider client **Domestic:** ▪ Performance of domestic business was driven by volume growth coupled with new business wins across existing and acquired India CRM business ▪ Received a contract from a Fortune 100 e-tailer to provide customer care support to the client's B2C customers from Mysore in Kannada and English languages

Industry Recognition

Recognition from Analyst and Advisor community

- HGS was recognized as a Leader in the NelsonHall Customer Management Services NelsonHall Evaluation Assessment Tool, showcasing both a focus on improving customer experience and taking out cost

- HGS was recognized as a High Performer in the HfS Contact Center Operation Blueprint

- HGS was included as a "Rising Star" in Gartner Competitive landscape: Building Differentiated Customer Management BPO Services

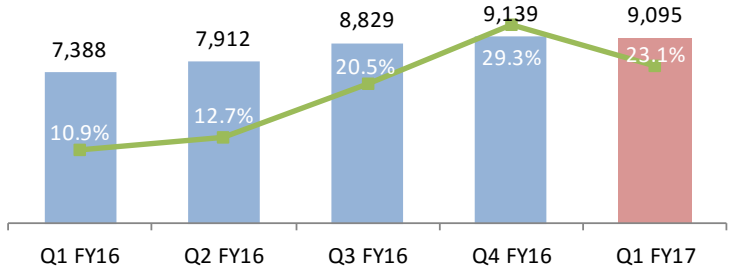
Awards & Accolades

Recognitions

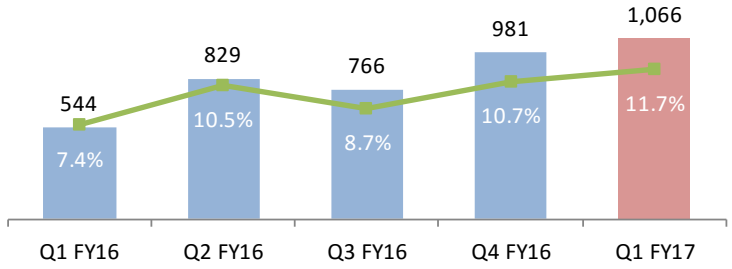
- HGS was ranked 11th on NASSCOM's Top 20 IT/ BPO Employers list for FY2016; HGS advanced from 18th rank in the previous year
- At the Contact Center World Best Practices Americas 2016 competition in Miami (Florida), HGS won two Gold awards for the second year in a row:
  - Gold in the category of Best Outsourcing Partnership based on our partnership with a major electronics company
  - Gold for Best Use of Self-Service Technology
- Six employees in HGS Canada were recognized for their achievements by the Contact Centre Association of Nova Scotia (CCNS) at their annual awards gala

Financial Trend

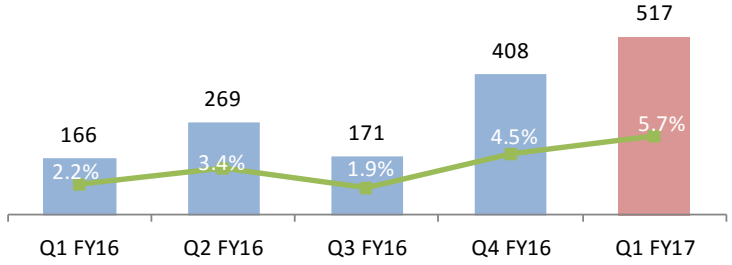
Revenue (Rs. Million) and Y-o-Y Growth (%)



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)



Highlights

- Revenue growth was broad-based across geographies
- Healthcare, consumer and BFS verticals recorded a growth of over 30% y-o-y
- EBITDA improvement was driven by multiple factors such as increased offshoring mix, recovery of Canadian operation and strong performance of India Domestic business
- PAT for the quarter benefitted from better operating profit

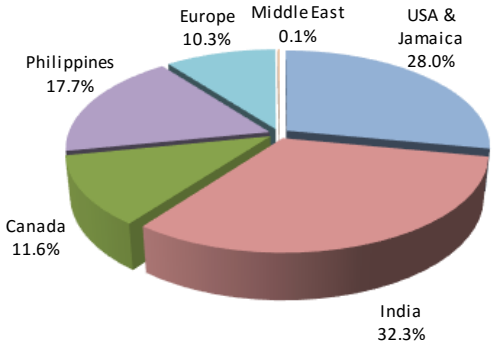
Note: Q1 FY2017 and Q1 FY2016 financials as per IND-AS, financials for all other periods are as per IGAAP

Key Metrics

Revenue by Delivery Centers

(Rs. Million)	Q1 FY2017	Q1 FY2016	y-o-y Growth (%)	Q4 FY2016	q-o-q Growth (%)
USA & Jamaica	2,547	2,190	*16.3%*	2,564	*(0.6)%*
India	2,931	1,931	*51.8%*	2,904	*0.9%*
Canada	1,057	1,087	*(2.7)%*	1,002	*5.5%*
Philippines	1,611	1,399	*15.2%*	1,720	*(6.3)%*
Europe	940	763	*23.2%*	942	*(0.2)%*
Middle East	8	18	*(53.8)%*	7	*14.9%*
Total	**9,095**	**7,388**	***23.1%***	**9,139**	***(0.5)%***

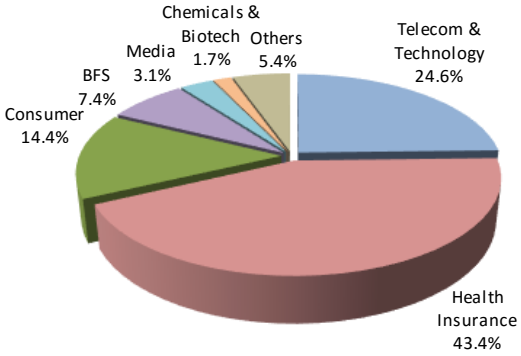
Q1 FY2017



Revenue by Vertical

(Rs. Million)	Q1 FY2017	Q1 FY2016	y-o-y Growth (%)	Q4 FY2016	q-o-q Growth (%)
Telecom & Technology	2,237	1,829	*22.3%*	2,419	*(7.5)%*
Health Insurance	3,943	3,023	*30.4%*	3,955	*(0.3)%*
Consumer	1,313	993	*32.2%*	1,096	*19.8%*
BFS	669	502	*33.4%*	601	*11.4%*
Media	286	340	*(15.9)%*	236	*20.9%*
Chemicals & Biotech	154	184	*(16.1)%*	187	*(17.4)%*
Others	492	517	*(4.7)%*	646	*(23.7)%*
Total	**9,095**	**7,388**	***23.1%***	**9,139**	***(0.5)%***

Q1 FY2017

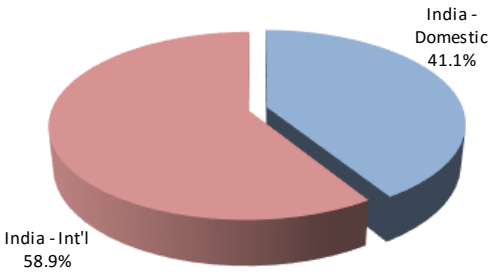


Key Metrics

India Based Exposure

(Rs. Million)	Q1 FY2017	Q1 FY2016	y-o-y Growth (%)	Q4 FY2016	q-o-q Growth (%)
India - Domestic	1,204	576	*108.9%*	1,166	*3.2%*
India - International	1,727	1,355	*27.5%*	1,737	*(0.6)%*
Total India	**2,931**	**1,931**	***51.8%***	**2,904**	***0.9%***

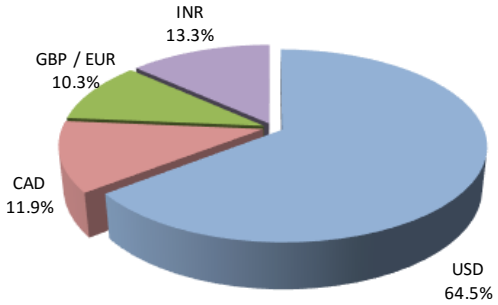
Q1 FY2017



Revenue by Currency Exposure

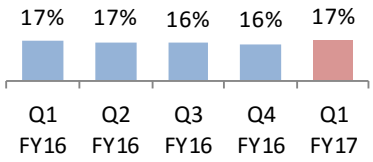
(Rs. Million)	Q1 FY2017	Q1 FY2016	y-o-y Growth (%)	Q4 FY2016	q-o-q Growth (%)
USD	5,870	4,902	*19.8%*	5,998	*(2.1)%*
CAD	1,081	1,147	*(5.8)%*	1,033	*4.7%*
GBP / EUR	940	763	*23.2%*	942	*(0.2)%*
INR	1,204	576	*108.9%*	1,166	*3.2%*
Total	**9,095**	**7,388**	***23.1%***	**9,139**	***(0.5)%***

Q1 FY2017

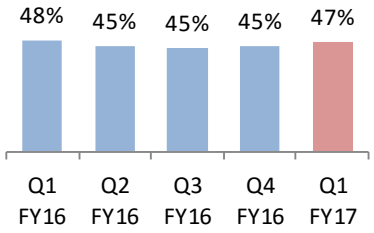


Key Metrics

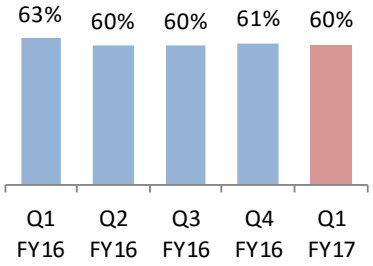
Key Client Metrics



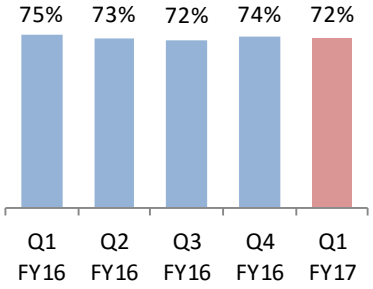
Top Client (%)



Top 5 Clients (%)



Top 10 Clients (%)

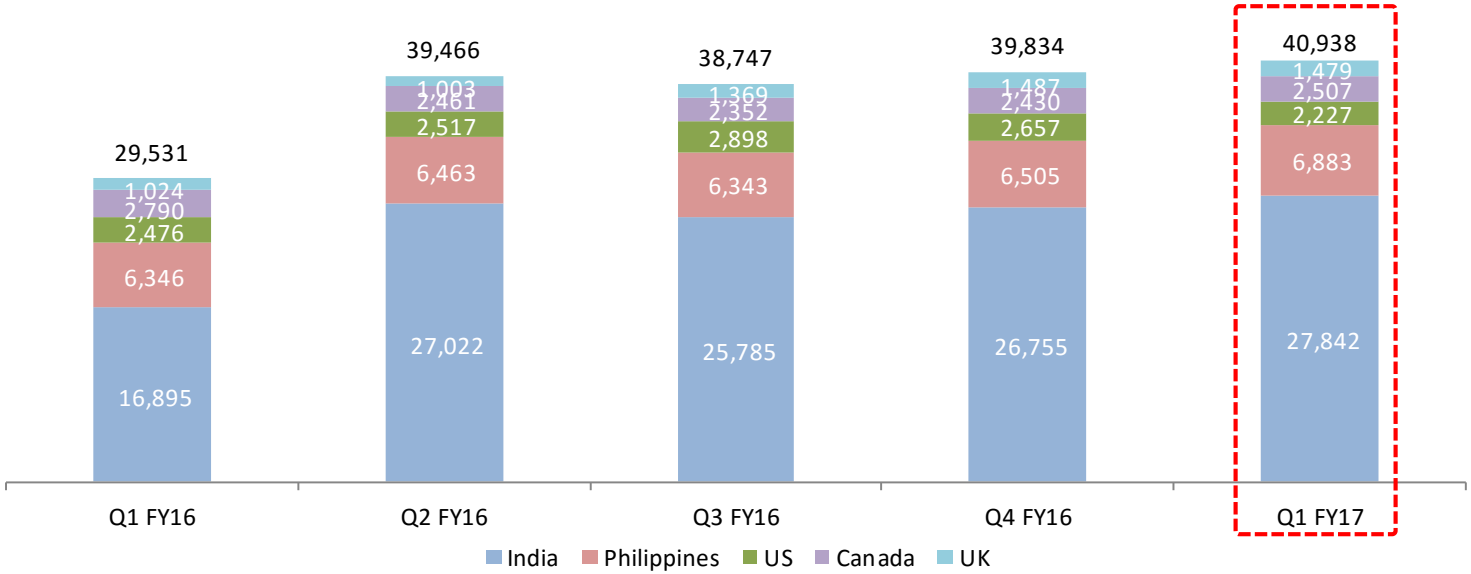


Top 20 Clients (%)

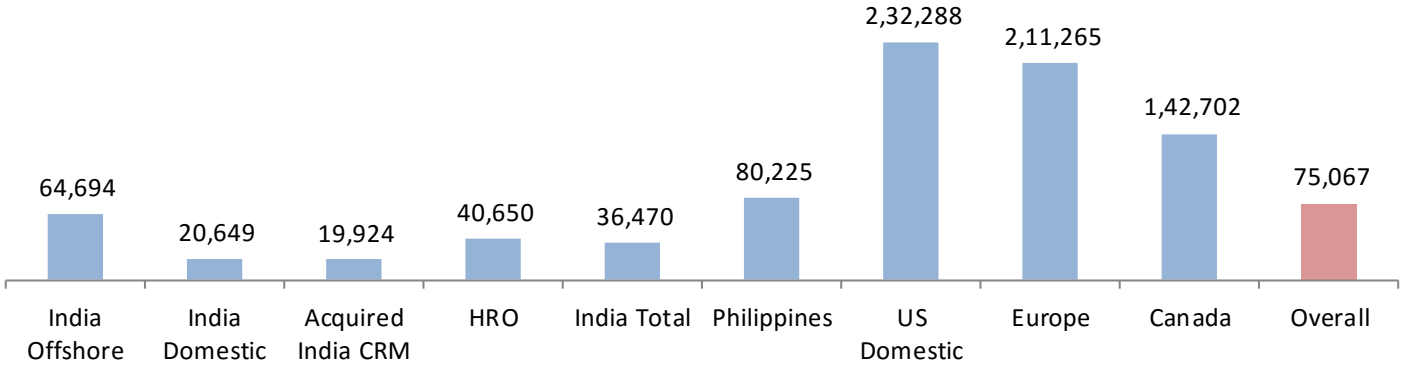
Client contributing revenues	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17
> Rs. 200 million during the quarter	8	8	10	11	11
> Rs. 150 million during the quarter	10	10	11	11	12
> Rs.100 million during the quarter	13	16	15	16	17
> Rs.50 million during the quarter	27	29	33	36	33
> Rs.10 million during the quarter	59	59	65	67	62

Key Metrics

Employee Trend by Geography



Average Monthly Revenue / Employee (Rs.)



Leverage Profile

Conservative Leverage Profile

(Rs. Million)	30-Jun-16	31-Mar-16
Total Debt	**7,993**	**8,508**
Less: Cash & Treasury Surplus	4,572	4,646
Net Debt / (Net Cash)	**3,421**	**3,862**
Net Worth	**12,650**	**11,815**
Net Debt / EBITDA[1]	**0.94x**	**1.23x**
Total Debt / Equity	**0.63x**	**0.72x**

Note(s):

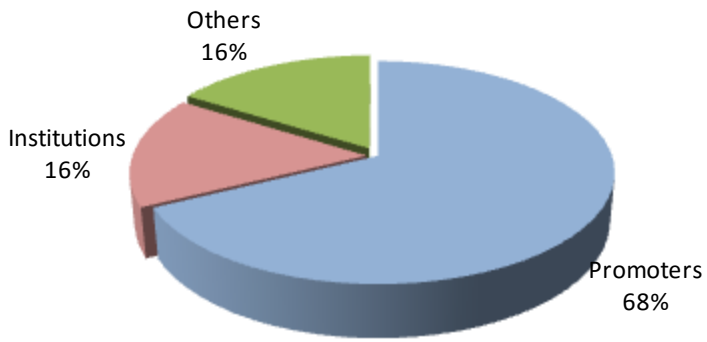
1. LTM EBITDA used for computing net debt / EBITDA ratio

Summary Unaudited Cash Flow Statement

(Rs. Million)	Quarter Ended 30-Jun-16
Cash flow from Operations and after working capital changes	886
Cash Flow due to Capex (net)	(527)
Cash Flow due other investing activities	92
Total Cash Flow from Investing Activities	**(435)**
Proceeds/(Repayment) from Borrowings	(407)
Cash from Interest payment and others	(118)
Total Cash Flow from Financing Activities	**(525)**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(74)**
Cash and Treasury Surplus as on April 1, 2016	4,645
Cash and Treasury Surplus as on June 30, 2016	**4,571**

Market Information

Shareholding Pattern (30-June-2016)



Market Data

Market Cap. (Rs. million) (11-Aug-16)	9,070
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (30-Jun-16)	611.6
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Key Shareholders

Apax PARTNERS

Birla Sun Life Insurance

Dimensional

GRANDEUR PEAK FUNDS ELEVATED GLOBAL INVESTING

JM FINANCIAL

Merrill Lynch Bank of America Corporation

RELIANCE Mutual Fund

Thank You

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