

Highlights of Business Performance, Key Accomplishments and Noteworthy Items in the 3rd Fiscal Quarter 2009-10

Interim Dividend

The Board of Directors at the above meeting has declared interim dividend of Rs. 2/- per fully paid up equity share of Rs. 10/- each for the financial year 2009-10 and record date for that purpose is February 3, 2010.

Financial Highlights for Third Quarter ended December 31, 2009

Consolidated Financial Performance for the Third Quarter ended December 31, 2009

- Total Income for the Third quarter decreased 1.8% to Rs 2,182.9 million from Rs 2,223.4 million over the second quarter FY 2009-10
EBITDA decreased by 4.6% for the Third quarter to Rs 268.4 million from Rs 281.2 million over the Second quarter FY 2009-10
- Net Profit decreased by 7.8% to Rs 119.4 million from Rs 129.6 million over the Second quarter FY 2009-10
- The basic and diluted Earnings Per Share for this three month period is Rs 9.56 per share

Consolidated Financial Performance for the Nine Months ended December 31, 2009

- Total Income for the nine months decreased 1.4% to Rs 6,640.4 million from Rs 6,732.3 million over the corresponding period last fiscal year
- EBITDA increased by 3.0% for the nine months 2009-10 to Rs 836.6 million from Rs 817.9 million over the corresponding period last fiscal year
- Net Profit increased by 37.2% to Rs 371.7 million from Rs 271.0 million from the corresponding period last fiscal year
- The basic and diluted Earnings Per Share for the nine months ended is Rs 29.76 per share

Significant Developments during the Third Quarter Fiscal Year 2009-10 and noteworthy items

- Added over US \$7.5 million in customer contracts in the 3rd Fiscal Quarter 2009-10, and \$59.0 million for the nine months ended December 31, 2009.
- Developed and launched two new hosted services leveraging domain expertise and technology platforms in the Healthcare and HR services.
- Top 100 clients represent over 82% of total revenues with the largest customer representing only 15% of total revenues.
 - Over 50% of leading FORTUNE 100® companies as reference-able clients in our core Service offerings
- International Association of Outsourcing Professionals (IAOP) ranked us:
 - Best 20 Leaders by Industry Focus: Health Care;
 - Best 10 Companies by Service Offered: Document Management;
 - Best 10 Leaders by Service Offered: Financial Management;
 - Best 20 Leaders by Region Served: India;
 - Best 20 Leaders by Region Served: Canada;
- Company maintained strong liquidity position with DSO of 51.9 days, Debt to Equity Ratio of 1.2 and Net Bank Debt of US \$109.3 million at December 31, 2009.

Fact Sheet – Consolidated Financial Information, Third Quarter, 2009-2010

Material Transaction

The Board of Directors of the Company approved actions of its wholly owned subsidiary, HOV Services, LLC entering into a Material Transaction in order to focus on end-to-end high growth and margin services, improve operational efficiency and streamline decision making process by selling certain assets: 100% interest in Bay Area Credit Services, LLC, 100% interest in HOV AR Management Services Private Limited and its 30 % minority interests in TRAC Holdings, LLC (TRAC) and SAM Holdings, LLC (SAM), to Rustic Canyon, LLC, an Associate, (which already has 70% ownership interest in TRAC & SAM) for \$12 million USD in cash (approximately Rs. 5,563 Lakhs). This Material Transaction is expected to close in the fourth quarter of fiscal year 2009-10 and the potential loss will be recorded as an exceptional item.

Below are the pro forma results for the nine months ended December 31, 2009 and the Third Quarter and year to date excluding the ARM business vs. reported results:

Particulars	Nine Months ended December 31, 2009-10 Excluding ARM	Nine Months ended December 31, 2009-10 Reported	% Change	Quarter ended December 31, 2009-10 Excluding ARM	Quarter ended December 31, 2009-10 Reported	% Change
<i>Rs In Million's</i>						
TOTAL INCOME	5,509.5	6,640.4	-17.0%	1,815.2	2,182.9	-16.8%
EBITDA	982.0	836.6	17.4%	329.7	268.4	22.9%
EBITDA %	17.8%	12.6%		18.2%	12.3%	
PROFIT AFTER TAX	570.6	371.7	53.5%	191.5	119.4	60.3%
PAT %	10.4%	5.6%		10.5%	5.5%	
Basic and Diluted EPS (Not Annualized)	45.68	29.76		15.83	9.56	

Fact Sheet – Consolidated Financial Information, Third Quarter, 2009-2010

Profit Statement Nine Months ended December 31, 2009 vs. Sequential Nine Months ended December 31, 2008 and Quarter ended December 31, 2009 and vs. Quarter ended September 30, 2009

Particulars	Nine Months ended	Nine Months ended	% Change FY 2009-10 over FY 2008-09	Quarter ended	Quarter ended	% Change in Q3 FY 2009-10 over Q2 FY 2009-10
	December 31,	December 31,		December 31,	September 30,	
<i>Rs In Million's</i>	2009-10	2008-09		2009-10	2009-10	
	Unaudited	Unaudited		Unaudited	Unaudited	
INCOME						
Income from Services	6,640.42	6,707.73		2,182.92	2,223.43	
Foreign exchange gains losses, net		24.56				
TOTAL INCOME	6,640.42	6,732.29	-1.4%	2,182.92	2,223.43	-1.8%
EXPENDITURE						
Employee expenses	3,571.64	3,323.79		1,202.29	1,195.52	
Operating costs	2,182.67	2,590.62		694.97	733.83	
Foreign exchange losses, net	49.50	-		17.29	12.90	
TOTAL	5,803.81	5,914.41		1,914.55	1,942.25	
EARNINGS BEFORE INTEREST, TAX, AND DEPRECIATION (EBITDA)	836.61	817.88	2.3%	268.37	281.18	-4.6%
EBITDA %	12.6%	12.1%		12.3%	12.6%	
Depreciation	196.62	152.85		72.22	63.17	
EARNINGS BEFORE INTEREST AND TAX	640.00	665.03	-3.8%	196.15	218.02	-10.0%
EBIT %	9.6%	9.9%		9.0%	9.8%	
Other income	(12.63)	(11.31)		(5.33)	(4.63)	
MTM (gain) loss on derivative contracts	(24.84)	-		(6.22)	(1.58)	
Interest expense, net	270.91	354.13		85.23	91.57	
PROFIT (LOSS) BEFORE TAX	406.56	322.21	26.2%	122.47	132.66	-7.7%
PBIT %	6.1%	4.8%		5.6%	6.0%	
Taxes	37.75	37.54		7.89	12.43	
PROFIT (LOSS) AFTER TAX BEFORE MINORITY INTEREST	368.81	284.67		114.59	120.23	
Minority interest	(2.92)	7.67		(4.84)	(9.36)	
PROFIT (LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	371.73	277.00	34.2%	119.43	129.59	-7.8%
PAT %	5.6%	4.1%		5.5%	5.8%	
Basic and Diluted EPS (Not Annualized)	29.76	21.59		9.56	10.37	
Weighted average equity shares used in computing earnings per equity share for basic and diluted	12,491,022	12,595,635		12,491,022	12,491,022	

Fact Sheet – Consolidated Financial Information, Third Quarter, 2009-2010

Revenue - YoY Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q3 FY 2008 -09		Q3 FY 2009 -10		% Q over Q
	Revenue	%	Revenue	%	
BFSI	11,451	23.6%	11,483	24.5%	0.3%
Healthcare	19,620	40.4%	18,084	38.6%	-7.8%
Telecom	3,818	7.9%	3,213	6.9%	-15.8%
Media & Publishing	2,864	5.9%	3,429	7.3%	19.7%
Manufacturing	3,121	6.4%	2,838	6.1%	-9.1%
Retail	1,465	3.0%	2,134	4.6%	45.7%
Government	6,262	12.9%	5,624	12.0%	-10.2%
Total Revenue	48,601	100.0%	46,805	100.0%	-3.7%

Revenue - Sequential Quarter over Quarter by Industry Vertical

Industry Vertical <i>In 000' US\$'s</i>	Q2 FY 2009 -10		Q3 FY 2009 -10		% Sequential Q's
	Revenue	%	Revenue	%	
BFSI	10,787	23.5%	11,483	24.5%	6.5%
Healthcare	17,889	39.0%	18,084	38.6%	1.1%
Telecom	2,607	5.7%	3,213	6.9%	23.3%
Media & Publishing	3,326	7.2%	3,429	7.3%	3.1%
Manufacturing	2,792	6.1%	2,838	6.1%	1.6%
Retail	1,735	3.8%	2,134	4.6%	23.0%
Government	6,784	14.8%	5,624	12.0%	-17.1%
Total Revenue	45,920	100.0%	46,805	100.0%	1.9%

Revenue – Q3 FY 2009-2010 by Service Type in the Industries served

Service Type <i>(In 000's US\$'s)</i>	Industries Served						
	BFSI	Healthcare	Telecom	Media & Publishing	Manufacturing	Retail	Government
A/P Services	1.4%	0.3%	0.1%	0.0%	0.7%	2.9%	0.1%
ARM/ A/R Cycle Management	5.0%	3.7%	6.5%	0.0%	0.0%	0.2%	0.0%
Healthcare Payor/Provider Services	0.2%	28.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Risk management & Employee Verification Services	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%
Construction Services	1.4%	0.3%	0.0%	0.0%	0.0%	0.0%	1.7%
Document Lifecycle Services	8.8%	4.1%	0.2%	0.0%	3.2%	1.4%	8.7%
Presentment Services	7.2%	1.3%	0.0%	0.1%	2.2%	0.1%	1.1%
Content Transformation	0.0%	0.0%	0.0%	7.1%	0.0%	0.0%	0.3%
Total Revenue	24.5%	38.6%	6.9%	7.3%	6.1%	4.6%	12.0%

Revenue Q3 FY 2009-2010 by Service Type in the Industry Served

Service Type <i>(In 000's US\$'s)</i>	3 Mth Period 12/31/2008	Growth by Industries Served Q3 FY 2009-10 over Q3 FY 2008-09							3 Month Period 12/31/2009
		BFSI	Healthcare	Telecom	Media & Publishing	Manufacturing	Retail	Government	
A/P and A/R Services	2,836	(398)	(36)	6	-	(106)	307	1	2,609
ARM/ A/R Cycle Management	8,969	514	(1,669)	(534)	-	-	(113)	(0)	7,167
Healthcare Payor/Provider Services	13,475	53	90	-	-	-	-	-	13,619
Risk management & Employee Verification Services	430	(128)	15	-	-	-	-	24	341
Construction Services	1,120	0	142	-	-	-	-	362	1,624
Document Lifecycle Services	12,905	296	(95)	(45)	11	(126)	477	(1,062)	12,362
Presentment Services	5,940	(281)	17	(31)	12	14	(1)	(74)	5,598
Content Transformation	2,924	(25)	-	-	542	(65)	-	110	3,485
Total Revenue	48,601	31	(1,536)	(605)	565	(283)	669	(638)	46,805

Fact Sheet – Consolidated Financial Information, Third Quarter, 2009-2010

Additional New Business Won in the Third Quarter FY 2009-2010 and Fiscal Year 2010

Industry Vertical <i>In 000' US\$'s</i>	New Client Major Wins Q3		New Client Major Wins YTD	
	New Clients	Contract Value	New Clients	Contract Value
BFSI	3	3,800	8	28,773
Healthcare	-	-	6	10,710
Telecom	-	-	-	-
Media & Publishing	1	400	6	8,440
Manufacturing	1	1,000	4	7,756
Retail	1	400	2	900
Government	4	1,919	5	2,404
Total Revenue	10	7,519	31	58,983

TOP 350 by Industry and Service Type Q3 FY2009-10

Service Type <i>(In 000's US\$'s)</i>	Media &								Total
	BFSI	Healthcare	Telecom	Publishing	Manufacturing	Retail	Government		
A/P and A/R Services	625	122	67	-	322	1,363	62	2,561	
ARM/ A/R Cycle Management	2,298	1,719	3,045	-	-	71	-	7,133	
Healthcare Payor/Provider Services	102	13,448	-	-	-	-	-	13,550	
Risk management & Employee Verification Services	213	100	-	-	-	-	24	338	
Construction Services	646	142	-	-	-	-	803	1,591	
Document Lifecycle Services	3,668	1,640	72	-	1,303	589	3,380	10,651	
Presentment Services	3,070	562	14	69	992	21	421	5,149	
Content Transformation	-	-	-	3,290	-	-	134	3,424	
Total Revenue	10,622	17,733	3,199	3,358	2,616	2,044	4,824	44,397	

Customer Concentration and Industry Highlights

Customer and Industry Highlights		Top Clients	% of Total Revenue	Q over Q Change
<u>Industry Served</u>	<u>Customer Ranking</u>	Top 1 Client	15%	0%
Banking	4 out of the top 10	Top 5 Clients	31%	2%
Healthcare	2 out of top 20	Top 10 Clients	44%	3%
Insurance	9 out of the top 20	Top 20 Clients	57%	2%
Automotive	2 out of top 5	Top 50 Clients	71%	2%
Retailers	8 out of the top 20	Top 100 Clients	82%	1%
Publishing	5 out of the top 20	Top 200 Clients	90%	1%
Telecom	2 out of the top 5	Top 350 Clients	95%	1%

Global Infrastructure and Resources as of December 31, 2009

Category	North America	India	China -Xi'an	Mexico	Total
Accounting	36	36	1	5	78
Administration	49	60	3	14	126
Management	119	160	10	1	290
Sales & Marketing	33	7	-	-	40
Technology	121	267	1	11	400
Operations	1,473	7,283	704	234	9,694
Total	1,831	7,813	719	265	10,628