

**Press Release:**

HOV Services, Ltd

Announces Fourth Quarter and Yearly Fiscal 2010-11 Results; Recommends a Final Dividend of Rs. 2/- per equity shares to its shareholders

Mumbai, May 27, 2011: HOV Services Ltd (BSE: 532761, NSE: HOVS), India's top tier BPS company today announced consolidated result for the fourth quarter and 12 months ended March 31, 2011. The company's board of directors in the meeting also recommends a final dividend of Rs. 2/- per equity share of Rs. 10/- each for the year ended March 31, 2011 subject to the approval of the shareholders.

Financial Highlights for Fourth quarter and Yearly result ended March 31, 2011

The table below summarizes condensed consolidated result for the fourth quarter and FY 2010-11 Versus fourth quarter and yearly results of the same period last year: The figures of the current quarter/ year are not comparable to prior year since the Group had sold its "Accounts Receivable Management" activities effective January 1, 2010 and the related loss was recorded in Q4 2009-10.

Particulars	Year ended	Year ended	% Change	Quarter ended	Quarter ended	% Change
	March 31,	March 31,		March 31,	March 31,	
<i>Rs In Million's</i>	2010-11	2009-10		2010-11	2009-10	
TOTAL INCOME	7,092.5	8,483.9	-16.4%	1,655.1	1,843.5	-10.2%
EBITDA	1,110.4	1,203.9	-7.8%	180.0	342.4	-47.4%
EBITDA %	15.7%	18.3%		10.9%	18.3%	
PAT	537.3	(758.4)	170.8%	40.0	(1,130.1)	103.5%
PAT %	7.6%	10.4%		2.4%	10.4%	

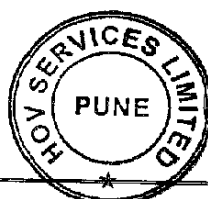
Consolidated Financial Performance:

Fiscal Year 2010-11 Versus Fiscal Year 2009-10

- Total Income for the FY 2010-11 decreased 16.4% to Rs 7,092.5 million from Rs 8,483.9 million over the FY 2009-10.
- EBITDA decreased by 7.8% for the FY 2010-11 to Rs 1,110.4 million from Rs 1,203.9 million over the FY 2009-10.
- Net Profit was Rs 537.3 million versus a Net Loss of Rs 758.4 million reported in the prior year.
- Basic and Diluted Earnings per share (EPS) were Rs 23.40 for the year ended March 31, 2011.

Fourth Quarter FY 2010-11 Versus Fourth Quarter FY 2009-10

- Total Income for the fourth quarter FY 2010-11 decreased by 10.2% to Rs 1,655.1 million from Rs 1,843.5 million over the fourth quarter FY 2009-10.
- EBITDA decreased by 47.4% for the fourth quarter FY 2010-11 to Rs 180.0 million from Rs 342.4 million over the fourth quarter FY 2009-10.
- Net Profit for the quarter was Rs 40.0 million versus a Net Loss of Rs 1,130.1 million reported in the corresponding quarter in the prior year.
- The Basic and Diluted Earnings per share (EPS) were Rs 1.74 for the quarter ended March 31, 2011



Significant Developments and noteworthy items during the Fourth Quarter Fiscal Year 2010-11

- As announced on March 12, 2011 the Company's indirect subsidiary HOV Services, LLC signed an agreement to merge with SOURCECORP, Inc. subject to regulatory approval which was obtained and the merger was completed on April 29, 2011.
- Added new business with over USD12.0 million in total contract value in the fourth quarter FY 2010-11.
- Top 100 clients represent over 78% of total revenues with the largest customer representing only 19% of total revenues.
- Company maintained strong liquidity position with –
 - a. DSO of 56 days
 - b. Debt to Equity Ratio of 1.39
 - c. Net Bank Debt of US 113.6 million at March 31, 2011
- International Association of Outsourcing Professionals (IAOP) ranked us:
 - a. Best 20 Leaders by Industry Focus: Health Care;
 - b. Best 10 Companies by Service Offered: Document Management;
 - c. Best 10 Leaders by Service Offered: Financial Management;
 - d. Best 20 Leaders by Region Served: India;
 - e. Best 20 Leaders by Region Served: Canada;
- Global Presence and experienced team with over 8,357 associates, strategically located across the globe; India 5,851, North America 1,440, China 655 and Mexico 411
- HOVS is also nominated with the following recognition / awards during the year 2010-2011:
 - (1) Nasscom Annual Survey 2010 has ranked HOV Services amongst the "Top 15 BPO Exporters 2009-10" in India.
 - (2) 2010 Global Services 100 (GS 100) Survey has awarded HOV Services as a Top BPO provider in three categories namely, "Industry Specific BPO Vendors", "Top BPO Vendors" and "Top FAO Vendors" list.
 - (3) Government of Maharashtra has honoured HOV Services with "Maharashtra Information Technology Support Services- BPO /KPO award 2010"

About HOV Services Limited:

HOV Services Limited one of the largest end-to-end BPO company headquartered in Chennai, India provides Finance and Accounting services in the BFSI, Healthcare, Government, Telco, Publishing, Retail, Commercial and Industrial Manufacturing industries. Its clients include over 50% of the FORTUNE 100® and are some of the largest companies in the industries served. RightShore delivery centers strategically located in India, North America, China and Mexico with over 8,357 associates working together to Exceed Expectations® of our clients.

For Further Information Contact

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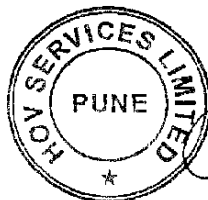
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