



Q4 FY2016 and Full Year FY2016 Earnings Presentation

May 25, 2016

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: Q4 FY2016

- Net Sales of Rs. 9,139 million, an increase of 29.3% compared to same period last year
- EBITDA of Rs. 981 million with margin of 10.7%
- PAT of Rs. 408 million with margin of 4.5%
- As of March 31, 2016, the Company had Net Debt of Rs. 3,862 million and a Net Worth of Rs. 11,815 million

Consolidated Financial Highlights: FY2016

- Net Sales of Rs. 33,282 million, an increase of 18.5% compared to same period last year
- EBITDA of Rs. 3,130 million with margin of 9.4%
- PAT of Rs. 1,010 million with margin of 3.0%
- The board recommended a final dividend of Rs. 1.25 per share, bringing the total dividend for the year to Rs. 15 per share

Management Perspective

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

"FY2016 started off slow for HGS but we finished the year with a robust performance. Revenue in the fourth quarter grew 29% y-o-y and we ended the full year with a growth rate of over 18%. This growth was led by existing and new client wins and our acquisitions made in the fiscal. The turnaround in our Canada operations in Q4 helped improve the profitability."

"Going forward, we expect to reap the benefits of significant investments made in organic expansion and ramp ups, acquisitions and the launch of innovative solutions in FY2017. The technology-led solutions under our Unified Customer Experience Strategy™ are resonating with clients, leading to a strong pipeline. We will also focus on enhancing operational efficiencies to further improve overall profitability."

FY2016 Business Highlights

- 20 new clients; who accounted for 4.3% of overall revenue
- Automation and Digital solutions gaining traction with clients; Won a Robotic Process Automation (RPA) consulting engagement from a US-based BFS client; 21 Digital engagements contracted
- Revised commercials finalized with a large telecom client in Canada
- Acquisition of an India CRM business has helped win a new client in the ecommerce space
- Colibrium: Investments made in building a more robust version of its software product Tuo, and client facing initiatives is paying off with several wins, including four in Q4.
- Launched Web-self-service and Chat offerings under the HGS' Digital Natural Assist (DNA) platform and HGS Health+CARE solution
- As of March 31, 2016, HGS had 190 core BPM clients and 450 payroll processing clients
- In FY2016, contribution from Healthcare vertical was 42%, Telecom & Technology 27%, Consumer 13%, Banking & Financial Services 7%, Others 11%
- As of March 31, 2016, total headcount was 39,834: India: 67% (India Offshore 22% and India Domestic 45%), 16% in Philippines, 7% in the US, 6% in Canada and 4% in Europe

Business Outlook for Q1 of FY2017

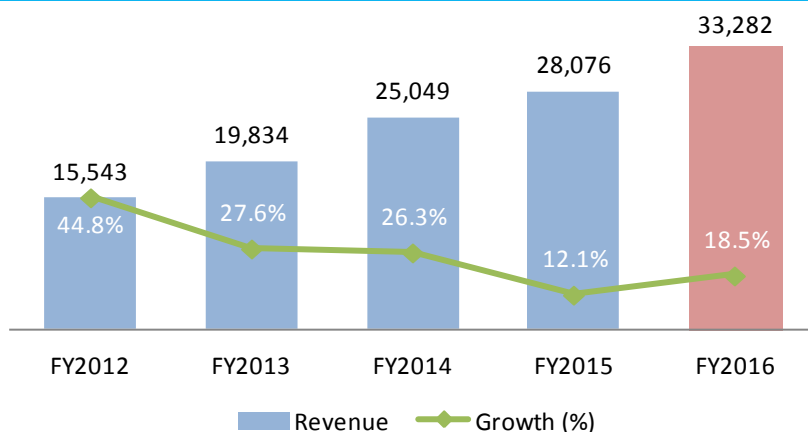
- Growth momentum to be supported by new client additions coupled with increased contribution from existing clients
- Canadian Operations expected to benefit based on revised commercials
- Healthcare vertical will continue to drive growth; Significant synergy benefits expected from the successful integration of the acquired India CRM Business.
- Volumes for US/UK domestic delivery likely to be soft.
- Continued focus on digital offerings and innovative solutions; To launch a cutting-edge, automated text service offering and DigiCX, a suite of digital customer experience services that focus on transforming traditional call center customer experiences, in Q1
- New centers to be set up in Jamaica, India, and the Philippines
- North America region restructured to drive synergies in both Canadian and US markets in Delivery and Client Services

Financial Performance Summary

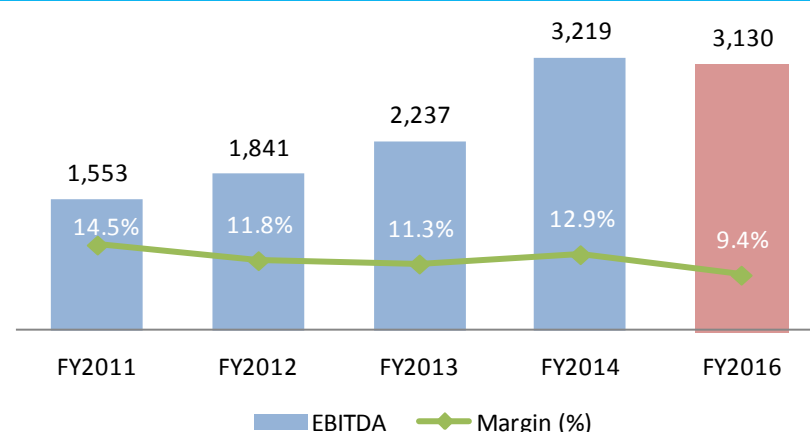
Consolidated Financial Highlights

(Rs. Million)	Q4		y-o-y	Q3		Full Year		y-o-y
	FY2016	FY2015	Growth (%)	FY2016	Growth (%)	FY2016	FY2015	Growth (%)
Net Sales	9,139	7,068	29.3%	8,829	3.5%	33,282	28,076	18.5%
EBITDA	981	693	41.5%	766	28.0%	3,130	3,172	(1.3)%
Margin (%)	10.7%	9.8%		8.7%		9.4%	11.3%	
Profit Before Tax (PBT)	613	367	66.9%	276	122.1%	1,559	1,934	(19.4)%
Margin (%)	6.7%	5.2%		3.1%		4.7%	6.9%	
Profit After Tax (PAT)	408	413	(1.2)%	171	138.4%	1,010	1,650	(38.8)%
Margin (%)	4.5%	5.8%		1.9%		3.0%	5.9%	
Basic EPS (Rs.)	19.69	19.98	(1.4)%	8.25	138.7%	48.73	79.88	(39.0)%

Annual Revenue Trend (Rs. Million)



Annual EBITDA Trend (Rs. Million)



Region	Geography Highlights
USA and Canada	US: - Received a RPA consulting engagement from a BFS client - Launched a program for a consumer electronics client from Manila facility; expected to ramp up to 170 FTEs - Started first Life Insurance Claims program that supports a major BFS client's largest external customer - Anticipate strong performance going ahead driven by both existing as well as new clients Canada: - Successful resolution of contractual terms with a large client - Won additional line of business from a leading telecom client worth 130 FTEs - Expect to continue robust operational performance across all client programs
UK and Europe	- Continued its strong revenue growth on the back of the recent large contract wins - Large ramp up expected in H1 of FY 2017 for a Public Sector client - Expect to open a new site in Preston to support growth

Region	Geography Highlights
Philippines	- Continued its robust performance, primarily driven by volume growth by healthcare clients and ramp up of new logos - Started work for new lines of businesses from existing clients in health insurance vertical; New project for Prior-Authorization review / CIT Clinical work by US Registered Nurses - Completed 10 years of partnership for two key clients: A healthcare insurance major and a leading consumer products company - Expected to continue the growth trajectory; to launch a new site in Q1 with over 300 seats
India	International: - Performance was in line with management expectations in Q4, led by increased volumes by a key healthcare client - EBOS posted strong revenue growth fueled by a key new client and several smaller wins - International business is expected to continue to record strong growth, led by volume growth in healthcare accounts Domestic: - Performance in Q4 was as expected - In FY2016, won several new clients including: a leading consumer goods conglomerate, a top global retailer brand, leading ecommerce player in India and a fast-growing life insurance company in India - Acquired India CRM business portfolio: broken even at operating margin level, while exiting March 2016

Recognition from Analyst and Advisor community



- HGS was included as a Leader in the **NelsonHall** Healthcare Payer BPO NEAT



- HGS was included as a “Top 10 Breakthrough Sourcing Standout” from ISG for the 2nd quarter in a row

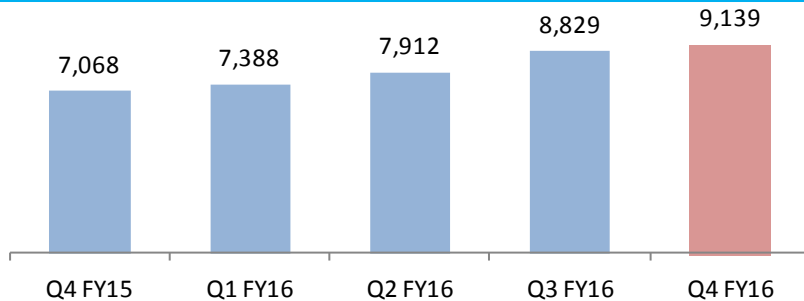


- HGS was included as a Major Contender in the **Everest** Research Healthcare Payer BPO PEAK Matrix Assessment

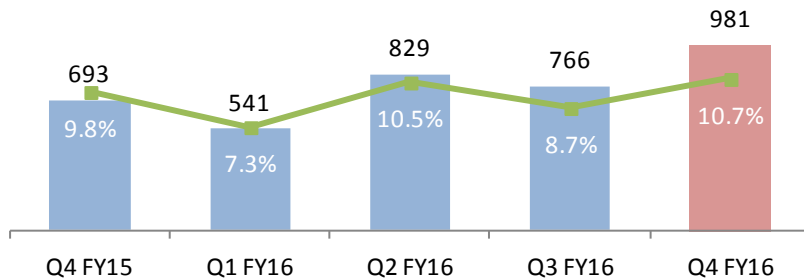


- HGS was included for the 2nd year in a row in the **Gartner** Magic Quadrant for Customer Management Contact Center BPO

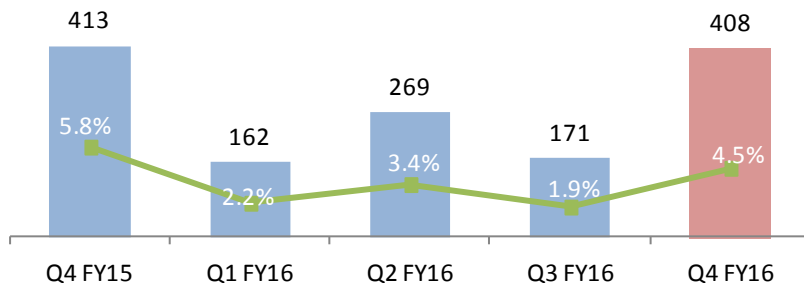
Revenue (Rs. Million) and Y-o-Y Growth (%)



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)

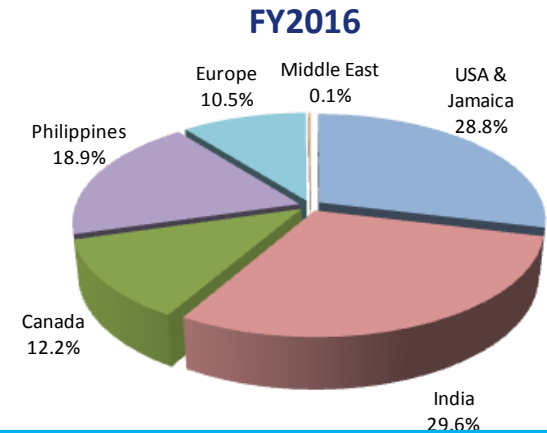


Highlights

- Revenue growth for the quarter was driven by additional business from existing clients as well as new client additions
- Recovery of Canada operation also benefitted the overall performance
- EBITDA for the quarter included an impact of CSR spend
- PAT for the quarter is not comparable to same period last year because Q4 FY2015 PAT included a tax credit

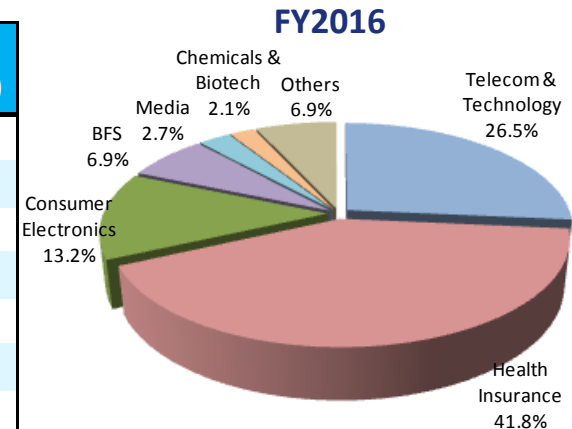
Revenue by Delivery Centers

(Rs. Million)	Q4		y-o-y Growth (%)	Q3		q-o-q Growth (%)
	FY2016	FY2015		FY2016	FY2015	
USA & Jamaica	2,564	2,031	26.3%	2,541	2,540	0.9%
India	2,904	1,926	50.7%	2,706	2,633	7.3%
Canada	1,002	1,034	(3.1)%	980	958	2.3%
Philippines	1,720	1,308	31.5%	1,583	1,465	8.7%
Europe	942	750	25.7%	1,011	1,070	(6.9)%
Middle East	7	18	(59.9)%	8	9	(11.4)%
Total	9,139	7,068	29.3%	8,829	8,829	3.5%



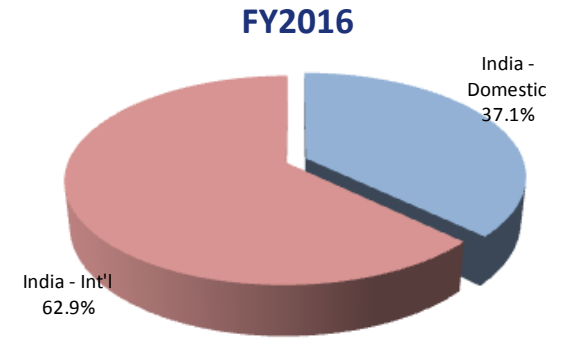
Revenue by Vertical

(Rs. Million)	Q4		y-o-y Growth (%)	Q3		q-o-q Growth (%)
	FY2016	FY2015		FY2016	FY2015	
Telecom & Technology	2,419	1,866	29.6%	2,569	2,569	(5.9)%
Health Insurance	3,955	2,694	46.8%	3,605	3,518	9.7%
Consumer Electronics	1,096	976	12.3%	1,138	1,174	(3.6)%
BFS	601	543	10.6%	629	651	(4.6)%
Media	236	334	(29.2)%	169	175	40.2%
Chemicals & Biotech	187	175	6.6%	159	159	17.9%
Others	646	479	34.7%	561	561	15.1%
Total	9,139	7,068	29.3%	8,829	8,829	3.5%



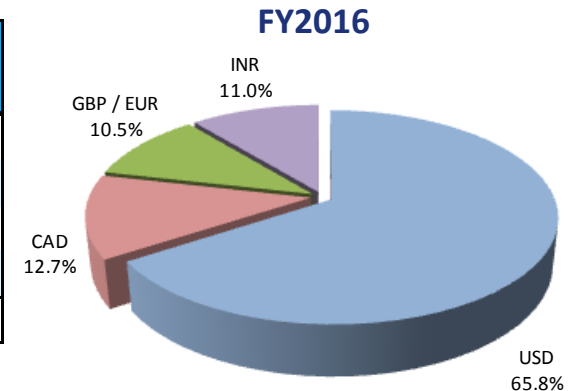
India Based Exposure

(Rs. Million)	Q4		y-o-y Growth (%)	Q3	
	FY2016	FY2015		FY2016	q-o-q Growth (%)
India - Domestic ¹	1,166	590	97.5%	1,126	3.6%
India - International	1,737	1,336	30.0%	1,580	9.9%
Total India	2,904	1,926	50.7%	2,706	7.3%



Revenue by Currency Exposure

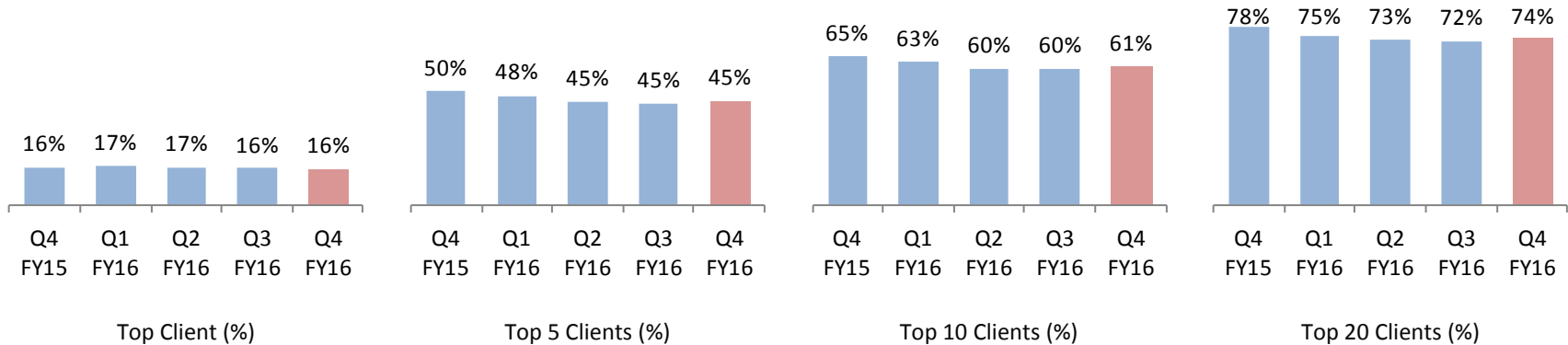
(Rs. Million)	Q4		y-o-y Growth (%)	Q3	
	FY2016	FY2015		FY2016	q-o-q Growth (%)
USD	5,998	4,694	27.8%	5,672	5.7%
CAD	1,033	1,034	(0.1)%	1,020	1.2%
GBP / EUR	942	750	25.7%	1,011	(6.9)%
INR	1,166	590	97.5%	1,126	3.6%
Total	9,139	7,068	29.3%	8,829	3.5%



Note(s):

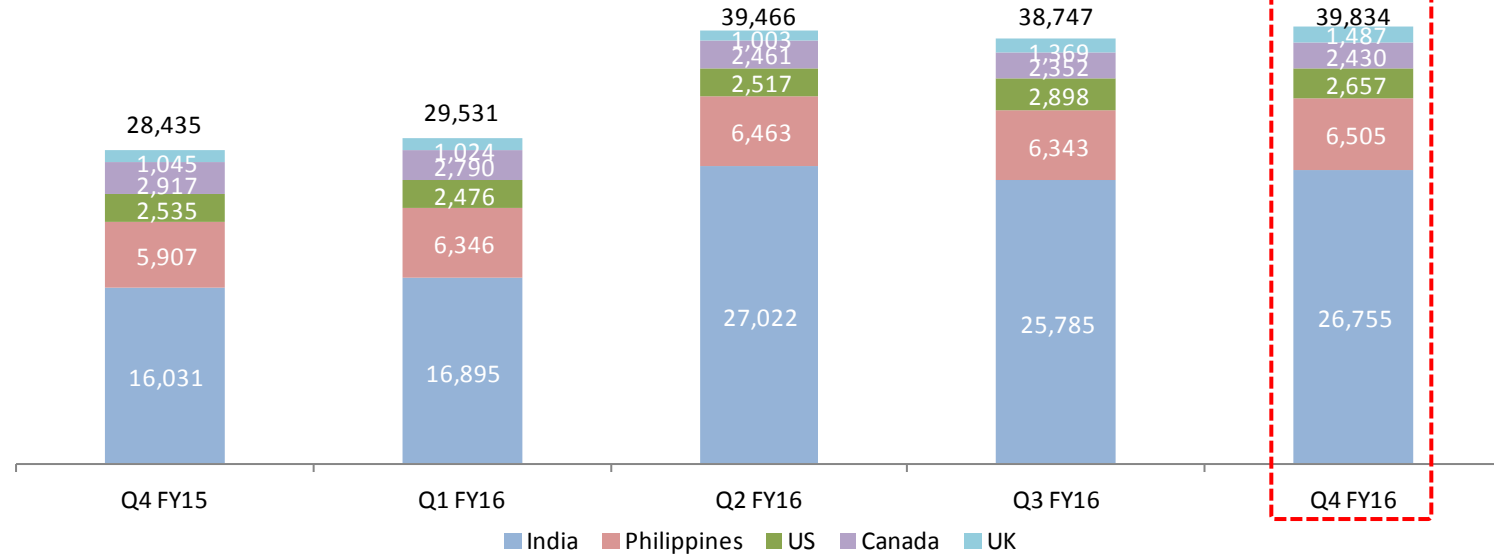
1. Includes revenues from HGS Business Services

Key Client Metrics

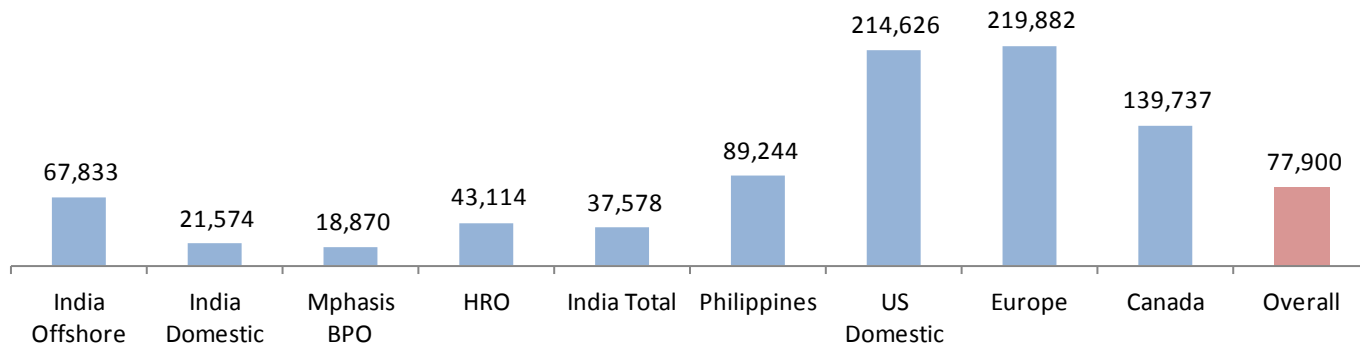


Client contributing revenues	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16
> Rs. 200 million during the quarter	8	8	8	10	11
> Rs. 150 million during the quarter	12	10	10	11	11
> Rs.100 million during the quarter	16	13	16	15	16
> Rs.50 million during the quarter	28	27	29	33	36
> Rs.10 million during the quarter	60	59	59	65	67

Employee Trend by Geography



Average Monthly Revenue / Employee (Rs.)



Conservative Leverage Profile

(Rs. Million)	31-Mar-16	31-Dec-15
Total Debt	8,508	8,432
Less: Cash & Treasury Surplus	4,646	4,598
Net Debt / (Net Cash)	3,862	3,834
Net Worth	11,815	11,342
Net Debt / EBITDA¹	1.23x	1.35x
Total Debt / Equity	0.72x	0.74x

Note(s):

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

Summary Unaudited Balance Sheet

(Rs. Million)	31-Mar-16	31-Dec-15
Shareholder's Funds	11,815	11,342
Total Debt	8,508	8,432
Other Current and Non Current Liabilities	3,923	3,749
Total Equity and Liabilities	24,246	23,523
Net Fixed Assets and Intangibles	9,187	8,910
Other Non Current Assets	2,342	2,121
Total Non Current Assets	11,529	11,031
Trade Receivables and Other Current Assets	8,071	7,894
Cash and Treasury Surplus ¹	4,646	4,598
Total Current Assets	12,717	12,492
Total Assets	24,246	23,523

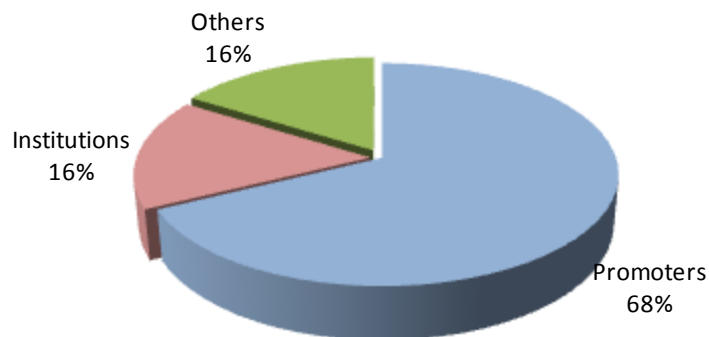
Notes:

1. Includes \$27 million of HGS International, Mauritius deposited with Bank of Baroda London

Summary Unaudited Cash Flow Statement

(Rs. Million)	Q4 FY2016	Year Ended 31-Mar-16
Cash flow from Operations and after working capital changes	1,181	1,589
Cash Flow due to Capex (net)	(948)	(2,516)
Consideration paid for acquisition of business	(12)	(153)
Cash Flow due other investing activities	24	269
Total Cash Flow from Investing Activities	(936)	(2,400)
Proceeds from Share allotment under Employee Stock Option Schemes	-	3
Proceeds/(Repayment) from Borrowings	13	1,990
Cash from Interest payment and others	(210)	(872)
Total Cash Flow from Financing Activities	(197)	1,121
Net Increase/ (Decrease) in Cash and Cash Equivalents	48	310
Cash and Treasury Surplus as on April 1, 2015	4,598	4,336
Cash and Treasury Surplus as on March 31, 2016	4,646	4,646

Shareholding Pattern



Market Data

Market Cap. (Rs. million) (25-May-16)	8,138
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (31-Mar-16)	570.0
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

For further information please contact:

Srinivas Palakodeti

Chief Financial Officer

Email: pala@teamhgs.com

Tel: +91 80 2573 2620

Bijay Sharma

Churchgate Partners

Email: HGS@churchgatepartnersindia.com

Tel: +91 22 6169 5988