HINDUJA GLOBAL SOLUTIONS

November 02, 2018

BSE Limited
Corporate Relation Dept.
P. J. Towers, Dalal Street
Mumbai 400 001.
Scrip Code : 532859

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051.
Symbol : HGS

Dear Sirs,

Sub: Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2018

This has further reference to our letter of even date on outcome of Board Meeting. We are enclosing herewith the following:

- Earning Press Release being issued by the Company
- Q2FY2019 & HFY2019 Financials and Fact Sheet

You are requested to kindly put up the above documents on your Website.

Thanking you,

Yours truly,
For Hinduja Global Solutions Limited

Makarand Dewal
Company Secretary

Encl: a/a

Q2 FY2019 EARNINGS PRESS RELEASE

HGS ANNOUNCES RESULTS FOR Q2 FY2019

Mumbai, India, November 02, 2018: Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited Second Quarter and Half Year results for FY2019.

Speaking on the results, **Partha DeSarkar, CEO of HGS** said**:** "*HGS posted a robust revenue growth in Q2 FY2019, driven by demand across Healthcare and CET (Consumer, eCommerce, Telecom & Technology) verticals. Overall revenues stood at Rs. 11,586 million, an increase of 22.9% YoY. Of this, 7.4% was organic, 7.9% from forex gains and the rest 7.6% came from the acquisitions of AxisPoint Health (APH) and Element Solutions. From a margin perspective, Q2 EBITDA margins (excluding acquisitions) improved by 66 bps sequentially to 10.2% as per expectations.*

Our Canadian, US and UK businesses have shown strong revenue growth and improved profitability. A large part of the growth was led by some big logos that we signed toward the end of last fiscal. Healthcare vertical continued to ramp up, with the Provider segment registering 52.9% growth YoY in dollar terms. While the India CRM business continued to face challenges from the drop in telecom volumes, we are seeing strong growth in verticals like financial services.

As in Q1, the performance of APH business has had an adverse effect on overall HGS Profitability. Looking ahead, we expect APH's performance to improve as the cost saving initiatives are completed and start bearing results. Element Solutions, our digital solutions business, is expected to post significant revenue growth, led by the cloud migration segment from Q3 onwards.

Our continued focus on technology-led solutions and domain expertise is helping us open up opportunities in new segments and markets, as evinced by the recent wins for HGS' RPA and social care services. We continue to invest in strengthening our capabilities to make our clients more competitive.

The sales pipeline for H2 looks encouraging, and with Open Enrollment and Holiday Season coming up in Q3, HGS is well-positioned to deliver a better second half."

Financial Highlights for Q2 FY2019

- HGS reported a YoY revenue growth of 22.9% at Rs. 11,586 million
- Organic revenue growth in constant currency terms was 7.4%
- EBITDA, excluding the acquired businesses, was Rs. 1,109 million; EBITDA margins stood at 10.2%
- Overall EBIDTA, including the Element and Axis Point acquired businesses, was Rs. 776 million and EBITDA margin was 6.7%
- PAT was Rs. 448 million, a YoY drop of 16%; Net margins stood at 3.9%
- Capital expenditure for the quarter was Rs 369 million and YTD is Rs. 764 million
- Generated 16% of the YTD FY2019 EBITDA into Free Cash

Q2 FY2019 EARNINGS PRESS RELEASE

- Reduction in gross debt of Rs. 302 million in Q2 FY2019; Gross Debt as at 30th September 2018 stood at Rs 5,546 million.
- Interim Dividend of Rs 2.50 /share

Financial Highlights for H1 FY2019

- Net Sales increased to Rs. 22,595 million, a YoY revenue growth of 20.8%; and in constant currency, growth was 12.9% YoY
- EBITDA, excluding the acquired businesses, was Rs. 2,074 million; EBITDA margins stood at 10.1%
- Overall EBIDTA, including the Element and Axis Point acquired businesses, was Rs. 1,507 million and EBITDA margin was 6.7%
- Net profit was Rs. 851 million; Net margins stood at 3.8%

Consolidated Financial Highlights

(Rs Million)	Quarter 2		YOY	Quarter 1	QOQ	Half Year	
	FY2018	FY2019	Growth	FY2019	Growth	1HFY2018	1HFY2019
Operating Revenues	9,426	11,586	22.90%	11,008	5.20%	18,698	22,595
EBITDA	1,047	776	-25.90%	731	6.10%	2,040	1,507
EBITDA Margin	11.10%	6.70%		6.60%		10.90%	6.70%
Profit Before Tax	739	651	-12.00%	597	9.00%	1,318	1,248
PBT Margin	7.80%	5.60%		5.40%	3.50%	7.00%	5.50%
Profit After Tax	533	448	-16.10%	403	11.10%	948	851
PAT Margin	5.70%	3.90%		3.70%		5.10%	3.80%
Basic EPS (Rs)	25.7	22	-14.20%	19.3	14.50%	45.7	41.3

Business Highlights for Q2 FY2019

- **Client Wins:**
  - Signed three new clients in Healthcare, Education and Media, and five new clients in HRO/ Payroll Processing, till date
  - Expanded engagements with four existing clients
  - Business Transformation & Digital:
    - Signed a contract with an education provider in the Middle East to deploy RPA as a Service
    - Set up a Social Media Command Center in Mumbai to support social media engagement for an Indian media company
- **Clientele:** At the end of 30th September 2018, HGS had 255 core BPM clients and 644 HRO/Payroll Processing clients.
- AxisPoint Health, an HGS company and a leader in population health management, has earned URAC reaccreditation in Health Call Center for its GuidePoint solution, a clinically and analytically driven nurse advice, navigation, and member engagement service.
- **Delivery Network:** Expanded capacity in India for servicing healthcare and financial services clients

Q2 FY2019 EARNINGS PRESS RELEASE

- **Employee Headcount**: 44,528 globally as on 30th September 2018.
  HGS' Work@Home program in North America had 860 remote associates, compared to 558 in Q1 FY2019.
- **Awards & Recognition:**
  - Recognized by NASSCOM with the Customer Service Excellence Award 2018 in Transformation category
  - Won the TMC Magazine's 2018 CRM Excellence Award for DigiCX deployment
  - Won the Best in Biz Awards 2018 International award for Consumer Service of the Year for digital chat - SMS platform delivery, concurrency and service excellence focus
  - Achieved Americas Top 15 status in the Breakthrough Sourcing standouts in ISG Outsourcing Index for Q2 2018 for The ISG Index™Global Sourcing and As-a-Service Market Insights Second Quarter 2018, July 2018
  - Named as a Leader in the NelsonHall Digital CX Services NEAT 2018 for Cost Optimization, CX Improvement & Overall Views, September 2018

About Hinduja Global Solutions (HGS):
A global leader in business process management (BPM) and optimizing the customer experience lifecycle, HGS is helping make its clients more competitive every day. HGS combines technology-powered services in automation, analytics and digital with domain expertise focusing on back office processing, contact centers and HRO solutions to deliver transformational impact to clients. Part of the multi-billion dollar conglomerate Hinduja Group, HGS takes a true "globally local" approach, with over 44,528 employees across 75 delivery centers in seven countries making a difference to some of the world's leading brands across nine key verticals. For the year ended 31st March 2018, HGS had revenues of Rs. 38,494 million (US$ 597 million).

Visit www.teamhgs.com to learn how HGS can help make your business more competitive.

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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HGS Q2FY2019 & 1HFY2019 FINANCIALS AND FACT SHEET

Hinduja Global Solutions Limited					
Consolidated Quarterly Profit & Loss Account					**Unaudited**
(Rs Million)					
Particulars	**Q2FY18**	**Q1FY19**	**Q2FY19**	**QQ Growth**	**YY Growth**
Overseas Revenues	7,930.3	9,687.3	10,311.7	6.4%	30.0%
Domestic Revenues	1,495.9	1,321.0	1,274.5	-3.5%	-14.8%
Other Operating Income	0.0	0.0	0.0		
Revenues From Operations	**9,426.2**	**11,008.3**	**11,586.2**	**5.2%**	**22.9%**
Employee Costs	6,251.4	7,752.9	8,203.6	5.8%	31.2%
Other Operating Expenses	2,128.0	2,524.0	2,606.7	3.3%	22.5%
Total Operating Expenses	8,379.4	10,276.8	10,810.3	5.2%	29.0%
Op Profit/EBITDA	**1,046.8**	**731.5**	**775.9**	**6.1%**	**-25.9%**
EBITDA Margin	11.1%	6.6%	6.7%		
Depreciation & Amortisation	353.0	354.5	465.7	31.4%	31.9%
Interest & Finance Charges	85.9	94.4	90.9	-3.8%	5.8%
Other Income	131.6	314.9	431.6	37.0%	228.1%
Goodwill Impairment	0.0	0.0	0.0		
Profit Before Tax	739.5	597.4	651.0	9.0%	-12.0%
Provision for Taxation	206.1	194.3	203.3	4.6%	-1.4%
Net Profit/(Loss)	**533.4**	**403.1**	**447.7**	**11.1%**	**-16.1%**
Shares Outstanding (Mn)	20.772	20.810	20.823		
Earnings/Share (Rs)	**25.68**	**19.26**	**22.04**	**14.5%**	**-14.2%**
Dividend/Share (Rs)	**2.5**	**2.5**	**2.5**		

Hinduja Global Solutions Limited

Conolidated Half Yearly Profit & Loss Account		All the numbers are audited	
(Rs Million)			
Particulars	**1HFY2018**	**1HFY2019**	**YY Growth**
Overseas Revenues	15,690.6	19,999.0	27.5%
Domestic Revenues	3,007.1	2,595.5	-13.7%
Other Operating Income	0.0	0.0	
Revenues From Operations	**18,697.7**	**22,594.5**	**20.8%**
Employee Costs	12,478.3	15,956.5	27.9%
Other Operating Expenses	4,179.4	5,130.7	22.8%
Total Operating Expenses	16,657.7	21,087.1	26.6%
Op Profit/EBITDA	**2,040.0**	**1,507.4**	**-26.1%**
EBITDA Margin	10.9%	6.7%	
Depreciation & Amortisation	719.9	820.0	13.9%
Interest & Finance Charges	177.8	185.7	4.4%
Other Income	175.8	746.5	324.8%
Goodwill Impairment	0.0	0.0	
Profit Before Tax	1,318.1	1,248.3	-5.3%
Provision for Taxation	369.9	397.6	7.5%
Net Profit/(Loss)	**948.2**	**850.7**	**-10.3%**
Shares Outstanding (Mn)	20.772	20.823	
Earnings/Share (Rs)	**45.7**	**41.3**	
Dividend/Share (Rs)	**5.0**	**5.0**	

Hinduja Global Solutions

Leverage Profile			Unaudited
(Rs Million)			
Particulars	**Q4FY18**	**Q1FY19**	**Q2FY19**
Total Gross Debt	5,843	5,848	5,546
Less Cash & Treasury	5,687	4,626	4,253
Net Debt/(Net Cash)	156	1,222	1,293
Networth	14,821	15,274	15,635
Net Debt/TTM EBITDA	**0.04**	**0.32**	**0.37**
Gross Debt/ TTM EBITDA	1.44	1.54	**1.57**
Net Debt/Equity	0.01	0.08	0.37

Hinduja Global Solutions

Summary Balance Sheet			Unaudited
(Rs Million)			
Particulars	**Q2FY18**	**Q1FY19**	**Q2FY19**
Shareholders' Funds	14,304	15,274	15,635
Total Gross Debt	5,714	5,848	5,546
Other Current & Non-Current Liabilities	5,429	6,197	7,691
Capital Employed	**25,447**	**27,319**	**28,872**
Fixed Assets & Intangibles	9,731	10,517	10,880
Other Non-Current Assets	2,351	3,088	3,545
Total Non-Current Assets	12,082	13,605	14,425
Sundry Debtors & Other Current Assets	8,308	9,087	10,194
Cash & Treasury Surpluses	5,057	4,627	4,253
Total Current Assets	13,365	13,714	14,447
Capital Deployed	**25,447**	**27,319**	**28,872**

Hinduja Global Solutions

Summary Cash Flow Statement			Unaudited
(Rs Million)			
Particulars	**1HFY18**	**Q1FY19**	**1HFY19**
Cash Flow From Ops. & After WC Changes	2,710.0	555.0	1,047
Cash Flow Due to Net Capital Expenditure	(828.0)	(393.0)	(764.0)
Cash Flow Due to Other Investing Activities	(366.0)	15.0	33.0
Other Items	70.0	(1,144.0)	(1,175)
Cash Flow From Investing Activities	**1,586.0**	**(967.0)**	**(859.0)**
Proceeds/(Repayment) of Debt	(833.0)	(6.0)	(359)
Cash from Interest & Others	(179.0)	(95.0)	(166)
Dividends Paid	(104.0)	0.0	(63)
Proceeds From Share Issuance	11.0	8.0	13
Cash Flow From Financing Activities	**(1,105.0)**	**(93.0)**	**(575.0)**
Net Inc./(Dec) in Cash & Cash Equivalents	**481.0**	**(1,060.0)**	**(1,434.0)**
BOY - Cash & Treasury Surpluses	4,576.0	5,687.0	5,687
EOY - Cash & Treasury Surpluses	**5,057.0**	**4,627.0**	**4,253.0**

REVENUE BY CURRENCY										
Particulars	Q2FY2018		Q3FY2018		Q4FY2018		Q1FY2019		Q2FY2019	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
From USD	6,321	67.1%	6,732	69.0%	6,965	69.4%	7,816	71.0%	7,994	69.0%
From CAD	941	10.0%	926	9.5%	982	9.8%	1,101	10.0%	1,506	13.0%
From GBP	667	7.1%	635	6.5%	685	6.8%	771	7.0%	811	7.0%
From INR	1,496	15.9%	1,464	15.0%	1,407	14.0%	1,321	12.0%	1,274	11.0%

Note: Q2FY19 numbers are not audited and does include AxisPoint and Elements.

REVENUE BY DELIVERY										
Particulars	Q2FY2018		Q3FY2018		Q4FY2018		Q1FY2019		Q2FY2019	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
USA & Jamaica	2,734	29.0%	3,102	31.8%	3,012	30.0%	3,853	35.0%	4,055	35.0%
India (Domestic)	1,508	16.0%	1,458	14.9%	1,405	14.0%	1,321	12.0%	1,274	11.0%
India (International)	1,791	19.0%	1,914	19.6%	2,008	20.0%	2,092	19.0%	2,086	18.0%
India Operations	**3,299**	**35.0%**	**3,372**	**34.6%**	**3,413**	**34.0%**	**3,413**	**31.0%**	**3,360**	**29.0%**
Canada	943	10.0%	897	9.2%	1,004	10.0%	1,101	10.0%	1,390	12.0%
Philippines	1,791	19.0%	1,749	17.9%	1,907	19.0%	1,981	18.0%	1,970	17.0%
UK/EU	660	7.0%	637	6.5%	703	7.0%	660	6.0%	811	7.0%
Middle East	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Note: Q2FY19 numbers are not audited and does include AxisPoint and Elements.

REVENUE BY VERTICALS										
Particulars	Q2FY2018		Q3FY2018		Q4FY2018		Q1FY2019		Q2FY2019	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Technology & Telecom	1,885	20.0%	1,854	19.0%	1,907	19.0%	1,871	17.0%	2,086	18.0%
Healthcare & Insurance	4,525	48.0%	4,976	51.0%	5,120	51.0%	5,944	54.0%	5,909	51.0%
Consumer & Retail	1,225	13.0%	1,268	13.0%	1,305	13.0%	1,321	12.0%	1,506	13.0%
Banking & Financials	754	8.0%	781	8.0%	803	8.0%	881	8.0%	927	8.0%
Media & Entertainment	377	4.0%	390	4.0%	392	3.9%	425	3.9%	498	4.3%
Chemicals & Biotech	141	1.5%	146	1.5%	151	1.5%	165	1.5%	185	1.6%
Others	518	5.5%	341	3.5%	361	3.6%	401	3.6%	475	4.1%

Note: Q2FY19 numbers are not audited and does include AxisPoint and Elements.

ONSHORE TO OFFSHORE REVENUE MIX										
Particulars	Q2FY2018		Q3FY2018		Q4FY2018		Q1FY2019		Q2FY2019	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Onshore Revenues	5,062	53.7%	5,230	53.6%	5,200	51.8%	5,978	54.3%	6,187	53.4%
Offshore Revenues *	4,364	46.3%	4,527	46.4%	4,839	48.2%	5,031	45.7%	5,399	46.6%

Note: Q2FY19 numbers are not audited and does include AxisPoint and Elements. Offshore includes Nearshore Revenues.

CLIENT CONCENTRATION										
Particulars	Q2FY2018		Q3FY2018		Q4FY2018		Q1FY2019		Q2FY2019	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Top Customer	1,697	18.0%	1,756	18.0%	1,807	18.0%	1,871	17.0%	1,970	17.0%
Top - 5 Customers	4,807	51.0%	4,976	51.0%	5,120	51.0%	5,174	47.0%	5,446	47.0%
Top - 10 Customers	5,938	63.0%	6,147	63.0%	6,525	65.0%	6,605	60.0%	6,836	59.0%
Top - 20 Customers	7,164	76.0%	7,318	75.0%	7,630	76.0%	7,816	71.0%	8,226	71.0%

Note: Q2FY19 numbers are not audited and does include AxisPoint and Elements.

REGIONWISE EMPLOYEE TRENDS (NOS)										
Particulars	**Q2FY2018**		**Q3FY2018**		**Q4FY2018**		**Q1FY2019**		**Q2FY2019**	
	Rs Million	**% terms**	**Rs Million**	**% terms**	**Rs Million**	**% terms**	**Rs Million**	**% terms**	**Rs Million**	**% terms**
India	30,354	66.1%	29,563	63.8%	27,432	62.0%	27,148	60.5%	26,365	59.2%
Philippines	7,771	16.9%	8,394	18.1%	8,330	18.8%	8,271	18.4%	8,282	18.6%
US/Jamaica	4,625	10.1%	5,057	10.9%	4,580	10.3%	5,112	11.4%	5,079	11.4%
Canada	1,838	4.0%	2,113	4.6%	2,709	6.1%	3,077	6.9%	3,436	7.7%
UK/Europe	1,338	2.9%	1,194	2.6%	1,214	2.7%	1,246	2.8%	1,366	3.1%
Total Headcount	**45,926**		**46,321**		**44,265**		**44,854**		**44,528**	
Note: Q2FY19 numbers are not audited and does include AxisPoint and Elements.										

CAPEX to OPEX SEATS										
Particulars	**Q2FY2018**		**Q3FY2018**		**Q4FY2018**		**Q1FY2019**		**Q2FY2019**	
	Rs Million	**% terms**	**Rs Million**	**% terms**	**Rs Million**	**% terms**	**Rs Million**	**% terms**	**Rs Million**	**% terms**
Capex Seats	35,979	84.0%	34,975	83.6%	35,637	83.1%	35,690	80.2%	35,372	78.8%
Opex Seats	6,837	16.0%	6,837	16.4%	7,243	16.9%	8,817	19.8%	9,507	21.2%
Total Seats	**42,816**		**41,812**		**42,880**		**44,507**		**44,879**	
Note: Q2FY19 numbers are not audited and does include AxisPoint and Elements.										

REVENUE RUN RATE (NOS)					
Particulars	**Q2FY2018**	**Q3FY2018**	**Q4FY2018**	**Q1FY2019**	**Q2FY2019**
Above Rs200mn/Quarter	9	9	9	11	11
Above Rs150mn/Quarter	12	11	11	11	13
Above Rs100mn/Quarter	15	15	15	19	20
Above Rs50mn/Quarter	30	29	28	37	38
Above Rs10mn/Quarter	67	68	73	89	90

AVERAGE MONTHLY REVENUE PER EMPLOYEE (RUPEES)					
Particulars	**Q2FY2018**	**Q3FY2018**	**Q4FY2018**	**Q1FY2019**	**Q2FY2019**
India Overall	**37,649**	**37,579**	**40,669**	**40,327**	**42,015**
Philippines	77,995	72,150	75,789	75,313	76,563
Jamaica	76,479	78,881	79,657	83,176	77,541
US Domestic	**228,094**	**220,084**	**236,945**	**227,060**	**212,045**
UK/Europe	174,974	167,664	189,669	189,936	203,802
Canada	154,594	151,333	135,750	127,193	155,514
Overall	**69,206**	**70,514**	**73,881**	**82,349**	**86,146**