

DIVIDEND INTIMATION

August 24, 2018

Dear Shareholder,

I am pleased to share with you this business update on HGS' performance and unaudited financial results of the first quarter (Q1) of FY2019.

HGS continued its business momentum in Q1, crossing the Rs. 10,000 million mark in revenue for the second quarter in a row, led by organic growth, forex gains and through acquisitions.

The state of our organic business continues to be robust while margins were as per our expectations. Both the healthcare and CET (Consumer, eCommerce and Telecom & Technology) verticals posted strong performance. We continued to see traction with clients and signed nine new logos, expanded our relationship with eight existing clients and won five DigiCX deals.

The two recent acquisitions – AxisPoint Health and Element Solutions - have added to growth in Q1. Multiple healthcare client accounts supported by them helped increase healthcare vertical's contribution to HGS' overall revenue to 54% while Element's digital business has done well. However, margins including acquisitions, have seen a decline due to lower than expected performance by AxisPoint.

Below are some highlights of our performance in Q1 FY2019:

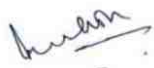
- HGS reported a YoY revenue growth of 18.7% at Rs. 11,008 million
- Organic revenue growth in constant currency terms was 5%
- EBITDA excluding the acquired businesses, was Rs. 971.1 million; EBITDA margins stood at 9.55%
- Overall EBITDA, including Element and Axis Point acquired businesses, was Rs. 731.5 million; EBITDA margin 6.6%
- PAT was Rs. 403.0 million, a YoY drop of 9.1%; Net margins stood at 3.7%
- Capital expenditure for the quarter was Rs. 393 million

The Board of Directors of HGS, at its meeting held on August 9, 2018, declared an interim dividend of Rs. 2.50 per equity share of Rs. 10/- each for FY2019. The Record Date for interim dividend entitlement is August 24, 2018 and the dividend payment date is September 5, 2018.

HGS' strategy is to be aligned with our client requirements and technology shifts being seen in the market, and at the same time, grow sustainable and profitable revenues. Recent client wins in the second half of FY2018 and Q1FY2019 give us the confidence that the revenue growth would continue to be strong for the rest of the year. We will continue to take steps to drive profitability and expect to close the year in a better margin position.

I thank you for your invaluable support and look forward to the same in future as well.

Yours sincerely,



Partha DeSarkar

Chief Executive Officer

[PTO]

CIN: L92199MH1995PLC084610

Corporate Office: 1st Floor, Gold Hill Square Software Park, No. 690, Bommanahalli, Housr Road, Bangalore - 560 068 India. T: 91-80-4643 1000

Regd. Office: Hinduja Global Solutions Limited. Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai - 400 018, India. T: 91-22-2496 0707, F: 91-22-2497 4208, W: www.teamhgs.com



HINDUJA GROUP

BUSINESS HIGHLIGHTS FROM THE QUARTER

- At the end of June 30, 2018, HGS had 261 core BPM clients (post the two acquisitions in April 2018) and 639 HRO/Payroll processing clients
- HGS added a center in Pune, and gained five new centers in Chicago (Illinois), Austin (Texas), Denver (Colorado), Puerto Rico and Vishakhapatnam through acquisitions. HGS currently has 75 global delivery centers across seven countries.
- Employee Headcount: 44,854 as on June 30, 2018
- Mergers & Acquisitions:
 - Integration underway for the recent acquisitions of AxisPoint Health and Element Solutions LLC, USA
 - In July 2018, HGS received approval from the National Company Law Tribunal, Mumbai Bench on the scheme of amalgamation of wholly-owned subsidiary, HGS International Services Private Limited (HGSISPL) with HGS. The merger process has been completed on 1st August, 2018.

AWARDS & RECOGNITION

- Leader in ISG Provider Lens - Social Business and Collaboration Quadrant report, May 2018
- Ranked in “Everest Group BPS Top 50 2018” list, June 2018
- Major Contender in Everest Group Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018, June 2018
- Gold at American Business Awards (Stevie Awards) for Business-to-Business services, May 2018
- Gold at Customer Sales and Service World (CSSW) for Best Multichannel Customer Service, June 2018
- Third Consecutive Gold at 2018 Contact Center World Americas Awards for Best Use of Self-Service technology, June 2018