



WNS Announces Third Quarter Fiscal 2010 Earnings; Reaffirms Net Revenue and Adjusted Net Income Guidance for Fiscal 2010

January 21, 2010

Quarterly Revenue Increases 11.3%; Revenue Less Repair Payments Declines 2.8% Over the Corresponding Quarter in the Prior Fiscal Year; Group CEO Neeraj Bhargava to Step Down January 31, 2010

NEW YORK, NY and MUMBAI, INDIA, Jan 21, 2010 (MARKETWIRE via COMTEX) -- WNS (Holdings) Limited (WNS) (NYSE: WNS), a leading provider of global business process outsourcing (BPO) services, today announced results for the fiscal third quarter 2010 ended December 31, 2009 and reaffirmed its fiscal 2010 guidance of revenue less repair payments (or net revenues) of more than \$390 million. It also reaffirmed its fiscal 2010 guidance of adjusted net income (ANI) (or net income attributable to WNS shareholders excluding amortization of intangible assets, share-based compensation, related fringe benefit tax and loss attributable to non-controlling interest) of more than \$52 million.

Revenue for the fiscal third quarter 2010 of \$149.1 million represented an increase of 11.3% over the corresponding quarter in the prior fiscal year, while revenue less repair payments at \$96.8 million, declined by 2.8% over the corresponding period in the prior fiscal year. The revenue less repair payments decline was largely the result of the decline in transaction volumes in the travel and insurance segments and the second year pricing terms of the Aviva Global Services (AGS) contract.

As a result, net income attributable to WNS shareholders for the fiscal third quarter 2010 was \$0.3 million compared to \$2.1 million during the corresponding quarter in the prior fiscal year. Similarly, adjusted net income was \$11.1 million, a decline of 13.5% compared to the corresponding quarter in the prior year. Net income and adjusted net income results also reflected \$1 million in costs associated with the unwinding of interest rate swaps from a \$15 million prepayment WNS made on its term loan in January 2010.

"As a result of this year's sales and expansion activity, despite a challenging quarter, our longer term growth prospects look strong and we are reaffirming that we will beat the top end of our original guidance range for fiscal 2010 on net revenues and ANI," said Neeraj Bhargava, Group Chief Executive Officer.

WNS recorded basic income per ADS of \$0.01 for fiscal third quarter 2010. Adjusted basic income per ADS (or net income per ADS attributable to WNS shareholders excluding amortization of intangible assets, share-based compensation, related fringe benefit tax and loss attributable to non-controlling interest) was \$0.26 for the quarter, a decline of 14.8% from the corresponding quarter last year.

"We are in the ramp up stage for recent sales, and our pipeline is strong," said Anup Gupta, Group Chief Operating Officer. "While this resulted in some pressure on our margins in the third quarter, the fourth quarter should benefit from the expansion of our client base. Our operations remain on track, which we demonstrated by achieving the fifth straight quarter of adjusted operating margins of above 18 percent."

The Board of Directors also announced today that on January 31, 2010, Neeraj Bhargava, Group Chief Executive Officer, will step down from his post, as previously stated. He will remain as a strategic advisor. The Board will be making an announcement about WNS leadership shortly.

Financial Highlights: Fiscal Third Quarter Ended December 31, 2009

- Quarterly revenue of \$149.1 million, up 11.3% from the corresponding quarter last year.
- Quarterly revenue less repair payments of \$96.8 million, down 2.8% from the corresponding quarter last year.
- Quarterly net income attributable to WNS shareholders of \$0.3 million compared to \$2.1 million from the corresponding quarter last year.
- Quarterly adjusted net income (or net income attributable to WNS shareholders excluding amortization of intangible assets, share-based compensation, related fringe benefit tax and loss attributable to non-controlling interest) of \$11.1 million, down 13.5% from the corresponding quarter last year.
- Quarterly basic income per ADS of \$0.01, compared with \$0.05 for the corresponding quarter last year.
- Quarterly adjusted basic income per ADS (or net income attributable to WNS shareholders per share excluding amortization of intangible assets, share-based compensation, related fringe benefit tax and loss attributable to non-controlling interest) of \$0.26, down \$0.04 or 14.8% from the corresponding quarter last year.

Reconciliations of non-GAAP financial measures to GAAP operating results are included at the end of this release.

Fiscal 2010 Guidance

WNS reaffirmed its revenue less repair payments and adjusted net income guidance for the fiscal year ending March 31, 2010, based on current exchange rate trends:

- Revenues less repair payments of more than \$390 million for the fiscal year.
- Adjusted net income (or net income attributable to WNS shareholders excluding amortization of intangible assets, share-based compensation, related fringe benefit tax and loss attributable to non-controlling interest) of more than \$52 million for the fiscal year (excluding any charges for the unwinding of interest rate swaps).

"Despite volatility in the exchange rates and volume pressure in our travel and insurance-related businesses, we are able to reaffirm our net revenue and ANI guidance," said Alok Misra, Group Chief Financial Officer. "Our cash flows remained strong this quarter. In prepaying \$15 million on our term loan in early January, we have amply demonstrated our ability to generate free cash. This prepayment will also lead to lower interest expense and improve profitability."

Conference Call

WNS will host a conference call on January 21, 2010 at 8:00 am (EST) to discuss the company's quarterly results. To participate in the call, please use the following details: +1-800-884-5695; international dial-in +1-617-786-2960; participant passcode 59398539. A replay will be available for one week following the call at +1-888-286-8010; international dial-in +1-617-801-6888; passcode 64880117, as well as on the WNS website, www.wns.com, beginning two hours after the end of the call.

About WNS

WNS (Holdings) Limited (NYSE: WNS) is a leading global business process outsourcing company. Deep industry and business process knowledge, a partnership approach, comprehensive service offering and a proven track record enables WNS to deliver business value to some of the leading companies in the world. WNS is passionate about building a market-leading company valued by our clients, employees, business partners, investors and communities. For more information, visit