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IBS Group reports its operating results for the half-year ending September 30, 2010

The Isle of Man, 10 December, 2010 – IBS Group Holding Limited (XETRA: IBSG.DE) announces today its operating results for H1 of FY'2010 (1 April 2010 – 30 September 2010).

Consolidated Revenues, Net of Intercompany Sales*

US\$ million	H1 FY'2010	H1 FY'2009	Change, %
Consolidated revenues	285.8	225.7	+27%
Revenues of IT Services segment	164.0	136.9	+20%
Revenues of Software Development segment	92.1	70.7	+30%
Revenues of Online Software Delivery segment	29.7	18.1	+64%

* Based on unaudited management accounts for H1 FY'2010 and H1 FY'2009, revenues for both periods are exclusive of DEPO Computers (divested in September 2009)

- Consolidated revenues for H1 FY'2010 totalled \$286 million, a 27% increase from H1 FY'2009 supported by positive developments in all business segments.
- The IT Services segment (IBS IT Services) demonstrated a 20% revenue growth mostly due to the infrastructure projects market recovery, with the segment returning to its normal seasonal operating pattern.
- The Software Development segment (Luxoft) demonstrated a 30% revenue growth, driven by orders from both existing and new customers. Software development for the financial services industry remains the strongest business line for Luxoft. In H1 FY'2010, Luxoft was named the top software development outsourcing service provider in Central and Eastern Europe in a survey by the highly acclaimed Black Book of Outsourcing.
- The Online Software Delivery segment (Softkey) demonstrated a 64% revenue growth, reflecting a strong uptake of new programs and services as well as a growing brand recognition by customers.

Consolidated Revenues Distribution by Geographies*

	H1 FY'2010	H1 FY'2009	Change
Share in revenues from Russia and CIS	70%	72%	-2%
Share in revenues from Europe	20%	15%	+5%
Share in revenues from North America	10%	13%	-3%

* Based on unaudited management accounts for H1 FY'2010 and H1 FY'2009

- The share of revenues from international operations as a percentage of total sales increased from 28% to 30%, driven by strong Western European demand for software development services. As a result, the share of revenues from European customers as a percentage of total sales increased from 15% to 20%. The share of revenues from North American customers as a percentage of total sales remained steady in absolute terms, but declined in relative terms from 13% to 10%.
- The share of revenues from customers in Russia & CIS as a percentage of total sales decreased only marginally from 72% to 70%, while increasing by 23% in absolute terms.

Group Headcount*

Number of employees	H1 FY'2010	H1 FY'2009	Change, %
Group headcount	6,771	5,708	+19%

* Group headcount as of 30 September 2010 and 30 September 2009

- As of the end of H1 FY'2010, the headcount of the Group reached 6,771 employees, an increase of 19% compared to H1 FY'2009 due to the Software Development segment growth.

Full Year Revenue Forecast

- IBS Group expects to achieve approximately US\$650 million in consolidated revenues in the financial year ending 31 March 2011 (FY'2010), subject to stable market conditions and macroeconomic environment.

Other Developments

- In October 2010, the Group obtained a USD 20 million convertible loan from the European Bank for Reconstruction and Development in line with its strategy to diversify instruments and sources of financing and in order to further reduce its borrowing costs.
- In August 2010, Luxoft established a new development centre in Krakow (Poland) to meet the customer demand and support its organic growth in the European region. It became the second Eastern European location to provide sophisticated software engineering services to customers in Europe, complementing the existing centre in Bucharest (Romania).
- In August 2010, Luxoft expanded its operations in Asia, adding a new delivery centre in Singapore to the existing facilities in Vietnam. The company expects to further strengthen its footprint in the Asian region in the ensuing years.
- In August 2010, Luxoft opened a new technical development centre in the UK to provide product realisation services to large telecom equipment vendors. Avaya, one of Luxoft's major partners, helped launch the



development centre by continuing its relationship with Luxoft at the UK facility, jointly working on the development of Avaya's IP Office product range.

IBS Group is the leading emerging European IT company. Through its two principal subsidiaries, IBS IT Services and Luxoft, it provides a wide variety of information technology services, such as business and IT consulting, business applications implementation, IT outsourcing and software development. IBS Group is headquartered in Russia and has business operations in Russia, Canada, Germany, Romania, Poland, Switzerland, the UK, Ukraine, the USA, Vietnam and Singapore. IBS Group employs more than 6,700 people worldwide. In 2009 financial year, IBS Group reported US GAAP revenues of \$505m.

IBS Group's Global Depositary Receipts (GDRs) are listed on the Regulated Market (General Standard) at the Frankfurt Stock Exchange (Bloomberg: IBSG:GR; Reuters: IBSGq.DE). IBS Group is majority-owned by management with portfolio investors holding 31% of the Group's share capital.

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