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## IBS Group Reports its Operating Results for the 9 Months Ending December 31, 2010

The Isle of Man, 03 March, 2011 – IBS Group Holding Limited (IBSG.DE, IBSG.F) announces today its preliminary unaudited operating results for the nine months of FY'2010 (1 April 2010 – 31 December 2010).

### Consolidated Revenues, Net of Intercompany Sales\*

US\$ million	9M FY'2010	9M FY'2009	Change, %	H1 FY'2010
<b>Consolidated revenues</b>	<b>505.2</b>	<b>406.8</b>	<b>+24%</b>	<b>285.8</b>
Revenues in the IT Services segment	307.3	263.1	+17%	164.0
Revenues in the Software Development segment	150.6	111.2	+35%	92.1
Revenues in the Online Software Delivery segment	48.0	33.1	+45%	29.7

\* Based on the preliminary unaudited management accounts for the 9M of FY'2010 and for the 9M of FY'2009, revenues for both periods are exclusive of DEPO Computers (divested in September 2009)

- Consolidated revenues for the 9M of FY'2010 totalled US\$505.2 million, a 24% increase from the 9M of FY'2009 driven by continued sales growth in all business segments.
- The IT Services segment (IBS IT Services) demonstrated a 17% revenue growth on the back of a rapid recovery in the system integration services and infrastructure projects market. The Group expects to reach a 30% year on year revenue growth in the segment for full FY'2010.
- The Software Development segment (Luxoft) demonstrated a 35% revenue growth as a result of its geographic expansion and an increasing global demand for software engineers.
- The Online Software Delivery segment (Softkey) demonstrated a 45% revenue growth, reflecting a growing popularity of licensed software as well as an increasing brand recognition by customers.

### Consolidated Revenues by Geographies\*

	9M FY'2010	9M FY'2009	Change
Revenues generated in Russia and the CIS	76.6%	77.7%	-1.1%
Revenues generated in Europe	8.4%	4.0%	+4.4%
Revenues generated in North America	14.9%	18.3%	-3.4%
Revenues generated in Asia	0.1%	-	n/a

\* Based on the unaudited management accounts for the 9M of FY'2010 and for the 9M of FY'2009

- The growth of the Software Development segment resulted in a further increase in the share of international operations as a percentage of total revenues at IBS Group. International operations now account for 23.4% of the Group's revenues compared with 22.2% a year before.
- The share of revenues generated in Europe more than doubled from 4% to 8.4%, driven by an increase of 164% in absolute terms due to a rapid expansion in the European market.
- The share of revenues generated in North America declined from 18.3% to 14.9%, following an increase of 1.4% in absolute terms.
- The Software Development segment expanded its presence in Asia through its newly launched development centre in Singapore. The share of revenues generated in Asia amounted to 0.1%.
- Revenues generated in Russia and the CIS increased 22.3% in absolute terms, but their share in consolidated revenues declined a marginal 1.1%.

#### Group Headcount

Number of employees	31.12.2010	31.12.2009	Change from previous year	30.09.2010	Change from previous quarter
Group headcount	7,272	5,757	+26%	6,771	+7%

As of 31 December 2010, the headcount of the Group reached 7,272 employees, an increase of 26% compared to the 9 M of FY'2009 and a 7% gain over the third quarter of FY'2010. Most of the personnel growth was due to an expansion of the Software Development segment, where the number of employees increased by 47.3%, from 2,800 as of 31 December 2009 to 4,124 as of 31 December 2010. Such personnel growth is warranted by aggressive growth within the Software Development segment and its increasing EBITDA margins.

#### Debt Position

Debt financing is used to cover short term cash requirements and acquisitions. Due to the business seasonality in the IT Services segment the Group periodically borrows funds to finance its working and operating capital and uses borrowings and overdrafts to finance any short-term liquidity needs.

US\$ million	31.12.2010	30.09.2010	Change	
<b>Total debt, including</b>	<b>69.8</b>	<b>79.6</b>	<b>-9.8</b>	<b>-12%</b>
Short-term debt	31.3	38.7	-7.4	-19%
Long-term debt, including	37.6	40.5	-2.9	-7%
Current portion of long-term debt	10.8	12.9	-2.1	-16%
Non-current portion of long-term debt	26.8	27.6	-0.8	-3%

US\$ million	31.12.2010	30.09.2010	Change	
Capital lease obligation	0.9	0.3	+0.6	+200%
Current portion of capital lease obligation	0.4	0.1	+0.3	+300%
Non-current portion of capital lease obligation	0.5	0.2	+0.3	+114%
<b>Cash and cash equivalents</b>	<b>36.1</b>	<b>27.2</b>	<b>+8.9</b>	<b>+33%</b>
<b>Net debt</b>	<b>33.7</b>	<b>52.4</b>	<b>-18.7</b>	<b>-36%</b>

\* Based on the unaudited management accounts for the 9M of FY'2010 and for H1 of FY'2010

- Total borrowings decreased by 12% during the third quarter of the FY'2010 mainly due to the repayment of short-term loans used to finance working capital requirements over the first half of the fiscal year.
- Cash and cash equivalents reached US\$36.1 million as of 31 December 2010, an increase of 33%, reflecting the seasonality effect in the IT Services segment.
- Net debt stood at US\$33.7 million as of 31 December 2010, a 36% decrease from US\$52.4 million as of 30 September 2010.
- The Group expects further reduction in its short-term debt by the end of FY'2010.

### Full Year Revenue Forecast

IBS Group increases its guidance on the consolidated revenue expectations to US\$675 million (vs. previous US\$650 million) for the financial year ending 31 March 2011 (FY'2010), based on a higher than expected growth of its IT Services segment.

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 7,200 people worldwide. In 2009 financial year, IBS Group reported US GAAP revenues of US\$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.

For more information about IBS Group please visit [www.ibsgr.com](http://www.ibsgr.com) or contact Investor Relations:

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