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IBS Group Reports its Operating Results for the Year Ended 31 March 2011

The Isle of Man, 31 May 2011 – IBS Group Holding Limited (IBSG:GR) announces today its preliminary unaudited operating results for the year ended 31 March 2011 (FY'2010).

Consolidated Revenues

| US\$ million | FY'2010 | FY'2009 | Change, % |
|--|--------------|--------------|--------------|
| Revenues by Segments | | | |
| IT Services | 389.8 | 310.6 | 25.5% |
| Software Development | 206.2 | 149.0 | 38.4% |
| Online Software Delivery | 61.6 | 46.5 | 32.5% |
| Consolidated revenues (Net of Intercompany Sales) | 656.7 | 505.1 | 30.0% |

Based on the preliminary unaudited management accounts for the year ended 31 March 2011, and the financial statements for the year ended 31 March 2010.

- The IT Services segment (IBS IT Services) demonstrated a 25.5% revenue growth on the back of a rapid recovery in the system integration services and the infrastructure projects market.
- The Software Development segment (Luxoft) demonstrated a 38.4% revenue growth as a result of increasing global demand for software and application development outsourcing.
- The Online Software Delivery segment (Softkey) demonstrated a 32.5% revenue growth, reflecting an increasing popularity of licensed software and an expanding client base.
- Consolidated revenues for FY'2010 totalled US\$656.7 million, a 30.0% increase from FY'2009, driven by continued sales growth in all business segments.

Consolidated EBITDA

| US\$ million | FY'2010 | FY'2009 | Change, % |
|----------------------------|-------------|-------------|--------------|
| Consolidated EBITDA | 48.8 | 34.9 | 39.8% |

Based on the preliminary unaudited management accounts for the year ended 31 March 2011, and the financial statements for the year ended 31 March 2010.

- The EBITDA at IBS IT Services grew 31.5% in absolute terms.

- Luxoft demonstrated an EBITDA growth of 56.4% in absolute terms and EBITDA margin of 18.7%, reflecting an increased profitability of software and application development outsourcing.
- Consolidated EBITDA for the FY'2010 totalled US\$48.8 million, while consolidated EBITDA margin amounted to 7.4%.

Consolidated Revenues by Geographies

| US\$ million | FY'2010 | Revenue Contribution FY'2010 | FY'2009 | Revenue Contribution FY'2009 |
|--------------------|---------|------------------------------|---------|------------------------------|
| Russia and the CIS | 462.0 | 70.4% | 363.5 | 72.0% |
| Europe | 131.0 | 19.9% | 77.8 | 15.4% |
| North America | 63.7 | 9.7% | 63.8 | 12.6% |

Based on the preliminary unaudited management accounts for the year ended 31 March 2011, and the financial statements for the year ended 31 March 2010.

- Revenues generated in Russia and the CIS decreased slightly and totalled 70.4% as a percentage of total revenues, while demonstrating a 27.1% increase in absolute terms.
- Revenues generated in Europe increased by 68.4% in absolute terms, while their share as a percentage of total revenues reached 19.9% for FY'2010.
- Revenues generated in North America were stable, however their share in total revenues fell from 12.6% to 9.7%.

Group Headcount

| Number of employees | 31.03.2011 | 31.03.2010 | Change from previous year | 31.12.2010 | Change from previous quarter |
|---------------------|------------|------------|---------------------------|------------|------------------------------|
| Group headcount | 7,355 | 6,040 | 21.8% | 7,272 | 1.1% |

Based on the unaudited management accounts.

As of 31 March 2011, the headcount of the Group reached 7,355 employees, an increase of 21.8% compared to the end of FY'2009, and a 1.1% gain over the figure at the end of third quarter of FY'2010. Most of the growth was due to an expansion of the Software Development segment, where the number of employees rose 42.0%, from 3,016 as of 31 March 2010 to 4,282 as of 31 March 2011. The increase in Luxoft's headcount is driven by growing demand for software and application development outsourcing.

Debt

Debt financing has been historically used by the Group to cover short term cash requirements, to finance acquisitions and capital expenditures.

| US\$ million | 31.03.2011 | 31.03.2010 | Change from previous year | 31.12.2010 | Change from previous quarter |
|---------------------------------------|-------------|-------------|------------------------------|-------------|---------------------------------|
| Total debt, including | 58.2 | 41.9 | 16.3 | 69.6 | -11.4 |
| Short term debt | 24.3 | 25.3 | -1.0 | 31.3 | -7.0 |
| Long term debt, including | 33.9 | 16.6 | 17.3 | 38.3 | -4.4 |
| Current portion of long term debt | 8.5 | 12.6 | -4.1 | 11.2 | -2.7 |
| Non-current portion of long term debt | 25.4 | 4.0 | +21.4 | 27.1 | -1.7 |
| Net debt | 31.7 | 27.3 | +4.4 | 33.5 | -1.8 |

Based on the preliminary unaudited management accounts for the year ended 31 March 2011, and the financial statements for the year ended 31 March, 2010.

- Total borrowings increased by 38.9% during the FY'2010, mainly due to a long term loan of US\$20 million granted by the European Bank for Reconstruction and Development ("EBRD") to support the development of new software products and technologies, and to finance the Group's personnel training. The net debt increased by 16.1% in absolute terms in FY'2010, and stood at US\$31.7 million as of 31 March 2011 compared to US\$27.3 million as of 31 March 2010.
- Total borrowings fell 16.4% in the last quarter of the FY'2010 due to repayment of short term loans that had been used to finance working capital requirements over the first half of the fiscal year, and a partial repayment of the long term debt.

FY'2011 Revenue Forecast

IBS Group expects its consolidated revenue to reach US\$815 million for the financial year ending 31 March 2012 (FY'2011) based on the growing demand for software and application development outsourcing and the continued recovery of the Russian IT services market.

IBS Group is a 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 Depository Receipts 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 32% of the Group's share capital. For more information on IBS Group, please visit www.ibsgr.com

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