

Persistent Systems Limited

Quarter Ending June 30, 2012

July 19, 2012



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Forward-looking and Cautionary Statements



Certain statements in this Presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, our revenues highly dependent on customers located in the United States, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, concentration of major operations of the Company in one city, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Stock Exchanges and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

Highlights



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Financial Highlights* : Q1 FY13



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Quarter ended June 30, 2012

- Revenue in Rupee terms was ₹ 3,007.04 Million representing Y-o-Y growth of 34.4%, and Q-o-Q growth of 11.1%.
- Revenue in US\$ terms was US\$ 54.91 Million, representing a Y-o-Y increase of 9.8%, and Q-o-Q growth of 1.3%.
- EBIDTA was ₹ 806.72 Million, representing a Y-o-Y growth of 101%, and Q-o-Q growth of 4.3%.
- Profit Before Tax (PBT) was ₹ 575.46 Million, representing a Y-o-Y growth of 43.7% and Q-o-Q growth of 4.2%.
- Profit After Tax (PAT) was ₹ 415.78 Million, representing a Y-o-Y growth of 50.8%.
- IP led Revenue for the quarter ended June 30, 2012 was US\$ 7.65 Million as against US\$ 3.06 Million for the quarter ended June 30, 2011, representing a Y-o-Y growth of 150%.

*Consolidated Figures

Other Q1 FY13 Highlights

Appointed Pradeep Bhargava as an Independent Director

Announced Persistent Systems and TGen collaboration on Bio4D software program

Partnered with Acme Packet to deliver compliance-based workflow communications

Named partner in Appnomic's AppsOne Application Migration Program

Announced expanded Collaboration Integration Services at Enterprise 2.0

Participated in Cisco Live event showcasing integrated Cisco WebEx conferencing, Cisco Quad enterprise collaboration and Salesforce CRM solutions; unveiled new iPad app for Cisco Quad

Awards and Recognitions in Q1 FY13

Ranked amongst the 'Top Ten Companies for Investor Relations in India;' Vivek Sadhale, Head of Investor Relations ranked sixth as the 'Best Investor Relations Professional in India' by Thomson Reuters Extel Survey Awards

Adjudged as one of the "Best 20 Leaders in Research and Development Services" by IAOP® (International Association of Outsourcing Professionals) in their 2012 annual survey of global outsourcing companies.

Featured prominently in the 2012 Zinnov report on outsourcing vendors.

- Overall ranking – Classified as established and Niche
- Leading Consumer Software Service Providers – Leadership Zone
- Leading Software/ ISV R&D Service Providers – Leadership Zone
- Healthcare – Nurture Zone
- Telecom – Breakout Zone

Updates from Annual General Meeting held on July 18, 2011



- Members passed all the resolutions pertaining to businesses listed in the Notice of the said Annual General Meeting, unanimously.
- Members approved final dividend of ₹ 2.50 per share.

Dividend Payout *: 19.67% of Consolidated Net Profit for FY12 as against 18.36% for FY11

| Particulars | Dividend per share (₹) | Dividend Outflow (₹ Mn) | Corporate Tax on Dividend (₹ Mn) | Total Outflow (₹ Mn) |
|------------------|------------------------|-------------------------|----------------------------------|----------------------|
| Interim Dividend | 3.5 | 140 | 22.71 | 162.71 |
| Final Dividend | 2.5 | 100 | 16.22 | 116.22 |
| Total | 6.0 | 240 | 38.93 | 278.93 |

* Dividend Payout = Consolidated Net Profit / Total Outflow on account of Dividend X 100

Financial performance



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Sequential Q1 FY13 Vs Q4 FY12



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| Particulars | ₹ M | | | \$ M | | | Exps / Sales % | |
|---------------------------------|-----------------|-----------------|--------------|---------------|--------------|--------------|----------------|--------------|
| | Quarter ended | | | Quarter ended | | | Quarter ended | |
| | Q1 FY 13 | Q4 FY 12 | Change | Q1 FY 13 | Q4 FY 12 | Change | Q1 FY 13 | Q4 FY 12 |
| Income | | | | | | | | |
| Software Sales & Services | 2,986.23 | 2,689.76 | 11.0% | 54.53 | 53.87 | 1.2% | | |
| Travel Billing | 20.81 | 16.48 | 26.3% | 0.38 | 0.33 | 15.2% | | |
| Total Revenue | 3,007.04 | 2,706.24 | 11.1% | 54.91 | 54.20 | 1.3% | | |
| Avg. Exchange Rate ₹ /US\$ | 54.76 | 49.93 | 9.7% | | | | | |
| Expenditure | | | | | | | | |
| Employee Related Expenses | 1,539.60 | 1,430.01 | 7.7% | 28.11 | 28.64 | -1.9% | 51.2% | 52.8% |
| Purchase | 57.91 | 12.55 | 361.4% | 1.06 | 0.25 | 324.0% | 1.9% | 0.5% |
| Project related Travel Expenses | 87.89 | 52.74 | 66.6% | 1.60 | 1.06 | 50.9% | 2.9% | 1.9% |
| Total Direct costs | 1,685.40 | 1,495.30 | 12.7% | 30.77 | 29.95 | 2.7% | 56.0% | 55.3% |
| Gross Profit | 1,321.64 | 1,210.94 | 9.1% | 24.14 | 24.25 | -0.5% | 44.0% | 44.7% |
| Sales & Marketing Expenses | 217.53 | 176.40 | 23.3% | 3.97 | 3.53 | 12.5% | 7.2% | 6.5% |
| Admin. & Other Expenses | 254.24 | 239.58 | 6.1% | 4.64 | 4.80 | -3.3% | 8.5% | 8.9% |
| Doubtful Debt Provision | 40.20 | 20.75 | 93.7% | 0.73 | 0.42 | 73.8% | 1.3% | 0.8% |
| CSR Activities | 2.95 | 0.89 | 231.5% | 0.05 | 0.02 | 150.0% | 0.1% | 0.0% |
| Total SGA | 514.92 | 437.62 | 17.7% | 9.39 | 8.77 | 7.1% | 17.1% | 16.2% |
| EBIDTA | 806.72 | 773.32 | 4.3% | 14.75 | 15.48 | -4.7% | 26.9% | 28.5% |
| Depreciation | 184.52 | 185.99 | -0.8% | 3.37 | 3.72 | -9.4% | 6.1% | 6.9% |
| EBIT | 622.20 | 587.33 | 5.9% | 11.38 | 11.76 | -3.2% | 20.8% | 21.6% |
| Other Income / (Loss) | (46.74) | (34.83) | 34.2% | (0.85) | (0.70) | 21.4% | -1.6% | -1.3% |
| EBT | 575.46 | 552.50 | 4.2% | 10.53 | 11.06 | -4.8% | 19.2% | 20.3% |
| Tax | 159.68 | 140.33 | 13.8% | 2.92 | 2.81 | 3.9% | 5.3% | 5.2% |
| Net Profit After Tax | 415.78 | 412.17 | 0.9% | 7.61 | 8.25 | -7.8% | 13.9% | 15.1% |

Y-o-Y Q1 FY13 Vs Q1 FY12



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| Particulars | ₹ M | | | \$ M | | | Exps / Sales % | |
|---------------------------------|-----------------|-----------------|---------------|---------------|--------------|--------------|----------------|--------------|
| | Quarter ended | | | Quarter ended | | | Quarter ended | |
| | Q1 FY 13 | Q1 FY 12 | Change | Q1 FY 13 | Q1 FY 12 | Change | Q1 FY 13 | Q1 FY 12 |
| Income | | | | | | | | |
| Software Sales & Services | 2,986.23 | 2,217.25 | 34.7% | 54.53 | 49.54 | 10.1% | | |
| Travel Billing | 20.81 | 20.59 | 1.1% | 0.38 | 0.46 | -17.4% | | |
| Total Revenue | 3,007.04 | 2,237.84 | 34.4% | 54.91 | 50.00 | 9.8% | | |
| Avg. Exchange Rate ₹ /US\$ | 54.76 | 44.76 | 22.4% | | | | | |
| Expenditure | | | | | | | | |
| Employee Related Expenses | 1,539.60 | 1,327.47 | 16.0% | 28.11 | 29.66 | -5.2% | 51.2% | 59.3% |
| Purchase | 57.91 | 9.09 | 537.1% | 1.06 | 0.20 | 430.0% | 1.9% | 0.4% |
| Project related Travel Expenses | 87.89 | 67.55 | 30.1% | 1.60 | 1.51 | 6.0% | 2.9% | 3.0% |
| Total Direct costs | 1,685.40 | 1,404.11 | 20.0% | 30.77 | 31.37 | -1.9% | 56.0% | 62.7% |
| Gross Profit | 1,321.64 | 833.73 | 58.5% | 24.14 | 18.63 | 29.6% | 44.0% | 37.3% |
| Sales & Marketing Expenses | 217.53 | 177.24 | 22.7% | 3.97 | 3.96 | 0.3% | 7.2% | 7.9% |
| Admin. & Other Expenses | 254.24 | 238.34 | 6.7% | 4.64 | 5.33 | -12.9% | 8.5% | 10.7% |
| Doubtful Debt Provision | 40.20 | 17.02 | 136.2% | 0.73 | 0.38 | 92.1% | 1.3% | 0.8% |
| CSR Activities | 2.95 | 0.07 | 4114.3% | 0.05 | 0.00 | 0.0% | 0.1% | 0.0% |
| Total SGA | 514.92 | 432.67 | 19.0% | 9.39 | 9.67 | -2.9% | 17.1% | 19.4% |
| EBIDTA | 806.72 | 401.06 | 101.1% | 14.75 | 8.96 | 64.6% | 26.9% | 17.9% |
| Depreciation | 184.52 | 126.45 | 45.9% | 3.37 | 2.83 | 19.1% | 6.1% | 5.7% |
| EBIT | 622.20 | 274.61 | 126.6% | 11.38 | 6.13 | 85.6% | 20.8% | 12.2% |
| Other Income / (Loss) | (46.74) | 125.73 | -137.2% | (0.85) | 2.81 | -130.2% | -1.6% | 5.6% |
| EBT | 575.46 | 400.34 | 43.7% | 10.53 | 8.94 | 17.8% | 19.2% | 17.8% |
| Tax | 159.68 | 124.66 | 28.1% | 2.92 | 2.79 | 4.7% | 5.3% | 5.6% |
| Net Profit After Tax | 415.78 | 275.68 | 50.8% | 7.61 | 6.15 | 23.7% | 13.9% | 12.2% |



Consolidated Balance Sheet

₹ Mn

| | As at June 30, 2012 | As at March 31, 2012 |
|-------------------------------|---------------------|----------------------|
| Equity and Liabilities | | |
| Equity Share Capital | 400.00 | 400.00 |
| Reserves & Surplus | 8,300.60 | 8,005.12 |
| Non-Current Liabilities | 86.62 | 77.41 |
| Current Liabilities | 2,174.89 | 1,660.41 |
| Total sources of Funds | 10,962.11 | 10,142.94 |
| Assets | | |
| Fixed Assets | 3,694.08 | 3,724.80 |
| Non-Current Investments | 122.74 | 122.74 |
| Deferred Tax asset (Net) | 155.33 | 106.57 |
| Long term loans & advances | 148.12 | 230.94 |
| Other Non-Current Assets | 21.37 | 22.16 |
| Current Assets | 5,493.79 | 4,581.06 |
| Cash and Cash Equivalentents | 1,326.68 | 1,354.67 |
| Total uses of Funds | 10,962.11 | 10,142.94 |

Key Financials Ratios: Q1 FY13

| Ratios, % | Q1 FY13 | Q4 FY12 | QoQ % | Q1 FY12 | YoY% |
|---|---------|---------|-------|---------|------|
| Gross Margin | 44.0% | 44.7% | -0.7% | 37.3% | 6.7% |
| S&M to Revenue | 7.2% | 6.5% | -0.7% | 7.9% | 0.7% |
| G&A to Revenue | 9.9% | 9.7% | -0.2% | 11.5% | 1.6% |
| Total S, G&A to Revenue | 17.1% | 16.2% | -0.9% | 19.4% | 2.3% |
| EBIDTA Margin | 26.9% | 28.5% | -1.6% | 17.9% | 9.0% |
| EBIT Margin | 20.8% | 21.6% | -0.8% | 12.2% | 8.6% |
| Profit before Tax | 19.2% | 20.3% | -1.1% | 17.8% | 1.4% |
| Profit after Tax | 13.9% | 15.1% | -1.2% | 12.2% | 1.7% |
| EPS - Basic, Before Prior Period, INR | 10.80 | 10.72 | | 7.23 | |
| EPS - Diluted, Before Prior Period, INR | 10.39 | 10.30 | | 6.89 | |

Fact Sheet



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Fact Sheet



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| Revenue | | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|----------|---------------------------------|----------|----------|----------|----------|----------|-----------|----------|
| | Total Revenue, US \$ Mn | 54.91 | 54.20 | 51.66 | 51.53 | 50.00 | 207.39 | 170.24 |
| | %, q-o-q/ y-o-y growth | 1.3% | 4.9% | 0.3% | 3.1% | 6.3% | 21.8% | 33.7% |
| | Revenue from Operations, INR Mn | 3,007.04 | 2,706.24 | 2,677.30 | 2,381.73 | 2,237.84 | 10,003.11 | 7,758.41 |
| %, q-o-q | 11.1% | 1.1% | 12.4% | 6.4% | 5.2% | 28.9% | 29.1% | |

| Segments | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|----------|----------------------------|---------|---------|---------|---------|---------|--------|--------|
| | Telecom | 24.2% | 21.0% | 20.4% | 22.0% | 22.2% | 21.4% | 20.6% |
| | Infrastructure and Systems | 64.3% | 67.6% | 67.1% | 67.4% | 67.9% | 67.5% | 68.6% |
| | Life Sciences | 11.5% | 11.4% | 12.5% | 10.6% | 9.9% | 11.1% | 10.8% |
| | Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Fact Sheet (Contd...)



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| Geography | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|-----------|---------------|---------|---------|---------|---------|---------|--------|--------|
| | North America | 84.4% | 82.4% | 82.9% | 82.0% | 82.8% | 82.5% | 85.6% |
| | Europe | 6.9% | 6.8% | 7.2% | 7.8% | 7.4% | 7.3% | 5.9% |
| | Asia-Pacific | 8.7% | 10.8% | 9.9% | 10.2% | 9.8% | 10.2% | 8.5% |
| | Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Onsite: Offshore Mix | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|----------------------|----------|---------|---------|---------|---------|---------|--------|--------|
| | Onsite | 22.5% | 20.3% | 21.2% | 21.7% | 22.6% | 21.4% | 21.1% |
| | Offshore | 77.5% | 79.7% | 78.8% | 78.3% | 77.4% | 78.6% | 78.9% |
| | Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Fact Sheet (Contd...)



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| Revenue Mix | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|-------------|-----------|---------|---------|---------|---------|---------|--------|--------|
| | T&E | 78.6% | 79.8% | 79.0% | 80.4% | 79.8% | 79.7% | 78.6% |
| | FPP | 7.5% | 8.1% | 11.8% | 12.0% | 14.1% | 11.5% | 12.6% |
| | IP driven | 13.9% | 12.1% | 9.2% | 7.6% | 6.1% | 8.8% | 8.8% |
| | Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Repeat Business | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|-----------------|---|---------|---------|---------|---------|---------|-------|-------|
| | | 90.3% | 83.9% | 88.2% | 92.8% | 97.0% | 90.4% | 93.7% |

| Clients billed | Nos. | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|----------------|------|---------|---------|---------|---------|---------|------|------|
| | | 291 | 288 | 273 | 253 | 239 | 351 | 302 |

Fact Sheet (Contd...)



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| Client Engagement Size | Nos. | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|------------------------|---------------------------|---------|---------|---------|---------|---------|------|------|
| | Large > \$ 3Mn | 13 | 11 | 10 | 10 | 9 | 11 | 9 |
| | Medium > \$ 1Mn, < \$ 3Mn | 35 | 26 | 27 | 32 | 32 | 26 | 22 |
| | Small Upto \$ 1 Mn | 243 | 251 | 236 | 211 | 198 | 314 | 271 |
| | Total | 291 | 288 | 273 | 253 | 239 | 351 | 302 |

| DSO | Days | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|-----|------|---------|---------|---------|---------|---------|------|------|
| | | | 68 | 65 | 68 | 66 | 63 | 65 |

| Billing Rates | USD/p.p.m | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|---------------|-------------------|---------|---------|---------|---------|---------|--------|--------|
| | Onsite - Linear | 12,789 | 12,603 | 12,387 | 12,665 | 13,033 | 12,669 | 12,644 |
| | Offshore - Linear | 3,898 | 3,895 | 3,778 | 3,771 | 3,770 | 3,803 | 3,648 |

Fact Sheet (Contd...)



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| Yield | USD/p.p.m | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|-------|-----------|---------|---------|---------|---------|---------|-------|-------|
| | | | 3,345 | 3,350 | 3,247 | 3,208 | 3,147 | 3,238 |

| Revenue Concentration | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|-----------------------|-------|---------|---------|---------|---------|---------|-------|-------|
| | Top 1 | 17.8% | 17.2% | 15.9% | 16.0% | 15.1% | 16.1% | 15.4% |
| Top 5 | 33.5% | 36.6% | 37.0% | 38.6% | 37.6% | 37.4% | 38.4% | |
| Top 10 | 45.3% | 48.8% | 48.3% | 49.4% | 48.2% | 48.6% | 49.7% | |

| People Numbers | Nos. | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|------------------------------|-----------|---------|---------|---------|---------|---------|-------|-------|
| | Technical | 6,132 | 6,223 | 6,288 | 6,469 | 6,178 | 6,223 | 5,950 |
| Sales & Business Development | 94 | 95 | 103 | 113 | 119 | 95 | 108 | |
| Rest | 310 | 310 | 315 | 318 | 323 | 310 | 302 | |
| Grand Total | 6,536 | 6,628 | 6,706 | 6,900 | 6,620 | 6,628 | 6,360 | |

Fact Sheet (Contd...)



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| Investment in IP Led work | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|---------------------------|----------------------|---------|---------|---------|---------|---------|------|------|
| | Technical time spent | | 5.4% | 4.6% | 6.0% | 5.5% | 4.7% | 5.2% |

| Utilization ¹ | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|--------------------------|---|---------|---------|---------|---------|---------|-------|-------|
| | | | 74.1% | 71.7% | 74.1% | 73.8% | 72.7% | 73.1% |

¹Excludes Investment person-months in IP Led work

| Attrition Rate | % | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|----------------|---|---------|---------|---------|---------|---------|-------|-------|
| | | | 18.9% | 18.3% | 17.4% | 17.7% | 18.4% | 18.3% |

| Person Months ² | Nos. | Q1 FY13 | Q4 FY12 | Q3 FY12 | Q2 FY12 | Q1 FY12 | FY12 | FY11 |
|----------------------------|----------|---------|---------|---------|---------|---------|--------|--------|
| | Billable | | 15,414 | 15,343 | 14,887 | 15,034 | 15,001 | 60,265 |
| Billed | | 11,422 | 10,998 | 11,031 | 11,097 | 10,911 | 44,037 | 37,014 |

²Excludes Investment person-months in IP Led work

Thank you

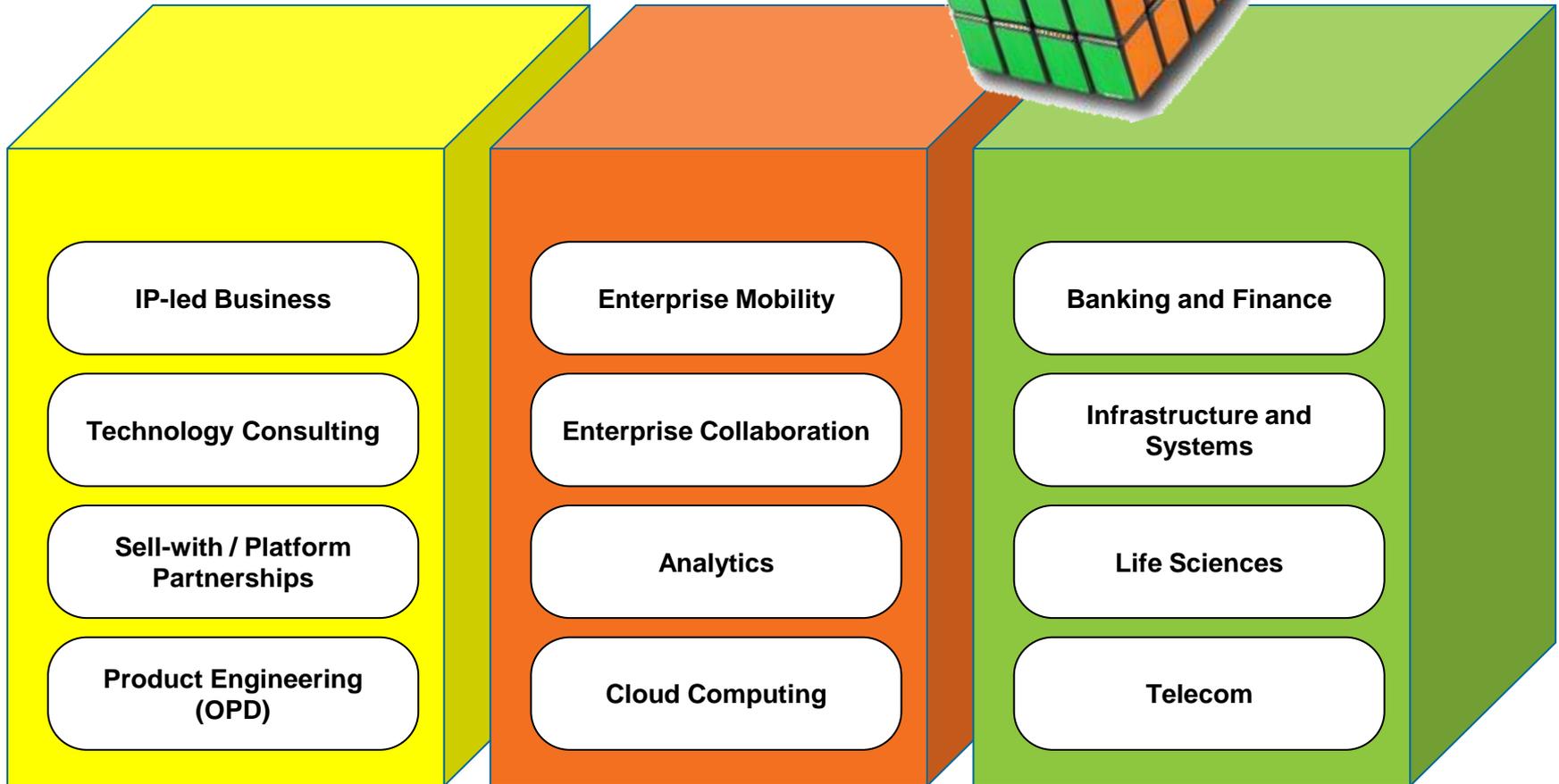


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4x4x4 Business Strategy



Persistent owned facilities

Bhageerath



Senapati Bapat Road, Pune

Aryabhata–Pingala



Karve Road, Pune

Panini



Senapati Bapat Road, Pune

Goa



Verna, Goa

Rigveda-Yajurveda-Samaveda-Atharvaveda



Hinjawadi, Pune

Gargi-Maitreyi



MIDC, Parsodi, Nagpur