

Persistent Systems Limited

Quarter and Year Ending March 31, 2012

April 23, 2012



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Forward-looking and Cautionary Statements

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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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Quarter ended March 31, 2012

- Revenue : \$ 54.20 Million, representing Y-o-Y increase of 15.3%, and Q-o-Q growth of 4.9%
- Revenue : ₹ 2,706.24 Million, representing Y-o-Y growth of 27.2%, and Q-o-Q growth of 1.1%
- EBIDTA : ₹ 773.32 Million, representing a Y-o-Y growth of 103.04%, and Q-o-Q growth of 11.09%
- Profit Before Tax (PBT) : ₹ 552.50 Million, representing a Y-o-Y growth of 58.6%
- Profit After Tax (PAT): ₹ 412.17 Million, as against ₹ 331.35 Million Y-o-Y and ₹ 405.84 Million Q-o-Q

*Consolidated Figures



Year ended March 31, 2012

- Revenue crosses ₹ 1,000 Crore
- Revenue : ₹ 10,003.11 Million, as against ₹ 7,758.41 Million for the year ended March 31, 2012, representing a growth of 28.9%
- Revenue : \$ 207.39 Million, as against US\$ 170.23 Million for the year ended March 31, 2012, representing a growth of 21.8%
- EBIDTA : ₹ 2,324.03 Million, as against ₹ 1,583.05 Million for the year ended March 31, 2012, representing a growth of 46.8%
- Profit Before Tax (PBT) : ₹ 1,968.68 Million, as against ₹ 1,503.52 Million for the year ended March 31, 2012, representing a growth of 30.9%
- Profit after Tax (PAT) : ₹ 1,417.80 Million, as against ₹ 1,397.36 Million for the previous year 2011-12. Increased PAT is significant on the backdrop of rise in the effective tax rate from 8% to 28%.

*Consolidated Figures

Significant Highlights



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Board of Directors recommended a final dividend of ₹ 2.50 per share for FY 2011-12. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting. The Company had paid an interim dividend of ₹ 3.50 per share during FY 2011-12. The total dividend for the year would be ₹ 6.00 per share upon approval of the shareholders for the payment of final dividend.

Mr. Rohit Kamat has been appointed as the Chief Financial Officer with effect from April 23, 2012, in place of Mr. Rajesh Ghonasgi who has resigned citing personal reasons

Other Q4FY12 Highlights



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Acquired Openwave System's Location Manager Business

Expanded company footprint in Malaysia by setting up an engineering centre

Announced the launch of strategic solutions around email and social media analytics with IBM InfoSphere BigInsights

Completed the construction activities of the state-of-art development centre at Hinjawadi, Pune

Completed the process of amalgamation of two wholly owned subsidiaries Persistent eBusiness Solutions Limited and Persistent Systems and Solutions Limited with Persistent Systems Limited

Other Annual Highlights



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Employee strength reached to 6,628 as on March 31, 2012 compared to 6,360 on March 31, 2011

Grenoble Centre set-up through the acquisition of the French Software Business from Agilent Technologies

Co-invested with Life Technologies to develop instruments for personalized medicine

Offered academic research grants to Indiana University to support research in the field of cloud computing and bioinformatics

Completed state-of-art development centre in Nagpur

Recognized in the 2011 Global Services 100 List; Ranked amongst Top Product Engineering Companies

Awarded the Indian IT Company of the Year by Bloomberg UTV

Ranked Amongst the Best in Corporate Governance Practices in India

FINANCIAL PERFORMANCE



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Sequential Q-o-Q Q4 FY12 Vs Q3 FY12



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Particulars	₹ M			\$ M			Exps / Sales %	
	Quarter ended			Quarter ended			Quarter ended	
	Q4 FY12	Q3 FY12	Change	Q4 FY12	Q3 FY12	Change	Q4 FY12	Q3 FY12
Income								
Software Sales & Services	2,689.76	2,665.90	0.9%	53.87	51.44	4.7%		
Travel Billing	16.48	11.40	44.5%	0.33	0.22	50.0%		
Total Revenue	2,706.24	2,677.30	1.1%	54.20	51.66	4.9%		
Avg. Exchange Rate ₹ /US\$	49.93	51.83	-3.7%					
Expenditure								
Employee Related Expenses	1,430.01	1,452.05	-1.5%	28.64	28.02	2.2%	52.8%	54.2%
Purchase	12.55	12.75	-1.6%	0.25	0.25	0.0%	0.5%	0.5%
Project related Travel Expenses	52.74	63.13	-16.5%	1.06	1.22	-13.1%	1.9%	2.4%
Total Direct costs	1,495.30	1,527.93	-2.1%	29.95	29.49	1.6%	55.3%	57.1%
Gross Profit	1,210.94	1,149.37	5.4%	24.25	22.17	9.4%	44.7%	42.9%
Sales & Marketing Exps	176.40	168.37	4.8%	3.53	3.25	8.6%	6.5%	6.3%
Admin. & Other Exps	239.58	242.44	-1.2%	4.80	4.68	2.6%	8.9%	9.1%
Doubtful Debt Provision	20.75	39.97	-48.1%	0.42	0.77	-45.5%	0.8%	1.5%
CSR Activities	0.89	2.44	-63.5%	0.02	0.05	-60.0%	0.0%	0.1%
Total SGA	437.62	453.22	-3.4%	8.77	8.75	0.2%	16.2%	17.0%
EBIDTA	773.32	696.15	11.1%	15.48	13.42	15.4%	28.5%	25.9%
Depreciation	185.99	159.01	17.0%	3.72	3.07	21.2%	6.9%	5.9%
EBIT	587.33	537.14	9.3%	11.76	10.35	13.6%	21.6%	20.0%
Other Income / (Loss)	(34.83)	27.54	-226.5%	(0.70)	0.53	-232.1%	-1.3%	1.0%
EBT	552.50	564.68	-2.2%	11.06	10.88	1.7%	20.3%	21.0%
Tax	140.33	158.84	-11.7%	2.81	3.06	-8.2%	5.2%	5.9%
Net Profit After Tax	412.17	405.84	1.6%	8.25	7.82	5.5%	15.1%	15.1%

Y-o-Y Comparison Q4 FY12 Vs Q4 FY11



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Particulars	₹ M			\$ M			Exps / Sales %	
	Quarter ended			Quarter ended			Quarter ended	
	Q4 FY12	Q4 FY11	Change	Q4 FY12	Q4 FY11	Change	Q4 FY12	Q4 FY11
<u>Income</u>								
Software Sales & Services	2,689.76	2,107.39	27.6%	53.87	46.56	15.7%		
Travel Billing	16.48	20.82	-20.9%	0.33	0.46	-28.3%		
Total Revenue	2,706.24	2,128.21	27.2%	54.20	47.02	15.3%		
Avg. Exchange Rate ₹ /US\$	49.93	45.26	10.3%					
<u>Expenditure</u>								
Employee Related Expenses	1,430.01	1,256.87	13.8%	28.64	27.77	3.1%	52.8%	59.1%
Purchase	12.55	8.30	51.2%	0.25	0.18	38.9%	0.5%	0.4%
Project related Travel Expenses	52.74	67.80	-22.2%	1.06	1.50	-29.3%	1.9%	3.2%
Total Direct costs	1,495.30	1,332.97	12.2%	29.95	29.45	1.7%	55.3%	62.6%
Gross Profit	1,210.94	795.24	52.3%	24.25	17.57	38.0%	44.7%	37.4%
Sales & Marketing Expenses	176.40	164.60	7.2%	3.53	3.64	-3.0%	6.5%	7.7%
Admin. & Other Expenses	239.58	224.39	6.8%	4.80	4.96	-3.2%	8.9%	10.5%
Doubtful Debt Provision	20.75	24.00	-13.5%	0.42	0.53	-20.8%	0.8%	1.1%
CSR Activities	0.89	1.38	-35.5%	0.02	0.03	-33.3%	0.0%	0.1%
Total SGA	437.62	414.37	5.6%	8.77	9.16	-4.3%	16.2%	19.4%
EBIDTA	773.32	380.87	103.0%	15.48	8.41	84.1%	28.5%	18.0%
Depreciation	185.99	119.33	55.9%	3.72	2.64	40.9%	6.9%	5.6%
EBIT	587.33	261.54	124.6%	11.76	5.77	103.8%	21.6%	12.4%
Other Income / (Loss)	(34.83)	86.93	-140.1%	(0.70)	1.92	-136.5%	-1.3%	4.1%
EBT	552.50	348.47	58.6%	11.06	7.69	43.8%	20.3%	16.5%
Tax	140.33	17.12	719.7%	2.81	0.38	639.5%	5.2%	0.8%
Net Profit After Tax	412.17	331.35	24.4%	8.25	7.31	12.9%	15.1%	15.7%

Y-o-Y FY 2012 Vs. FY 2011



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Particulars	₹ Mn			\$ Mn			Exps / Sales %	
	Year Ended			Year Ended			Year Ended	
	Mar-12	Mar-11	Change	Mar-12	Mar-11	Change	Mar-12	Mar-11
Income								
Software Sales & Services	9,930.76	7,657.69	29.7%	205.89	168.02	22.5%		
Travel Billing	72.35	100.72	-28.2%	1.50	2.21	-32.1%		
Total Revenue	10,003.11	7,758.41	28.9%	207.39	170.23	21.8%		
Avg. Ex. Rate ₹ /US\$	48.23	45.58	5.8%					
Expenditure								
Employee Related Expenses	5,639.99	4,423.68	27.5%	116.93	97.06	20.5%	56.4%	57.0%
Purchase	41.43	29.95	38.3%	0.86	0.66	30.3%	0.4%	0.4%
Project related Travel Expenses	240.93	269.15	-10.5%	5.00	5.91	-15.4%	2.4%	3.5%
Total Direct costs	5,922.35	4,722.78	25.4%	122.79	103.63	18.5%	59.2%	60.9%
Gross Profit	4,080.76	3,035.63	34.4%	84.60	66.60	27.0%	40.8%	39.1%
Sales & Marketing Expenses	689.09	617.79	11.5%	14.29	13.56	5.4%	6.9%	8.0%
Admin. & Other Expenses	955.88	775.41	23.3%	19.82	17.01	16.5%	9.6%	10.0%
Doubtful Debt Provision	95.39	47.88	99.2%	1.98	1.05	88.6%	1.0%	0.6%
CSR Activities	16.37	11.50	42.3%	0.34	0.25	36.0%	0.2%	0.1%
Total SGA	1,756.73	1,452.58	20.9%	36.43	31.87	14.3%	17.7%	18.7%
EBIDTA	2,324.03	1,583.05	46.8%	48.17	34.73	38.7%	23.1%	20.4%
Depreciation	610.96	423.89	44.1%	12.67	9.30	36.2%	6.1%	5.5%
EBIT	1,713.07	1,159.16	47.8%	35.50	25.43	39.6%	17.0%	14.9%
Other Income / (Loss)	255.61	344.36	-25.8%	5.30	7.56	-29.9%	2.6%	4.4%
EBT	1,968.68	1,503.52	30.9%	40.80	32.99	23.7%	19.6%	19.3%
Tax	550.88	106.16	418.9%	11.42	2.33	390.1%	5.5%	1.4%
Net Profit After Tax	1,417.80	1,397.36	1.5%	29.38	30.66	-4.2%	14.1%	17.9%

Consolidated Balance Sheet



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₹ Mn

	As at March 31, 2012	As at March 31, 2011
Equity and Liabilities		
Equity Share Capital	400.00	400.00
Reserves & Surplus	8,005.12	7,071.07
Non-Current Liabilities	77.41	146.18
Current Liabilities	1,660.41	1,486.23
Total sources of Funds	10,142.94	9,103.48
Assets		
Fixed Assets	3,724.80	2,814.78
Non-Current Investments	122.74	-
Deferred Tax asset (Net)	106.57	59.85
Long term loans & advances	147.05	149.11
Other Non-Current Assets	2.16	113.67
Current Assets	4,664.95	5,079.80
Cash and Cash Equivalents	1,374.67	886.27
Total uses of Funds	10,142.94	9,103.48

Key Financials Ratios: Q4 FY12



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Ratios, %	Q4 FY12	Q3 FY12	QoQ, %	Q4 FY 11	YoY%
Gross Margin	44.7%	42.9%	1.8%	37.4%	7.3%
S&M to Revenue	6.5%	6.3%	-0.2%	7.7%	1.2%
G&A to Revenue	9.7%	10.7%	1.0%	11.7%	2.0%
Total S, G&A to Revenue	16.2%	17.0%	0.8%	19.4%	3.2%
EBIDTA Margin	28.5%	25.9%	2.6%	18.0%	10.5%
EBIT Margin	21.6%	20.0%	1.6%	12.4%	9.2%
Profit before Tax	20.3%	21.0%	-0.7%	16.5%	3.8%
Profit after Tax	15.1%	15.1%	0.0%	15.7%	-0.6%
EPS - Basic, Before Prior Period, INR	10.72	10.58		8.74	
EPS - Diluted, Before Prior Period, INR	10.30	10.15		8.28	

FACT SHEET



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Revenue		Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	Total Revenue, US \$ Mn	54.20	51.66	51.53	50.00	47.02	207.39	170.24
	%, q-o-q/ y-o-y growth	4.9%	0.3%	3.1%	6.3%	8.8%	21.8%	33.7%
	Revenue from Operations, INR Mn	2,706.24	2,677.30	2,381.73	2,237.84	2,128.21	10,003.11	7,758.41
%, q-o-q	1.1%	12.4%	6.4%	5.2%	9.2%	28.9%	29.1%	

Segments	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	Telecom	21.0%	20.4%	22.0%	22.2%	20.5%	21.4%	20.6%
	Infrastructure and Systems	67.6%	67.1%	67.4%	67.9%	68.3%	67.5%	68.6%
	Life Sciences	11.4%	12.5%	10.6%	9.9%	11.2%	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	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	North America	82.4%	82.9%	82.0%	82.8%	86.3%	82.5%	85.6%
	Europe	6.8%	7.2%	7.8%	7.4%	5.8%	7.3%	5.9%
	Asia-Pacific	10.8%	9.9%	10.2%	9.8%	7.9%	10.2%	8.5%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Onsite: Offshore Mix	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	Onsite	20.3%	21.2%	21.7%	22.6%	22.3%	21.4%	21.1%
	Offshore	79.7%	78.8%	78.3%	77.4%	77.7%	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	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	T&E	79.8%	79.0%	80.4%	79.8%	74.2%	79.7%	78.6%
	FPP	8.1%	11.8%	12.0%	14.1%	15.5%	11.5%	12.6%
	IP driven	12.1%	9.2%	7.6%	6.1%	10.3%	8.8%	8.8%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Repeat Business	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
		83.9%	88.2%	92.8%	97.0%	89.4%	90.4%	93.7%

Clients billed	Nos.	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
			288	273	253	239	229	351

Fact Sheet (Contd...)



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Client Engagement Size	Nos.	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	Large > \$ 3Mn	11	10	10	9	9	11	9
	Medium > \$ 1Mn, < \$ 3Mn	26	27	32	32	26	26	22
	Small Upto \$ 1 Mn	251	236	211	198	194	314	271
	Total	288	273	253	239	229	351	302

DSO	Days	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
		65	68	66	63	62	65	62

Billing Rates ¹	USD/p.p.m	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	Onsite - Linear	12,603	12,387	12,665	13,033	12,746	12,669	12,644
	Offshore - Linear	3,895	3,778	3,771	3,770	3,723	3,803	3,648

¹These represent rates without IP revenues, and have been restated for past periods

Fact Sheet (Contd...)



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

Revenue Concentration	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	Top 1	17.2%	15.9%	16.0%	15.1%	19.4%	16.1%	15.4%
Top 5	36.6%	37.0%	38.6%	37.6%	41.5%	37.4%	38.4%	
Top 10	48.8%	48.3%	49.4%	48.2%	52.8%	48.6%	49.7%	

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

Fact Sheet (Contd...)



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Investment in IP Led work	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
	Technical time spent		4.6%	6.0%	5.5%	4.7%	3.6%	5.2%

Utilization - Linear ²	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
			71.7%	74.1%	73.8%	72.7%	71.0%	73.1%

²Excludes resources in investment in IP Led work and has been restated for past periods

Attrition Rate	%	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11
			18.3%	17.4%	17.7%	18.4%	19.6%	18.3%

Person Months ³	Nos.	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	Q4 FY11	FY12	FY11	
	Billable		15,343	14,887	15,034	15,001	13,855	60,265	50,241
	Billed		10,998	11,031	11,097	10,911	9,836	44,037	37,014

³Excludes resources in investment in IP Led work and has been restated for past periods

THANK YOU

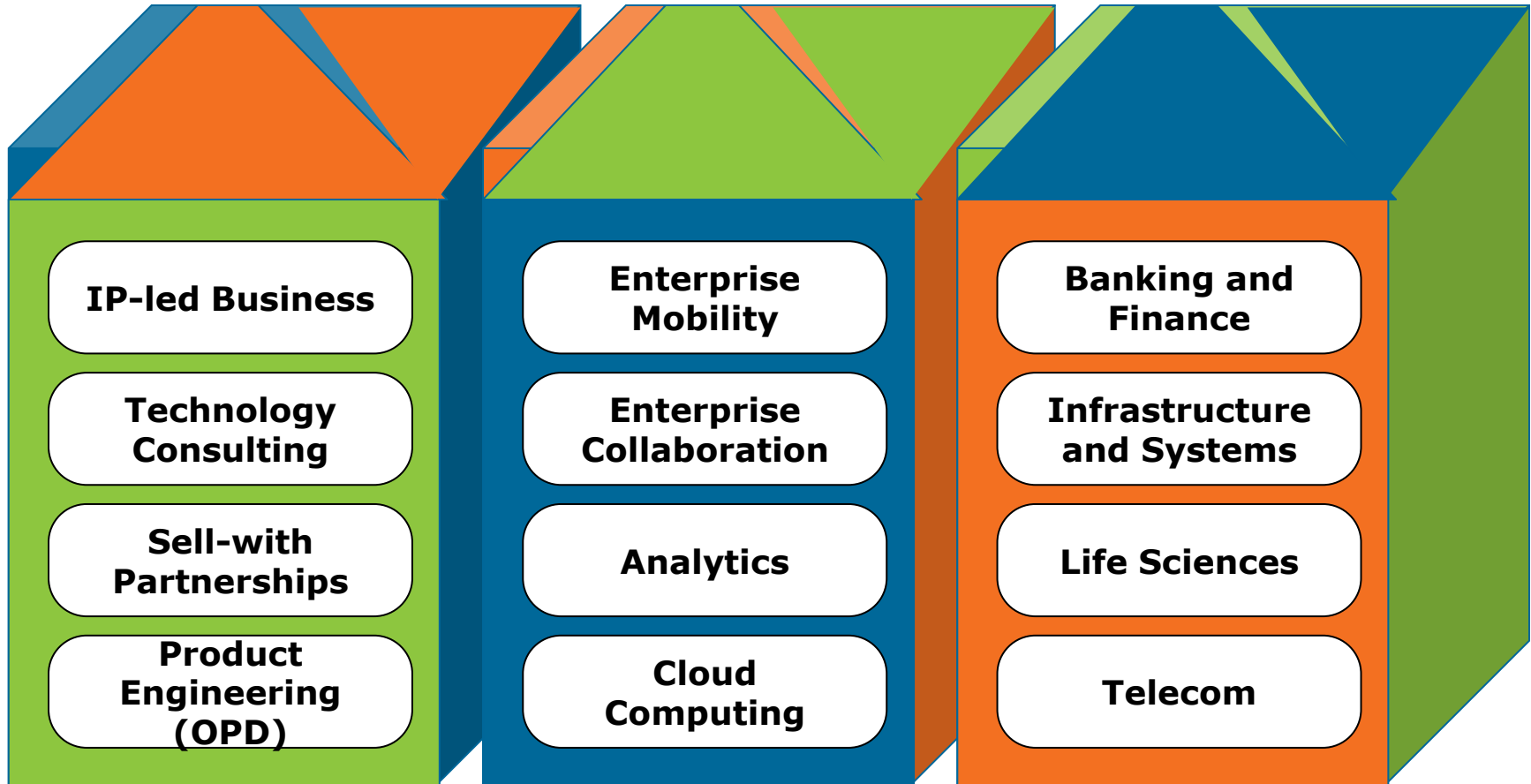


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Our Business Offering – 4 X 4 X 4



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Persistent owned facilities



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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