Investor Update

Prithvi Information Solutions Limited

Q3 FY'09

February 02, 2009

Index

Strong Traction in Revenues: Quarterly

Performance Review – Q3 FY'09 Vs Q3 FY'08

Revenue	EBITDA*	PAT*
91.8%	88.1%	103.4%

- **Revenue up 91.8% from Rs 2,917.3mn in Q3 FY'08 to Rs 5,595.9mn in Q3 FY'09 driven by key business segments and growing client engagement size**
  - ✓ IT and Telecom Services up 92.4% to Rs 5,300.3mn
  - ✓ Telecom Products up 82.4% to Rs 295.6mn
  - ✓ US$ 5mn clients increased to 25 in Q3 FY'09 from 10 in Q3 FY'08 and US$ 10mn clients increased to 6 in Q3 FY'09 from none in Q3 FY'08
  - ✓ Engagement size for the top client increased by 3.5 times from 3.8% to 13.2%; for top 5 clients increased by 2.1 times from 14.8% to 30.5% and for top 10 clients increased by 1.7 times from 25.4% to 43.5%

- **EBIDTA* up 88.1% from Rs 330.1mn in Q3 FY'08 to Rs 620.8mn in Q3 FY'09**

- **EBITDA Margin* declined marginally from 11.3% in Q3 FY'08 to 11.1% in Q3 FY'09**

- **Net Profit after tax* up 103.4% from Rs 295.6mn in Q3 FY'08 to Rs 601.1mn in Q3 FY'09;** Net Profit Margin up from 10.1% to 10.7% due to decline in taxes on account of MAT credit

** Before provision of Rs 190.2mn on account of MTM Loss on derivatives in Q3 FY'09, foreign exchange loss of Rs 321.0mn in Q3 FY'09 and foreign exchange loss of Rs 11.6mn in Q3 FY'08*

(Refer Slide 8 for the detailed Profit and Loss Statement)

Strong Traction in Revenues: 9M ended Dec 31, 2008

Performance Review – 9M FY'09 Vs 9M FY'08

Revenue	EBITDA*	PAT*
99.7%	63.9%	73.9%

- **Revenue up 99.7% from Rs 7,942.2mn in 9M FY'08 to Rs 15,857.7mn in 9M FY'09 driven by key business segments and growing client engagement size**
  - ✓ IT and Telecom services up 77.5% to Rs 13,732.2mn
  - ✓ Telecom Products up 938.6% to Rs 2,125.5mn
  - ✓ 18 new customers added during 9M FY'09
- **EBIDTA* up 63.9% from Rs 955.2 mn in 9M FY'08 to Rs 1,565.8mn in 9M FY'09**
- **EBITDA Margin* declined from 12.0% in 9M FY'08 to 9.9% in 9M FY'09 due to** lower margins on Telecom Products
- **Net Profit after tax* up 73.9% from Rs 815.1mn in 9M FY'08 to Rs 1,417.8mn in 9M FY'09;** Net Profit Margin down from 10.3% to 8.9%

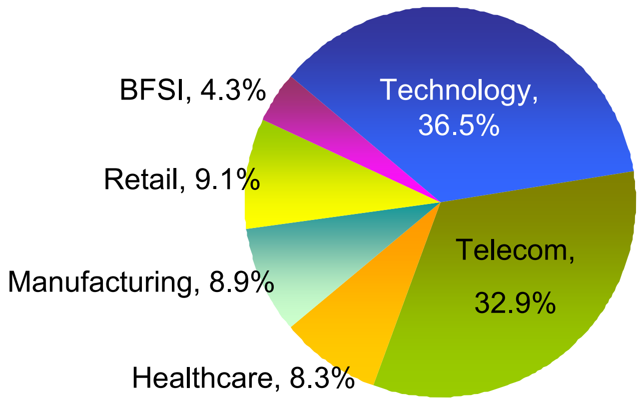
** Before provision of Rs 1,235.4mn on account of MTM Loss on derivatives in 9M FY'09, foreign exchange gain of Rs 193.6mn in 9M FY'09 and foreign exchange loss of Rs 119.0mn in 9M FY'08*

(Refer Slide 8 for the detailed Profit and Loss Statement)

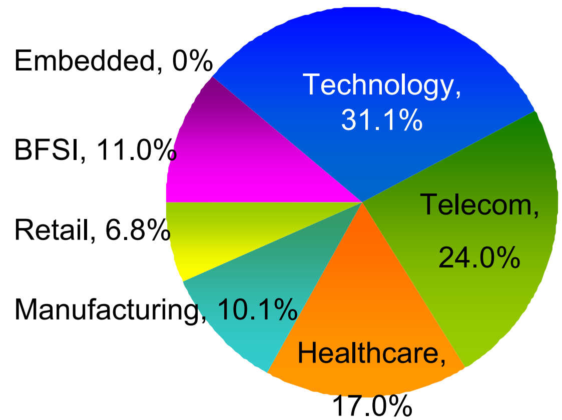
De-risked Business Model

Focus on High Growth Verticals

Q3 FY’09

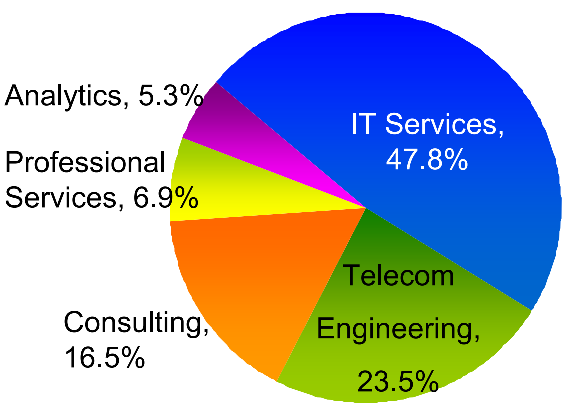


Q3 FY’08

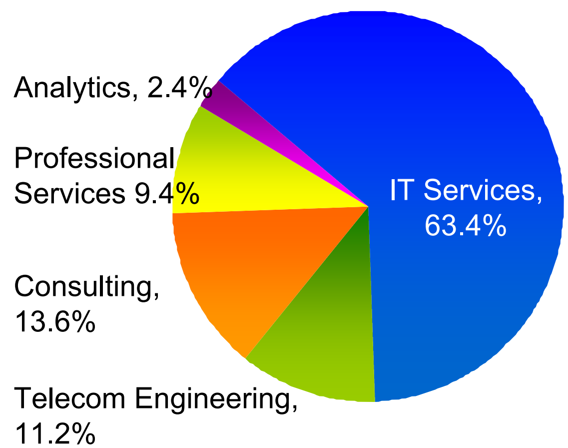


With Diversified Business Mix and increased focus on Higher Value Added Services

Q3 FY’09



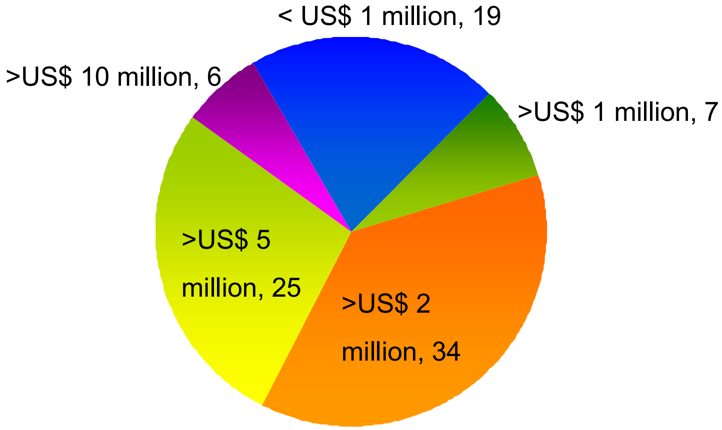
Q3 FY’08



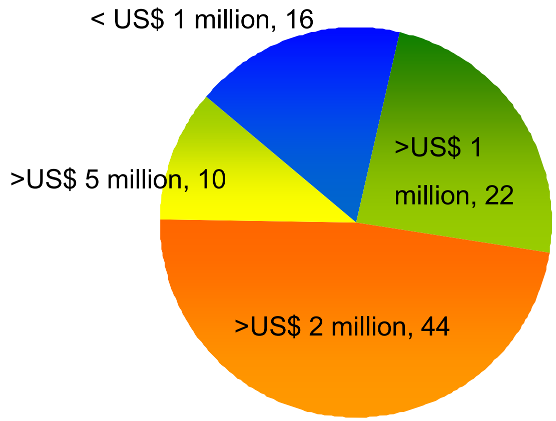
Increasing engagement size and addition of new clients

Increasing number of big ticket clients

Q3 FY'09



Q3 FY'08



- **Increase in number of US$ 5mn clients from 10 in Q3 FY'08 to 25 in Q3 FY'09**
- **Increase in number of US$ 10mn clients from none in Q3 FY'08 to 6 in Q3 FY'09**
- **Added 9 new clients during Q3 FY'09 as compared to 4 in Q3 FY'08**
- **Clients accounting for > 5% of the revenue increased from none in Q3 FY'08 to 2 in Q3 FY'09**

Note: Client revenues are on trailing twelve months basis

With new acquisitions to strengthen service portfolio

Effigent Inc. :

- ✓ Concluded asset acquisition of Effigent at a valuation of $1.89mn
- ✓ Effigent's niche consulting business division is an Apple Professional Services partner providing consulting services in the areas of Apple and Open Source technologies to address the growing demand for IT services for the Mac OS X platform and related technologies
- ✓ The strategic acquisition, will augment Prithvi's IT services portfolio and strengthen its competitive position by offering clients the opportunity to seamlessly develop and deploy Mac based applications into their enterprise solutions portfolio
- ✓ The acquisition will enable Prithvi to deliver:

  - Consulting Services in Core Apple technologies

  - Consulting Services for Apple's i-Phone platform

  - Consulting Services for Apple Internal Groups - Apple's IS&T (Information Systems and Technology Group), Apple AOS (Apple Online Store) and Apple iTunes Group

  - Open Source Consulting which primarily consists of providing consulting services on open source arena in technologies like Ruby on Rails, Adobe's Flex, Hyperic

Strategic Research and Development Group of America (SRDG) :

✓Concluded asset acquisition of SRDG at a valuation of $0.85mn

✓SRDG headquartered in Atlanta, provides high end consulting in business transformation services with IBM as a partner and directly to customers such as Fireman's Fund, AIG and Citi Group

✓This acquisition will augment Prithvi's services portfolio and provide an entry into a number of large clients to support its strategic vision of focusing on Fortune 500 clients with significant revenue potential

Financial Statements – Consolidated Income Statement

Particulars (Rs mn)	Q3 FY'09	Q3 FY'08	YoY Growth %	Q2 FY'09	QoQ Growth %	9M FY'09	9M FY'08	YoY Growth %
Revenue	**5,595.9**	**2,917.3**	**91.8%**	**6,430.1**	**-13.0%**	**15,857.7**	**7,942.2**	**99.7%**
Direct Expenditure	**4,391.8**	**2,218.2**	**98.0%**	**5,404.0**	**-18.7%**	**12,677.5**	**5,972.3**	**112.3%**
Puchase of traded goods	285.9	126.7	125.6%	1,805.7	-84.2%	2091.6	165.1	1166.9%
Software Development Expenses	4,105.9	2,091.5	96.3%	3,598.3	14.1%	10,586.0	5,807.2	82.3%
Gross Profit	**1,204.1**	**699.0**	**72.3%**	**1,026.0**	**17.4%**	**3,180.2**	**1,969.9**	**61.4%**
Employee Cost	319.9	138.1	131.7%	299.6	6.8%	879.9	381.0	131.0%
SGA Expenses	263.5	230.9	14.1%	256.7	2.6%	734.4	633.7	15.9%
Forex loss/ (gain)	321.0	11.6	2673.7%	(254.3)	NA	(193.6)	119.0	NA
Provision for MTM Loss on Derivatives	190.2	-	NA	282.3	-32.6%	1,235.4	-	NA
EBITDA Before Forex loss/ (gain) and MTM Provision	**620.8**	**330.1**	**88.1%**	**469.7**	**32.2%**	**1,565.8**	**955.2**	**63.9%**
EBITDA After Forex loss/ (gain) and MTM Provision	**109.5**	**318.5**	**-65.6%**	**441.7**	**-75.2%**	**524.0**	**836.3**	**-37.3%**
Depreciation & Amortization	22.2	11.9	85.6%	21.6	2.7%	54.0	41.1	31.5%
EBIT Before Forex loss/ (gain) and MTM Provision	**598.6**	**318.1**	**88.2%**	**448.1**	**33.6%**	**1,511.8**	**914.2**	**65.4%**
EBIT After Forex loss/ (gain) and MTM Provision	**87.3**	**306.5**	**-71.5%**	**420.1**	**NA**	**470.0**	**795.2**	**-40.9%**
Other Income	50.0	38.1	31.3%	17.8	180.7%	89.3	109.9	-18.7%
Interest and Financial Cost	80.8	29.3	175.8%	47.6	69.7%	165.7	71.2	132.6%
PBT before Forex loss/ (gain) and MTM Provision	**567.8**	**326.9**	**73.7%**	**418.3**	**35.7%**	**1,435.4**	**952.8**	**50.7%**
PBT after Forex loss/ (gain) and MTM Provision	**56.5**	**315.3**	**-82.1%**	**390.3**	**NA**	**393.6**	**833.8**	**-52.8%**
Provision for Tax	(33.3)	31.3	NA	34.3	NA	17.6	137.7	-87.2%
PAT before Forex loss/ (gain) and MTM Provision	**601.1**	**295.6**	**103.4%**	**384.0**	**56.5%**	**1,417.8**	**815.1**	**73.9%**
PAT after Forex loss/ (gain) and MTM Provision	**89.8**	**284.0**	**-68.4%**	**356.0**	**-74.8%**	**376.0**	**696.1**	**-46.0%**
Basic & Diluted EPS (Rs) After Forex loss/ (gain) and MTM Provision	5.0	15.7	-68.4%	12.8	NA	20.8	38.5	-46.0%

Financial Statements – Segmental Analysis & Key Ratios

Revenue Break Up (Rs mn)	Q3 FY'09	Q3 FY'08	Q2 FY'09	9M FY'09	9M FY'08
- IT & Telecom Services	5,300.3	2,755.2	4,600.2	13,732.2	7,737.5
- Telecom Products	295.6	162.0	1,829.9	2,125.5	204.7
Total Revenues	**5,595.9**	**2,917.3**	**6,430.1**	**15,857.7**	**7,942.2**

EBITDA Break Up (before forex loss/(gain) & MTM Provision (Rs mn)	Q3 FY'09	Q3 FY'08	Q2 FY'09	9M FY'09	9M FY'08
- IT & Telecom Services	613.7	294.7	445.6	1,534.5	915.6
- Telecom Products	7.1	35.4	24.1	31.3	39.6
EBITDA	**620.8**	**330.1**	**469.7**	**1,565.8**	**955.2**

PAT Break Up (before forex loss/(gain) & MTM Provision (Rs mn)	Q3 FY'09	Q3 FY'08	Q2 FY'09	9M FY'09	9M FY'08
Total	**601.1**	**295.6**	**384.0**	**1,417.8**	**815.1**

EBITDA Margin (before forex loss/(gain) & MTM Provision	Q3 FY'09	Q3 FY'08	Q2 FY'09	9M FY'09	9M FY'08
- IT & Telecom Services	11.6%	10.7%	9.7%	11.2%	11.8%
- Telecom Products	2.4%	21.8%	1.3%	1.5%	19.4%
Total	**11.1%**	**11.3%**	**7.3%**	**9.9%**	**12.0%**

PAT Margin (before forex loss/(gain) & MTM Provision	Q3 FY'09	Q3 FY'08	Q2 FY'09	9M FY'09	9M FY'08
Total	**10.7%**	**10.1%**	**6.0%**	**8.9%**	**10.3%**

Note:

1. EBITDA Margin & PAT Margin for Q3 FY'09, Q3 FY'08 and Q2 FY'09 before provision of Rs 190.2mn on account of MTM Loss on derivatives in Q3 FY'09, foreign exchange loss of Rs 321.0mn in Q3 FY'09, foreign exchange loss of Rs 11.6mn in Q3 FY'08, Rs 282.3mn on account of MTM Loss on derivatives in Q2 FY'09 and foreign exchange gain of Rs 254.3mn in Q2 FY'09.

2. EBITDA Margin & PAT Margin for 9M FY'09 and 9M FY'08 before provision of Rs 1,235.4mn on account of MTM Loss on derivatives in 9M FY'09, foreign exchange gain of Rs 193.6mn in 9M FY'09 and foreign exchange loss of Rs 119.0mn in 9M FY'08.

Revenue Breakup

Revenue Distribution (%)	Q3 FY'09	Q3 FY'08	Q2 FY'09	9M FY'09	9M FY'08
Revenues (excl. Telecom Products rev.)	**5,300.3**	**2,755.2**	**4,600.2**	**13,732.2**	**7,737.5**
Geographical					
US	99.0%	95.2%	99.6%	99.4%	97.2%
India	1.0%	4.8%	0.4%	0.6%	2.6%
Others	0.0%	0.0%	0.0%	0.0%	0.2%
On-site v/s offshore breakup of revenues					
Onsite	89.3%	88.4%	89.7%	89.5%	88.3%
Offshore	10.7%	11.6%	10.3%	10.5%	11.7%
Vertical					
Technology	36.5%	31.1%	38.5%	37.8%	31.3%
Telecom	32.9%	24.0%	27.0%	28.3%	23.2%
Health Care	8.3%	17.0%	11.0%	10.5%	19.1%
Manufacturing	8.9%	10.1%	10.3%	9.7%	9.8%
Banking, Financial and Insurance	4.3%	11.0%	4.5%	4.5%	8.8%
Retail	9.1%	6.8%	8.7%	9.1%	7.0%
Embedded	0.0%	0.0%	0.0%	0.0%	0.8%
Project Type					
Fixed Price	31.5%	5.0%	25.9%	24.7%	6.0%
Time and Materials	68.5%	95.0%	74.1%	75.3%	94.0%
Horizontal Revenue Mix					
IT Services	**47.8%**	**63.4%**	**56.6%**	**53.4%**	**61.9%**
ADM	18.0%	36.5%	24.7%	22.5%	33.6%
Testing	2.5%	3.4%	2.2%	2.5%	3.9%
SW Deployment	18.4%	17.2%	20.2%	19.7%	18.2%
Product Development	8.8%	6.3%	9.5%	8.7%	6.3%
Consulting	**16.5%**	**13.6%**	**16.5%**	**15.9%**	**11.6%**
SCM Consulting	3.1%	5.4%	4.1%	4.0%	2.9%
CRM Consulting	1.8%	2.3%	2.6%	2.1%	1.8%
IT Consulting	11.6%	6.0%	9.8%	9.9%	6.8%
Analytics	**5.3%**	**2.4%**	**3.1%**	**4.2%**	**2.6%**
Telecom Engineering Services	**23.5%**	**11.2%**	**16.5%**	**19.3%**	**13.4%**
Professional Services	**6.9%**	**9.4%**	**7.3%**	**7.2%**	**10.5%**

Strengthening the Team of Software Professionals to Execute the Growing Business

Optimum Mix of Manpower Resources

	Q3 FY'09	Q2 FY'09	Addition
Software Professionals	3,638	3,463	175
- Billable	3,559	3,384	175
- Trainees / Non-Billable	79	79	-
Sales and Support	153	129	24
Total	3,791	3,592	199

As on 31 December, 2008

Total employee addition of 199 including 175 software professionals

Efforts and Billing Rates

Period Ending	Q3 FY'09	Q2 FY'09
Volume (Person-Months)		
Onsite	7,909	7,778
Offsite	2,982	2,799
Efforts %		
Onsite	74.1%	75.0%
Offshore	25.9%	25.0%
Billing Rate* (US$ per hr.)		
Onsite	71.1	71.2
Offsite	24.4	24.5

** Billing rate calculation excludes Telecom Products revenues*

Client Metrics

Client Metrics (Nos.)	Q3 FY'09	Q3 FY'08	Q2 FY'09
Active Customers*	91	92	88
Added during the Period	**9**	**4**	**1**
< US$1 million**	19	16	13
> US$1 million**	7	22	7
> US$2 million**	34	44	39
> US$5 million**	25	10	26
> US$10 million**	6	0	3
> 5% of the revenue	2	0	1
Revenue Contribution (%)			
Top Client	13.2%	3.8%	8.4%
Top 5 Clients	30.5%	14.8%	20.6%
Top 10 Clients	43.5%	25.4%	33.8%

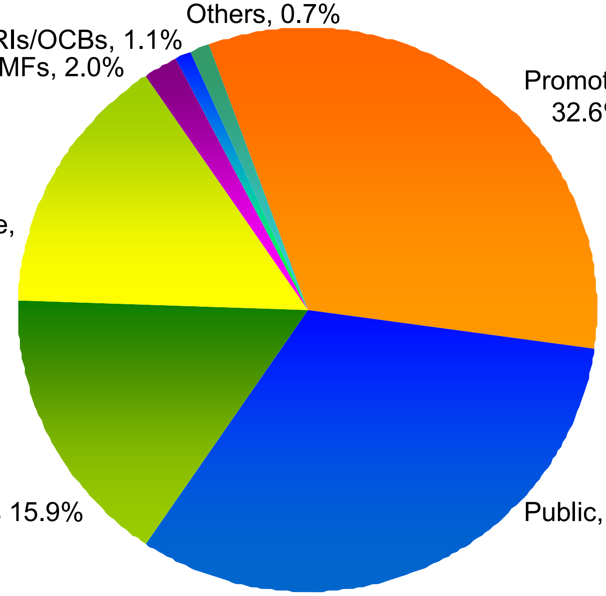
**As on 31 December, 2008*

*** Client revenues are on trailing twelve months basis*

Shareholding Pattern

Category of Shareholder	Total No. of Shares
Promoters & Promoters Group	5,900,211
Public	5,872,281
Foreign Institutional Investors	2,880,796
Bodies Corporate	2,722,970
MFs/Bank/FIs	369,869
NRIs/OCBs	203,899
Others	126,974
TOTAL	**18,077,000**

Percentage Shareholding



As on December 31, 2008

Key Investors

Name of the Shareholder	% Holding
Copthall Mauritius Investment Ltd	7.7
Lehman Brothers Asia	2.8
Enam Investment Services	2.6
Acacia Partners	2.5
DSP Merrill Lynch	2.0
Acacia Conservation Fund LP	1.1
Total	**18.7**

Contact us

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About us

About Prithvi Information Solutions Ltd.

Prithvi Information Solutions Limited is a software consulting, outsourcing and business solutions company. It is an aggressively growing company with over 3,600 professionals all over the world. Prithvi's expertise is in the Telecom, Retail, Healthcare, Government, BFSI and Hi-Tech verticals. It also has strong capabilities in data analytics technologies. Operating from state-of-the-art research and development centers in Bangalore and Hyderabad, India and USA, we have offices in USA, Qatar and UK. For further information please visit **www.prithvisolutions.com**

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Four-S Services provides customized business and financial research to organizations across the globe. The company also provides Investor Relations consulting to corporates based on in-depth sectoral and company research. The company has an impressive client profile and a team of experienced analysts covering the key sectors including Finance & Banking, IT & Telecom, Retail, Media & Entertainment, Pharmaceuticals, Infrastructure and Manufacturing amongst others. For further information on the company please visit **www.four-s.com**

Forward Looking Statement

Certain statements in this document with words or phrases such as "will", "should", etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. 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