



Investor Update

Prithvi Information Solutions Limited

Q1 FY'08-09



August 4, 2008

Four-S Services

Strategies and Services for Stakeholder Success



1.

Financial Review

2.

Business Review

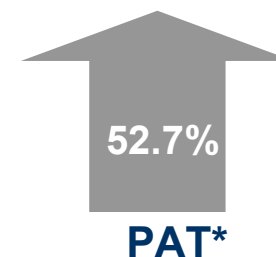
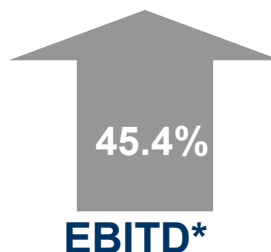
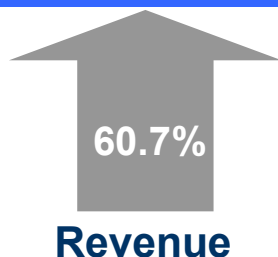
3.

Financial Statements

Strong Traction in Revenues



Performance Review – Q1 FY'09 Vs Q1 FY'08



- **Revenue up 60.7% from Rs 2,384.1mn in Q1 FY'08 to Rs 3,831.7mn in Q1 FY'09 driven by growing client engagement size**
 - ✓ US\$ 5mn clients increased from 4 in Q1 FY'08 to 20 in Q1 FY'09 and US\$ 10mn clients increased from 0 in Q1 FY'08 to 2 in Q1 FY'09
 - ✓ **Added 8 new customers** added during Q1 FY'09
- **Earnings Before Interest Tax and Depreciation (EBITD)* up 45.4% from Rs 326.8mn in Q1 FY'08 to Rs 475.3mn in Q1 FY'09**
- **EBITD Margin* declined from 13.7% in Q1 FY'08 to 12.4% in Q1 FY'09 due to**
 - ✓ Increase in software development expenditure as a percentage of revenues from 72.7% in Q1 FY'08 to 75.2% in Q1 FY'09 for strengthening the execution team of software professionals. The decline in margin was partially offset by decline in SG&A and Employee cost as a percentage of revenues due to economies of scale
 - Selling General and Administrative expenses as a percentage of revenue declined from 6.2% in Q1 FY'08 to 5.6% in Q1 FY'09
 - Employees cost as a percentage of revenues declined from 7.4% in Q1 FY'08 to 6.8% in Q1 FY'09
- **Net Profit after tax* up 52.7% from Rs 283.3mn in Q1 FY'08 to Rs 432.6mn in Q1 FY'09; Net Profit Margin down from 11.8% to 11.2% due to**
 - ✓ decrease in EBITD Margin
 - ✓ Increase in Interest and Financial cost from Rs 15.5mn in Q1 FY'08 to Rs 37.3mn in Q1 FY'09 due to increase in debt to finance the working capital requirement

(Refer Slide 7 for the detailed Profit and Loss Statement)

** Before provision of Rs 646mn on account of MTM on derivatives, Rs 116mn on account of MTM on forward contracts, foreign exchange gain of Rs 260.3mn in Q1 FY'09, and foreign exchange loss of Rs 93.8mn in Q1 FY'08*

Strengthening the Team of Software Professionals to Execute the Growing Business



Optimum Mix of Manpower Resources

	Q1 FY'08	Q1 FY'09	Addition
Software Professionals	1,939	3,039	1,100
- Billable	1,904	2,970	1,066
- Trainees / Non-Billable	35	69	34
Sales and Support	62	115	53
Total	2,001	3,154	1,153

As on 30 June



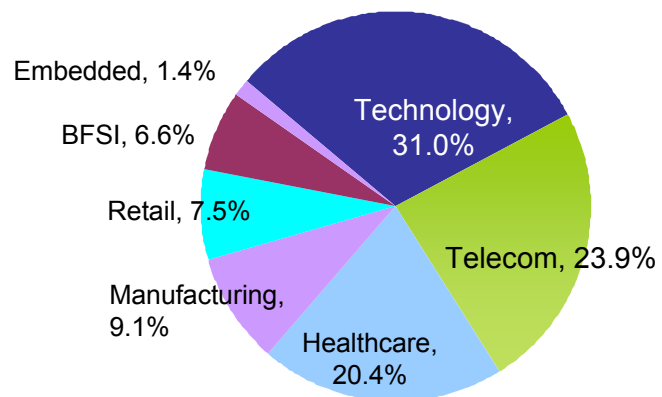
Total employee addition of 1,153 including 1,100 software professionals

De-risked Business Model

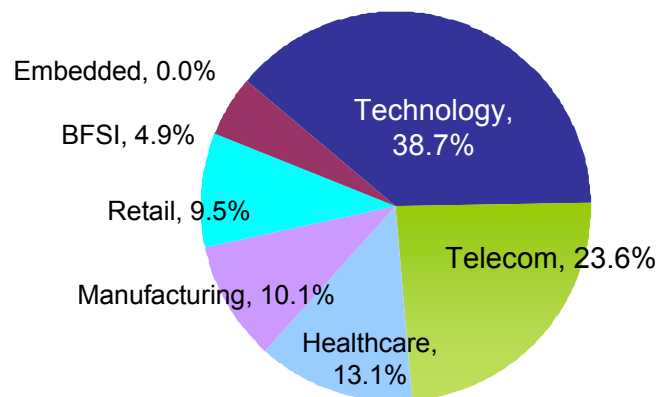


Focus on High Growth Verticals

Q1 FY'08

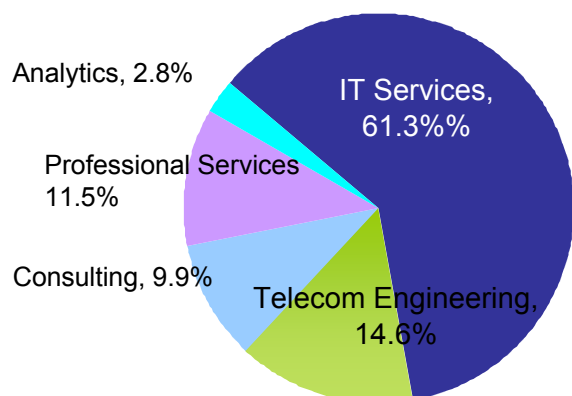


Q1 FY'09

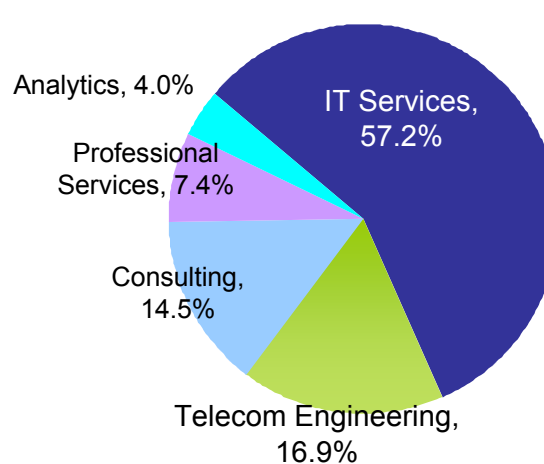


With Diversified Business Mix with Increased focus on Higher Value Added Services

Q1 FY'08



Q1 FY'09

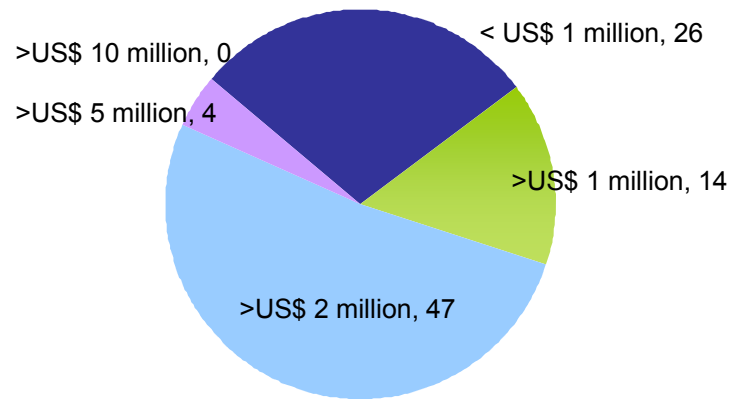


Increasing engagement size with existing client



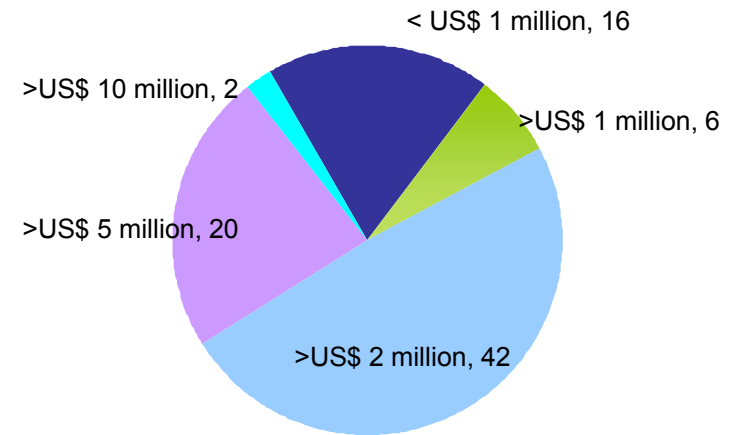
Increasing number of big ticket clients

Q1 FY'08



Total Clients - 91

Q1 FY'09



Total Clients - 86

Client revenue are on trailing twelve months basis

- Increase in number of US\$ 5mn client from 4 in Q1 FY'08 to 20 in Q1 FY'09
- Increase in number of US\$ 10mn clients from 0 in Q1 FY'08 to 2 clients in Q1 FY'09

Unaudited Financial Statements – P&L



Particulars (Rs mn)	Q1 FY'08	Q1 FY'09	Change YoY%
Revenue	2,384.1	3,831.7	60.7%
Direct Expenditure	1,732.2	2,881.7	66.4%
Purchase of traded goods	-	-	
Software Development Expenses	1,732.2	2,881.7	66.4%
Gross Profit	651.9	950.0	45.7%
Employee Cost	177.3	260.4	46.8%
SGA Expenses	147.8	214.3	45.0%
Forex loss/ (gain)	93.8	(260.3)	-377.6%
Provision for MTM Loss*	-	762.9	NA
EBITDA Before forex loss/ (gain) and MTM Provision	326.8	475.3	45.4%
EBITDA After forex loss/ (gain) and MTM Provision	233.0	(27.3)	-111.7%
Depreciation & Amortization	14.2	10.2	-28.0%
EBIT Before Forex loss/ (gain) and MTM Provision	312.6	465.1	48.8%
EBIT After Forex loss/ (gain) and MTM Provision	218.8	(37.5)	-117.1%
Other Income	10.6	21.5	103.2%
Interest and Financial Cost	15.5	37.3	140.1%
PBT before Forex loss/ (gain) and MTM Provision	307.6	449.2	46.0%
PBT after Forex loss/ (gain) and MTM Provision	213.8	(53.3)	-124.9%
Provision for Tax	24.3	16.6	-31.6%
Current Tax	24.3	16.6	-31.6%
PAT before Forex loss/ (gain) and MTM Provision	283.3	432.6	52.7%
PAT after Forex loss/ (gain) and MTM Provision	189.5	(69.9)	-136.9%
Basic EPS (Rs) After Forex loss/ (gain) and MTM Provision	10.5	(3.9)	-136.9%
Diluted EPS (Rs) After Forex loss/ (gain) and MTM Provision	8.5	(3.9)	-145.5%

* Provision of Rs 646mn on account of MTM on derivatives and Rs 116mn on account of MTM on forward contracts

Financial Statements – Key Ratios



Profitability Ratios	Q1 FY'08	Q1 FY'09
Gross Margin (%)	27.3%	24.8%
EBITD Margin (%)*	13.7%	12.4%
Net Margin (%)*	11.8%	11.2%

** Before provision of Rs 646mn on account of MTM on derivatives, Rs 116mn on account of MTM on forward contracts, foreign exchange gain of Rs 260.3mn in Q1 FY'09, and foreign exchange loss of Rs 93.8mn in Q1 FY'08*

Revenue Breakups



Revenue Distribution (%)	Q1 FY'08	Q1 FY'09
Geographical		
US	99.5%	99.6%
India	0.3%	0.4%
Others	0.3%	0.0%
Onsite Offshore		
Onsite	89.5%	89.5%
Offshore	10.5%	10.5%
Vertical		
Technology	31.0%	38.7%
Telecom	23.9%	23.6%
Healthcare	20.4%	13.1%
Manufacturing	9.1%	10.1%
BFSI	6.6%	4.9%
Retail	7.5%	9.5%
Embedded	1.4%	0.0%
Project Type		
Fixed Price	6.1%	14.0%
Time and Materials	94.0%	86.0%

Revenue Breakups



Horizontal Revenue Mix	Q1FY08	Q1FY09
IT Services	61.3%	57.2%
ADM	31.8%	26.0%
Testing	4.4%	2.7%
SW Deployment	18.8%	21.0%
Product Development	6.4%	7.6%
Consulting	9.9%	14.5%
SCM Consulting	0.9%	5.2%
CRM Consulting	1.1%	1.8%
IT Consulting	7.9%	7.5%
Analytics	2.8%	4.0%
Telecom Engineering Services	14.6%	16.9%
Professional Services	11.5%	7.4%
Grand Total	100.0%	100.0%

Efforts and Utilisation



	Q1 FY'08*	Q1 FY'09*
Volume (Person-Months)		
Onsite	4,333	6,807
Offshore	1,639	2,495
Efforts (%)		
Onsite	72.6%	74.6%
Offshore	27.5%	25.4%
Billing Rate (US\$)		
Onsite	69.0	71.0
Offshore	23.1	24.5

* Billing rate calculation excludes trading revenues

Manpower Details



Manpower (Nos.)	Q1 FY'08	Q1 FY'09
Total Employees	2,001	3,154
S/W Professionals	1,939	3,039
- Billable	1,904	2,970
- Trainees / Non-Billable	35	69
Sales & Support	62	115

Client Metrics (Nos.)	Q1FY'08	Q1FY'09
Active Customers*	91	86
Added during the Period	12	8
< US\$1 million	26	16
> US\$1 million	14	6
> US\$2 million	47	42
> US\$5 million	4	20
> US\$10 million	0	2
> 5% of the revenue	0	0
Revenue Contribution (%)		
Top Client	3.7%	4.7%
Top 5 Clients	14.6%	18.4%
Top 10 Clients	26.3%	31.3%

*As on 30 June 2008 Client revenue are on trailing twelve months basis

Shareholding Pattern

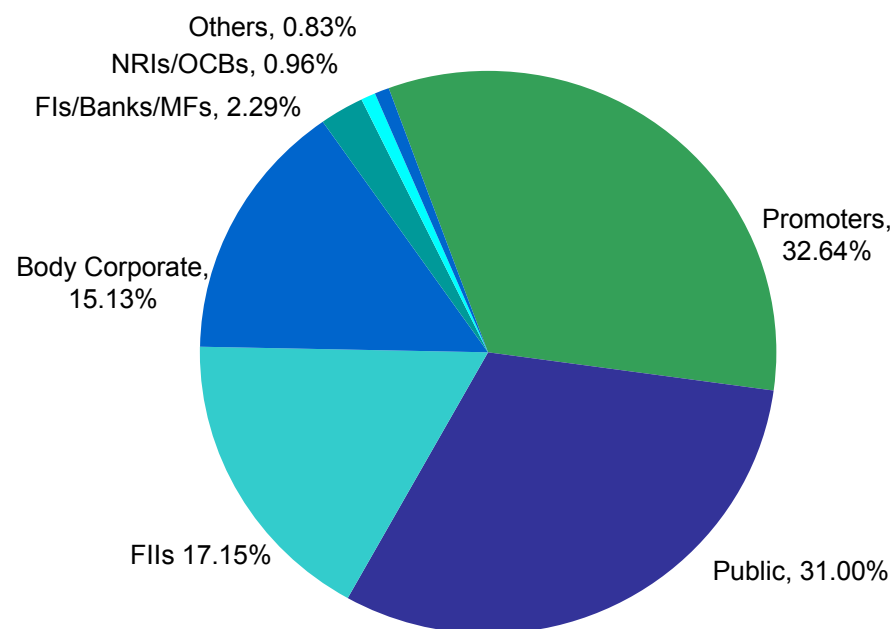


Category of Shareholder	Total No. of Shares
Promoters & Promoters Group	5,900,211
Public	5,604,076
Foreign Institutional Investors	3,099,710
Bodies Corporate	2,735,589
MFs/Bank/FIs	414,023
NRIs/OCBs	173,069
Others	150,322
TOTAL	18,077,000

Key Investors

Name of the Shareholder	% Holding
Copthall Mauritius Investment Ltd	4.7%
Deutsche Securities Mauritius Ltd	3.9%
Lehman Brothers	2.6%
Enam Investment	2.6%
Acacia Partners	2.5%
DSP Merrill Lynch	2.0%
BSMA Ltd	1.4%

Percentage Shareholding



As on June 30, 2008

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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 2000 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

About Four-S Services Pvt. Ltd.

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