



Persistent Systems Acquires Infospectrum

Signs Definitive Agreement for the Acquisition of Infospectrum's OPD Business

Pune, India – February 2, 2011: Persistent Systems (BSE & NSE: PERSISTENT), a leader in outsourced software product development (OPD) services, today announced that it has entered into a definitive agreement to acquire the OPD business of Infospectrum, Inc and its subsidiary - Infospectrum India Private Limited.

Persistent Systems' acquisition of Infospectrum's business will contribute to the Company's strategic thrust by providing better customer foothold in domains identified by them as their growth areas. This acquisition will enable Persistent Systems to further tap the European markets and provide access to customer's from verticals like aerospace and defense, complex manufacturing, maritime, transportation and logistics, satellite imaging and geographic information systems.

Persistent Systems is confident that this acquisition would augment the Company's delivery organization in Nagpur for leveraging its growth plans. With this acquisition, the Company's Nagpur development center will be 800+ people strong with the Company on-boarding approximately 200 experienced software professionals from Infospectrum, India.

Elaborating on the acquisition, Dr. Anand Deshpande, Chairman and Managing Director, Persistent Systems said, "We are very excited about this acquisition. Infospectrum is already a well-established player in the market and Jay and his team has done a phenomenal job in building the company. We are very happy to welcome them in the Persistent family. Infospectrum has customers in different geographies and domains which are complementary to Persistent and would be good growth drivers for us."

Dr. Deshpande further added, "We believe that with our focus areas –cloud computing, collaboration, analytics and mobility, we will be able to provide larger value and growth to Infospectrum's customers and employees. We are focused on growing our centers in smaller locations and we believe that this acquisition allows us to scale our business in Nagpur, it being a strategic location for us."

"We have admired Persistent Systems' growth as an OPD Company and are delighted to be part of the organization which is a leader in this space. Being part of Persistent Systems will enable us to provide better, faster and efficient services to our existing and potential set of customers", said Jayant (Jay) Chopde, CEO of Infospectrum's India operation.

Closing and Integration:

As part of the integration of the two businesses, Mr. Jayant (Jay) Chopde, the present CEO of Infospectrum India would join Persistent Systems operations along with Mr. Nitin Nistane, COO and Mr. Anand Aurangabadkar, CFO of Infospectrum India. Jay will augment the sales efforts while Nitin and Anand would be part of the operations and support functions respectively. The closing of the transaction is subject to customary approvals and satisfaction of other customary conditions. The transaction is expected to close during this financial quarter.

About Persistent Systems:

Established in 1990, Persistent Systems (BSE & NSE: PERSISTENT) is recognized as an award-winning technology company specializing in software product development services. With 5,400+ employees, innovative business models, and reusable assets and frameworks, Persistent helps customers increase revenues and margins, and enhance brand value. Persistent Systems has delivered over 3,000 software product releases in their last five years and has 290+ customers. The company has developed proven processes for the entire product lifecycle which reduce time-to-market while delivering consistent quality and customer satisfaction – as evidenced by customer partnerships that span many years. For more information, please visit: www.persistentsys.com.



About Infospectrum:

Infospectrum is a global software product development and technology services enterprise that specializes in serving complex manufacturing, asset-and service-oriented industries including aerospace & defense, complex manufacturing, maritime and transportation logistics, telecommunications, satellite imaging and geographic information system (GIS) industry verticals as well as the independent software vendors (ISVs) that serve them. For more information, please visit: www.info-spectrum.com

Forward-looking and Cautionary Statements:

Certain statements in this release 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.

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