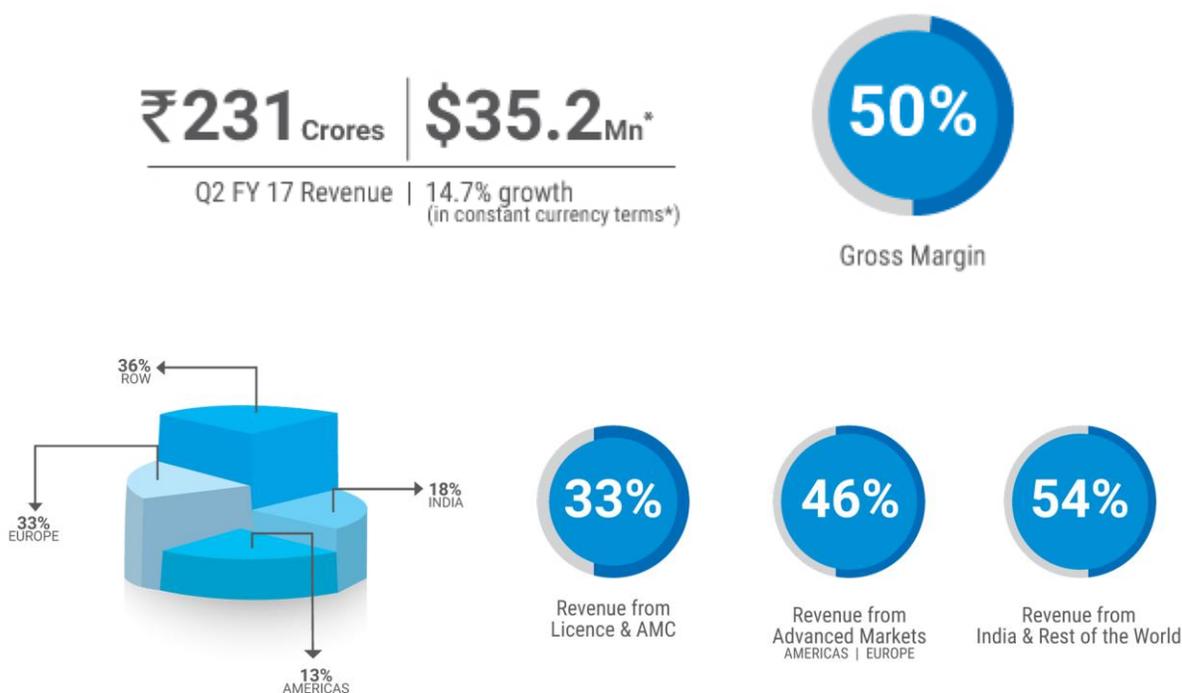


Intellect registers 14.7% sequential revenue growth in constant currency terms with strong Digital led wins

- **18 Digital led wins including 3 large digital transformation deals**
- **21 successful Go-Lives; continues to deliver over 95% implementations ahead of schedule and in full**

Chennai (India), November 3, 2016: Intellect Design Arena Ltd, a specialist in applying true Digital Technologies across Banking & Insurance, announced its second quarter results for FY 2016-17 today. Intellect drives some of the most successful digital transformations across Global Consumer Banking (iGCB), Global Transaction Banking (iGTB), Risk, Treasury & Markets (iRTM) and Insurance (Intellect SEEC).

I. Executive Summary



Revenue distribution on LTM basis

Revenues for the quarter ended 30th September 2016 stood at Rs. 231 Cr as against Rs. 206 Cr in the previous quarter representing 12% QoQ growth in INR terms. In Constant Currency terms, dollar revenue stood at \$35.2 Mn as against \$30.74 Mn in last quarter, representing 14.7% sequential growth.

In YoY terms, Revenues stood at Rs. 231 Cr as against Rs. 207 Cr in the same period last year representing 11.5% YoY growth in INR terms. In Constant Currency terms, dollar revenue stood at \$35.83 Mn as against \$31.94 Mn in the same period last year, representing 12% YoY growth.

Fund Raising Plan

The Board has approved the raising of funds through issue of equity shares to the existing shareholders of the Company on a right basis (Rights Issue) subject to all applicable statutory and regulatory approvals.

The terms and conditions of the Rights Issue including the timing of issue, quantum of offer, issue price, rights entitlement ratio, record date and other matters shall be decided in consultation with the Lead Manager to the Rights Issue.

II. Digital is the Key

Digital led destiny deals

Life Insurance Corporation of India (LIC), the largest insurance corporation in India has partnered with Intellect embarking on a digital transformation journey by implementing Intellect SEEC's digital solution. Intellect won this large deal against stiff global competition and has commenced the implementation of the three year digital transformation agenda of LIC.

Q2 FY 17 has recorded 18 digital led order wins. Significant amongst them are:

- Intellect has won a large multi-year digital transformational deal from one of the largest insurance and wealth management companies in Europe. In this landmark deal, the company has chosen **Distribution Suite from Intellect SEEC** for its Digital Transformation initiatives
- One of the largest Central Banks in South Asia chose **Intellect Quantum Currency Chest Management (QCMS)** for real time currency transaction and reporting system.
- One of the largest North American Bank, has chosen **Integrated Receivables from iGTB** to drive growth by leading with innovation
- Intellect won 2 deals during the quarter from the Middle East for implementing the **Digital Transaction Banking** platform suite from iGTB. This includes, a leading lender bank operating in United Arab Emirates for its operations in Kuwait and Bahrain and a Qatari commercial bank headquartered in Doha.
- A leading financial institution in India chose **Intellect's Supply Chain Finance** solutions from iGTB to automate the best financing programs for various stakeholders, thereby achieving operational efficiency
- **Intellect Digital Core** from Global Consumer Banking division has won 2 deals- from Sri Lanka and Mongolia. A leading financial institution in Sri Lanka chose Intellect Core to be rolled out in its newly acquired subsidiary.
- **Intellect Digital Lending** suite has won 4 deals in this quarter. A leading Qatari commercial bank which got an in principle approval to start operations in Saudi chose Intellect Digital Lending suite. One of the largest banks in Mongolia and a leading Qatari bank for its operations in Tunisia chose Debt Management solution from the Digital Lending suite. The largest bank in Philippines has chosen Central Liability from LOS.
- One of the leading banks in UAE chose **Intellect Digital Wealth Management** solution to empower the customer with actionable insights for informed decisions.

- **Intellect OneMARKETS**, a comprehensive product for Securities Trading and Asset Services has won 4 deals during this quarter. This includes two leading private sector banks in India, a full service bank in Jordan and one of the leading domestic banks in the United Arab Emirates. Launched in July 2016, the product has got significant traction in a short span and reaffirms its growing reputation in the global market
- Capital Small Finance Bank, India's first Small Finance Bank chose **Intellect OneTREASURY**. This is an integrated solution that helps to leverage risk thereby giving the banks the upper edge to compete globally

Active Pursuits:

The current funnel (Active Pursuits) of Intellect is around \$484 mn, out of which \$429 mn is accounted by 250 opportunities.

We have 24 high value active pursuits:

- 5 pursuits are of value more than Rs. 50 Cr. each
- 8 pursuits are of value between Rs. 30 Cr-Rs. 50 Cr. each
- 11 pursuits are of value between Rs. 20 Cr - Rs. 30 Cr. Each

New Product on the block:

Intellect is positioned at the forefront of the digital transformation that global banks and insurance companies are looking for in a connected world. Intellect strongly differentiates itself in the global market place with Digital 360, its holistic approach to accelerate digital transformation programs for financial institutions. Intellect's true Omni-channel apps based customer engagement platform help banks and financial institutions achieve their Digital Transformation vision. Designed at FT 8012, the World's first Design Center dedicated to financial technologies, Intellect's Digital Product Powerhouse unlocks value to fuel transformation with a true digital edge.



Digital Transaction Banking (DTB) available as SaaS: iGTB, the organisation behind the world's first comprehensive global transaction banking solution, has made its well-established global integrated cash and trade solution, Digital Transaction Banking (DTB), available as Software as a Service.

DTB comprises account services, reporting, collections and receivables (including EIPP), liquidity, trade finance, supply chain finance and treasury products, all seamlessly integrated. The product continues to experience great success and increasingly, banks are requesting a software deployment model that gives an even faster and simpler way to access these services. This is based on the model bank concept with many pre-configured elements and a comprehensive set of tried-and-tested customer journeys.

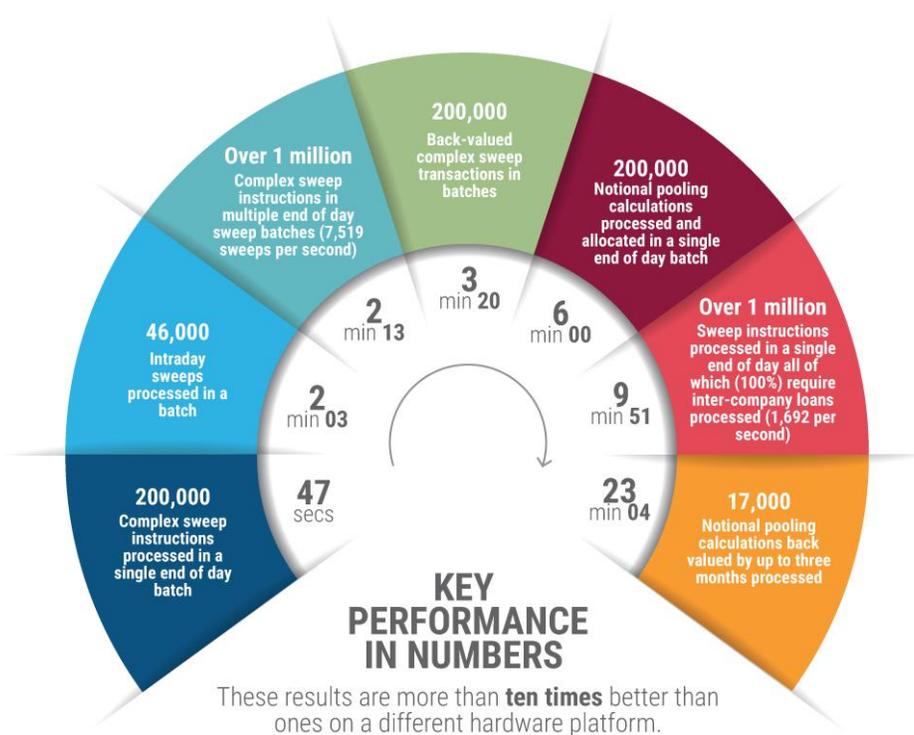
III. Management Statement

Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited said, “It is no coincidence that in this quarter we have won three large transformation deals including one from Europe. That large customers have trusted us with transformation of their core business is a proof of the robust engineering capability that we have built. The investments that we have made have given our Products a Digital edge and if we participate in a deal we find ourselves invited to the negotiation table more often than not.”

S Swaminathan, Chief Financial Officer, Intellect Design Arena Limited, said, “In the current environment of global volatility, I am pleased to observe that we have delivered growth in this quarter. Our Portfolio approach to business provides us the assurance of growth. Given the pay off of a portfolio approach, we would continue to make investments to build deeper moats around our products. Indeed such a strategy requires more investments than a single product company. We would shortly raise more funds to fuel this growth.”

IV. Setting New Benchmarks

A. iGTB's Algorithmic Liquidity Solution achieves a new benchmark on SPARC T7 Server.



iGTB Solution achieves 10 times faster benchmarks on Liquidity Platform running on SPARC T7 servers for processing transactions covering the key functions of corporate Algorithmic Liquidity Management (ALM). The iGTB solution can process over one million complex sweep structures at 7,516 instructions

per second. It is also capable of processing over 200,000 transactions with up-to-three-months back dated sweeps in a little over three minutes; and over a million with full intercompany loan processing in nine minutes (1,692 per second).

Performance benchmarking was conducted and reviewed jointly by iGTB and Oracle Systems engineering teams. The tests were conducted across a mix of 11 business-critical batch processes. The solution was tested on SPARC T7 servers with Oracle Database 12c and Oracle Solaris 11 to determine their performance and scalability parameters

B. Intellect Risk Analyst, a virtual assistant for underwriters achieves VerAfied Status

Intellect SEEC, the insurance software division of Intellect Design Arena earns the VerAfied status for its product Intellect Risk Analyst. This newly achieved status demonstrates that Intellect is committed to developing secure software products and digital platforms for their customers, shortening the company's sales cycle and giving it a competitive advantage over companies offering similar solutions.

C. Intellect Risk Analyst completes SSAE 16 SOC 2 certification

Intellect SEEC provides a secure business environment and ensures complete protection of data. It has completed the Statement on Standards for Attestation Engagements (SSAE) 16 SOC 2 Type 1 for its Risk Analyst product as attested by independent third-party CPA audit firm Auditwerx. The SOC 2 report is an attestation standard issued by the American Institute of Certified Public Accountants (AICPA) that reports on controls supporting the services provided by companies to its customers. This audit demonstrates the company's adherence specifically in the areas of Security, Availability, Processing Integrity, Confidentiality and Privacy.

V. Impeccable References

Products March On – Footprint Expands

Intellect continues to deliver over 95% implementations ahead of schedule and in full in Q2 FY17. Intellect went live in 21 financial institutions across the world. The significant implementations include:

- Intellect's iGTB Payment Hub is live in CIBC, one of the largest Canadian Bank. CIBC has implemented phase 1 of the bank's next generation payments infrastructure for business clients. CIBC's goal is to drive growth by leading with innovation while helping to simplify how clients manage their business.
- A leading and multi-national financial institution in Europe have gone live with iGTB's Risk Management solution
- A well known Spanish bank has gone live with iGTB's Payment Hub in another Latin American country.
- Leading UK High Street Bank has rolled out iGTB's Payments Limit Management solution across 2 more countries in Europe supporting Faster Payments
- Intellect's iGTB Commercial Risk - Sanctions Screening Exception Management module went live in one of the largest multinational financial institutions in Europe.
- Intellect's iGTB Digital Transaction Banking went live in 3 leading financial institutions in Middle East and APAC

- Intellect Lending has gone live in 3 leading financial institutions in India and Middle East regions. All the three implementation were delivered ahead of schedule. With this Intellect Lending is successfully running in 57 sites.
- A leading multinational financial institution in India has gone live with Intellect Wealth Management.
- Intellect Digital Core went live in 3 financial institutions which include one of the leading lender banks in Middle East, a leading diversified Japanese financial institution and the largest development bank in Myanmar which makes Digital Core operational in 58 sites.
- Intellect OneTREASURY went live in 2 leading financial institutions. One of the small finance banks in the country and one of the leading public sector banks in India went live with Foreign Exchange, Money Market and other modules from OneTREASURY. With this Intellect OneTREASURY has 32 live sites including Reserve Bank of India, NABARD, Saigon Hanoi Bank (SHB), National Bank of Ethiopia, UCO Bank and Housing Finance Bank.
- A well known UK based Wealth Management Company has integrated Intellect SEEC's Distribution Suite UI architecture with the existing services of service provider for its partner portal.

In the Limelight:

Intellect's cutting-edge digital technologies and digital products have been recognized by renowned global analysts and research firms.

- Intellect Design Arena recognized as a Leader for the 6th consecutive year in Gartner's Magic Quadrant for Global Retail Core Banking
- Intellect Design Arena Ltd Implementation at SONALI Bank ranked "Winner - Overall" and "Winner - Enterprise Efficiencies" at IDC FinTech Real Results Awards
- Intellect rated Strong Performer & amongst Global Top 8 Vendors in Forrester Wave
- Intellect recognized among Leading Global Core Vendors with US presence in Aite report
- Intellect Wealth featured among Leading European vendors offering Front-to-Back Office Platforms in Celent's report
- iGTB Customer Onboarding (COB) & KYC offerings featured among leading COB solutions in Celent's report
- Intellect iGTB Receivables featured amongst Leading vendors providing Actionable Receivables Analytics in Aite report
- Intellect SEEC Risk Analyst features amongst leading Predictive Analytics Solutions for US P/C Insurers in Novarica's report
- Intellect SEEC's Risk Analyst featured amongst Leading U.S. Insurance Underwriting Data & Analytics Vendors in Aite report
- Intellect SEEC E-App & Product Configurator Business App (part of Digital Distribution Suite) featured amongst Leading North America Life Insurance New Business and Underwriting Vendors in Celent's report

Financial Results for the Second Quarter Ended September 30, 2016

Additional Information on function wise classification of statement of Profit and Loss of the Group
(Unaudited / Not Reviewed)

Rs. Lakhs

Particulars	QUARTER ENDED		
	September 30, 2016	June 30, 2016	September 30, 2015
INCOME			
Gross Income from software product license and related services	22,942.42	20,475.00	20,612.86
Forex impact on Hedge accounting	154.00	105.25	120.10
Income from software product license and related services	23,096.42	20,580.25	20,732.96
EXPENDITURE			
Software delivery expenses	11,539.28	10,122.64	9,768.24
Selling & marketing and General & Administrative expenses (SG & A)	10,558.68	10,127.20	8,203.05
Total Expenditure	22,097.96	20,249.84	17,971.29
Profit / (Loss) before interest, depreciation & amortization	998.46	330.41	2,761.67
Research & Engineering expenses	1,987.05	1,555.35	3,380.00
Depreciation/Amortisation	610.24	591.13	495.00
Finance Charges	240.67	161.09	26.93
Profit / (Loss) after interest, depreciation & amortization	(1,839.50)	(1,977.16)	(1,140.26)
Other Income including exceptional items	368.36	1,649.47	404.77
Minority Interest/ Share of profit/(loss) of Associate Companies	357.20	125.28	12.09
Profit / (Loss) before tax	(1,113.94)	(202.41)	(723.40)
Provision for taxation	270.00	350.00	71.14
Profit / (Loss) after tax	(1,383.94)	(552.41)	(794.54)

[Investor Conference Call](#)

The Board of Directors of Intellect Design Arena Limited met on **3rd November 2016**, to take on record the financial results of the company for the Second Quarter ended September 30, 2016.

Intellect Design Arena Ltd. will host an Investors Conference Call on **3rd November 2016**, where the Senior Management of Intellect will comment on the company's performance during the Second Quarter ended September 30, 2016 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Thursday, 3rd November 2016.**

The dial-in numbers to join the conference call:

Conference Name	:	Q2 FY17 Investor earnings call
Date	:	3rd November 2016
Time	:	17:00 to 18:00 IST
Conference ID	:	8086812
ACCESS NUMBERS		
MUMBAI	:	Primary Access Toll Number : 02230360400
BANGALORE	:	Primary Access Toll Number : 08030360400
DELHI	:	Primary Access Toll Number : 01130360400
CHENNAI	:	Primary Access Toll Number : 04430360400
INDIA	:	Primary Access Toll free Number : 180030131313
HONG KONG	:	Primary Access Toll free Number : 800901420
SINGAPORE	:	Primary Access Toll free Number : 8001011906
US and Canada	:	Primary Access Toll free Number : 18663944523
UK	:	Primary Access Toll free Number : 08081681758
UAE	:	Primary Access Toll free Number : 8000174397

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