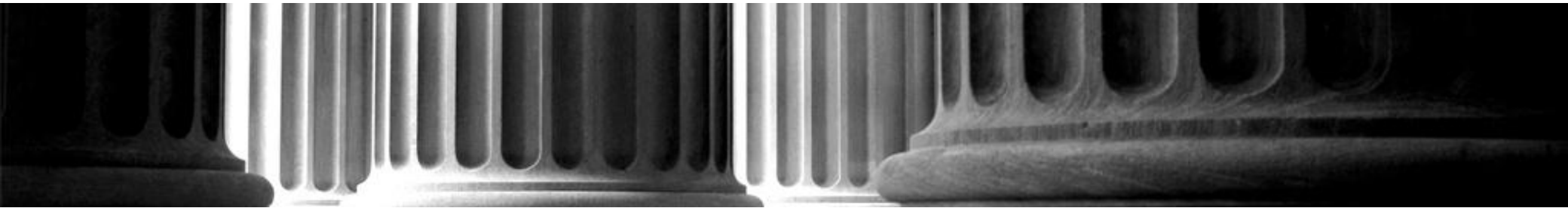




Polaris Financial Technology Limited



**Results for Quarter I
FY 2012 - 13**



Disclaimer



Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT services companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, 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, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Polaris FT has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Polaris FT may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.



Q1 FY13 Highlights



Polaris FT - Earnings Snapshot : Q1-FY13



- **Revenue** stands at INR 569 Cr, growth of 26% YoY
- **EBITDA** stands at INR 106 Cr, growth of 28% YoY
- **FT Sourcing** grew by 27% - **FT Intellect** grew by 23%
- **Net Income** at INR 61 Cr, growth of 37% YoY
- **EPS** stands at INR 6.15, growth of 37% YoY
- 14 **new clients** added – including 9 Intellect Wins
- Added 832 **associates** in the quarter, taking head count to 13,718

Note: Total Income by constant currency reporting stands at USD 109.31

Polaris FT - Key Wins : Q1-FY13



- Polaris **FT Intellect** signs with prominent bank in Saudi Arabia to provide Corporate Online Banking
- Polaris **FT Intellect** signs leading Ugandan mortgage segment leader to deploy Intellect Core Banking Solution
- Polaris **FT Intellect** signs with leading commercial bank in Vietnam to deploy Intellect Portal for Retail and Corporate Banking
- Polaris **FT Sourcing** signs with worlds leading commodity derivative exchange headquartered in US for its Global Technology Services
- Polaris **FT Sourcing** signs with leading e-commerce logistics and support services player in the UK for Application Development and Roadmap consulting

Polaris FT - Management View : Q1-FY13



Arun Jain, Founder, Chairman & CEO, Polaris Financial Technology Limited said, “With our continued focus on complexity reduction, we have been able to bring forth the best value in Financial Technology through our robust combination of Services and Products, supported by strong FT Research. Despite the global slowdown across the marketplace, our deep domain knowledge and Financial Technology expertise has resulted in our sales funnel growing from USD 600 to USD 681 million.”

Nat Narayanasamy, Group CFO, Polaris Financial Technology Limited said, “We are heading in the right direction and making the right investments into sales, marketing and research. We are confident of delivering an EPS of Rs. 25.50 for the year.”

Polaris FT – Accolades : Q1-FY13



- Polaris won the '**Best Payments Infrastructure project for Mid Tier Banks**' award at The Asian Banker Summit 2012 held in Bangkok.
- Polaris received the **HP AllianceONE Partner Award** in the Converged Infrastructure Solutions category.
- Polaris FT' RBI ten year deal is among the **Top 9 Deals** cited in Everest Group report titled, "**IT Application Outsourcing (AO) in Banking - Trends and Future Outlook**".





Polaris FT Financial & Operational Metrics



Note : All MIS reporting are based on Constant Currency figures

Polaris FT - Consolidated Financials : Q1-FY13



PARTICULARS	QUARTER ENDED			YEAR ENDED
	30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
INCOME				
Income from software services, products and Business Process Management	56,931.26	52,027.52	45,018.87	205,273.12
Other operating Income / (Loss)	798.12	-214.8	560.11	-337.49
	57,729.38	51,812.72	45,578.98	204,935.63
EXPENDITURE				
Software Development Expenses	36,590.09	33,109.10	28,894.78	129,570.55
Selling and Marketing expenses	7,090.03	6,415.44	5,077.31	22,507.74
General and Administrative expenses	3,434.99	3,473.84	3,323.79	13,590.99
Total Expenditure	47,115.11	42,998.38	37,295.88	165,669.28
Profit before Interest, Depreciation & Amortization	10,614.27	8,814.34	8,283.10	39,266.35
Research & Development expenses	2,882.01	2,559.00	1,959.00	10,657.00
Depreciation/Amortization	1,291.74	1,342.71	956.35	4,723.07
Finance Charges	75.44	64.32	22.73	170.55
Profit after Interest, Depreciation & Amortization	6,365.08	4,848.31	5,345.02	23,715.73
Other Income	1,364.35	2,157.79	801.68	4,629.66
Minority Interest/ Share of profit/(loss) of Associate Companies	15.4	6.37	1.81	27.65
Profit before Tax (PBT)	7,744.83	7,012.47	6,148.51	28,373.04
Provision for taxation	1,628.08	898.36	1,692.48	6,302.19
Profit after Tax (PAT)	6,116.75	6,114.11	4,456.03	22,070.85
Earning Per Share (EPS) of Rs 5 each (Rs)				
Basic	6.15	6.15	4.49	22.22
Diluted	6.13	6.13	4.46	22.15

Polaris FT - Revenue Segmentation:Q1-FY13



Break up by Segments (\$ mn)	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
FT Sourcing	82.21	79.81	80.85	80.25	76.43
FT Intellect	24.51	23.03	30.97	30.42	23.52
BPO	0.88	0.68	0.66	0.67	0.70
Total	107.60	103.52	112.48	111.34	100.65

Break up by Segments	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
FT Sourcing	76.4%	77.0%	71.8%	72.0%	75.9%
FT Intellect	22.7%	22.2%	27.5%	27.3%	23.3%
BPO	0.9%	0.8%	0.7%	0.7%	0.8%

Polaris FT – Operational Metrics :Q1-FY13



Split of business by delivery model

by Revenues	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
Onsite	43.10%	42.17%	42.81%	40.85%	43.32%
Offshore	56.90%	57.83%	57.19%	59.15%	56.68%

by Effort	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
Onsite	22.30%	21.74%	22.01%	21.86%	22.60%
Offshore	77.70%	78.26%	77.99%	78.14%	77.40%

Note : All MIS reporting are based on Constant Currency figures

Polaris FT - Client Metrics: Q1-FY 13



Client Concentration	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
Top 5	39.30%	38.97%	43.75%	43.03%	40.81%
Top 10	52.70%	52.77%	57.79%	56.73%	54.76%
US\$ 1+ Mn accounts	43	42	43	44	47
US\$ 5+ Mn accounts	6	6	6	9	6
US\$ 10+ Mn accounts	8	8	7	5	5
US\$ 25+ Mn accounts	3	3	3	3	3

Polaris FT – Client Metrics: Q1-FY13



Polaris FT – Client Metrics	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
Active FT Clients	267	266	261	257	246

Clients Added	14	17	22	27	15
FT Sourcing Clients Added	5	6	9	15	4
FT Intellect Client Added	9	11	13	12	11

Note : All MIS reporting are based on Constant Currency figures

Polaris FT – Financial Info : Q1-FY13



	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
Cash & Eqv (INR Cr)	329	390	419	417	417
Major Cash Outflow Items	<ul style="list-style-type: none"> • Capex 17 Cr • Employee Annual Payment 73 Cr • Employee Trust 20 Cr 	<ul style="list-style-type: none"> • Capex 21Cr • Dividend 23 Cr • Acquisition 11 Cr 	<ul style="list-style-type: none"> • Capex 72 Cr • Employee Cost 10cr • Acquisition 9Cr 	<ul style="list-style-type: none"> • Capex 25 cr • Dividend 52 Cr 	<ul style="list-style-type: none"> • Capex 28 Cr • Employee Cost 40 Cr • Acquisition 87Cr

DSO Days	Billed	75	63	56	57	52
	Unbilled	43	49	43	44	41
	Total	118	112	99	101	93

Effective Rate Considering Hedging (AS-30)	Q1 FY13
	52.91

USD INR Rate	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
Average Rate	54.06	50.26	50.90	45.78	44.73
Closing Rate	55.62	50.88	53.11	48.98	44.70

Polaris FT - HR Metrics : Q1-FY13



Associates Break-Up	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
FT Sourcing	56%	60%	62%	63%	64%
FT Intellect	21%	21%	21%	20%	19%
Corporate & Support	7%	7%	7%	7%	7%
Sales & Marketing	3%	3%	3%	3%	3%
BPO	13%	9%	7%	7%	7%

Attrition	15.1%	15.6%	16.0%	15.0%	16.0%
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Capacity Utilisation	80.5%	81.0%	81.0%	80.0%	81.0%
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Note : All MIS reporting are based on Constant Currency figures



FT Sourcing Metrics



Polaris FT – FT Sourcing Metrics : Q1-FY13



FT Sourcing Geography Split	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
Americas	53%	52%	52%	54%	53%
Europe	23%	25%	26%	25%	25%
Rest of World	24%	23%	22%	21%	22%

Note : All MIS reporting are based on Constant Currency figures

Polaris FT - FT Sourcing Metrics :Q1-FY13



Revenue Break up by Vertical	Q1 FY13	Q4 FY 12	Q3 FY12	Q2 FY12	Q1 FY12
Retail Banking	21.2%	19.4%	19.9%	19.4%	20.1%
Corporate Banking	30.0%	28.9%	29.3%	30.5%	30.3%
Treasury & Capital Markets	38.0%	41.1%	40.1%	39.3%	38.1%
Insurance	5.9%	6.0%	6.2%	6.1%	6.4%
Others	4.9%	4.6%	4.5%	4.7%	5.1%

Note : All MIS reporting are based on Constant Currency figures

Polaris FT - FT Sourcing Metrics :Q1-FY13



Break up of Service Revenues	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
App Main	38.5%	38.1%	39.1%	37.7%	35.0%
App Dev	39.2%	40.7%	39.8%	41.3%	44.0%
Testing	20.7%	19.7%	19.4%	19.5%	19.2%
Others	1.6%	1.5%	1.7%	1.5%	1.8%

Revenue by	Q1 FY13	Q4 FY 12	Q3 FY12	Q2 FY12	Q1 FY12
Fixed Price	31.0%	31.0%	30.0%	27.0%	28.0%
Time & Material	69.0%	69.0%	70.0%	73.0%	72.0%

Note : All MIS reporting are based on Constant Currency figures



FT Intellect Metrics



Polaris FT – FT Intellect Metrics: Q1-FY13



FT INTELLECT Geography Split	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
AMERICAS	17%	18%	10%	10%	15%
EUROPE	27%	25%	17%	19%	24%
Rest of World	56%	57%	73%	71%	61%

Polaris FT – FT Intellect Metrics: Q1-FY13



Break up of FT Intellect Rev	Q1 FY13	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12
License	13.3%	7.8%	27.1%	13.5%	21.2%
Professional Service	49.3%	48.4%	40.3%	49.2%	46.5%
Support & Maintenance	36.2%	40.6%	26.2%	22.0%	27.6%
SI	1.2%	3.2%	6.4%	15.3%	4.7%



Thank You

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For Investor related info, please contact:

G. Sunanthi Devi

Polaris Financial Technology Ltd.

Mob: +91 8939933564

Email: sunanthi.g@polarisFT.com