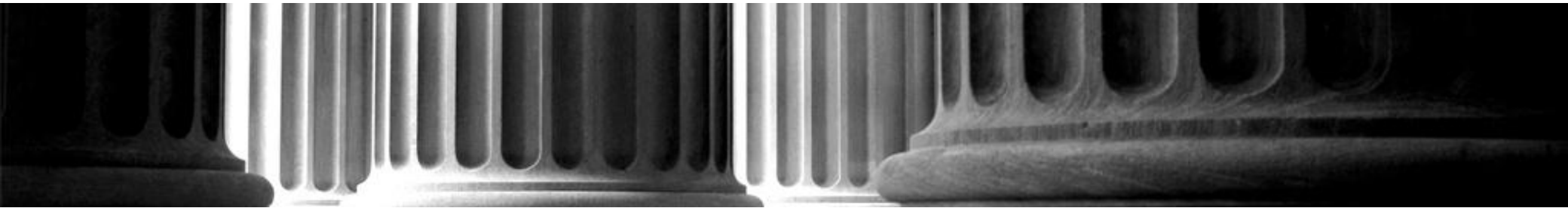




Polaris Financial Technology Limited



**Results for Quarter III
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.



Q3 FY13 Highlights





- **New Client wins** (16) includes 9 FT Intellect clients and 7 FT Sourcing Clients
- **Polaris FT Sourcing** business witnessed marginal revenue turbulence due to Hurricane Sandy impacting technology operations of its New York based clients
- **Polaris FT Intellect** steady with new win flow – Sequential revenue booking drop – New wins will lead to revenue accruals in the coming quarters
- **IdenTrust Inc** (part of FT Cloud) reported a loss of INR 12 Crore this quarter
- **Cash & Equivalent** position improved to 480 Cr (420 cr in Q2)
- **Improved Collection** brought down billed DSO days to 64 days (69 in Q2)
- Head count stands at **13,114** as of 31st Dec. 12



Quarter View

- Polaris FT **Revenue** stands at **INR 573 Cr**
- Polaris FT **EBITDA** stands at **INR 94 Cr** (Excludes AS 30 Impact)
- Polaris FT **Net Income** at **INR 52.56 Cr** (Excluding 12 Cr IdenTrust loss)
- Revenue – FT Sourcing @ **INR 445 Cr**; FT Intellect @ **INR 128 Cr**
- **Gross Margins** - FT Sourcing @ **34%** ; FT Intellect @ **43%**
- **EPS** for the Quarter @ **INR 4.1**

Nine Months View

- Polaris FT **Revenue** stands at **INR 1,754 Cr** – 14.5% Y-o-Y Growth
- Polaris FT **EBITDA** stands at **INR 293 Cr**
- Polaris FT **Net Income** at **INR 157 Cr**
- **EPS** for the nine months @ **INR 15.78**

Polaris FT - Consolidated Financials : Q3-FY13



Rs.Lakhs

Particulars	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	December 31, 2012	September 30, 2012	December 31, 2011	December 31, 2012	December 31, 2011	March 31, 2012
INCOME						
Gross Income from software services, products and Business Process Management	57,288.49	59,907.95	57,253.05	1,75,360.35	1,53,245.6	2,04,915.14
Forex impact on Hedge accounting	(1,230.35)	(1,318.21)	-	(3,781.21)	-	-
Net Income from software services, products and Business Process Management	56,058.14	58,589.74	57,253.05	171,579.14	153,245.60	204,915.14
EXPENDITURE						
Software development expenses	36,655.79	36,711.83	34,248.46	109,958.28	96,461.46	129,212.57
Selling and marketing expenses	6,952.91	7,200.17	5,599.18	21,243.11	16,092.30	22,507.74
General and Administrative expenses	4,261.65	3,332.73	3,474.48	11,029.36	10,117.14	13,592.88
Total Expenditure	47,870.35	47,244.73	43,322.12	142,230.75	122,670.90	165,313.19
Profit before interest, depreciation & amortization	8,187.79	11,345.01	13,930.93	29,348.39	30,574.70	39,601.95
Research & development expenses	2,741.02	2,520.15	3,412.00	8,143.18	8,098.00	10,657.00
Depreciation/ Amortization	1,392.02	1,294.87	1,305.57	3,978.63	3,380.36	4,723.07
Finance Charges	53.90	61.79	48.25	191.13	106.23	170.55
Profit after interest, depreciation & amortization	4,000.85	7,468.20	9,165.11	17,035.45	18,990.11	24,051.33
Other Income	966.21	(780.74)	(1,239.87)	2,348.54	2,349.18	4,292.17
Minority Interest/ Share of profit/ (loss) of Associate Companies	41.04	166.59	8.39	223.03	21.28	27.65
Profit before tax	5,008.10	6,854.05	7,933.63	19,607.02	21,360.57	28,371.15
Provision for taxation	941.46	1,340.89	1,826.53	3,910.44	5,403.83	6,300.29
Profit after tax	4,066.64	5,513.16	6,107.10	15,696.58	15,956.74	22,070.86

Polaris FT – FT Sourcing -- Business Ratios : Q3-FY13

	Q3 FY13	% of Rev	Q2 FY13	% of Rev	Q1 FY13	% of Rev
Revenue (USD)	82.17		82.34		83.08	
Revenue (INR Cr)	444.93		448.78		449.13	
Software Dev Cost	294.03	66.1%	294.14	65.5%	298.27	66.4%
Gross Margin	150.89	33.9%	154.64	34.5%	150.86	33.0%
S&M Costs	39.89	9.0%	41.87	9.3%	41.16	9.1%
G&A Costs	16.58	3.6%	16.50	3.7%	19.10	4.2%
EBITDA	94.42	21.2%	96.25	21.4%	90.61	20.2%
R&D Costs	5.81	1.3%	5.68	1.3%	8.11	1.8%
Dep & Fin charges	8.65	1.9%	8.56	2.0%	8.86	2.0%
Profit	79.96	18.0%	82.01	18.3%	73.64	16.4%

Note: FT Sourcing Revenue includes revenues from BPO

Polaris FT – FT Intellect - Business Ratios : Q3-FY13



	GTB						CBC, TCM, INS						FT Cloud					
	Q3 13		Q2 13		Q1 13		Q3 13		Q2 13		Q1 13		Q3 13		Q2 13		Q1 13	
Revenue (USD)	10.47		13.69		10.33		7.57		8.60		8.69		5.60		5.29		5.49	
Revenue (INR Cr)	56.68		74.59		55.84		40.98		46.85		46.98		30.30		28.86		29.68	
Software Dev Exp	25.55	45.1%	27.31	36.6%	25.63	45.9%	26.42	64.5%	30.97	66.1%	28.64	61.0%	20.53	67.7%	14.68	50.9%	13.37	45.0%
Gross Margin	31.13	54.9%	47.28	63.4%	30.21	54.1%	14.55	35.5%	15.88	33.9%	18.34	39.1%	9.76	32.2%	14.16	49.1%	16.32	55.0%
S&M Costs	14.79	26.1%	15.83	21.2%	14.11	25.3%	8.34	20.3%	7.66	16.3%	9.92	21.1%	6.51	21.5%	6.64	23.0%	5.71	19.2%
G&A Costs	4.53	7.9%	4.24	5.7%	4.00	7.2%	3.06	7.4%	2.87	6.1%	2.71	5.8%	18.43	60.8%	9.72	33.7%	8.54	28.8%
EBITDA	11.81	20.8%	27.22	36.5%	12.10	21.7%	3.15	7.7%	5.36	11.4%	5.71	12.2%	-15.19	-50.1%	-2.18	-7.6%	2.07	7.0%
R&D Costs	7.12	12.6%	5.57	7.5%	6.77	12.1%	10.81	26.3%	8.58	18.3%	8.86	18.9%	3.67	12.1%	5.37	18.6%	5.08	17.1%
Depreciation	2.13	3.7%	1.91	2.6%	1.72	3.1%	2.23	5.4%	2.21	4.7%	2.1	4.5%	1.44	4.7%	0.27	0.9%	0.24	0.8%
Profit	2.56	4.5%	19.74	26.5%	3.61	6.5%	-9.90	-24.2%	-5.44	-11.6%	-5.25	-11.2%	-20.30	-67.0%	-7.83	-27.1%	-3.25	-10.9%



Polaris FT Q3FY13

Business Highlights

**Key Wins, Accolades &
Management Vision**



Polaris FT - Key Wins : Q3-FY13



- **Polaris FT Intellect** GTB Suite was selected by one of the **largest banks from South America** for modernizing their Global Transaction Banking Platform.
- **Polaris FT Intellect** was selected by a highly diversified **global financial service provider** serving more than 12 million personal for its Loan Origination Solution
- **Polaris FT Intellect** Core Banking Solution was selected by **Kenya's premier commercial bank** to transform their banking technology platform
- **Polaris FT Intellect** was selected by the trade association of mutual funds and an apex body of all **Asset Management Companies (AMC)** to support its next generation portal development
- **Polaris FT Sourcing** signs with a **Saudi joint stock company** to offer Test Automation services
- **Polaris FT Sourcing** signs with World's leading and most diverse derivatives Exchange to offer Test Process Enhancement and Automation services
- **Polaris FT Sourcing** has been selected by the **world's leading source of intelligent information** for businesses and professionals for its ADM services

Polaris FT – Accolades : Q3-FY13



- **Polaris FT Intellect** featured as “**Strong Performer**” in - Forrester Wave: Global Banking Platforms
- **Polaris FT** rated “**Major Contender**” in Everest Group’s PEAK Matrix among CAPITAL MARKETS Application Outsourcing (AO) Service Providers.
- **Polaris FT Intellect Wealth** features among “**Best Wealth Management Technology Products**” in AITE Report -- European and Asia-Pacific Wealth Management Technology Players
- **Polaris FT Intellect Cash** features among 8 leading US Cash Management Vendors in AITE Group's report "Leading US Cash Management Vendors: Winning Strategies for a New Environment”.
- **Polaris FT Intellect Loan Origination** featured amongst the leading Loan Origination Systems in Tower Group's "Loan Origination Systems Technology Analysis”

Polaris FT - Management View : Q3-FY13



Arun Jain, Founder, Chairman & CEO, Polaris Financial Technology

Limited said, “This has been a challenging quarter. However, we continue to build momentum with 16 new business wins. These wins will lead to revenue accruals in the coming quarters”

Govind Singhal, President & COO, Polaris Financial Technology Limited

said, “Service business has been steady barring a \$800,000 negative impact due to Hurricane Sandy. As regards our Product Business, though we won nine deals, the slow down in Europe has impacted three deal closures and revenue recognition this quarter. Our overall Operational Improvement agenda is on track and costs were contained at the levels of the previous quarter.”



Polaris FT Financial & Operational Metrics



Polaris FT - Revenue Segmentation : Q3-FY13



Break up by Segments (\$ mn)	Q3FY13	Q2FY13	Q1 FY13	Q4 FY12	Q3 FY12
FT Sourcing	80.92	81.21	82.22	79.81	80.85
FT Intellect	23.63	27.58	24.51	23.03	30.97
BPO	1.25	1.14	0.86	0.68	0.66
Total	105.80	109.93	107.59	103.52	112.48

Break up by Segments	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q3 FY12
FT Sourcing	76.5%	73.8%	76.4%	77.0%	71.8%
FT Intellect	22.3%	25.0%	22.7%	22.2%	27.5%
BPO	1.2%	1.2%	0.9%	0.8%	0.7%

Polaris FT - Client Metrics : Q3-FY13



Client Concentration	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q3 FY12
Top 5	39.20%	39.50%	39.30%	38.97%	43.75%
Top 10	51.60%	52.30%	52.70%	52.77%	57.79%

US\$ 1+ Mn accounts	43	34	37	34	36
US\$ 3+ Mn accounts	11	10	6	8	7
US\$ 5+ Mn accounts	6	5	6	6	6
US\$ 10+ Mn accounts	7	9	8	8	7
US\$ 25+ Mn accounts	3	3	3	3	3

Active FT Clients	265	269	267	266	261
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Polaris FT – Financial Info : Q3-FY13



		Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q3 FY12
Cash & Eqv (INR Cr)		480	420	329	390	419
Major Cash Outflow Items		<ul style="list-style-type: none"> • Capex 21Cr • Dividend 35Cr • Employee Annual Payment 13 Cr 	<ul style="list-style-type: none"> • Capex 9 Cr. 	<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
DSO Days	Billed	64	69	75	63	56
	Unbilled	44	43	43	49	43
	Total	108	112	118	112	99
USD INR Rate		Q3 FY13	Q2 FY13	Q1 FY12	Q4 FY12	Q3 FY12
Average Rate		54.15	54.50	54.06	50.26	50.90
Closing Rate		55.00	52.86	55.62	50.88	53.11
HR Metrics		Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q3 FY12
Attrition		17.9%	18.1%	15.1%	15.6%	16.0%
Capacity Utilisation		80.1%	81.2%	80.5%	81.0%	81.0%



FT Sourcing Metrics



Polaris FT – FT Sourcing Metrics : Q3-FY13



FT Sourcing Geo Split	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q3 FY12
Americas	51.9%	54%	53%	52%	52%
Europe	23.2%	23%	23%	25%	26%
India	6.6%	5%	5%	7%	6%
Rest of World	18.3%	18%	19%	16%	16%

Polaris FT – FT Sourcing Metrics : Q3-FY13



Revenue Break up by Vertical	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY 12	Q3 FY12
Retail Banking	20.1%	20.5%	21.2%	19.4%	19.9%
Corporate Banking	29.7%	29.1%	30.0%	28.9%	29.3%
Treasury & Capital Markets	39.1%	39.6%	38.0%	41.1%	40.1%
Insurance	6.4%	6.3%	5.9%	6.0%	6.2%
Others	4.7%	4.5%	4.9%	4.6%	4.5%

Polaris FT – FT Sourcing Metrics : Q3-FY13



Break up of Service Revenues	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q3 FY12
App Main	36.5%	39.3%	38.5%	38.1%	39.1%
App Dev	39.2%	37.8%	39.2%	40.7%	39.8%
Testing	22.4%	21.4%	20.7%	19.7%	19.4%
Others	1.9%	1.5%	1.6%	1.5%	1.7%

Revenue by	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY 12	Q3 FY12
Fixed Bid	31.1%	32.3%	31.0%	31.0%	30.0%
Time & Material	68.9%	67.7%	69.0%	69.0%	70.0%



FT Intellect Metrics



Polaris FT – FT Intellect Metrics: Q3-FY13

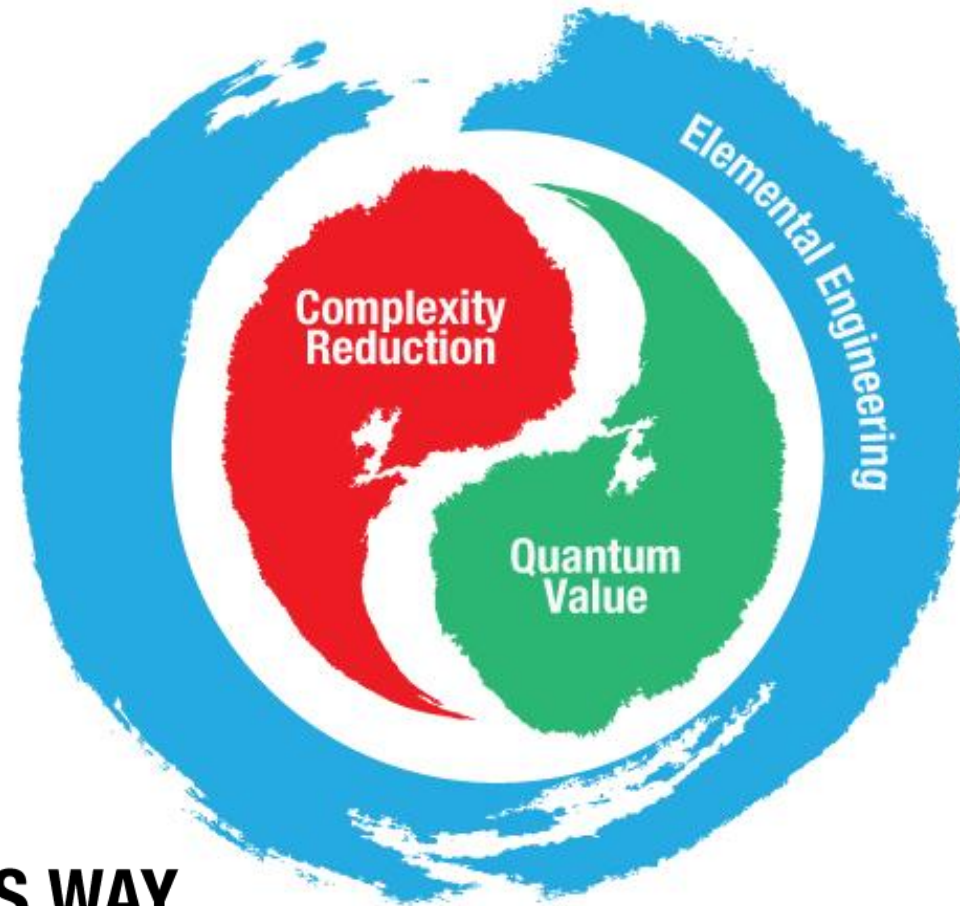


FT INTELLECT Geo Split	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q3 FY12
AMERICAS	19.9%	20%	17%	18%	10%
EUROPE	19.8%	18%	27%	25%	17%
India	15.6%	13%	15%	15%	13%
Rest of World	44.7%	49%	41%	42%	60%

Polaris FT – FT Intellect Metrics: Q3-FY13



Break up of FT Intellect Revenue	Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q3 FY12
License	11.1%	19.5%	13.3%	7.8%	27.1%
Professional Service	47.1%	47.1%	49.3%	48.4%	40.3%
Support & Maintenance	40.4%	30.3%	36.2%	40.6%	26.2%
SI	1.4%	3.1%	1.2%	3.2%	6.4%



THE POLARIS WAY... High Performance FT

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Thank You

For Investor related info, please contact:

G. Sunanthy Devi

Polaris Financial Technology Ltd.

Mob: +91 8939933564

Email: sunanthy.g@polarisFT.com