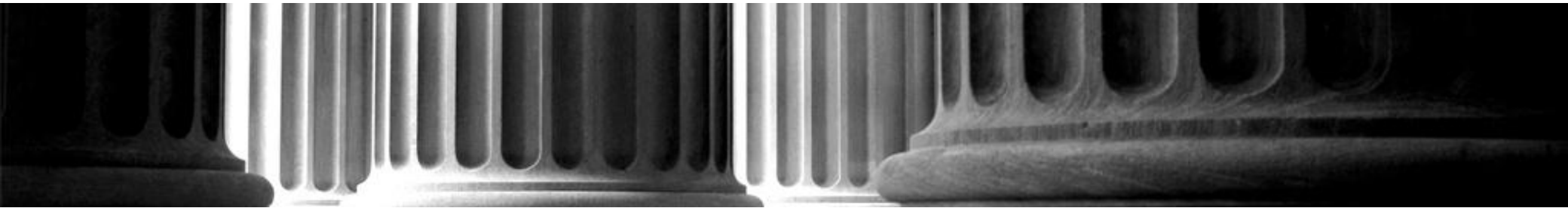




Polaris Financial Technology Limited

Consolidated Business



Earnings Announcement - Third Quarter FY 13-14
January 29, 2014

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.



- **Revenue** stands at **INR 643 Cr; 12% YoY Growth**
- **EBITDA** stands at **INR 121 Cr ; 29% YoY Growth**
- **Net Income** at **INR 51 Cr ; 25% YoY Growth**
- **EPS** for the Quarter @ **INR 5.1**; Annualized at **INR 21.00** (based on YTD FY14)
- **Cash & Cash Equivalents** stood at **INR 569 Cr**
- Head count stands at **12,297** as of 31st December'13

Q3 FY14 - Consolidated Business Financials



Rs.Lakhs

Particulars	QUARTER ENDED			YEAR ENDED
	December 31, 2013	September 30, 2013	December 31, 2012	March 31, 2013
INCOME				
Gross Income from software services, products and Business Process Management	64,339.96	64,337.31	57,288.49	230,833.36
Net Income from software services, products and Business Process Management	64,339.96	64,337.31	57,288.49	230,833.36
EXPENDITURE				
Software development expenses	40,602.30	40,121.23	36,655.79	145,672.43
Selling and marketing expenses	8,007.57	8,097.14	6,952.91	27,877.34
General and Administrative exp	3,607.77	3,714.56	4,261.65	14,864.30
Total Expenditure	52,217.64	51,932.93	47,870.35	188,414.07
Profit before interest, depreciation & amortization	12,122.32	12,404.38	9,418.14	42,419.29
Research & development expenses	2,305.11	2,656.67	2,741.02	10,772.77
Depreciation/ Amortization	1,306.26	1,355.40	1,392.02	5,369.09
Finance Charges	27.96	41.69	53.90	249.08
Profit after interest, depreciation & amortization	8,482.99	8,350.62	5,231.20	26,028.35
Forex impact on Hedge accounting (AS30)	(2,915.84)	(3,329.40)	(1,230.35)	(4,970.26)
Other Income	955.28	1,904.66	966.21	3,250.86
Minority Interest/ Share of profit/(loss) of Associate Companies	(24.83)	(58.80)	41.04	675.04
Profit before tax	6,497.60	6,867.08	5,008.10	24,983.99
Provision for taxation	1,422.09	885.69	941.46	4,903.67
Profit after tax	5,075.51	5,981.39	4,066.64	20,080.32

Q3 FY14 - Awards & Recognition



- **Polaris**- ranked 34th in 2013 **FinTech100 ranking** of Global Financial Technology companies by American Banker, BTN and IDC Financial Insights
- **Polaris & FT 8012 Design Center** – profiled amongst the Top Global Outsourcing Vendors along with the Case Study of RBI by Tower in their Outsourcing Report
- **Polaris Services** – featured as a Major Contender by Everest Group for the 2nd year in a row in Everest Group's PEAK Matrix for IT Outsourcing in Capital Markets Report
- **Polaris Services** – Recognized as 'Major Contender' and among the global best in Banking AO PEAK Matrix by Everest Group
- **Polaris Intellect Core** rated as *LEADER* for the 4th Straight year in Gartner's Magic Quadrant for International Retail Core Banking
- **Polaris Intellect CBS** has been featured by IDC amongst the *Top Core Banking Vendors in Vietnam*
- **Polaris Intellect CBX** has been recognized by Forrester as the only global player with OMNICHANNEL APPS as part of its banking solution
- **Polaris Intellect wealth** ranked 2nd in **DEPTH OF SERVICES & 4th in BREADTH OF FUNCTIONALITY** by Celent in European Wealth Management Market Report
- **Polaris Intellect Risk** PROFILED amongst Top 9 Global Vendors offering BASEL III & Liquidity Management Solutions by Celent

Q3 FY14 - Revenue Segmentation



Break up by Segments (INR Cr)	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Services	497	504	450	445
Products	146	139	117	112
Total	643	643	567	557

Break up by Segments	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Services	77.3%	78.4%	79.4%	79.9%
Products	22.7%	21.6%	20.6%	20.1%

Q3 FY14 - Client Metrics



Client Concentration	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Top 5	42.4%	41.8%	40.50%	39.20%
Top 10	57.5%	55.8%	53.20%	51.60%
US\$ 1+ Mn accounts	32	39	43	43
US\$ 3+ Mn accounts	15	13	8	11
US\$ 5+ Mn accounts	6	8	8	6
US\$ 10+ Mn accounts	6	4	5	7
US\$ 25+ Mn accounts	3	3	3	3

Q3 FY14 - Financial Metrics



	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Cash & Cash Eqv (INR Cr)	569	518	571	480
Major Cash Outflow Items	<ul style="list-style-type: none"> • Capex – 7 Cr • Emp Annual Payout – 7Cr 	<ul style="list-style-type: none"> • Dividend payout - INR 58 Cr • Capex - 7Cr 	<ul style="list-style-type: none"> • Capex 13Cr • Emp Annual Payout – 37Cr 	<ul style="list-style-type: none"> • Capex - 21Cr • Dividend - 35 Cr • Emp Annual Payout - 13 Cr

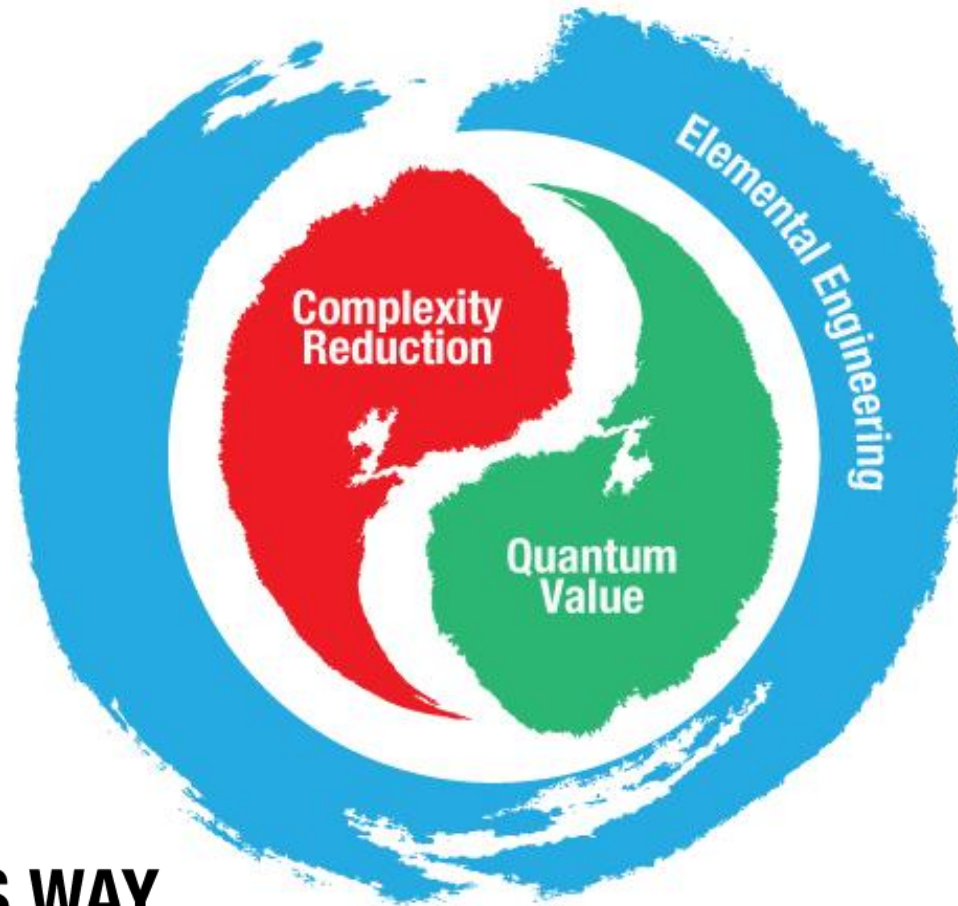
DSO Days	Billed	72	68	59	64
	Unbilled	42	44	48	44
	Total	114	112	107	108

USD INR Rate	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Average Rate	61.99	62.06	55.96	54.15
Closing Rate	61.81	62.61	59.39	55.00



Arun Jain, Founder, Chairman & Group CEO, Polaris Financial Technology Limited said, “After the restructuring exercise last quarter, we spent time in expanding the customer facing organization to realize the opportunities that exist in the market place. FT 8012, the world’s first Design Center for financial technology which we launched last year has received more than 80 customers. The Design Center is able to drive significant operational cost reductions by simplifying complexity due to various generations of technologies ”

S Swaminathan, CFO, Polaris Financial Technology Limited said, “During this phase of executing the new structure, we remain focused on managing costs, generating cash flows and reserves. Our Products business is showing consistent growth, with EBITDA growing 3 times over the last 4 quarters. Despite a Rs. 29 Cr hedging loss this quarter, the company has achieved 25% growth in PAT margins. With hedging losses behind us in FY 14-15, the EPS will likely grow substantially during the next financial year ”



THE POLARIS WAY... High Performance FT

Thank You

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