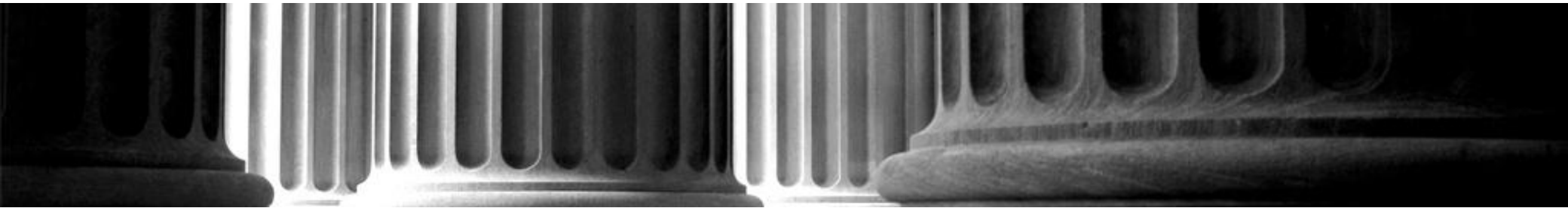




Polaris Financial Technology Limited

Consolidated Business



Earnings Announcement – First Quarter FY 14-15

July 23, 2014



Safe Harbor Statement

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 Products 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 FY 15 – Consolidated Business Highlights

- **Revenue** stands at **INR 600 Cr; 6 %** YoY Growth
- **EBITDA** stands at **INR 78 Cr**
- **Net Income** at **INR 38 Cr**
- **EPS** for the Quarter stands at **INR 3.85**
- **DSO** stands at **51 Days** (59 Days in Q1FY14)
- Cash and Cash equivalent stood at **INR 660 Cr**
- 17 **New wins** in Q1 FY15 (12 Intellect Deal wins and 5 Services client wins)
- **Head count** stands at **11,783** as of 30th June'14

Q1 FY15 - Consolidated Business Financials



Rs. Lakhs

Particulars	QUARTER ENDED			YEAR ENDED
	June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
INCOME				
Gross Income from software services, products and Business Process Management	60,003.46	64,549.22	56,680.14	249,906.65
EXPENDITURE				
Software development expenses	40,137.71	41,761.95	36,603.38	159,088.85
Selling & Marketing and General & Administrative expenses	12,107.69	11,924.40	10,069.42	45,420.84
Total Expenditure	52,245.40	53,686.35	46,672.80	204,509.69
EBITDA	7,758.06	10,862.87	10,007.35	45,396.96
Research & development expenses	2,826.78	2,545.67	2,916.55	10,423.99
Depreciation/ Amortisation	1,282.97	1,332.81	1,297.69	5,292.18
Finance Charges	13.97	15.53	38.67	123.85
Profit after interest, depreciation & amortisation	3,634.34	6,968.86	5,754.43	29,556.94
Forex impact on Hedge accounting (AS30)	174.19	(2,609.80)	(1,584.85)	(10,439.89)
Other Income including exceptional items	786.02	402.63	1,496.77	4,759.38
Minority Interest/ Share of profit/(loss) of Associate Companies	-	175.38	(80.19)	11.55
PBT	4,594.55	4,937.07	5,586.16	23,887.98
Provision for taxation	762.21	395.22	1,265.78	3,968.78
PAT	3,832.34	4,541.85	4,320.38	19,919.20

*** The function wise classification results for the year 2013-14 are not comparable with the audited consolidated financial results for the year ended March 31, 2014 and the unaudited results for the quarter ended June 30, 2014/ March 31, 2014 as the net impact of the financial results of IdenTrust inc upto the date of divestment and the profit on divestment of the IdenTrust business had been disclosed under "Other income including exceptional items" in the above functionwise results

Q1 FY15 - Revenue Segmentation



Break up by Segments (INR Cr)	Q1 FY15	Q4 FY14	Q1 FY14
Services	455	515	450
Products	145	131	117
Total	600	646	567

Break up by Segments	Q1 FY15	Q4 FY14	Q1 FY14
Services	75.9%	79.7%	79.4%
Products	24.1%	20.3%	20.6%

Q1 FY15 - Client Metrics



Client Concentration	Q1 FY15	Q4 FY14	Q1 FY14
Top 5	41.3%	42.3%	40.1%
Top 10	55.4%	56.1%	52.4%
US\$ 1+ Mn accounts	41	36	43
US\$ 3+ Mn accounts	8	11	8
US\$ 5+ Mn accounts	8	7	8
US\$ 10+ Mn accounts	5	6	5
US\$ 25+ Mn accounts	3	3	3

Q1 FY15 - Financial Metrics



	Q1 FY15	Q4 FY14	Q1 FY14
Cash & Cash Eqv (INR Cr)	660	691	571
Major Cash Outflow Items	<ul style="list-style-type: none"> • Capex – INR 23.5 Cr • Employee Annual Payout – 30 Cr 	<ul style="list-style-type: none"> • Loan repayment – INR 56 Cr • Capex – 7.6 Cr • Employee Annual Payout – 3.54 Cr 	<ul style="list-style-type: none"> • Capex 13Cr • Employee Annual Payout – 37Cr

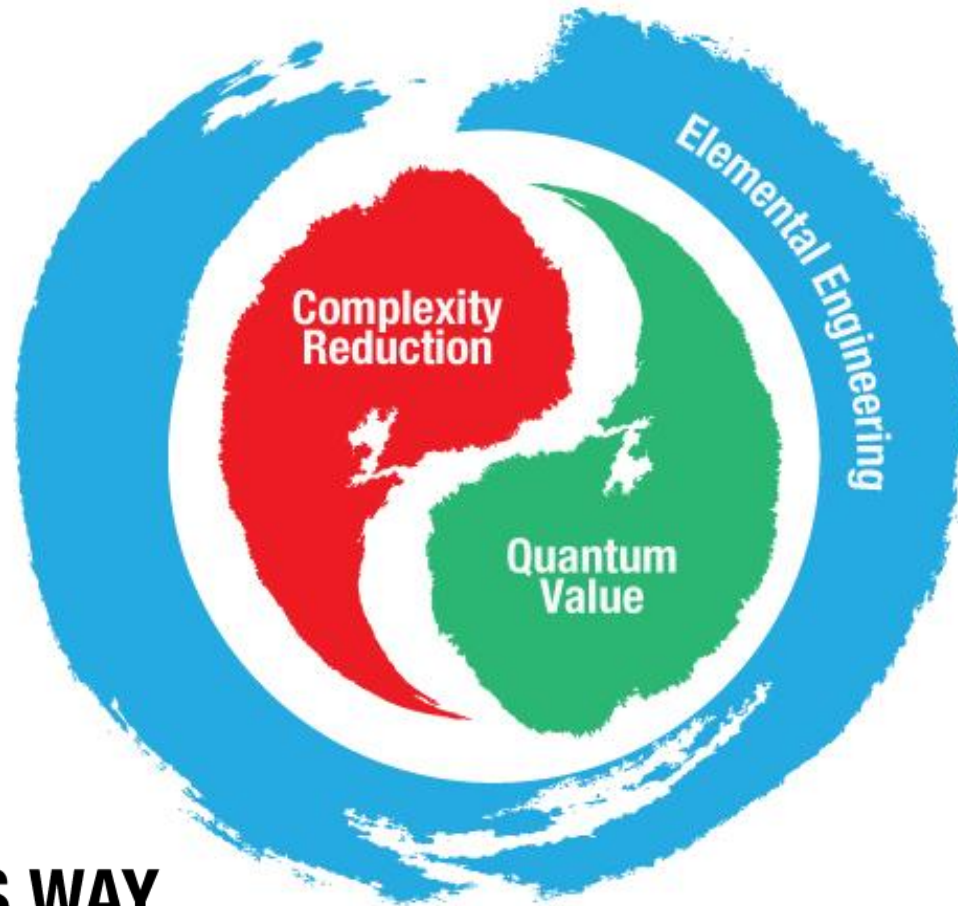
DSO Days	Billed	51	48	59
	Unbilled	47	41	48
	Total	98	89	107

USD INR Rate	Q1 FY15	Q4 FY14	Q1 FY14
Average Rate	59.74	61.79	55.96
Closing Rate	60.18	59.92	59.39



Arun Jain, Chairman and Managing Director, Polaris Financial Technology Limited said, *“During this period of transition, we have kept the momentum as we restructured our businesses for greater efficiency in delivery of services to customers. We did some rationalization of engagements in the Services business, while our Products business focused on building the sales and distribution network. Each shift in technology offers opportunities for leadership change. Digital Banking is the major technology shift taking place currently, and we spent a significant amount of time in building leadership capacities, as well as the Intellect suite of products to lead this shift”*

S Swaminathan, CFO, Polaris Financial Technology Limited said, *“The challenge during the last quarter has been to strike a balance between investing for growth and managing costs. We have ensured that we continued to generate cash, while ensuring investments to build the base required for each line of business to grow, particularly in the areas of sales and marketing. As articulated in the last quarter, we have been able to come out of the drag of exchange losses due to a more stable rupee and the hedging strategy of the company”.*



THE POLARIS WAY... High Performance FT

Thank You

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