

Polaris Revenues Register Growth of 23%; Intellect Sales Cross USD 100 mn mark

Services business grew by 19% and Intellect business grew by 36%

Chennai, 24 April, 2012: Polaris Financial Technology Ltd. (POLS.BO), a leading global Financial Technology company, today announced the fourth quarter and annual results for FY 2011-12.

Key Performance Metrics

For the year ended 31 March 2012:

- Revenue grew by 23% to USD 428 mn from USD 348 mn; And for the quarter, Revenue grew by 7% Y-o-Y to USD 103 mn from USD 96 mn
- Operating Profit (EBITDA) grew by 31% to USD 82 mn from USD 63 mn; And for the quarter, EBITDA grew by 14% Y-o-Y to USD 18 mn from USD 15 mn
- Profit after Tax (PAT) for the year ended 31 March 2012 grew by 3% to USD 45.91 mn from USD 44.45 mn; PAT for the quarter stood at USD 12.16 mn

Highlights for the Quarter Ended March 31, 2012

- Polaris bagged a deal for 15 years with a leading European bank having an asset base of \$350 billion and over 200,000 corporate clients
- Polaris' innovative role-based workstation, Intellect CBX was picked for an Austrian bank which is one of the largest financial services providers in Central and Eastern Europe.
- Intellect Insurance expanded its US footprint with a significant deal from one of the largest Insurance and Financial services companies in the world with more than \$135 billion in statutory assets
- Quarter revenues were well distributed across all key business geographies with the Americas contributing 47.77%, Europe 23.69%, IMEA 12.10% and Asia Pacific 16.45%
- Polaris launched the first Wealth Management tool on iPad - Intellect FABX (Financial Advisor Business eXchange) - at the Harvard Business Club in New York City, US

Pioneering Initiatives at Polaris

- First transformational deal in Core Banking to go live in under one year. Polaris signed its largest Intellect deal with Reserve Bank of India, the country's Central Banking Institution, to implement a centralized Core Banking Solution across the bank

- Fastest growth rate in the product business globally. Intellect business recorded an annual growth rate of 36%, which is the highest in the BFSI product space when benchmarked against other listed product companies

FT Sourcing

FT Sourcing revenue crossed USD 320 mn and grew 19% for the year ended 31 March 2012. The last quarter saw a number of significant deals in the FT Sourcing space:

- Polaris signed a deal with one the leading and most influential stock exchanges in the United States to deploy its managed services
- A leading global financial services company headquartered in Zurich companies dealing with, institutional clients and high-net-worth private clients worldwide signed on Polaris for ADM services
- One of Australia's leaders in research and development and a premier provider of systems, products and services in both commercial and defense areas chose Polaris' Application Management Services
- A leading financial institution in the Middle East with over 500 branches in 30 countries spanning five continents picked Polaris services to build Testing Practice CoE
- A leading insurance company offering client-focused life insurance, investment and savings products to consumers in Asia, Latin America, Middle East and Eastern Europe chose Polaris' front end system for the APAC region

During the year, Polaris opened new global offices in Chicago, Malaysia and Philippines. And set up Business Solution Centres at Pune, Thane and Bangalore. Polaris' Malaysia facility was awarded the coveted Multimedia Super Corridor (MSC) status – a government designated zone in Malaysia designed to accelerate the information and knowledge area.

Global Acceptance of FT Intellect

Intellect gained further momentum during FY 2011-12 and performed way ahead of its peers in the industry by growing a prodigious 36% for the year ended 31 March 2012. With increasing deal sizes, the revenue from Intellect business crossed the milestone mark of USD 100 mn.

11 new Intellect wins across Banking and Insurance were recorded in the quarter and a total of 47 new Intellect wins were recorded during the year.

During the year, Polaris took pride in 4 transformational deals:

- Q1 started with Polaris signing its largest Intellect deal with Reserve Bank of India for USD 55 million for a period of ten years, to implement a centralized Core Banking Solution at all its offices encompassing all banking and accounting operations to align with its current and future IT requirements, including a single General Ledger for the bank.

- In Q2, Intellect won the second mega 10 million dollar deal when the world's second largest banking and financial services group headquartered in London, trusted Polaris with a Cash Management deal.
- In Q3, a leading global bank with presence in over 25 countries providing a range of banking and financial products and services to around 8 million customers worldwide signed a \$ 20 million deal with Polaris
- In Q4, the company signed a 15-year period deal with the largest Nordic bank in Europe which picked Polaris' flagship Intellect Liquidity Management Platform which will simplify the application landscape for liquidity management in the bank and ensure that 'Go To Market' time for new liquidity products is reduced globally.

Business Highlights for the Year

In the last quarter, Polaris signed an agreement to acquire the balance 49% equity shares of Indigo TX Software Private Limited from its shareholders to merge the company with Polaris. Polaris had acquired 51% equity shares of Indigo TX in March 2010.

Polaris submitted a proposal for demerger and merger of Optimus for operational integration and the approval process is in progress.

With the inauguration of two new office facilities in Chennai, Polaris has acquired office space of more than one million square feet globally.

The company's Human capital asset base stood at 12,886 employees as on March 31, 2012, while attrition rate was 15.60% for the quarter.

During the year, Polaris successfully launched the World's Largest FT Grid with capacity to cater to 100 Million Customers (MC) in partnership with IdenTrust and IBM. It enabled Polaris to offer its Financial Technology infrastructure and banking products on a pay-per-use (cloud) model to banks and financial institutions with industry-standard hardware, middleware, RDBMS and network connectivity components changing the face of banking globally.

During the year, the company signed a Joint Venture Agreement with Sonali Bank Ltd., the largest Nationalized Commercial Bank in Bangladesh and Bangladesh Commerce Bank Ltd. (BCBL) to form Sonali Polaris Financial Technology Ltd (SPFTL) where Polaris will hold a 51% stake. This JV has created significant job opportunities in the local market.

Awards and Recognition

Polaris has consistently been recognized and awarded by analysts and other influencers. Listed below are some of the recognitions we received in the last quarter.

- Polaris' Intellect won the **XCelent Customer Base Award for Asia-Pacific Region and was ranked 4th among Global Core Banking Vendors in Celent Big Leagues Table Report 2012**, attaining the highest growth in the Core Banking category globally

- In TowerGroup' Corporate Executive Board (CEB) Financial Planning Technology Analysis, Intellect Wealth was ranked amongst the top 3 global vendors in "Breadth of Functionality"
- Polaris emerged as a Major Contender in the 2012 Everest Group PEAK (performance, experience, ability, knowledge) Matrix for large sized multi-year Capital markets applications outsourcing (AO) relationship
- Polaris was listed as one of the top three Indian companies in the 2011 'European Union Industrial R&D Investment Scoreboard' for its investment in research and development. The report is a benchmarking tool which contains economic and financial data of the world's top 1,400 companies ranked by their investment in research and development (R&D). Only 18 Indian companies figured on the global list
- Polaris' social initiative, Ullas Trust, that recognizes academic excellence in students from the economically challenged sections of the society, was presented the **Blue Dart Global CSR Award 2012 for the 'Best Corporate Social Responsibility Practice Overall'**
- **American Society for Training & Development (ASTD)**, the world's largest association dedicated to workplace learning and performance professionals, certified Polaris for the **second year in a row as a 'Champion of Learning'** for its contribution towards imparting learning programs to employees across the organization

Management Statement

Arun Jain, Founder, Chairman & CEO, Polaris Financial Technology Limited said, "It is satisfying to see that our Polaris 3.0 strategy of Repeatable, Predictable and Profitable growth has paid off. In the last four years, revenue in both product business as well as services doubled and PBDT grew from Rs 135 crore to Rs 330 crore. As we embark on the Polaris 4.0 phase of our growth journey with the two well-defined business value pyramids - products and services- Polaris is uniquely positioned to double its revenue in the next 4 years."

Govind Singhal, President & COO, Polaris Financial Technology Limited said, "As we understand the momentum of outsourcing is slowing down worldwide as predicted by Nasscom, value differentiation is key to winning business from existing players. We are working on more than 6 RFPs that have come for renewal."

Ramaswami SR, CFO, Polaris Financial Technology Limited said, "In our portfolio of 22 products, 2 products crossed Rs. 100 crore revenue each and 3 products crossed Rs. 50 crore. At this point of time we will be investing additional Rs. 50 – 60 crores in sales and marketing to get full benefit of traction in the marketplace in the coming year."

Revenue Guidance: Polaris is expected to grow at 17% - 20% for the fiscal year ending March 31, 2013; Revenues are expected to grow in the range of Rs 2400 – Rs 2460 crore.

Financial Results for the Fourth Quarter and Year Ended March 31, 2012

POLARIS FINANCIAL TECHNOLOGY GROUP (Formerly known as Polaris Software Lab - Group)

Unaudited consolidated financial results for the fourth quarter and year ended March 31, 2012 prepared as per Indian GAAP

Figures in \$ mn

PARTICULARS	QUARTER ENDED			YEAR ENDED	
	Mar 31, 2012	Dec 31, 2011	Mar 31, 2011	'March 31, 2012	March 31, 2011 AUDITED
Income from software services, products and Business Process Management	103.52	112.48	96.67	427.99	348.28
Other operating Income / (Loss)	(0.43)	(3.97)	1.21	(0.22)	5.61
	103.09	108.51	97.88	427.77	353.89
Expenditure					
Software development expenses	70.96	73.99	66.77	292.67	235.49
Selling and marketing expenses	12.77	11.00	11.09	46.95	38.10
General and Administrative expenses	6.84	6.76	7.17	28.17	27.78
Total Expenditure	90.57	91.75	85.03	367.79	301.37
Profit before interest, depreciation & amortisation	12.52	16.76	12.85	59.98	52.52
Depreciation/Amortisation	2.67	2.56	1.92	9.82	7.39
Finance Charges	0.20	0.16	0.08	0.59	0.25
Profit after interest, depreciation & amortisation	9.65	14.04	10.85	49.57	44.88
Other Income	4.29	1.53	3.87	9.56	7.41
Minority Interest / Share of profit/(loss) of Associate Companies	0.01	0.02	(0.02)	0.06	0.04
Profit before tax	13.95	15.59	14.70	59.19	52.33
Provision for taxation*	1.79	3.59	1.98	13.28	7.88
Profit after tax	12.16	12.00	12.72	45.91	44.45
Basic	0.12	0.12	0.13	0.46	0.45
Diluted	0.12	0.12	0.13	0.46	0.45

* Considering the effect of demerger and merger to the tune of Rs 7crore

Q4 and Annual Results FY 2011-2012 USD



About Polaris Financial Technology Ltd.

Polaris Financial Technology Ltd (formerly known as Polaris Software Lab Ltd.) (POLS.BO) is a leading Financial Technology company, with its comprehensive portfolio of products, services and consulting. Polaris has a talent strength of over 12,000 solution architects, domain and technology experts. The company owns the largest set of Intellectual Properties in the form of a comprehensive product suite, Intellect GUB M180. Intellect is the first pure play SOA based application suite for Retail, Corporate, Investment banking and Insurance.

Polaris is headquartered in Chennai and has offices in all global financial hubs including Bangalore, Belfast, Chennai, Chicago, Dubai, Dublin, Frankfurt, Hong Kong, Ho Chi Minh City, Hyderabad, Illinois, Kuala Lumpur, London, Madrid, Manama, Melbourne, Mississauga, Mumbai, Neuchatel, New Delhi, New Jersey, Paris, Pittsburgh, Pune, Riyadh, Santiago, San Francisco, Seoul, Shanghai, Singapore, St. Germain En Laye, Sydney, Thane, Tokyo, Toronto, Utrecht, Victoria and Wicklow. For more information, please visit <http://www.polarisFT.com/>

Investor Conference Call

Polaris Financial Technology Ltd. will host an Investors Conference Call, where the Senior Management of Polaris will comment on the company's performance during the fourth quarter and year ended ended March 31, 2012 and respond to questions from participants. The conference call will take place at **1630 Hrs IST on Tuesday, 24 April, 2012**

To participate in the conference call, please dial the numbers given below five minutes ahead of schedule. The transcript of this conference call will be available within 72 working hours at website, <http://www.polarisFT.com/> in the investor section.

The dial-in numbers to join the conference call:

Conference Name : **Polaris Investor Earnings call for Q4 12 & FY 11-12**
Date : **24th April 2012**
Time : **16:30 HRS IST**
Conference ID : **71982725**

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
HONK KONG : Primary Access Toll free Number : 800901420
SINGAPORE : Primary Access Toll free Number : 8001011906
US and Canada : Primary Access Toll free Number : 18663944523

REPLAY : [24th April 2012 to 26th April 2012]
Replay ID/Conference # : 71982725
Primary Access Number : 02230360400

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