

Polaris Profits Grow 37%; Revenues Grow 26%

Services business grew by 27% and Intellect business grew by 23%

Chennai, 24 July, 2012: Polaris Financial Technology Ltd. (POL.S.BO), a leading global Financial Technology company, today announced the first quarter results for FY 2012-13.

Key Performance Metrics

For the quarter ended June 30, 2012, Revenue grew by 26% Y-o-Y to Rs. 569.31 crore from Rs. 450.19 crore and 9% Q-o-Q to Rs. 569.31 crore from Rs. 520.28 crore. Operating Profit (EBITDA) grew by 28% Y-o-Y to Rs. 106.14 crore from Rs. 82.83 crore and 20% Q-o-Q to Rs. 106.14 crore from Rs. 88.14 crore. Profit after Tax (PAT) grew by 37% Y-o-Y to Rs. 61.17 crore from Rs. 44.56 crore while increasing marginally on a Q-o-Q basis.

For the same quarter in dollar terms, Revenue grew by 7% Y-o-Y to USD 107.60 million from USD 100.65 million and 4% Q-o-Q to USD 107.60 million from USD 103.52 million. Operating Profit (EBITDA) grew by 8% Y-o-Y to USD 20.06 million from USD 18.52 million and 14% Q-o-Q to USD 20.06 million from USD 17.54 million. Profit after Tax (PAT) grew by 16% Y-o-Y to USD 11.56 million from USD 9.96 million and declined by 5% Q-o-Q to USD 11.56 million from USD 12.16 million.

Business Highlights for the Quarter Ended June 30, 2012

- Intellect™ contributed a healthy 23% to the quarter revenues and stood at Rs. 130 crore. 9 new Intellect wins were recorded in the quarter
- Services revenue contributed 77% and stood at Rs. 440 crore. 5 new wins were recorded in the quarter
- IdentTrust, a company in which Polaris Financial Technology Limited has investments, comes under CFIUS (Committee for Foreign Investment in United States) compliance regime. As a part of this compliance regime, it is expected that IdentTrust will be independently managed through an appropriate Board Composition. Mr. Doyle L Arnold has been appointed as a Chairman of the Board of IdentTrust. Mr. Doyle L Arnold is the Vice Chairman, Chief Financial Officer & Executive Vice President, Zions Bancorp
- The company has an enviable customer pedigree and a landscape of 250+ customers, many of whom are market makers. In terms of contribution to revenues, the company serves 3 customers who contribute 20+ million\$ in revenues, 8 who contribute 10+ million\$, 6 who contribute 5+ million\$ and a huge growth potential in 43 customers who currently contribute 1+ million\$ revenues
- Cash and cash equivalents stood at Rs. 329 crore at the end of the quarter

FT Sourcing - Providing the 'Specialist' Advantage!

Polaris' FT Sourcing revenues touched Rs. 440 crore and grew 27% for the quarter ended 30 June 2012 as compared to the same quarter last year. The quarter saw a number of significant deals in the FT Sourcing space:

- The world's leading and most diverse financial and commodity derivative exchange headquartered in US that serves the risk management needs of customers around the globe and provides the widest range of benchmark futures and options covering all major asset classes, has chosen Polaris for its Global Technology Services in a multi-million dollar deal
- One of the leaders in e-commerce logistics and support services in the UK, including e-fulfilment, e-CRM and e-analysis, has chosen Polaris for Application Development and Roadmap consulting
- UK's Premier Financial Services Testing Organisation that has been combining in-depth industry expertise with practical testing skills, tools and methods has chosen Polaris' Test Automation services

FT Intellect - Faster Implementation & Unmatched Productivity Gains!

Intellect gained further momentum during the quarter and grew by 23% for the quarter ended 30 June 2012 as compared to the same quarter last year. 9 new Intellect wins across the Banking and Insurance domain were recorded in the quarter and Intellect accounted for 23% of Polaris' total revenues.

The quarter also saw a number of significant deals coming our way:

- The most prominent bank in Saudi Arabia, providing the highest standards in Islamic banking, with a customer-focused approach that emphasizes service, quality convenience, and innovation has chosen Polaris' Corporate Online Banking in a multi-million dollar deal
- A full service retail bank that is primarily involved in mortgage banking with approximately 60% of all Ugandan mortgage accounts, has chosen to deploy Polaris' state of the art Intellect Core Banking Solution to support its current and future Business and IT requirements
- A joint stock commercial bank for foreign trade in Vietnam and the most prestigious bank in trade finance, international payments, foreign exchange, guarantee and other banking and financial services, including credit cards, has deployed Polaris' Intellect Portal for Retail and Corporate Banking to gain market leadership across the country

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 FT' RBI ten year deal** is among the **Top 9 deals announced** and the only major Indian player cited in **Everest Group' report** titled, **'IT Application Outsourcing (AO) in Banking - Trends and Future Outlook'**
- **Polaris won the 'Best Payments Infrastructure Project for Mid Tier Banks'** award at **The Asian Banker Summit 2012** held in Bangkok, for its implementation at **National Bank of Abu Dhabi (NBAD)** for providing the bank with a global cross border and domestic payment platform
- Polaris received the **'HP AllianceONE Partner of the Year Award in the Converged Infrastructure Solutions category'**, for its one of a kind Central Bank Core Banking Solution (CBS) implementation at the Reserve Bank of India (RBI)

Management Statement

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 680 million."

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

Financial Results for the First Quarter Ended June 30, 2012

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

Unaudited consolidated financial results for the first quarter ended June 30, 2012 prepared as per Indian GAAP

Rs.Lakhs

PARTICULARS	QUARTER ENDED			YEAR ENDED
	June 30, 2012	March 31, 2012	June 30, 2011	March 31, 2012
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	(214.80)	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 & amortisation	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/Amortisation	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 & amortisation	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	15.40	6.37	1.81	27.65
Profit before tax	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	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

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, Dhaka, Dublin, Dubai, Frankfurt, Hong Kong, Ho Chi Minh City, Hyderabad, Kuala Lumpur, Lisle, London, Madrid, Manila, Melbourne, Mississauga, Mumbai, Nairobi, Neuchatel, New Delhi, New Jersey, Paris, Pittsburgh, Pune, Riyadh, Santiago, San Francisco, Seoul, Shanghai, Singapore, St. Germain En Laye, Sydney, Thane, Tokyo, Toronto, 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 first quarter ended June 30, 2012 and respond to questions from participants. The conference call will take place at **16:30 Hrs IST on Tuesday, 24 July, 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 Q1 2012-13**
Date : **24th July 2012**
Time : **16:30 HRS IST**
Conference ID : **11577623**

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 July 2012 to 26th July 2012]
 Replay ID/Conference # : 11577623
 Primary Access Number : 02230360400

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