

# Polaris Revenues Up by 26%

- *Intellect Revenues Up by 2% Sequentially and 49% Annually*
- *EBITDA up by 18% Sequentially and 2% Annually*

**New Jersey (USA)/ Chennai (India), 20 January, 2012:** Polaris Financial Technology Ltd. (POLS.BO), a leading global Financial Technology company, today announced the third quarter -results for FY 2011-12.

## Key Performance metrics

For the quarter ended December 31, 2011, Revenue grew by 26% Y-o-Y to USD 112.48 million from USD 89.12 million and 1% Q-o-Q from USD 111.34 million. Operating Profit (EBITDA) grew by 18% Y-o-Y to USD 16.76 million from USD 14.24 million and 2% Q-o-Q from USD 16.50 million. Profit after Tax (PAT) grew by 7% Y-o-Y to USD 12 million from USD 11.17 million and 2% Q-o-Q from USD 11.78 million.

## Highlights for the quarter ended December 31, 2011

- Product revenues grew 49% to USD 30.97 million, up from USD 20.76 million during the same quarter last year; 13 new Intellect wins across Banking and Insurance were recorded in the quarter
- Services revenue grew 19% to USD 81.51 million from USD 68.36 million during the same quarter last year
- Quarter revenues were well distributed with Americas contributing 44.87%, Europe 22.97%, IMEA 11.22% and Asia Pacific 20.94%
- Polaris bagged a USD 20 million deal with a leading global bank with presence in over 25 countries
- Excluding foreign exchange other income impact, operating profit grew by 78% Y-o Y to USD 20.73 mn from USD 11.68 mn and by 53% Q-o-Q from USD13.58 mn

## Intellect Business

Polaris' Intellect registered 13 wins during the third quarter and Intellect sales contributed to 28% of the quarterly revenue. Intellect revenues grew 49% to USD 30.97 million from USD 20.76 million during the same quarter last year. The wins were well distributed across all geographies with US leading the mature market growth story

One of the largest American multinational banking and financial services corporation serving clients in more than 150 countries has trusted Polaris Intellect solution.

A highly diversified North American financial services organization with more than 47,000 employees and a broad range of retail banking, wealth management and investment banking

products and solutions has chosen Polaris' Intellect HUB Technology in a multi-million dollar deal.

One of the largest banking and financial services organizations in the world headquartered in London with presence in over 80 countries across the globe has gone live with Polaris' Intellect Cash Concentration Solution to service its business customers in 22 countries.

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 USD 20 million deal with Polaris.

An Apex development bank in India, National Bank for Agricultural and Rural Development (NABARD) chose Polaris' Integrated Intellect Lending Solution in a mutli-million dollar deal comprising Loan Management and Accounting modules to be the bank's new Centralized Loan Management and Accounting System across the bank's head office and regional offices.

Polaris sets its footprint in the Himalayan Kingdom of Nepal by going live at Social Development Bank (Nepal) with Intellect Core Banking Solution.

The largest development bank with the third largest branch network of 253 branches in Sri Lanka chose Polaris' Intellect Core Banking Solution.

### **FT Sourcing (Managed Services)**

Polaris recognises each line of business is a specialised service with unique tools and procedures, thus enabling the company to drive maximum sourcing efficiencies, through both standardised and custom solutions. Our integrated FT Sourcing services helped achieve maximum optimization for our clients' business needs.

One of the oldest financial institutions in the United States with operations in more than 60 countries has chosen Polaris for its Project Management Process Re-engineering services.

One of the most successful IT company in Northern Ireland delivering the highest quality software development services and business process outsourcing solutions has signed a deal with Polaris to implement Oracle database services, thus streamlining its transformation program.

### **Business Highlights**

During the quarter, Polaris signed a Joint Venture Agreement with Sonali Bank Ltd., the largest Nationalized Commercial Bank in Bangladesh to form Sonali Polaris Financial Technology Ltd (SPFTL) where Polaris will hold a 51% stake. In July 2011, the company had signed a MoU regarding the same. This JV will create significant job opportunities in the local market.

The company 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.

IdenTrust continued its growth in the ECA business during the quarter and bagged a significant Identity Solutions deal with Rite Aid, one of the leading drugstore chains in the US with approximately 4,700 stores in 31 states and 91,000 associates.

With the inauguration of Polaris' Chicago office, the company has expanded its sales footprint in the Midwest, thus being closer to its clients. This facility with its immense potential for expansion will help enhance the breadth as well as depth of our work, improve client relationships and boost our delivery model thus enabling us to strengthen our foothold in the region.

### **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 received a marquee ranking among "**Major Contenders**" in **Everest Group's PEAK (Performance, Experience, Ability, Knowledge) matrix report on Capital Markets Application Outsourcing (AO) Providers**. Polaris Capital Markets positioning was among the top 10 in the global perspective
- Mr. Arun Jain, Chairman and CEO, Polaris Financial Technology Ltd. addressed the **17th Anniversary Lecture at Central Bank of Seychelles as a Guest Speaker**. Mr. Jain shared the dais with His Excellency, Mr. James Alix Michel, President of the Republic of Seychelles, Mr. Pierre Laporte, Governor, Central Bank of Seychelles and Mr. Benstrong, Chairman, Seychelles Bankers Association and Managing Director, Seychelles Savings Bank
- **Polaris' Intellect** was identified as one of the leading **Payment Solution Vendors in the Non-Cash Payments Market by Aite**
- **Forrester's** Cloud specific report titled "**Off-The-Shelf Banking Platforms**" stated Polaris to have "Application in the cloud with clients" and rated **Polaris' Intellect** amongst the top 3 global vendors
- **Celent featured Polaris' Mobile Application (iPhone & iPad) expertise** in a case study on Mobile Technology for Life Insurance Producer's titled "**Is it a fad or the future**"

**Arun Jain, Founder, Chairman & CEO, Polaris Financial Technology Limited** said, "We are moving from country-specific deals to regional country roll-out deals. The top 20 global banks have started recognizing the large-scale programme management of Polaris with single point accountability and capabilities of the Intellect suite. We have won the fourth large deal of this nature that spans over 20 countries from top global banks."

“On one side, these deals provide sustained revenues over a 10 year period, while simultaneously providing Polaris with excellent referenceable sites which is crucial for penetrating into large transformational deals. Our strategy of leveraging Intellect to expand the services business is working very well. We are geared up for exciting times ahead,” added **Mr Jain**.

**Govind Singhal, President & COO, Polaris Financial Technology Limited** said, “Polaris’ focus on building, maintaining and expanding highly complex Financial Technology infrastructure through our products and services requires well-knit service delivery capabilities. Our ability to execute complex transformational projects has been enhanced multifold because of continuous investments in building superior frameworks and tools.”

**Ramaswami SR, CFO, Polaris Financial Technology Limited** said, “We are sustaining the growth in operating margins inspite of the uncertain economic environment. Managing the currency volatility will be a challenge, but with a clear business strategy in place we are confident of meeting our earnings guidance.”

## Financial Results for the Third Quarter Ended December 31, 2011

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

Unaudited consolidated financial results for the quarter ended december 31, 2011  
prepared as per Indian GAAP

Figures in \$ mn

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
	Dec 31, 2011	Sep 30, 2011	Dec 31, 2010	Dec 31, 2011	Dec 31, 2010	Mar 31, 2011 AUDITED
<b>INCOME</b>						
Income from software services, products and Business Process Management	112.48	111.34	89.12	325.09	250.94	348.11
Other operating Income / (Loss)	(3.97)	2.92	2.57	(0.26)	4.35	5.57
	<b>108.51</b>	<b>114.27</b>	<b>91.69</b>	<b>324.83</b>	<b>255.29</b>	<b>353.68</b>
<b>EXPENDITURE</b>						
Software development expenses	73.99	78.74	60.66	221.81	168.24	235.33
Selling and marketing expenses	11.00	11.83	9.64	34.14	26.93	38.07
General and Administrative expenses	6.76	7.20	7.15	21.29	20.56	27.77
<b>Total Expenditure</b>	<b>91.75</b>	<b>97.77</b>	<b>77.45</b>	<b>277.24</b>	<b>215.73</b>	<b>301.17</b>
<b>Profit before interest, depreciation &amp; amortisation</b>	<b>16.76</b>	<b>16.50</b>	<b>14.24</b>	<b>47.59</b>	<b>39.56</b>	<b>52.51</b>
Depreciation/Amortisation	2.56	2.44	1.95	7.17	5.46	7.39
Finance Charges	0.16	0.12	0.06	0.40	0.17	0.25
<b>Profit after interest, depreciation &amp; amortisation</b>	<b>14.04</b>	<b>13.93</b>	<b>12.23</b>	<b>40.02</b>	<b>33.94</b>	<b>44.87</b>
<b>Other Income</b>	<b>1.53</b>	<b>1.94</b>	<b>1.19</b>	<b>5.24</b>	<b>3.53</b>	<b>7.39</b>
Minority Interest / Share of profit / (loss ) of Associate Companies	0.02	0.02	(0.01)	0.05	0.06	0.04
<b>Profit before tax</b>	<b>15.59</b>	<b>15.90</b>	<b>13.42</b>	<b>45.31</b>	<b>37.53</b>	<b>52.30</b>
Provision for taxation	3.59	4.12	2.25	11.46	5.88	7.87
<b>Profit after tax</b>	<b>12.00</b>	<b>11.78</b>	<b>11.17</b>	<b>33.85</b>	<b>31.65</b>	<b>44.43</b>
<b>Earnings per share of Rs.5 each (Rs.)</b>						
Basic	<b>0.12</b>	<b>0.12</b>	<b>0.11</b>	<b>0.34</b>	<b>0.32</b>	<b>0.45</b>
Diluted	<b>0.12</b>	<b>0.12</b>	<b>0.11</b>	<b>0.34</b>	<b>0.32</b>	<b>0.44</b>

**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 third quarter ended December 31, 2011 and respond to questions from participants. The conference call will take place **4:30 Hrs IST on Friday, 20<sup>th</sup> January, 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 Q3-2011-12**  
**Date** : **20th January 2012**  
**Time** : **16:30 HRS IST**  
**Conference ID** : **43097528**

**ACCESS NUMBERS**

MUMBAI : Primary Access Toll Number : 022 30360400  
BANGALORE : Primary Access Toll Number : 080 30360400  
DELHI : Primary Access Toll Number : 011 30360400  
CHENNAI : Primary Access Toll Number : 044 30360400  
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 : [20th January 2012 to 23rd January 2012]  
Replay ID/Conference # : 43097528  
Primary Access Number : 022 30360400

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