

Polaris' Revenues Register Growth of 13%

Board recommends a 100% Dividend for FY13

Chennai (India), April 27, 2013: Polaris Financial Technology Ltd, a leader in products, solutions and services that enable unprecedented operational productivity for the global Financial Services industry, today announced its fourth quarter and annual results for FY 12-13.

Key Performance Metrics

For the year ended 31st March, 2013:

- Revenues grew by 13% Y-o-Y to Rs. 2308 crore from Rs. 2049 crore. In USD terms, revenues remained flat at \$426 Mn
- Operating Profit (EBITDA) stood at Rs. 424 crore registering 7% growth Y-o-Y
- Profit after Tax (PAT) for the year ended 31st March 2013 stood at Rs. 201 crore as compared to Rs. 220 crore last year
- Cash and cash equivalents stood at Rs. 490 crore as of 31st March 2013 as compared to Rs. 390 crore on 31st March 2012
- EPS for the year stood at Rs. 20.19

**AS30 adjustments are done to neutralise the Forex impact of hedging on the top line. Polaris has an adverse impact of Rs. 49.70 Cr in FY 2012-13*

For the quarter ended 31st March, 2013:

- Quarter revenues stood at Rs. 555 crore registering 7% Y-o-Y growth
- EBITDA stood at Rs. 93 crore registering 3% Y-o-Y growth
- PAT for the quarter grew by 8% Q-o-Q to Rs. 44 crore

**AS30 adjustments are done to neutralise the Forex impact of hedging on the top line. Polaris has an adverse impact of Rs. 11.89 Cr in Q4*

Management Statement

Arun Jain, Founder, Chairman & CEO, Polaris Financial Technology Limited said, "The year has been quite a challenging one as we have had to face Vendor consolidation in engagements that are purely focused on cost rationalisation. On the other hand, we have had some exciting wins in the 'Value-build' engagements. Given that these two situations offset each other to some extent, we have not been able to grow as aggressively as we had planned."

Govind Singhal, President & COO, Polaris Financial Technology Limited said, "We launched the world's first Design Center FT 8012 dedicated to Financial technology in March. This center is being envisaged as the hub of technology modernisation initiatives for Banks & Financial Institutions. The Center offers technologies that will define the way the world banks in the next few years. The Center has begun to garner the attention of the CIO fraternity with its signature design workshops and customised research wings for banks embarking on modernisation initiatives."

Natarajan Narayanasamy, Group CFO, Polaris Financial Technology Limited said, "Our growth engines have now reached critical mass and the next phase of our journey would see sharper focus on leveraging the potential of these engines by tapping the right investment levers. The business has been able to generate and grow cash reserves from Rs. 390 crore to Rs. 490 crore."

The Board of Directors have recommended to the shareholders a Final Dividend of 100% (Rs. 5/- per equity share) for the Financial Year ended on 31st March, 2013.

Mr. V Balaraman has been inducted as an Additional Director to the Board, effective 27th April, 2013.

Financial Results for the Fourth Quarter Ended March 31, 2013

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

Audited consolidated financial results for the Fourth quarter ended March 31, 2013 prepared as per Indian GAAP

Rs.Lakhs

Particulars	QUARTER ENDED			YEAR ENDED	
	March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012
INCOME					
Gross Income from software services, products and Business Process Management	55,473.01	57,288.49	51,669.54	230,833.36	204,915.14
Forex impact on Hedge accounting	(1,189.05)	(1,230.35)	-	(4,970.26)	-
Net Income from software services, products and Business Process Management	54,283.96	56,058.14	51,669.54	225,863.10	204,915.14
EXPENDITURE					
Software development expenses	35,714.13	36,655.79	32,751.12	145,672.43	129,212.57
Selling and marketing expenses	6,634.24	6,952.91	6,415.44	27,877.34	22,507.74
General and Administrative expenses	3,834.94	4,261.65	3,475.74	14,864.30	13,592.88
Total Expenditure	46,183.31	47,870.35	42,642.30	188,414.07	165,313.19
Profit before interest, depreciation & amortisation	8,100.65	8,187.79	9,027.24	37,449.03	39,601.95
Research & development expenses	2,629.59	2,741.02	2,559.00	10,772.77	10,657.00
Depreciation/ Amortisation	1,390.46	1,392.02	1,342.71	5,369.09	4,723.07
Finance Charges	57.94	53.90	64.32	249.08	170.55
Profit after interest, depreciation & amortisation	4,022.66	4,000.85	5,061.21	21,058.09	24,051.33
Other Income	902.33	966.21	1,942.99	3,250.86	4,292.17
Minority Interest/ Share of profit/(loss) of Associate Companies	452.01	41.04	6.37	675.04	27.65
Profit before tax	5,377.00	5,008.10	7,010.57	24,983.99	28,371.15
Provision for taxation	993.22	941.46	896.46	4,903.67	6,300.29
Profit after tax	4,383.78	4,066.64	6,114.11	20,080.32	22,070.86

Business Highlights for Quarter ended 31st March, 2013

1. Polaris launched 8012 FT Design Center, the world's first Design Center dedicated to Financial Technology. Spread over 30,000 sq.feet, the Center is a veritable treasure house of intellectual property, collaborative tools, methodologies and frameworks that can accelerate modernization initiatives and at the same time, reduce the complexity in implementing such critical initiatives.
2. Polaris launched a Research, Innovation and Development Centre (RIDC) in Belfast, UK. This dedicated near-shore RIDC enables Polaris to strengthen its leadership position by supporting transformational outsourcing programs for its strategic customers in Europe.
3. Polaris expanded its presence to New Zealand by opening its new sales office in Wellington.
4. Polaris signed a definitive agreement with US based Numerix, a leading provider of cross-asset analytics for derivatives valuation and risk management. The partnership will strengthen Polaris' Intellect[®] Risk and Treasury product with Numerix risk analytics for Basel regulatory compliance.

FT Sourcing (Services)

Polaris' FT Sourcing revenues touched Rs. 438 crore for the quarter, contributing 79% of overall revenues. Quarter revenues of Polaris FT Sourcing were well distributed across all key business geographies with the Americas contributing 53%, Europe 21%, India 9% and Rest of the World 17%. The quarter saw six significant deals in the FT Sourcing space. Some of the significant deals include:

- Polaris signed up Master Services Agreement with one of the foremost commercial banks in Western New York state
- One of UK's largest banking groups chose Polaris as its preferred partner for its transformational initiatives, validating the company's vertical practice competencies
- A leading provider of fraud prevention and intelligent transaction handling solutions, serving online payment service providers, e-commerce, banks, issuers, processors, merchant acquirers, ISOs and payment networks globally, chose Polaris for its Authentic & Fractals Product Testing services
- A primary manufacturer and supplier of personal care and home care products in Japan chose Polaris to manage their entire IT Infrastructure, along with a dedicated help-desk providing bilingual voice support through an onsite/offshore model
- One of the oldest institutions in Hong Kong chose Polaris' Enterprise Content Management practice for redefining customer experience

FT Intellect (Products)

Polaris' Intellect revenues stood at Rs. 117 crore for the quarter, contributing 21% of overall revenues. Quarter Revenues were well distributed across all key geographies with the Americas contributing 17%, Europe 23%, India 21% and Rest of the World 39%. The quarter saw eleven wins for Polaris FT Intellect products. Some of the significant deals include:

- A leading Canadian based global financial institution, providing a full range of financial products to individual, small business, commercial, corporate and institutional clients

in Canada and around the world, chose Polaris' Intellect® CBX to enhance their Wholesale Banking Division

- One of the most important domestic banks in the United Arab Emirates chose Polaris' Intellect® Retail CBX to provide rich customer experience
- One of the oldest and leading private sector banks in India, with \$7 billion assets and over 700 branches chose Polaris' Intellect® Treasury Management System (ITMS) covering Domestic and Forex treasury functions across front, middle and back office with a single database and balance sheet
- A major universal banking institution in Ghana and the most diversified financial institution providing services such as Commercial Banking, Investment Banking, Mortgage Banking and Micro Finance, chose Polaris' Intellect® Loan Origination System to reduce data entry and enable faster credit decision making
- One of the top four banks in Japan offering a broad range of financial services including banking, securities, trust and asset management, credit card, private banking and venture capital through its group companies, selected Polaris' Intellect Loan Services Hub to implement in China. It has, more importantly, set the precedent of Polaris being the first Indian product vendor for its requirements.

Awards and Recognitions

Polaris has consistently been recognized and awarded by analysts and other industry influencers. Some of the recognitions received in the last quarter were:

- **Polaris' Intellect®** was featured as a **'Global Player' and as the only 'Global Pursuer' for all Global and New Deals** in the **Forrester report** titled **'Global Banking Platform Deals 2012'**
- **Polaris' Intellect® CBS** was given the **'Vendor To Watch' award by Aite**. Aite, in its report stated that, "Polaris remains one of the youngest and newest global players from a total core deployment standpoint, its scalability has been proven by large deal sizes, and its strengthening brand makes it a vendor to keep an eye on over the coming months."
- **Ovum's Decision Matrix report** for Common Retail Loan Origination Platform **featured Polaris' Intellect® Origination among 'Global 8 Retail Loan Origination Platforms'**. The report stated: "Polaris' Intellect Origination is a solid solution with deployments in several geographies, with Polaris mainly concentrating on emerging markets. The solution can definitely be explored by any lenders looking for a common retail loan origination platform, especially for lenders that already use **Intellect Global Universal Banking** – a core banking/lending processing solution from Polaris."
- Polaris Enterprise Solution Limited (PESL), a leading technology provider in diverse industry segments and a wholly owned subsidiary of Polaris Financial Technology Ltd won the **'EPoS (Electronic Point of Sale) Initiative of the Year' award for its next generation retail management solution, iRetail**
- Polaris' social initiative, Ullas Trust won the **'Special Award for Corporate Citizenship' as part of the Mother Teresa Award for Corporate Citizenship, for the year 2012 instituted by Loyola College of Business Administration (LIBA)**

Investor Conference Call

The Board of Directors of Polaris Financial Technology Limited met on **27th April 2013**, to take on record the financial results of the company for the Fourth quarter & Year ended March 31, 2013.

Polaris Financial Technology Ltd will host an Investors Conference Call on **29th April 2013**, where the Senior Management of Polaris will comment on the company's performance during the Fourth quarter & Year ended March 31, 2013 and respond to the questions from participants. **The conference call will take place at 14:30 Hrs IST on Monday, 29th April, 2013.**

The dial-in numbers to join the conference call:

Conference Name	:	Polaris Investor Earnings call for Q4 & FY 2012-13
Date	:	29th April, 2013
Time	:	14:30 HRS IST
Conference ID	:	42817719
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
INDIA	:	Primary Access Toll free Number : 186030131313
HONK KONG	:	Primary Access Toll free Number : 800901420
SINGAPORE	:	Primary Access Toll free Number : 8001011906
US and Canada	:	Primary Access Toll free Number : 18663944523
UK	:	Primary Access Toll free Number : 08081681758
International Dial in Number	:	+61 281990299
REPLAY	:	[29 th April 2013 to 1 st May 2013]
Replay ID/Conference #	:	42817719
Primary Access Number	:	02230360400

About Polaris Financial Technology Ltd

Polaris Financial Technology Limited is a global leader in Financial Technology for Banking, Insurance and other Financial Services. With over 25 years of expertise in building a comprehensive portfolio of products, smart legacy modernization services and consulting, Polaris owns the largest set of Intellectual Properties for a comprehensive product suite, Intellect[®] Global Universal Banking (GUB) M180. Intellect[®] is the world's first pure play Service Oriented Architecture (SOA) based application suite for Retail, Corporate, Investment banking and Insurance. Its acclaimed products, solutions and services enable unprecedented operational productivity for the global Financial Services Industry by Building, Maintaining, Expanding and Extending highly complex and Integrated Financial Technology Infrastructure.

This makes Polaris the chosen partner for 9 of the top 10 global banks and 7 of the top 10 global insurance companies. The company has a global presence through its 40 relationship offices across 30 countries, 6 international development centers and 8 fully owned Business Solution centers. Polaris has a talent strength of over 13,000 solution architects, domain and technology experts. For more information, please visit <http://www.polarisFT.com/>

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