

Polaris records 18% growth in Profits

Chennai, 16 July 2009: Polaris Software Lab Limited (POLS.BO), a leading Financial Technology company, today announced the first quarter results for FY 2009-10.

For the quarter ended 30 June 2009, Profit after tax grew by 18% to Rs. 31.84 crore from Rs. 27.01 crore compared to the same quarter last year. Income grew by 3% to Rs. 325.53 crore from Rs. 316.98 crore. Operating profit margins (EBITDA) grew by 42% to Rs. 55.23 crore from Rs. 38.82 crore.

Financial Highlights

1. EBITDA for the quarter stood at Rs. 55.23 crore, a 472 bps improvement in the margins over the same quarter last year
2. Cash and cash equivalents grew by Rs. 61 Cr to 401 crore, as against Rs. 340 crore at the end of previous quarter
3. The Days Sales Outstanding (DSO) has come down to a record 47 days from 52 days in the previous quarter, reflecting impeccable delivery standards
4. Americas contributed to 43%, EMEA (Europe, Middle East and Africa) contributed to 28% and Asia Pacific contributed to 29% of the quarter revenues

Business Highlights

1. During the quarter, the company recorded 21 wins, the largest number of wins in a quarter, of which 6 were Intellect-led (including Intellect Global Universal Banking at Saigon Hanoi Bank, one of Vietnam's largest banks)
2. The company launched Global Universal Banking (GUB), Intellect 10.0, the world's most comprehensive pure-play SOA platform, spanning across retail banking, corporate banking, capital markets and asset management. As part of its focused Go-to-market plan, Intellect 10.0 was launched in Latin America, Africa, Middle East and Asia Pacific
3. The company won two multi-million dollar deals of Intellect GUB in Europe and Africa
4. A Top 5 Global Bank went 'live' on Intellect liquidity platform in China and India
5. Intellect Collect was successfully implemented at Al Hilal Bank, a leading Financial institution in UAE
6. Intellect Lending went 'live' at Tamweel, a leading name in the Real estate financing in Egypt
7. The company won 2 large outsourcing deals in the UK and Middle East
8. Intellect was positioned as Challenger in the Magic Quadrant for "International Retail Core Banking suites" by Gartner, the world's leading information technology research and advisory company. Gartner has highlighted Intellect's component architecture, Progressive modernization approach and high ratings from the customers for implementation and support as the key strengths of the suite.

Mr. Arun Jain, Chairman & CEO, Polaris Software Lab Ltd., said, “With a very strong operations engine in place, we are now able to devote significant amount of management time for the Go-to-market with our Integrated Financial Technology offerings. Despite the slowdown, we have generated new opportunities of over 100 million dollars in this quarter.”

Mr. R Srikanth, Executive Vice President & CFO, Polaris Software Lab Ltd., said, “We continue to focus on our margins. Accelerated collection process primarily due to ‘On Time-In Full’ delivery has further improved our cash and cash equivalent positions. We have been able to convert EBITDA margins into free cash consistently. We expect to meet our EPS guidance of Rs. 15.0 for FY10.”

Financial Results for the First Quarter ended June 30, 2009

POLARIS SOFTWARE LAB - GROUP			
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2009 PREPARED AS PER INDIAN GAAP			
			Rs.Lakhs
	QUARTER ENDED		YEAR ENDED
Particulars	June 30, 2009	June 30, 2008	March 31, 2009 Audited
Income from software services, products and Business Process Management	32,552.82	31,697.99	137,794.54
Software development expenses	20,785.67	21,467.17	88,540.10
Gross Profit	11,767.15	10,230.82	49,254.44
Selling and marketing expenses	3,474.40	3,180.32	13,676.09
General and Administrative expenses	2,769.71	3,168.33	12,225.91
Operating Profit before interest, depreciation & amortization	5,523.04	3,882.17	23,352.44
Depreciation/Amortisation	844.13	1,063.44	3,878.16
Finance Charges	17.23	20.71	73.54
Operating Profit after interest, depreciation & amortisation	4,661.68	2,798.02	19,400.74
Exchange Gain/ (Loss)	(1,330.44)	(55.31)	(5,638.40)
Other Income	429.06	182.67	1,170.53
Share of profit/(loss) of Associate Companies	-	145.92	91.09
Profit on sale of Investments	-	-	1,306.15
Intangible Assets - Amortised fully	-	-	(1,173.27)
Profit before tax	3,760.30	3,071.30	15,156.84
Provision for taxation	576.78	370.15	2,085.58
Profit after tax	3,183.52	2,701.15	13,071.26
Earnings per share of Rs.5 each (Rs.)			
Basic	3.23	2.74	13.25
Diluted	3.22	2.73	13.24

About Polaris Software Lab

Polaris Software Lab (POLS.BO) is a leading Financial Technology Company, with its comprehensive portfolio of products, smart legacy modernization services and consulting. Polaris has talent strength of over 9000 solution architects, domain specialists and technology experts. The company owns the largest set of Intellectual Properties in the form of a comprehensive product suite namely Intellect™.

Intellect is the first pure play SOA based application suite for Retail, Corporate and Investment banking. Polaris is headquartered in Chennai and has offices in all global financial hubs including Tokyo, Sydney, Hong Kong, Singapore, India, Dubai, Bahrain, Riyadh, London, Belfast, Zurich, Frankfurt, Toronto, New York, Chicago, Fremont, Pittsburgh and Chile. For more information, please visit <http://www.polaris.co.in/>.

Investor Conference Call

Polaris Software Lab 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, 2009 and respond to questions from participants. The conference call will take place **at 18:00 Hrs IST on Thursday, July 16, 2009**

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, www.polaris.co.in in the investor section.

The dial numbers to join the conference call

Conference Name : Q1 FY 09-10 Polaris Investor Earnings call
Date : Thursday, 16th July 2009
Time : 18:00 hrs IST
Conference ID : 18798516

Access Numbers for the call

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

REPLAY : [16th July 2009 to 18th July 2009]
Replay ID/Conference # : 18798516
Primary Access Number : 02230360400

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