



For Immediate Release

**Polaris Reports 3rd Quarter Revenues of Rs. 282.14 Cr & Profits of Rs. 19.12 Cr  
Employee strength crosses 10,000. Optimus grows 29% quarter on quarter**

Chennai, 23 January 2008: Polaris Software Lab Limited (POLS.BO), a Nasscom Top 10 company and the leader in Specialty Application Development in Banking, Financial & Insurance sector, today announced the third quarter results for FY 2007-08.

***Financial Information Overview for the quarter ended December 2007***

**Indian GAAP Consolidated**

Revenues	Rs. 282.14 crore , Up 6% QoQ in \$ terms, 3% in Rupee terms
Operating Profit	Rs. 35.31 crore, Up 6% QoQ in \$ terms, 3 % in Rupee terms
Profit After Tax	Rs. 19.12 crore, Up 8% QoQ in \$ terms, 5% in Rupee terms

***Intellect Business grows 30% YoY***

The company's Product (Intellect) business has grown over 30% year on year in \$ terms.

1. Intellect Core Banking went live in one of the largest banks in Middle East
2. Intellect Custody Platform went live in one of the largest Private Sector banks in India
3. Intellect Cash Management Platform was chosen by SEB, a leading North European Financial group
4. Mekong Housing Bank, the 5<sup>th</sup> largest State-owned bank in Vietnam, chose Intellect Universal Banking Platform (Intellect 787)

***Specialized Outsourcing Services***

Polaris has carved a niche for itself in specialized outsourcing services with unique domain expertise and micro vertical specialization and has won two Global Outsourcing deals in Q3.

***BPO Business grows 81% YoY***

Optimus Global Services, Polaris' BPO subsidiary focusing on the high-growth Indian market for complete banking process outsourcing, recorded a growth of 81% (in rupee terms) on a YoY basis and 29% on a sequential QoQ basis.

***Consulting***

On the strength of a huge asset base of Intellectual Property (IP), Polaris has been providing specialized services and consulting for non-disruptive modernization of legacy technology platforms. Two high end consulting assignments were completed in the quarter for the Markets and Banking division of a Fortune 10 bank in the US and for the Asset Management division of a leading Wall Street bank.

During the quarter the Company won 14 new customers out of which 6 were Intellect led wins.



**Mr. Arun Jain, Chairman & CEO, Polaris Software Lab Ltd.,** said, “In the last 9 months, we have completed 9 lighthouse\*\* implementations of our Next-Generation Intellect Platforms. Our unique methodology of Smart Legacy Modernization (SLM) has gained acceptance and recognition from Independent Analysts like the Tower Group & Forrester. They have also forecast that the maximum IT spend in the next 5 years is going to be in the area of modernizing legacy platforms. With our largest portfolio of Financial Technologies, we are well positioned to leverage this opportunity in select markets”.

**Mr. Arup Gupta, President & COO, Polaris Software Lab Ltd.,** said, “In the last 6 quarters, the company has moved up from annual revenues in the \$200 million level and is now approaching the \$300 million level. At this point of time, our focus will be to improve operational efficiencies to counter rupee appreciation and record a higher growth in profits in the coming quarters”.

**Mr. R Srikanth, Executive Vice President & CFO, Polaris Software Lab Ltd.,** said, “We introduced key programs for improving operational efficiencies two quarters back. This has resulted in the cash position at the end of the quarter moving from Rs. 100 cr to Rs. 145 cr and our collection days improving from 64 days to 59 days”.

*\*\* -> the term lighthouse is used in Polaris to denote Intellect Platform implementations in Tier 1 banks & financial institutions*



Financial Results for the Quarter ended Dec 31, 2007

Consolidated Profit and Loss account of Polaris Software Lab					
(In Rs. Lakhs)	Q3- FY08	Q2- FY08	Q3 - FY07	9M FY 08	9M FY 07
Particulars	Quarter ending Dec 31, 2007	Quarter ending Sep 30, 2007	Quarter ending Dec 31, 2006	Nine months ending Dec 31, 2007	Nine months ending Dec 31, 2006
Income from Software Services and products	28,214.15	27,355.08	27,397.29	81,314.28	76,159.05
Other Income	150.43	411.04	410.41	1,420.35	283.14
<b>Total Income</b>	<b>28,364.58</b>	<b>27,766.12</b>	<b>27,807.70</b>	<b>82,734.63</b>	<b>76,442.19</b>
Software development expenses	18,696.56	18,469.20	16,958.76	54,914.88	47,581.88
<b>Gross profit</b>	<b>9,668.02</b>	<b>9,296.92</b>	<b>10,848.94</b>	<b>27,819.75</b>	<b>28,860.31</b>
Selling and Marketing expenses	3162.16	3,150.01	3,053.47	9,415.15	7,906.00
General and Administrative expenses	2974.61	2,719.99	2,645.65	8,395.64	7,759.17
<b>EBITDA</b>	<b>3,531.25</b>	<b>3,426.92</b>	<b>5,149.82</b>	<b>10,008.96</b>	<b>13,195.14</b>
Interest / Finance charges	23.77	18.85	16.85	60.14	52.45
Depreciation & Amortization	1,123.98	1,189.43	1,241.32	3,471.18	3,595.90
<b>Profit after Interest ,Depreciation &amp; Amortisation</b>	<b>2,383.50</b>	<b>2,218.64</b>	<b>3,891.65</b>	<b>6,477.64</b>	<b>9,546.79</b>
Share of Profit/(Loss) of associate companies	(23.44)	(21.52)	24.26	(81.78)	166.24
<b>Profit Before Tax (PBT)</b>	<b>2,360.06</b>	<b>2,197.12</b>	<b>3,915.91</b>	<b>6,395.86</b>	<b>9,713.03</b>
Provision for taxation	448.26	374.77	687.26	1,219.79	1,746.51
<b>Profit After Tax (PAT)</b>	<b>1,911.80</b>	<b>1,822.35</b>	<b>3,228.65</b>	<b>5,176.07</b>	<b>7,966.52</b>
<b>PAT as % to Total Income</b>	<b>6.7%</b>	<b>6.6%</b>	<b>11.6%</b>	<b>6.3%</b>	<b>10.4%</b>



**About Polaris Software Lab**

Polaris Software Lab (POLS.BO), a NASSCOM Top 10 company, is a recognized global leader in Specialty Application Development for the Banking, Financial and Insurance sector, with its comprehensive portfolio of products, specialized outsourcing & modernization services and consulting. Polaris has a talent strength of over 10,000 solution architects, domain experts and technology experts and owns the largest set of Intellectual Properties in the form of a comprehensive product suite and nine banking platforms namely Intellect Cash & Liquidity Management, Intellect Risk & Treasury Platform, Intellect Wealth Management, Intellect Core Banking, Intellect Consumer Finance, Intellect Credit Cards, Intellect 787 (Intellect Universal Banking), Intellect Front Office and Intellect Investor Services Platform. Headquartered in Chennai, Polaris has its Corporate Banking Solution Centre in Mumbai, Investment Banking Solution Centre in Hyderabad, Risk & Treasury Solution Center in Mumbai, Retail Banking Solution Centre in Chennai and Enterprise Solution Centre in Delhi. Polaris has offices in Tokyo, Sydney, Hong Kong, Singapore, India, Dubai, Bahrain, Riyadh, London, Belfast, Zurich, Frankfurt, Toronto, New York, Chicago, Fremont 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 third quarter ended Dec 31, 2007 and respond to questions from participants. The conference call will take place **at 17:00 Hrs IST (19:30 Hrs in Hong Kong / Singapore) on Wednesday, Jan 23, 2008.**

To participate in the conference call, please dial the numbers given below five minutes ahead of schedule. As participation is limited to 59 callers, early registration is encouraged. The transcript of this conference call will be available within 72 working hours at website, [www.polaris.co.in](http://www.polaris.co.in) in the investor section.

The dial numbers to join the conference call is as follows:

**Conference name** : Polaris Q3FY08 earnings call  
**Time** : 17:00 Hrs IST (19:30 Hrs in Hong Kong / Singapore) on Wednesday, Jan 23, 2008

**Access Numbers for Polaris Software Lab Ltd Q&A call 23<sup>rd</sup> Jan 08, 5:00 PM IST**

WebEx India [59 Ports]  
MUMBAI  
[34 Ports]Primary Access TOLL NUMBER: (+91 22) 2781 3007  
Standby Access TOLL NUMBER: (+91 22) 6776 3707  
BANGALORE  
[5 Ports]Primary Access TOLL NUMBER: (+91 80) 2237 8260  
Standby Access TOLL NUMBER: (+91 80) 4422 3060  
DELHI  
[15 Ports]Primary Access TOLL NUMBER: (+91 11) 2651 6883  
Standby Access TOLL NUMBER: (+91 11) 2781 2277  
CHENNAI  
[5 Ports]Primary Access TOLL NUMBER: (+91 44) 2820 0012  
Standby Access TOLL NUMBER: (+91 44) 2781 2277  
REPLAY  
[23rd Jan 08 to 25th Jan 08 at 20.30 hrs]  
Primary Access NUMBER: (+91 22) 6776 3707



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