

For Immediate Release

Q1 Results for FY 2008-2009

Polaris reports 87% growth in profits

...Mr. Arup Gupta joins the Board

Chennai, 17 July 2008: Polaris Software Lab Limited (POLS.BO), a leader in Specialty Application Development in Banking, Financial and Insurance sector, today announced the first quarter results for FY 2008-2009.

For the quarter ended 30th June 2008, consolidated revenue was Rs. 316.98 crore and Profit after Tax (PAT) was Rs. 27.01 crore. Compared to the same quarter last year, revenues grew 23% from Rs. 257.45 crore and Profits grew by 87% from Rs. 14.42 crore.

On a sequential quarter on quarter basis, revenues grew by 11% from Rs. 286.16 cr to Rs 316.98 cr and Profits grew by 26% from Rs. 21.45 cr to Rs. 27.01 cr.

In dollar terms, revenues grew 21% to USD 76 million from 62.72 million; PAT grew 85% to USD 6.48 million from 3.51 million on a year on year basis. On a sequential quarter on quarter basis, revenues grew by 6% and PAT grew 20% in dollar terms.

The Board has appointed Mr. Arup Gupta as Executive Director effective 17 July, 2008.

Financial Highlights

1. The revenues contribution from Americas grew to 37% of total revenues, up by 300 basis points
2. Revenues from Optimus, a wholly owned BPO subsidiary of Polaris, grew by 80% on a YoY basis.
3. Utilization in the quarter improved by 357 basis points

Business Highlights

1. During the quarter, the company expanded its customer base, by winning 15 new customers, including 5 that were Intellect-led
2. Intellect Cards Platform was implemented in one of the leading retailers in the Latin America region reaching 3 million customers.
3. Intellect Origination product was implemented in one of India's leading Private Sector banks in a record time of 6 weeks.

Mr. Arun Jain, Chairman & CEO, Polaris Software Lab Ltd., said, "With our integrated business model, we are better positioned to expand business beyond G7 markets. We have diligently built over 40 reference sites for the Intellect Product and have completed critical implementations in Tier 1 banks. Now, we are ready to market the product to Tier 2 banks".

Mr. Arup Gupta, Executive Director & COO, Polaris Software Lab Ltd., said, "Despite the tough macro economic conditions of subprime, we have grown our top line by 23%. The



quarterly top line has grown to the USD 75 million level up from USD 60 million level, same quarter last year. Our strategic customer landscape has crossed the 100 mark”.

Mr. R Srikanth, Executive Vice President & CFO, Polaris Software Lab Ltd., said, “As promised by the management last year, we delivered over 10% quarter on quarter growth in profits consistently for last 4 quarters. We have visibility of growing over 10% profit quarter on quarter during the year.”

Financial Results for the First Quarter ended June 30, 2008
Consolidated Profit and Loss account of Polaris Software Lab Limited

POLARIS SOFTWARE LAB - GROUP			
			Rs.Lakhs
	QUARTER ENDED		YEAR ENDED
Particulars	June 30, 2008	June 30, 2007	March 31, 2008 Audited
Income from software services, products and Business Process Management	31,697.99	25,745.05	109,930.05
Other Income	127.36	858.88	1,811.01
Total Income	31,825.35	26,603.93	111,741.06
Expenditure			
Software development expenses	21,467.17	17,749.12	74,465.26
Selling and marketing expenses	3,180.32	3,102.98	12,513.35
General and Administrative expenses	3,168.33	2,701.04	11,132.07
Total Expenditure	27,815.82	23,553.14	98,110.68
Profit before interest, depreciation & amortization	4,009.53	3,050.79	13,630.38
Finance Charges	20.71	17.52	78.61
Depreciation / Amortization	1,063.44	1,157.77	4,602.48
Profit after interest, depreciation & amortization	2,925.38	1,875.50	8,949.29
Share of Profit / (Loss) of Associate Companies	145.92	(36.81)	(16.75)
Profit before tax	3,071.30	1,838.69	8,932.54
Provision for taxation	370.15	396.76	1,611.04
Profit after tax	2,701.15	1,441.93	7,321.50
Earnings per share of Rs.5 each (Rs.)			
Basic	2.74	1.46	7.42
Diluted	2.73	1.45	7.40

About Polaris Software Lab

Polaris Software Lab (POLS.BO), is a recognized global leader in Specialty Application Development for the Banking, Financial and Insurance sector, with its comprehensive portfolio of products, smart legacy 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 and Liquidity Management, Intellect Risk and Treasury Platform, Intellect Wealth Management, Intellect Core Banking, Intellect Consumer Finance, Intellect Credit Cards, 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 and 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 first quarter ended Jun 30, 2008 and respond to questions from participants. The conference call will take place **at 10:00 Hrs IST (12:30 Hrs in Hong Kong / Singapore) on Friday, July 18, 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 in the investor section.

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

Conference Name : Q1 FY 08-09 Polaris Investor Earnings call.
Date : 18th July 2008, Friday
Time : 10:00 hrs IST
Conference ID : 55157674

Access Numbers for the call:

MUMBAI : Toll Numbers : 02230360400 / 02230560400
BANGALORE : Toll Numbers : 08030360400 / 02230560400
DELHI : Toll Numbers : 01130360400 / 02230560400
CHENNAI : Toll Numbers : 04430360400 / 02230560400
HONK KONG : Toll free Number : 800964999
Standby Access Toll Number : 02230560400
SINGAPORE : Toll free Number : 8001011906
Standby Access Toll Number: 02230360400
REPLAY : [18th July 2008 to 20th July 2008]
Replay ID/Conference No : 55157674
Primary Access Number : 02230360400

For further information, please contact:

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