

Intellect™ goes live in the US **...Polaris Quarterly Profit grows 46%**

Chennai, 15 July 2010: Polaris Software Lab Limited (POLS.BO), a leading Financial Technology company, today announced the first quarter results for FY 2010-11.

With the signals of a recovering Financial Technology market place, Polaris' first foray of Intellect GUB in the US went live. A leading bank in USA trusted Polaris' Intellect GUB as the technology enabler for their modernization strategy. Polaris secured high quality wins during the quarter backed by rich functionality in its offerings, superior delivery and ability to unlock efficiencies at customer end. During the quarter, Polaris' Global Delivery Model surpassed industry benchmark.

Key Performance metrics

For the quarter ended 30 June 2010, Profit after Tax (PAT) grew by 46% to Rs. 46.60 crores from Rs. 31.84 crores compared to the same quarter last year. Operating Profit (EBITDA) grew by 33% to Rs. 55.59 crore from Rs. 41.93 crore. Total Income grew by 18% to Rs. 367.96 crores from Rs. 312.22 crores.

In dollar terms, Profit after Tax (PAT) grew by 57% year on year to USD 10.20 million from USD 6.51 million. Operating Profit (EBITDA) grew by 42% to USD 12.16 million from USD 8.58 million. Total Income grew by 26% to USD 80.52 million from USD 63.89 million.

Intellect™ (product) expansion

Intellect registered 16 wins during the first quarter. Intellect business contributed to 23% of the quarterly revenues, a growth of 46% over same quarter last year in dollar terms.

Notable amongst these wins, a Central Bank in Africa, a leading retail bank in Canada, a large Co-operative Bank in India chose Intellect GUB as their strategic solution. A leading insurer in Australia, Europe and a reputed insurance provider in India chose Intellect Insurance solution as their choice for transformation initiatives.

Intellect GUB went live in 6 countries for one of the Top 3 global banks. Intellect GUB, an integrated front-mid-back office solution went live in a bank in Vietnam in a record time of 11 months.

Continuing with the go-to-market strategy for Intellect in the US, Intellect Insurance CBX was launched at ACORD LOMA Insurance Forum.

Account Expansion

Polaris won multiple deals this quarter across the globe in the Financial Technology Services outsourcing space in a recovering business environment. During the quarter, the revenues from services business increased by 5% in rupee terms year on year. Seven services deals were won this quarter. Polaris signed 4 Master Services Agreement with Wall Street and High Street Banks.

Market and Analyst Recognition

Intellect Insurance won two prestigious awards (1) The Early Adopter Award and (2) The Most Compelling Case Study Award at the ACORD LOMA Insurance Forum in the US.

Intellect Payment Services Hub (PSH) was included amongst the leading Payments solution in Gartner's Payment Frameworks research. Intellect GUB was recognized amongst the leading Real-Time Core systems targeted at large banks with assets of USD 20 Billion or more in a research report by a leading independent analyst.

In the Insurance space, Polaris was featured amongst the top five technology players for its width of offerings and domain expertise by a leading independent analyst.

Financial and Operating Highlights

1. Net Profit Margins improved 247 bps year on year
2. Cash and cash equivalents stood at Rs. 510 crores at the end of the quarter
3. Americas contributed to 46%, EMEA (Europe, Middle East and Africa) contributed to 24% and Asia Pacific contributed to 30% of the quarter revenues, maintaining a balanced revenue portfolio
4. Annualized EPS for Q1 grew to Rs. 18.8 from Rs. 12.9 in the same quarter last year
5. The Days Sales Outstanding (DSO) stood at 45 days, reflecting high customer satisfaction and extreme execution

Arun Jain, Founder, Chairman & CEO, Polaris Software Lab Ltd., said, "The very first Intellect implementation going live in the large and demanding US market opens up new doors for Polaris growth. With unique open architecture of Intellect enabling non-disruptive modernization of legacy platform provides us new opportunities in engaging with more customers in the US in the coming quarters."

Govind Singhal, President - Global Delivery and Operations and & COO, Polaris Software Lab Ltd., said, "With a sharp focus on fine-tuning our Global Delivery Model coupled with Financial Technology expertise, we achieved 16% higher efficiency than the industry benchmark. Our ability to create such efficiencies has resulted in accelerating our sales."

Business Outlook

With the annualized EPS achievement of Rs. 18.8 at the end of first quarter, we are comfortable with the annual guidance of EPS growth of Rs. 20.2- 20.5 for the year 2010-11, as advised at the start of the financial year.

##

Financial Results for the First Quarter ended June 30, 2010

POLARIS SOFTWARE LAB - GROUP			
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2010			
PREPARED AS PER INDIAN GAAP			
	QUARTER ENDED		YEAR ENDED
Particulars	June 30, 2010	June 30, 2009	March 31, 2010 Audited
INCOME			
Income from software services, products and Business Process Management	36,056.50	32,552.82	135,375.62
Other operating Income / (Loss)	739.70	(1,330.44)	(2,641.96)
	36,796.20	31,222.38	132,733.66
EXPENDITURE			
Software development expenses	24,295.35	20,785.67	87,009.58
Selling and marketing expenses	3,896.27	3,474.40	14,503.20
General and Administrative expenses	3,045.39	2,769.71	11,661.02
Total Expenditure	31,237.01	27,029.78	113,173.80
Profit before interest, depreciation & amortisation	5,559.19	4,192.60	19,559.86
Depreciation/Amortisation	780.81	844.13	3,501.53
Finance Charges	23.70	17.23	91.09
Profit after interest, depreciation & amortisation	4,754.68	3,331.24	15,967.24
Other income	684.04	429.06	1,911.88
Minority Interest/ Share of profit/(loss) of Associate Companies	6.93		(41.61)
Profit before tax	5,445.65	3,760.30	17,837.51
Provision for taxation	785.56	576.78	2,553.27
Profit after tax	4,660.09	3,183.52	15,284.24
Earnings per share of Rs.5 each (Rs.)			
Basic	4.71	3.23	15.48
Diluted	4.66	3.22	15.34

About Polaris Software Lab

Polaris Software Lab (POLS.BO) is a leading Financial Technology company, with its comprehensive portfolio of products, services and consulting. Polaris has a talent strength of over 9,000 solution architects, domain and technology experts. The company owns the largest set of Intellectual Properties in the form of a comprehensive product suite, Intellect™ Global Universal Banking (GUB) 10.0. 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 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.polarisFT.com/>

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, 2010 and respond to questions from participants. The conference call will take place **at 18:00 Hrs IST on Thursday, July 15, 2010**

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 numbers to join the conference call

Conference Name	:	Polaris Q1-2010-11 Investor Earnings Call
Date	:	15th July 2010
Time	:	18:00 HRS IST
Conference ID	:	86511640

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
HONK KONG	:	Primary Access Toll free Number	:	800901420
SINGAPORE	:	Primary Access Toll free Number	:	8001011906

REPLAY	:	[16th July 2010 to 18th July 2010]
Replay ID/Conference #	:	86511640
Primary Access Number	:	02230360400

For further information, please contact:

Shailesh Dhawla
Polaris Software Lab
Tel: +91 9711811460
Email: shailesh.d@polaris.co.in