

Media Release - FOR IMMEDIATE RELEASE

Sasken Q1 FY08 Revenues at Rs 128.4 crore - up 41%

Bangalore, July 20, 2007: Sasken Communication Technologies Limited (BSE:532663, NSE:SASKEN), a pioneer in telecom R&D and support outsourcing, today announced its consolidated results according to Indian GAAP for the first quarter ended June 30, 2007.

Performance Snapshot

Consolidated Revenues: Rs 128.37 crore - increases 41% vs Q1 FY07

Consolidated Profit After Tax (PAT): Rs. 6.39 crore - decreases 31% vs Q1 FY07

Consolidated Basic EPS: Rs. 2.24/- vs Rs. 3.29/- in Q1 FY07

Key Financial Highlights for Q1 FY08

- Average collection period stands at 81 days
- Revenue contribution from the Top five customers stood at 76.1% and from Top 10 customers at 87.8%
- Cash and cash equivalents stand at Rs. 50.2 crore as on June 30, 2007, compared to Rs. 34.9 crore as on March 31, 2007
- The consolidated Forex-hedged (forward covers) position on June 30, 2007 was US\$ 39.4 Million at an average rate of Rs. 45.79/-
- Average realized rate for the quarter Rs 40.83/- per US\$

Key Business Highlights for Q1 FY08

- A Gross total of 199 people were added this quarter (Net Adds of -98), taking the total employee strength to 3,513 as on June 30, 2007
- Utilization on the services side stands at 72.5%
- The services business delivered an EPS of Rs 5.22/-
- EBITDA Margins on the services side were at 12.4%
- Two new Design-Wins for Multimedia Subsystem on the products side
 - Royalty bearing engagement with a Global Tier 1 - shipments started in June 2007
 - NTT DoCoMo, Japan has announced a new FOMA N904i mobile handset developed by NEC in Japan with Sasken's Multimedia Solution - royalty bearing engagement - launched in May 2007
- 8 new customers added during the quarter; a total of 87 active customers

Commenting on the performance, Rajiv Mody, Chairman & CEO, Sasken said, "We recorded 2% dollar terms growth in our business. We signed up some key Tier 1 customers for our services business. The rupee appreciation, along with wage hikes, have meant that our services EBITDA is at 12.4% for the quarter,"

"In Q1, the products business had two design-wins on the multimedia subsystem side - one each with a Japanese Tier 1 and a Global Tier 1,"

"The pipeline we have in our services and products business is encouraging," he added.

Key Customer Wins - Services

- A Tier 1 Equipment Manufacturer has chosen Sasken Network Engineering Ltd for a CDMA deployment project.
- A Tier 1 handset manufacturer has deepened their engagement with Sasken with a dedicated ODC in Bangalore for application development, with complete module ownership
- Another Tier 1 handset manufacturer has selected Sasken to set up a Testing ODC in Chennai
- A world leader in smart phones has selected Sasken to develop test cases for testing of its mobile handset components

The detailed financial results are given in an Annexure to this Media Release. A fact sheet providing the operating metrics for the company and a presentation for analysts can be downloaded from the investor section of the corporate website www.sasken.com.

Conference Call details

A conference call is planned at 1100 hrs IST on Monday, July 23, 2007, where the senior management of Sasken led by Chairman and CEO, Rajiv Mody, will comment on the company's performance for the first quarter ended June 30, 2007, and respond to queries from participants. To participate in the conference call, please dial the numbers given ten minutes ahead of the schedule. The transcript of this conference call will be available within 72 working hours in the investor section of the company website, www.sasken.com. Details of the conference call are also available on www.sasken.com.

Date and Time	Monday, July 23, 2007, 11.00 AM IST
Location	Access Number
India	Primary Access TOLL NUMBER: (+91 22) 2781 3127 Secondary Access TOLL NUMBER: (+91 22) 6776 3827

Indian GAAP Financial Release - Q1 FY08

LOCATION	ACCESS NUMBER	CONFERENCE ID
US	TOLL FREE NUMBER: 877 209 0463	7279456#
INTERNATIONAL TOLL NUMBER	TOLL NUMBER: +1 706 643 0243	

About Sasken

Sasken is an embedded telecom solutions company that helps businesses across the telecom value chain accelerate product development life cycles. Sasken offers a hybrid model of services and products, and works with Network OEMs, semiconductor vendors, Terminal Devices OEMs and operators across the world. Global Fortune 500, Tier 1 companies in each of these segments are part of Sasken's customer profile. Established in 1989, Sasken employs over 3,500 people at its offices in India, China, Finland, Germany, Japan, Mexico, Sweden, UK and the U.S.

For further information, please contact:

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Disclaimer

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy and our growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, changes in the laws and regulations that apply to the Indian IT services industry, including with respect to tax incentives and export benefits, adverse changes in foreign laws, including those relating to outsourcing and immigration, increasing competition in and the conditions of the Indian and global IT services industry, the prices we are able to obtain for our services, wage levels in India for IT professionals, the loss of significant customers the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the information technology/telecommunication industries. Additional risks that could affect our future operating results are more fully described in our Red herring filing. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Amount in Rs. Lakhs		
Sasken Communication Technologies Limited		
Consolidated Balance Sheet		
	As at June 30, 2007	As at March 31 2007
SOURCES OF FUNDS		
<u>Shareholders' Funds</u>		
Share Capital	2,850.01	2,850.01
Share Application Money	12.95	-
Employee Stock Options Outstanding (Net of deferred compensation cost)	291.93	172.40
Reserves and Surplus	38,365.72	39,152.74
Government Subsidy (PROSOFT)	-	25.09
<u>Loan Funds</u>		
Secured Loans	8,282.86	9,091.13
Unsecured Loans	26.95	68.76
Deferred Tax Liability	6.70	7.10
Total Sources	49,837.12	51,367.23
APPLICATION OF FUNDS		
<u>Fixed Assets</u>		
Gross Block	41,448.60	41,758.48
Less : Accumulated Depreciation	12,916.79	12,303.53
Net Block	28,531.81	29,454.95
Capital Work in Progress including capital advances	96.83	500.43
Total	28,628.64	29,955.38
<u>Capitalised software product costs (net of amortization)</u>	3,029.50	3,327.36
<u>Investments</u>	1,099.55	3,680.58
<u>Deferred Tax Asset</u>	194.65	62.98
<u>Current Assets, Loans and Advances</u>		
Inventories	97.17	79.91
Sundry Debtors	11,584.15	11,081.98
Cash and Bank Balances	5,020.91	3,487.61
Loans and Advances	7,875.86	7,470.28
Gross Current Assets	24,578.09	22,119.78
<u>Less: Current Liabilities and Provisions</u>		
Current Liabilities	5,307.17	5,020.51
Provisions	2,386.14	2,758.34
Total	7,693.31	7,778.85
Net Current Assets	16,884.78	14,340.93
Total Applications	49,837.12	51,367.23

Sasken Communication Technologies Limited		Amount in Rs. Lakhs	
Consolidated Profit and Loss Account			
	For the Quarter ended June 30 2007	For the Quarter ended June 30 2006	
Revenues	12,837.23	9,112.33	
Cost of Revenues	9,313.73	6,248.27	
Gross Profit	3,523.50	2,864.06	
Research and Development Expenses	959.65	339.29	
Gross Profit after Research and Development Expenses	2,563.85	2,524.77	
Selling and Marketing Expenses	718.67	485.81	
Administrative and General Expenses	1,718.20	1,096.25	
Employee stock option compensation cost (net)	119.52	6.44	
Profit from operations	7.46	936.27	
Amortisation of Non Compete Fees	61.64	42.77	
Other Income	112.39	230.33	
Exchange Gain/ (loss) (net)	946.33	(152.05)	
Profit Before Interest and Income Taxes	1,004.54	971.78	
Interest Expense	101.18	2.63	
Profit Before Taxes	903.36	969.15	
Income Tax expense/(credit), net			
-Current	348.45	22.49	
-Deferred	(126.39)	(12.51)	
Fringe Benefit Tax	42.71	39.65	
Profit After Tax	638.59	919.52	
Add: Balance brought forward	8,990.48	6,446.39	
Add: Adjustment for transitional provision under Accounting Standard 15 (revised)	(669.36)	-	
Balance carried to Consolidated Balance Sheet	8,959.71	7,365.91	
Earnings Per Share (Equity Share par value Rs 10 each)			
Before exceptional item			
Basic	2.24	3.29	
Diluted	2.21	3.24	
Weighted average number of Equity Shares used in computation of			
Basic EPS	28,500,136	27,943,114	
Diluted EPS	28,858,598	28,388,257	