

Media Release - For Immediate Release

**Sasken Full Year FY07 Revenues at Rs 477 crore - up 55%
*PAT increases by 93% YoY; Services Business crosses \$100M in annual
revenues***

Bangalore, April 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 fourth quarter and full year ended March 31, 2007.

Full Year ended March 31, 2007

Consolidated Revenues: Rs 477 crore - increases 55% vs FY06

Consolidated PAT: Rs 44.3 crore - increases 93% vs FY06

Consolidated EPS: Rs 15.75/- vs Rs. 9.08/- in FY06

Dividend Declared: 40%

Quarter ended March 31, 2007

Consolidated revenues: Rs 135 crore - increases 73% vs Q4 FY06

Consolidated Profit After Tax (PAT): Rs. 11.7 crore - increases 86% vs Q4 FY06

Consolidated EPS: Rs. 4.14/- vs Rs. 2.52/- in Q4 FY06

Key Financial Highlights for Q4 FY07

- Average collection period stands at 74 days
- Revenue contribution from the Top five customers stood at 73.6% and from Top 10 customers at 86.3%
- Cash and cash equivalents stand at Rs. 34.9 crore as on March 31, 2007, compared to Rs. 42.5 crore as on December 31, 2006
- The consolidated Forex-hedged position on March 31, 2007 was US\$ 53.9 Million
- Average realized rate for the quarter Rs 44/- per US\$
- Dividend declared - 40%

Key Business Highlights for Q4 and Full Year FY07

- A net total of 107 people were added this quarter (Gross Adds of 290), taking the total employee strength to 3,611 as on March 31, 2007
- Utilization on the services side stands at 71.5%, for Q4; for the Full Year, the utilization was 75%
- The services business delivered an EPS of Rs 7.29/- for Q4 and Rs 26.84/- for the Full Year
- EBITDA Margins on the services side were at 20.7% for Q4 and 22.5% for the Full Year

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- Two new Design-Ins (One for the Application Framework with Lenovo Mobile, and one for Multimedia Subsystem) on the products side - both in April 2007
- NTT DoCoMo, Japan has announced a new FOMA P903iX mobile handset developed by Panasonic Mobile Corporation (PMC) in Japan with Sasken's Multimedia Solution - royalty bearing engagement - launched on April 19, 2007
- 6 new customers added during the quarter; a total of 84 active customers during the year

Commenting on the performance, Rajiv Mody, Chairman & CEO, Sasken said, "The Sasken Group has delivered revenue growth of 55% and net profits have grown 93% for FY07 over FY06. The full year's EPS stands at Rs 15.75/-, a growth of 73%. Our services business has delivered 62% growth rate in revenues and crossed a significant milestone of \$100M in revenues for the full year. Our services EBITDA margins were at 22.5% for the Full Year. This is in line with the goals we had set for ourselves at the beginning of the year. One more of our key accounts has crossed \$20M in annual revenues, with a third account very close achieving that milestone. This further vindicates our Tier 1 strategy,"

"Our focus this year has been to set the platform for profitable growth going forward. To this effect, we have significantly strengthened our leadership team. We are also firming up plans for entry into some new customer segments, and looking at expanding our offering portfolio. The Sasken Group's focus continues to be the communications industry and we believe that we have the scale and the compelling value propositions to scale our business significantly," he added.

"We continue to track our products business on the basis of set milestones. The Design-In on the Application Framework Product with Lenovo Mobile is an important step forward for us. The NTT DoCoMo P903iX by PMC phone launch in April 2007 is another royalty-bearing engagement for us in the Japanese market. Going forward, we should see Design-Wins (phone launches) happen on the Multimedia Subsystem product with various customers, including a global Tier 1 customer, in the first quarter," Rajiv added.

The key senior management appointments made by the company in January 2007 were:

- Poonacha Machaiah - Senior Vice President, Worldwide Sales
- Rajesh Tyagi - Chief Technology Officer (Products and Services)
- Ranganath Puranik - Senior Vice President (Global Strategy & Business Development) & Chief Strategy Officer (Products & Services)
- Srinivasan Ramaraj - Senior Vice President, Services

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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 www.sasken.com.

Conference Call details

A conference call is planned at 1000 hrs IST on Monday, April 23, 2007, where the senior management of Sasken led by Chairman and CEO, Rajiv Mody, will comment on the company's performance for the fourth quarter and full year ended March 31, 2007, and respond to queries from participants. To participate in the conference call, please dial the numbers given on the website 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.

Time	10.00 AM IST
Location	Access Number
India	Primary Access TOLL NUMBER: (+91 22) 2781 3127 Secondary Access TOLL NUMBER: (+91 22) 6776 3827

LOCATION	ACCESS NUMBER	CONFERENCE ID
US	TOLL FREE NUMBER: 877 209 0463	4791845#
INTERNATIONAL TOLL NUMBER	TOLL NUMBER: 001 706 643 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.

Sasken Communication Technologies Limited
Consolidated Balance Sheet

Rs in Lakhs

	As at March 31 2007	As at March 31 2006
SOURCES OF FUNDS		
<u>Shareholders' Funds</u>		
Share Capital	2,850.01	2,793.64
Employee Stock Options Outstanding (Net of deferred compensation cost)	172.40	77.32
Reserves and Surplus	39,152.74	35,631.05
Government Subsidy (PROSOFT)	25.09	-
<u>Loan Funds</u>		
Secured Loans	9,091.13	115.04
Unsecured Loans	68.76	-
Deferred Tax Liability	7.10	-
Total Sources	51,367.23	38,617.05
APPLICATION OF FUNDS		
<u>Fixed Assets</u>		
Gross Block	41,758.47	18,946.94
Less : Accumulated Depreciation	12,303.53	9,178.08
Net Block	29,454.94	9,768.86
Capital Work in Progress including capital advances	500.44	342.93
Total	29,955.38	10,111.79
<u>Capitalised software product costs (net of amortization)</u>	3,327.36	1,413.45
<u>Investments</u>	3,680.58	18,651.01
<u>Deferred Tax Asset</u>	62.98	19.50
<u>Current Assets, Loans and Advances</u>		
Inventories	79.91	334.97
Sundry Debtors	11,081.98	6,528.59
Cash and Bank Balances	3,487.61	1,514.49
Loans and Advances	7,470.28	3,852.76
Gross Current Assets	22,119.78	12,230.81
<u>Less: Current Liabilities and Provisions</u>		
Current Liabilities	5,020.51	2,663.57
Provisions	2,758.34	1,145.94
Total	7,778.85	3,809.51
Net Current Assets	14,340.93	8,421.30
Total Applications	51,367.23	38,617.05

Sasken Communication Technologies Limited		Rs. in Lakhs	
Consolidated Profit and Loss Account			
	For the Year Ended March 31 2007	For the Year Ended March 31 2006	
Revenues	47,712.90	30,812.79	
Cost of Revenues	31,660.68	20,115.06	
Gross Profit	16,052.22	10,697.73	
Research and Development Expenses	2,223.20	1,518.76	
Gross Profit after Research and Development Expenses	13,829.02	9,178.97	
Selling and Marketing Expenses	2,501.47	2,388.28	
Administrative and General Expenses	6,028.96	3,615.81	
Employee stock option compensation cost (net) (Refer Note 11 in the Notes to Consolidated Accounts)	168.17	53.59	
Profit from operations	5,130.42	3,121.29	
Amortisation of Non Compete Fees	224.41	94.03	
Other Income	740.83	616.52	
Exchange Gain (net)	233.85	24.20	
Profit Before Interest , Exceptional Items and Income Taxes	5,880.69	3,667.98	
Interest Expense	447.22	14.30	
Exceptional Item (Refer note 6(g) in Notes to Consolidated Accounts)	-	676.08	
Profit Before Taxes	5,433.47	2,977.60	
Income Tax expense/(credit), net			
-Current	908.75	595.07	
-Deferred	(43.48)	(19.50)	
Fringe Benefit Tax	141.26	110.41	
Profit After Tax	4,426.94	2,291.62	
Add: Balance brought forward	6,446.39	5,239.45	
Less: Transfer to General Reserve on account of Merger of SNS (Also refer Note 4(a) in Notes to Consolidated Accounts)	(167.80)	-	
Add: Adjustment for transitional provision under Accounting Standard 15 (revised) (Refer Note 3 in Notes to Consolidated Accounts)	-		
Profit available for appropriations	10,705.53	7,531.07	
Appropriations:			
Proposed dividend	1,140.01	838.09	
Tax on dividend	193.74	117.54	
Transfer to General Reserve	407.50	129.05	
Balance carried to Consolidated Balance Sheet	8,964.28	6,446.39	
Earnings Per Share (Equity Share par value Rs 10 each)			
Basic	15.75	9.08	
Diluted	15.52	8.87	
Weighted average number of Equity Shares used in computation of			
Basic EPS	28,099,694	25,233,227	
Diluted EPS	28,532,926	25,833,133	
(Refer Note 14 in Notes to Consolidated Accounts)			