

Sasken Group Financial Results for Q4 FY06 and Full Year FY 06

April 2006

Disclaimer

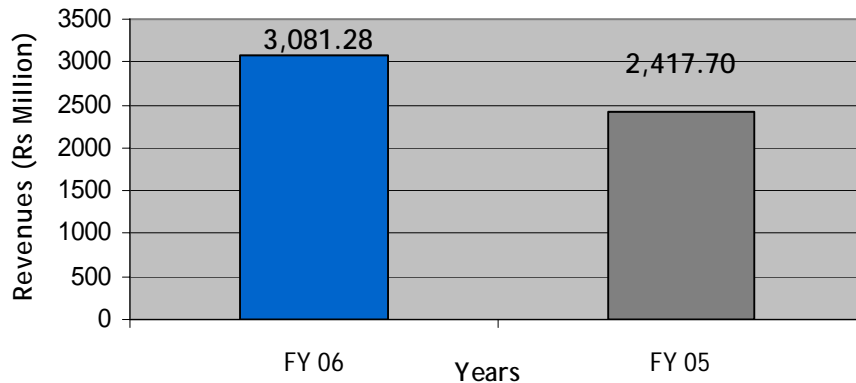


Certain statements made in this release concerning our future growth prospects may be interpreted as forward looking statements, which involve a number of risks and uncertainties that could cause the actual results to differ materially from those in such forward looking statements. Investors are requested to use their discretion in relying on them. We do not undertake to update any forward-looking statements that may be made from time to time.

Financial Highlights - FY06

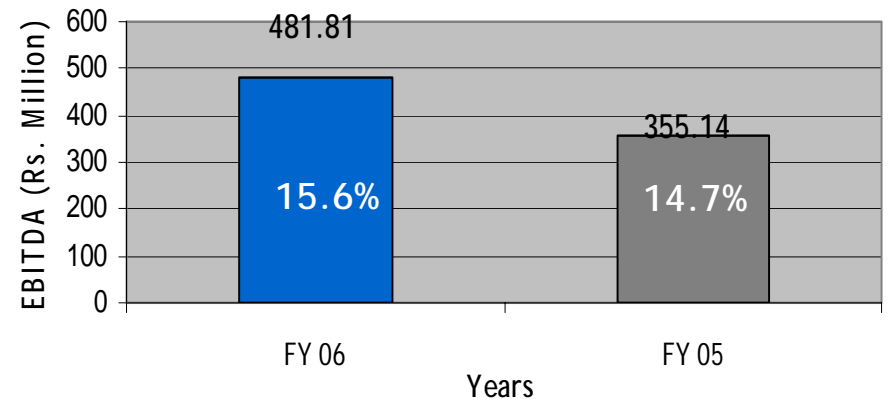


Consolidated Annual Revenues



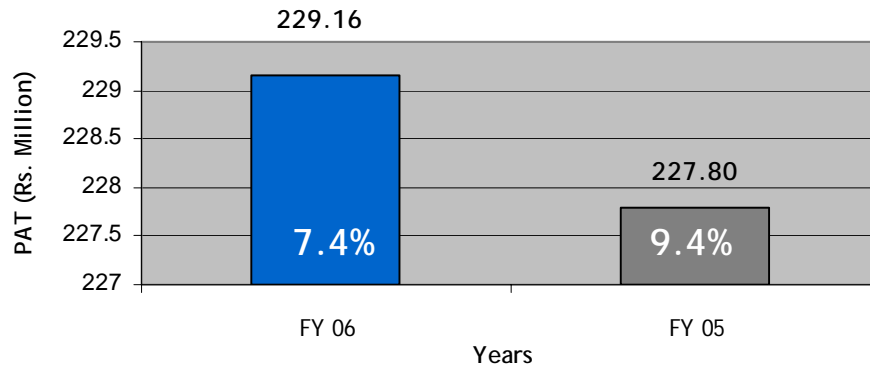
Growth - 27.4%

Consolidated Annual EBITDA



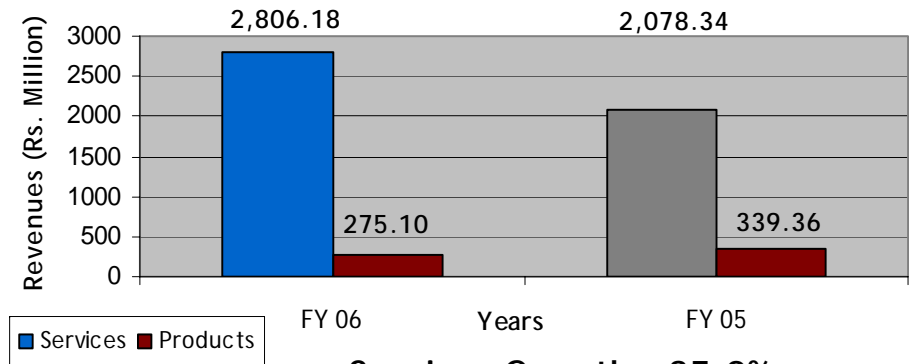
Growth - 35.1%

Consolidated Annual PAT



Growth - 0.6%

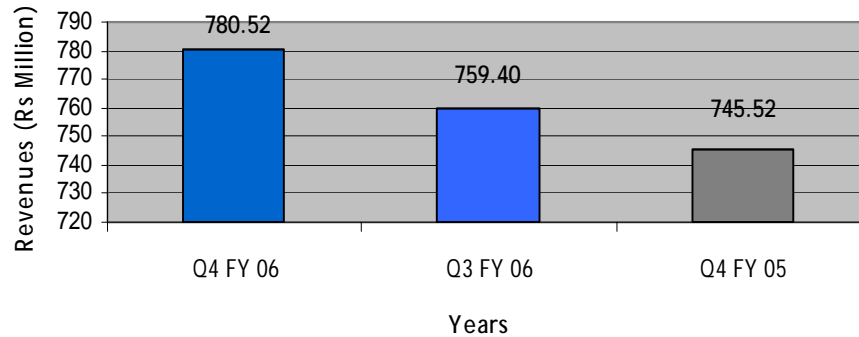
Annual Services Products Revenues Comparison



Services Growth - 35.0%
Products Growth - (18.9%)

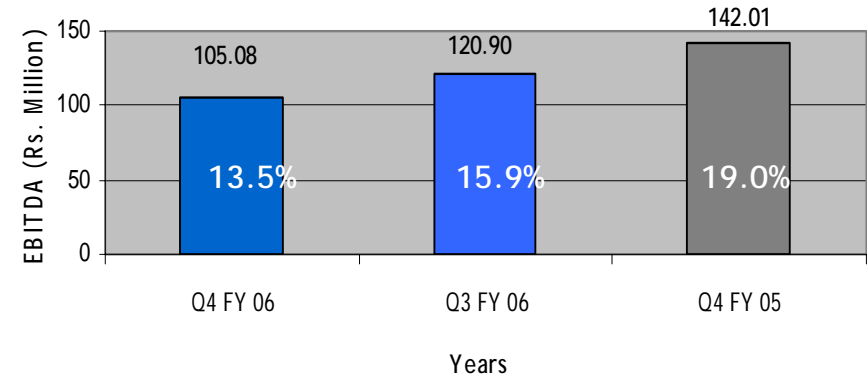
Financial Highlights - Q4 FY06

Consolidated Revenues



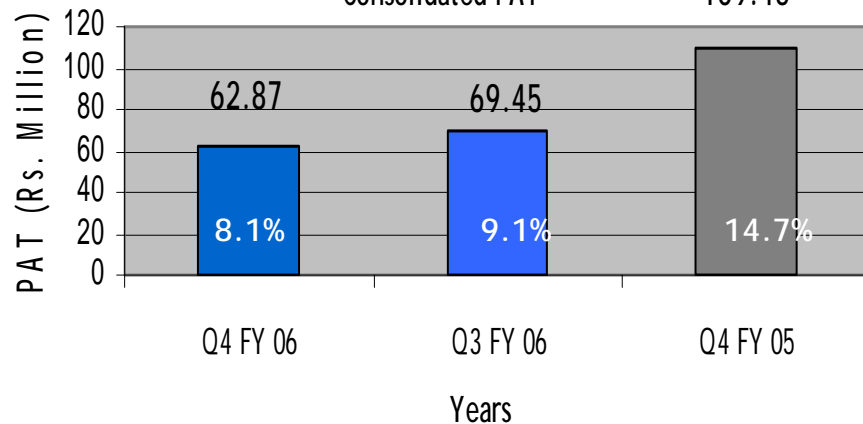
Sequential Quarter Growth - 2.8%

Consolidated Q4 FY06 EBITDA



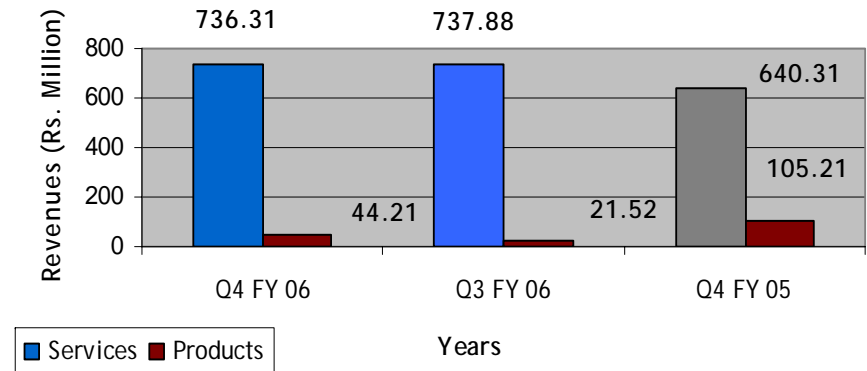
Sequential Quarter Growth - (13.1%)

Consolidated PAT



Q3 FY06 *excluding* exceptional item; Sequential Quarter Growth - (9.5%)

Q4 FY06 Services Products Comparison



Sequential Quarter Growth Services - (0.2%)
Sequential Quarter Growth Products - 105.4%

Consolidated Results – FY06

Income Statement Summary (Consolidated) - Annual

Rs. Million  **sasken**

| | FY 06 | % | FY 05 | % | Growth % |
|----------------------|----------|-------|----------|-------|----------|
| Revenues | 3,081.28 | 100.0 | 2,417.70 | 100.0 | 27.4 |
| Cost of Revenue | 1,888.35 | 61.3 | 1,308.74 | 54.1 | 44.3 |
| R&D ¹ | 131.82 | 4.3 | 214.39 | 8.9 | (38.5) |
| Gross Profit | 1,061.11 | 34.4 | 894.57 | 37.0 | 18.6 |
| SG&A | 579.30 | 18.8 | 539.43 | 22.3 | 6.9 |
| EBITDA | 481.81 | 15.6 | 355.14 | 14.7 | 36.4 |
| Depreciation | 169.68 | 5.5 | 141.90 | 5.9 | 19.6 |
| Amortization | 9.40 | 0.3 | - | - | - |
| EBIT | 302.73 | 9.8 | 213.24 | 8.8 | 43.1 |
| Other Income | 61.65 | 2.0 | 3.32 | 0.1 | - |
| Exchange gain/(loss) | 2.42 | 0.1 | 33.39 | 1.4 | (92.8) |
| Interest | 1.43 | - | 4.73 | 0.2 | (69.8) |
| Exceptional item | 67.61 | 2.2 | - | - | - |
| Taxes | 68.60 | 2.2 | 17.42 | 0.7 | 21.4 |
| Profit After Tax | 229.16 | 7.4 | 227.80 | 9.4 | 0.6 |

Segmental Results (Consolidated) - Annual

Rs. Million 

| | FY 06 | FY 05 | % Growth |
|-----------------------|-----------------|-----------------|--------------|
| Revenues | 3,081.28 | 2,417.70 | 27.4% |
| Software services | 2,806.18 | 2,078.34 | 35.0% |
| Products | 275.10 | 339.36 | (18.9)% |
| EBITDA | 481.81 | 355.14 | 35.1% |
| Software services | 655.79 | 417.11 | 56.8% |
| Products | (173.97) | (61.95) | - |
| EBITDA % | 15.6% | 14.7% | |
| Software services | 23.4% | 20.1% | |
| Products | (63.2)% | (18.3)% | |
| Depreciation % | 5.5% | 5.9% | |
| Software services | 4.9% | 5.3% | |
| Products | 11.6% | 9.4% | |
| EBITA % | 10.1% | 8.8% | |
| Software services | 18.4% | 14.8% | |
| Products | (74.9)% | (27.6)% | |

Balance Sheet Summary (Consolidated)

Rs. Million 

| | Mar 31, 2006 | % | Mar 31, 2005 | % |
|--|-----------------|--------------|-----------------|--------------|
| Liabilities | | | | |
| Share capital | 279.36 | 7.2 | 168.47 | 11.7 |
| Share application | - | - | 2.55 | 0.2 |
| ESOP Outstanding | 7.73 | 0.2 | 7.89 | 0.6 |
| Reserves & Surplus | 3,563.12 | 92.3 | 1,240.47 | 86.5 |
| Borrowing | 11.50 | 0.3 | 14.56 | 1.0 |
| Total Liabilities | 3,861.71 | 100.0 | 1,433.94 | 100.0 |
| Assets | | | | |
| Net Fixed Assets | 1,011.18 | 26.2 | 877.40 | 61.2 |
| Capitalized software product costs (net of amortization) | 141.35 | 3.7 | - | - |
| Investments | 1,865.10 | 48.3 | 5.60 | 0.4 |
| Current Assets | | | | |
| Cash and equivalents | 151.45 | 0.9 | 108.66 | 7.6 |
| Receivables | 652.86 | 16.9 | 541.22 | 37.7 |
| Other current assets | 420.72 | 10.9 | 239.09 | 16.7 |
| Total Current Assets | 1,225.03 | 31.7 | 888.97 | 62.0 |
| Current Liabilities | 380.95 | 9.9 | 338.02 | 23.6 |
| Net Current Assets | 844.08 | 21.9 | 550.94 | 38.4 |
| Total Assets | 3,861.71 | 100.0 | 1,433.94 | 100.0 |

Consolidated Results – Q4 FY06

Income Statement Summary (Consolidated) - Q4

Rs. Million  **sasken**

| | Q4 FY06 | % | Q3 FY06 | % | Q4 FY05 | % | % Growth over | |
|----------------------|---------|-------|---------|-------|---------|-------|-----------------|-----------------|
| | | | | | | | Q3FY06 (QoQ) | Q4FY05 (YoY) |
| Revenues | 780.52 | 100.0 | 759.40 | 100.0 | 745.52 | 100.0 | 2.8 | 4.7 |
| Cost of Revenue | 513.69 | 65.8 | 460.25 | 60.6 | 369.70 | 49.6 | 11.6 | 38.9 |
| R&D ¹ | 22.28 | 2.9 | 26.00 | 3.4 | 68.31 | 9.2 | (14.3) | (67.4) |
| Gross Profit | 244.56 | 31.3 | 273.15 | 36.0 | 307.51 | 41.2 | (10.5) | (20.5) |
| SG&A | 139.48 | 17.9 | 152.25 | 20.0 | 165.50 | 22.2 | (8.4) | (15.7) |
| EBITDA | 105.08 | 13.5 | 120.90 | 15.9 | 142.01 | 19.0 | (13.1) | (26.0) |
| Depreciation | 45.30 | 5.8 | 44.23 | 5.8 | 45.23 | 6.1 | 2.4 | 0.2 |
| Amortization | 3.13 | 0.4 | 3.17 | 0.4 | - | - | (1.3) | - |
| EBIT | 56.65 | 7.3 | 73.50 | 9.7 | 96.78 | 13.0 | (22.9) | (41.5) |
| Other Income | 21.16 | 2.7 | 19.72 | 2.6 | 0.77 | 0.1 | 7.3 | - |
| Exchange gain/(loss) | (3.97) | (0.5) | (12.78) | (1.7) | 28.79 | 3.9 | (68.9) | (113.8) |
| Interest | 0.34 | - | 0.43 | 0.1 | 0.89 | 0.1 | (20.9) | (61.8) |
| Exceptional item | - | - | 67.61 | 8.9 | - | - | - | - |
| Taxes | 10.63 | 1.4 | 10.56 | 1.4 | 16.00 | 2.1 | 0.6 | (33.6) |
| Profit After Tax | 62.87 | 8.1 | 1.84 | 0.2 | 109.45 | 14.7 | - | (42.6) |

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¹ Includes product engineering expenses

Segmental Results (Consolidated) - Q4

Rs. Million  **sasken**

| | Q4 FY06 | Q3 FY06 | Q4 FY05 | % Growth over | |
|-----------------------|----------|----------|---------|-----------------|-----------------|
| | | | | Q3FY06 (QoQ) | Q4FY05 (YoY) |
| Revenues | 780.52 | 759.40 | 745.52 | 2.8 | 4.7 |
| Software services | 736.31 | 737.88 | 640.31 | (0.2) | 15.0 |
| Products | 44.21 | 21.52 | 105.20 | 105.4 | (58.0) |
| EBITDA | 105.08 | 120.90 | 142.01 | (13.1) | (26.0) |
| Software services | 179.30 | 205.60 | 145.57 | (12.8) | 23.2 |
| Products | (74.22) | (84.70) | (3.56) | (12.4) | - |
| EBITDA % | 13.5% | 15.9% | 19.0% | | |
| Software services | 24.4% | 27.9% | 22.7% | | |
| Products | (167.9)% | (393.6)% | (3.4)% | | |
| Depreciation % | 5.8% | 5.8% | 6.1% | | |
| Software services | 5.0% | 4.9% | 6.0% | | |
| Products | 19.8% | 38.2% | 6.5% | | |
| EBITA % | 7.7% | 10.1% | 13.0% | | |
| Software services | 19.4% | 23.0% | 16.7% | | |
| Products | (187.7)% | (431.7)% | (9.9)% | | |

Corporate Highlights

- Global Expansion
 - China development center incorporated
 - Mexico centre up and running
 - Pune centre ramped up
- People First
 - Ranked #8 in the *Businessworld-Grow* Talent Great Places to Work for India survey
- M & A Strategy
 - Acquisition of Integrated SoftTech Solutions (iSoftTech) in Chennai; enterprise value of iSoftTech at US \$1.45 Million

Operating Metrics

Geography Wise Revenue



%

| | Q4 FY06 | Q3 FY06 | Q4 FY05 | FY 06 | FY 05 |
|---------------|---------|---------|---------|-------|-------|
| North America | 30.6 | 36.5 | 30.1 | 34.9 | 33.7 |
| Europe | 37.3 | 38.4 | 39.3 | 36.5 | 46.6 |
| India | 25.9 | 22.1 | 13.6 | 21.5 | 9.0 |
| APAC | 6.2 | 3.0 | 17.0 | 7.1 | 10.7 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Customer Concentration

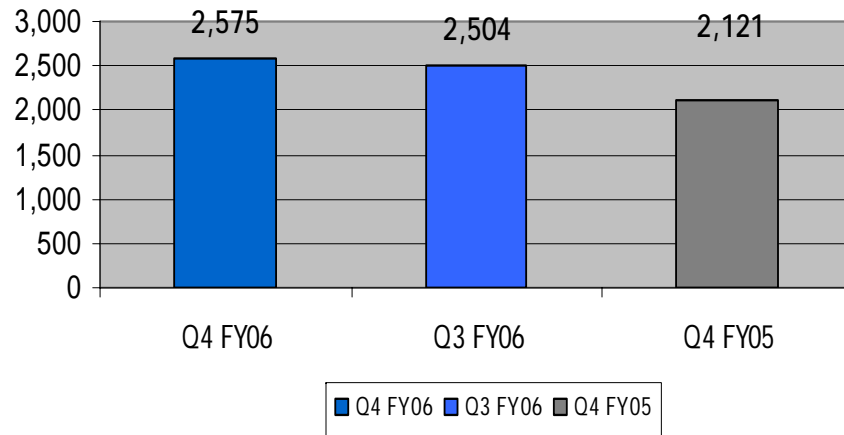


%

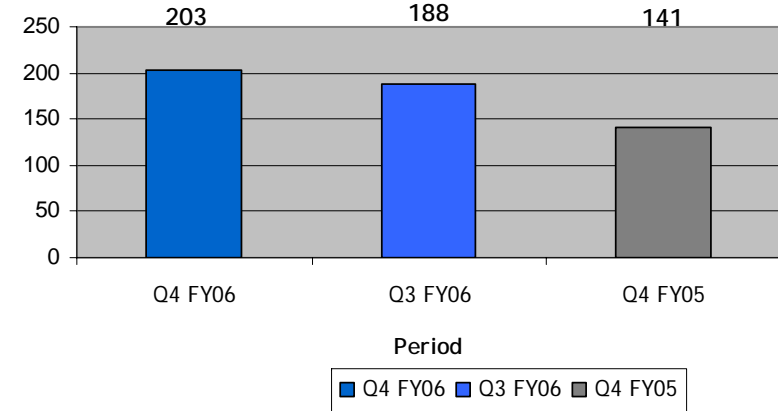
| | Q4 FY06 | Q3 FY06 | Q4 FY05 | Full Year FY 06 | Full Year FY 05 |
|---------------------|---------|---------|---------|--------------------|--------------------|
| Top 5 customers | 76.3 | 75.7 | 69.1 | 72.4 | 70.3 |
| Top 10 Customers | 88.6 | 86.0 | 86.5 | 84.0 | 82.3 |

Human Resources Metrics for Q4 FY06

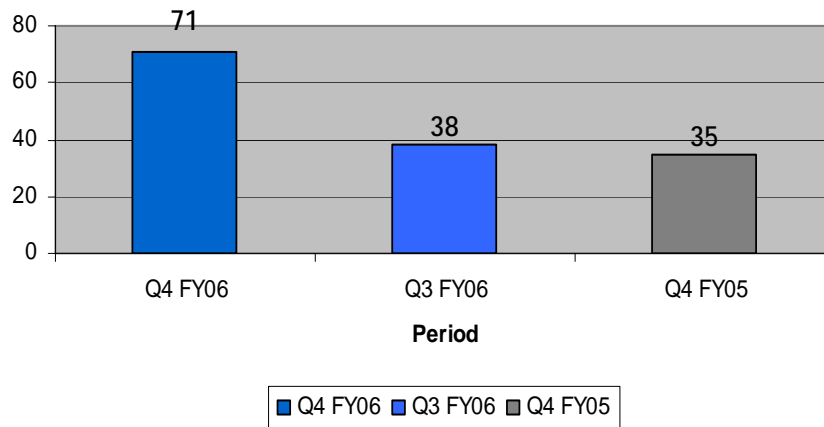
Total No. of Employees



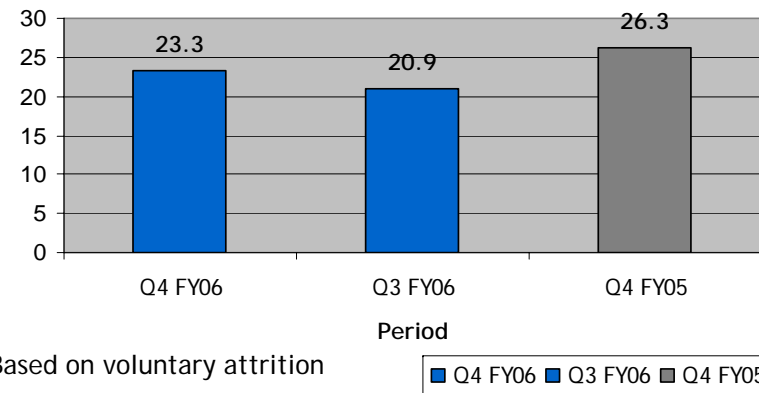
No. of Gross Adds



No. of Net Adds



Attrition %



** Based on voluntary attrition

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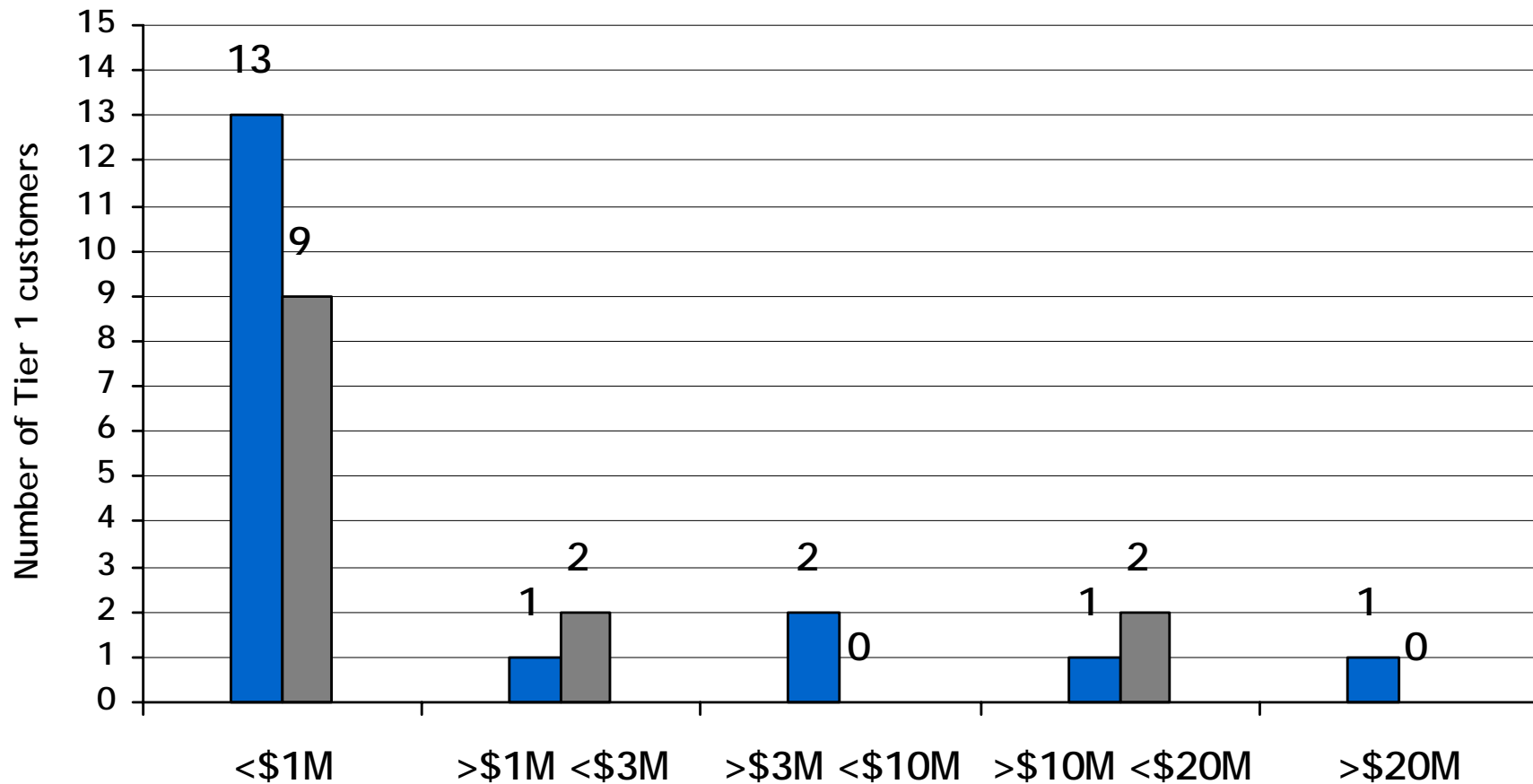
Services Business

Services Revenue Mix

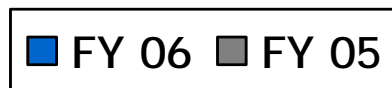
| | Q4 FY06 | | Q3 FY06 | | Q4 FY05 | | Full Year FY 06 | | Full Year FY 05 | |
|-----------------------|---------------|--------------|---------------|--------------|---------------|--------------|-----------------|--------------|-----------------|--------------|
| | Rs. Million | % | Rs. Million | % | Rs. Million | % | Rs. Million | % | Rs. Million | % |
| T&M onsite | 103.39 | 14.0 | 127.02 | 17.2 | 120.14 | 18.8 | 492.89 | 17.5 | 463.61 | 22.3 |
| T&M off-shore | 570.25 | 77.5 | 566.28 | 76.7 | 348.35 | 54.4 | 2,041.69 | 72.8 | 1,166.73 | 56.1 |
| Fixed Price | 62.65 | 8.5 | 44.58 | 6.1 | 171.82 | 26.8 | 271.60 | 9.7 | 448.00 | 21.6 |
| Total Services | 736.31 | 100.0 | 737.88 | 100.0 | 640.31 | 100.0 | 2,806.18 | 100.0 | 2,078.34 | 100.0 |

includes Software Services and Network Management Services

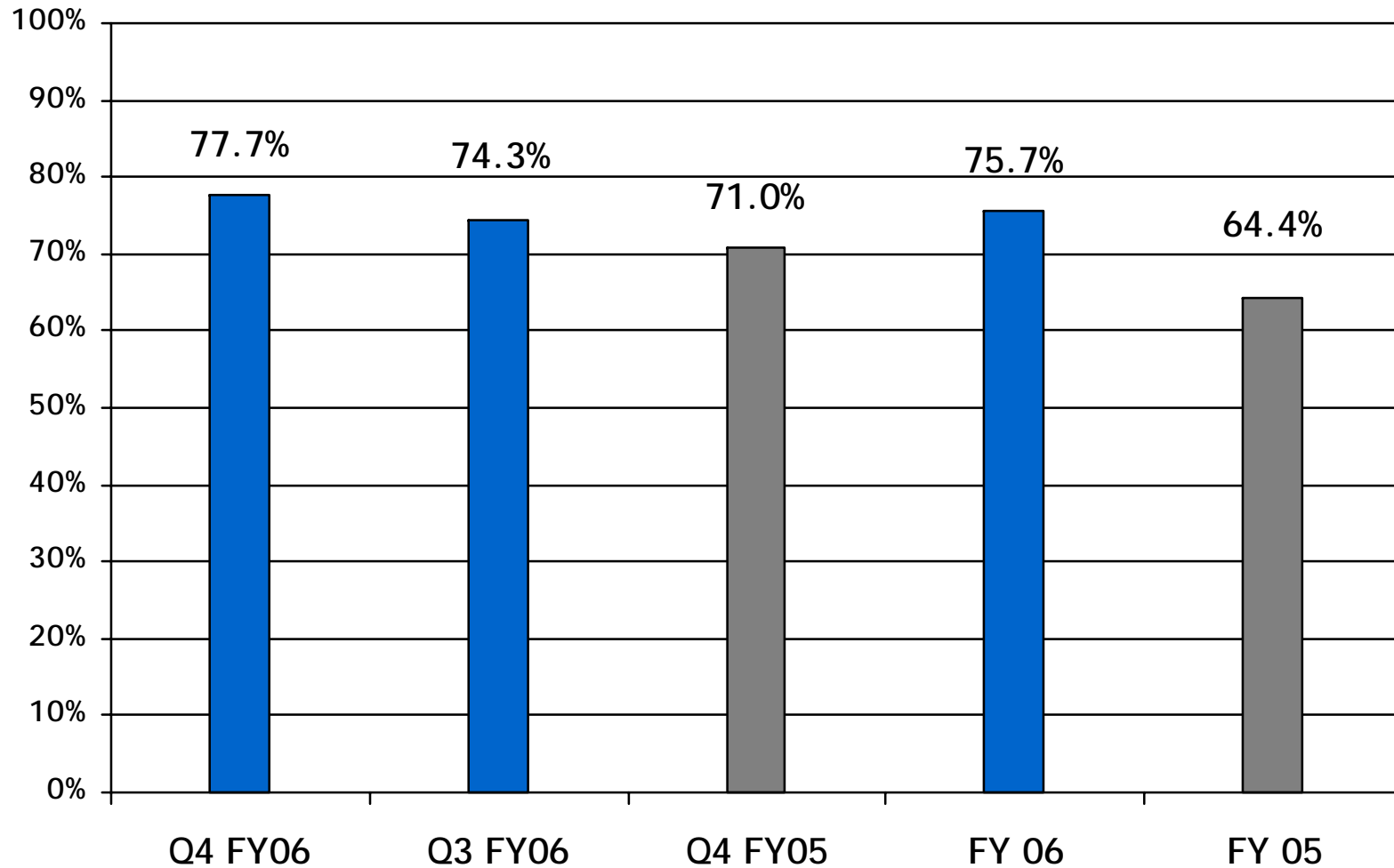
Relationships with Tier 1 Customers



Based on trailing 12 months Services revenues in USD



Services Utilization



Services Highlights for FY06

Revenues and Billing

- Scaled annualized revenues from one Tier 1 customer from 1~ 3M \$ to over 3M \$ in Q4

Operational Efficiencies

- Increased utilization rates from 64.4% in FY05 to 75.7% in FY06 through greater focus on operational efficiencies

New Initiatives

- Core Team in place in Mexico centre, office infrastructure up and running
 - Recruitment efforts on, deliveries to key customer to start in one quarter
- iSoftTech acquisition to augment offering portfolio to clients in the datacom space
 - Chennai centre to also be used for anchoring key customer relationships
- Network Engineering Services records robust growth

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Products Business

Products Revenue Mix



| | Q4 FY06 | | Q3 FY06 | | Q4 FY05 | | Full Year FY 06 | | Full Year FY 05 | |
|-----------------------|----------------|-------|----------------|-------|----------------|-------|--------------------|-------|--------------------|-------|
| | Rs. Million | % | Rs. Million | % | Rs. Million | % | Rs. Million | % | Rs. Million | % |
| Licensing | 20.35 | 46.0 | 14.07 | 65.4 | 72.44 | 68.9 | 181.40 | 65.9 | 156.26 | 46.0 |
| Royalty | 9.86 | 22.3 | 0.71 | 3.3 | 9.70 | 9.2 | 28.07 | 10.2 | 34.16 | 10.1 |
| Customization | 14.00 | 31.7 | 6.74 | 31.3 | 23.07 | 21.9 | 65.63 | 23.9 | 148.94 | 43.9 |
| Total Products | 44.21 | 100.0 | 21.52 | 100.0 | 105.21 | 100.0 | 275.10 | 100.0 | 339.36 | 100.0 |

Products Highlights

Revenues Realization

- Royalty revenues realized as leading Japanese handset vendor begins shipping 3G handsets embedded with Sasken's multimedia solutions

Customer Wins

- "Design In" for two leading Japanese handset vendors for Sasken multimedia applications
- "Design In" with a Chinese ODM for Sasken Wireless Mobile Stacks

New Initiatives

- Full functional phone using Sasken's Integrated Solution successfully demonstrated in 3GSM World Congress in Barcelona

Thank You