

Media Release - FOR IMMEDIATE RELEASE

Sasken Q4 FY08 Revenues at Rs 157.3 crores - up 11% Quarter on Quarter

Bangalore, April 18, 2008: 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 financial year ended March 31, 2008.

Performance Snapshot

Consolidated Revenues: Rs 157.3 crore for Q4 FY 08, an increase of 16% over Q4 FY07 and 11 % over previous quarter, Q3 FY08. For the full year FY 08, consolidated revenues stands at Rs 570.21 crores and grew at 20% over the previous financial year revenue of 477 crores. **In dollar terms, FY 08 consolidated revenue of \$142 Million grew at 34.5% over FY 07 revenue of \$105.6 Million.**

Consolidated Profit After Tax (PAT): Rs. 14.8 crore for Q4 FY 08 an increase of 284% over Rs 3.9 crores for Q3 FY 08 and an increase of 44 % over Q4 FY 07. For the full year net profit stood at 39.4 crores.

Consolidated Basic EPS stands at Rs 5.18 for the quarter Q4 2008 and Rs 13.8 for FY 2008.

Dividend declared: 40%

Key Financial Highlights for the quarter: Q4 FY 08

- Software services revenues grew 6% Quarter on Quarter from Rupees 131.6 crores in Q3 FY 08 to Rupees 139.42 crores in Q4 FY 08. Products revenues grew 86% over the previous quarter to Rupees 17.8 crores from Rupees 9.5 crores in the previous quarter.
- Consolidated EBIDTA margins were at 19%. Services EBIDTA margins for the quarter was at 17.9%. **Products business turned profitable this quarter with EBIDTA margins of 38.1%.**
- PAT margins for the quarter were at 9.4%. PAT growth was at 284% over the previous quarter and 44% increase over the corresponding quarter in the previous financial year.
- Revenue contribution from the Top five customers stood at 72% and from Top 10 customers at 84%
- Average realized rate for the quarter Rs 39.89/- per US\$
- The services business delivered an EPS of Rs 4.95/-

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Key Financial Highlights for the year FY 08

- Software services contributed Rupees 524 crores in FY 08, a 15% increase over FY 07 services revenues of Rupees 454.4 crores. Products revenues grew 102% to Rupees 46 crores in FY 08 from 22.7 crores in FY 07.
- Consolidated EBIDTA grew 4.5% from Rupees 75.8 crores in FY 07 to Rupees 79.2 crores in FY 08.
- The services business delivered an EPS of Rs 21.34 for FY 08.
- Cash and cash equivalents stand at Rs. 56.9 crore as on March 31, 2008, compared with Rs. 34.8 crore as on March 31, 2007
- The consolidated Forex-hedged (forward covers) position on December 31, 2007 was US\$ 48.4 Million at an average rate of Rs. 40.28/-
- Consolidated results include expenses of Rs 4.76 crores in FY 08, being the proportionate share of costs in the joint ventures with Taco Saskaen and ConnectM.

Key Business Highlights for the quarter Q4 FY 08 and FY 08

- A Gross total of 285 engineers were added in Q4 FY08, taking the total employee strength to 3,623 as of March 31, 2008
- Utilization on the services side stands at 76.7% for the quarter and at 76.1% for the year
- 6 new customers added during the quarter taking the total of active customers to 89
- Top 5 customers contributed 72% of revenues for the quarter while top 10 customers contributed 84%. For the year, Top 5 customers contributed 75% of overall revenues while top 10 customers contributed 85% for the year.
- Three of our customers generated more than \$20 M each in this financial year, up from 2 in the last year.

The Board of Directors approved a buy-back of Company's fully paid up equity shares of Rs.10/- each from the existing owners of shares from open market through stock exchanges in accordance with the provisions of Section 77A, 77AA and 77B of the Companies Act 1956 and the SEBI (Buy-back of Securities) Regulations 1998 at a price not exceeding Rs. 260/- per share payable in cash for an aggregate amount not exceeding Rs. 4000 Lakhs. The offer size represents 9.45 % of the aggregate of the Company's paid up equity capital and free reserves as on March 31, 2008.

Speaking on the results, Saskaen CEO Mr. Rajiv Mody added "I am pleased with the growth that we achieved in the last quarter and also by the fact that we managed to up our margins in a challenging environment."

On the handsets business, Mr. Mody said, "Handset vendors are undergoing a metamorphosis from being just device manufacturers to aggregating content and services. Saskaen IP is now embedded in more and more phones and platforms. With a wide range of solutions for handset vendors, ranging from

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hardware to embedded software and applications, Sasken is committed to increasing its share of outsourced R&D spends."

On the joint ventures, Mr Rajiv expressed satisfaction at the progress made and commented, "ConnectM is beginning to gain market traction in the M2M solution space. We are confident of realising our vision for ConnectM and making in-roads into newer markets there. In our JV with Taco, we are investing in building information, entertainment and telemetry for the low and mid range car segment."

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.

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Conference Call details

A conference call is planned at 1100 hrs IST on Monday, April 21, 2008, where the senior management of Sasken led by Chairman and CEO, Rajiv Mody, will comment on the company's performance for the fourth quarter ended April 21, 2008, 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 shortly after the call 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, April 21, 2008, 1100 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	42911162 #
INTERNATIONAL TOLL NUMBER	TOLL NUMBER: +1 706 643 0243	

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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.