

Sasken Group Financial Results for Q1 FY07

July 2006

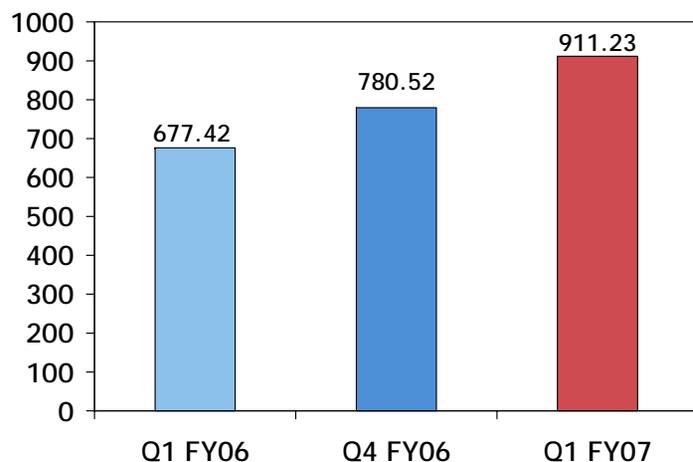
Disclaimer



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.

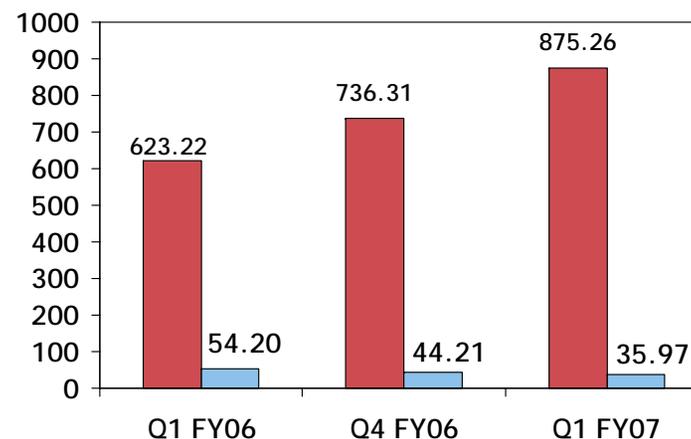
Performance Snapshot - Q1 FY07

Consolidated Revenues (Rs. Million)



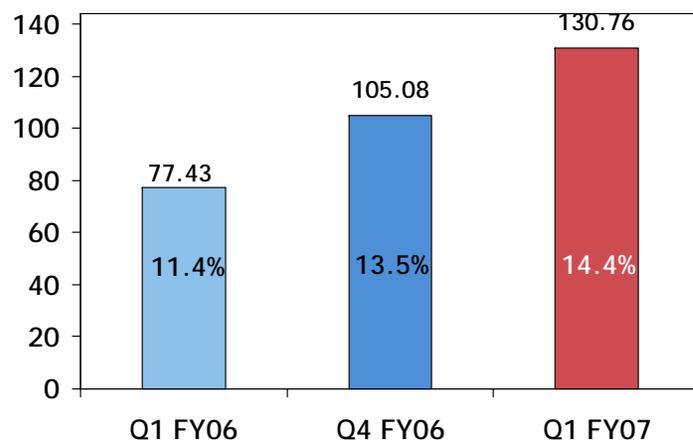
YoY Growth - 35%; QoQ Growth - 17%

Services - Products Revenue Mix (Rs. Million)



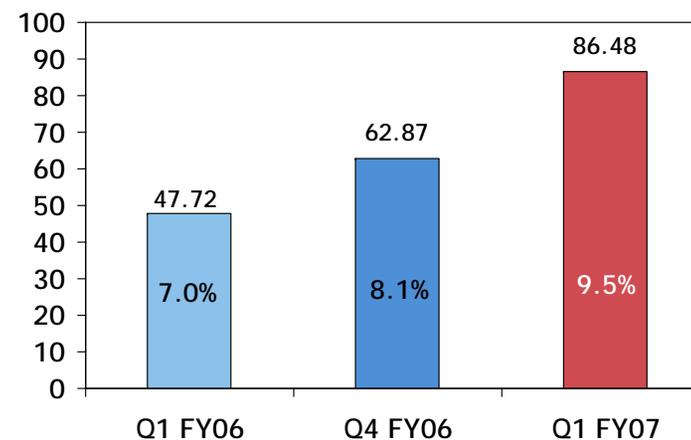
Services - YoY- 40%; QoQ - 19%
Products - YoY- (34%); QoQ - (19)%

Consolidated EBITDA (Rs. Million)



YoY Growth - 69%; QoQ Growth - 24%

Consolidated PAT (Rs. Million)



YoY Growth - 81%; QoQ Growth - 38%

Consolidated Results – Q1 FY07

Income Statement Summary (Consolidated)

Rs. Million  **sasken**

	Q1 FY07	%	Q4 FY06	%	Q1 FY06	%	% Growth over	
							Q4 FY06 (QoQ)	Q1 FY06 (YoY)
Revenues	911.23	100.0	780.52	100.0	677.42	100.0	16.7	34.5
Cost of Revenue	598.50	65.7	513.69	65.8	424.44	62.7	16.5	41.0
R&D ¹	29.11	3.2	22.28	2.9	41.06	6.1	30.7	(29.1)
Gross Profit	283.62	31.1	244.56	31.3	211.92	31.3	16.0	33.8
SG&A	152.86	16.8	139.48	17.9	134.49	19.9	9.6	13.7
EBITDA	130.76	14.4	105.08	13.5	77.43	11.4	24.4	68.9
Depreciation	42.61	4.7	45.30	5.8	35.34	5.2	(5.9)	20.6
Amortization	4.28	0.5	3.13	0.4	-	-	36.6	-
EBIT	83.88	9.2	56.65	7.3	42.09	6.2	48.1	99.3
Other Income	23.03	2.5	21.16	2.7	8.02	1.2	8.9	187.2
Exchange gain/(loss)	(15.21)	(1.7)	(3.97)	(0.5)	11.72	1.7	283.0	(229.7)
Interest	0.26	-	0.34	-	0.38	0.1	(22.6)	(30.8)
Taxes	4.96	0.5	10.63	1.4	13.73	2.0	53.3	(63.8)
Profit After Tax	86.48	9.5	62.87	8.1	47.72	7.0	37.6	81.2

Segmental Results (Consolidated)

Rs. Million  **sasken**

	Q1 FY07	Q4 FY06	Q1 FY06	% Growth over	
				Q4 FY06 (QoQ)	Q1 FY06 (YoY)
Revenues	911.23	780.52	677.42	16.7	34.5
Software Services	875.26	736.31	623.22	18.9	40.4
Products	35.97	44.21	54.20	(18.6)	(33.6)
EBITDA	130.76	105.08	77.43	24.4	68.9
Software Services	202.14	179.30	115.18	12.7	75.5
Products	(71.38)	(74.22)	(37.75)	(3.8)	(89.1)
EBITDA %	14.4%	13.5%	11.4%		
Software Services	23.1%	24.4%	18.5%		
Products	(198.4)%	(167.9)%	(69.7)%		
Depreciation %	4.7%	5.8%	5.2%		
Software Services	3.9%	5.0%	4.6%		
Products	23.5%	19.8%	12.7%		
EBITA %	9.7%	7.7%	6.2%		
Software Services	19.2%	19.4%	13.8%		
Products	(221.9)	(187.7)%	(82.4)%		

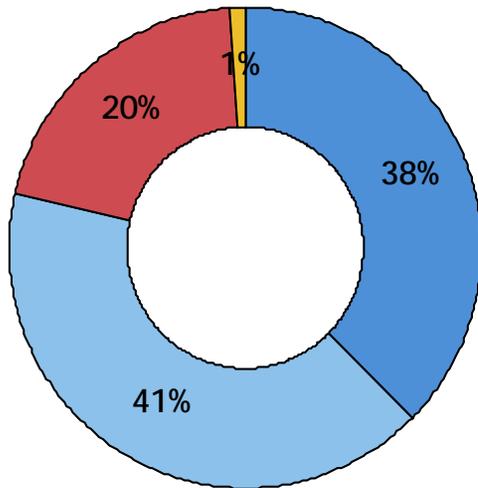
Balance Sheet Summary (Consolidated)

Rs. Million 

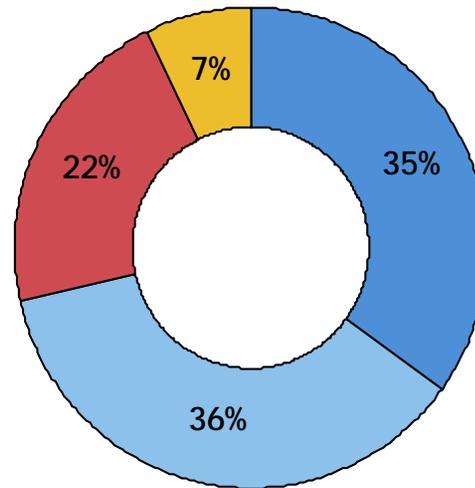
	Jun 30, 2006	%	Mar 31, 2006	%
Liabilities				
Share Capital	279.77	7.2	279.36	7.2
ESOP Outstanding	7.10	0.2	7.73	0.2
Reserves & Surplus	3,590.78	92.4	3,563.12	92.3
Borrowing	6.89	0.2	11.50	0.3
Total Liabilities	3,884.54	100.0	3,861.71	100.0
Assets				
Net Fixed Assets	1,080.07	27.8	1,011.18	26.2
Capitalized software product costs (net of amortization)	203.31	5.2	141.35	3.7
Investments	1,637.89	42.2	1,865.10	48.3
Current Assets				
Cash and equivalents	206.72	5.3	151.45	0.9
Receivables	808.95	20.8	652.86	16.9
Other current assets	446.29	11.5	420.72	10.9
Total Current Assets	1,461.96	37.6	1,225.03	31.7
Current Liabilities	498.69	12.8	380.95	9.9
Net Current Assets	963.27	24.8	844.08	21.9
Total Assets	3,884.54	100.0	3,861.71	100.0

Geography Wise Revenue

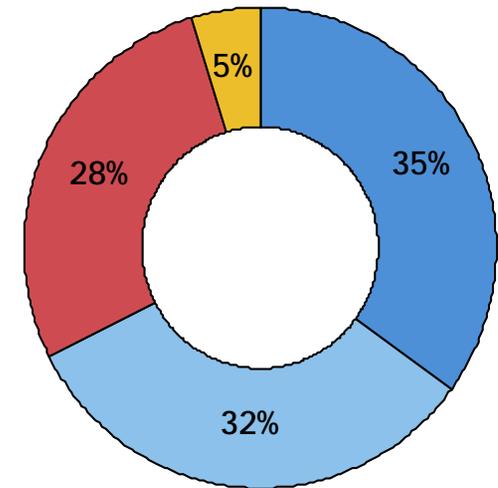
Q1 FY 06



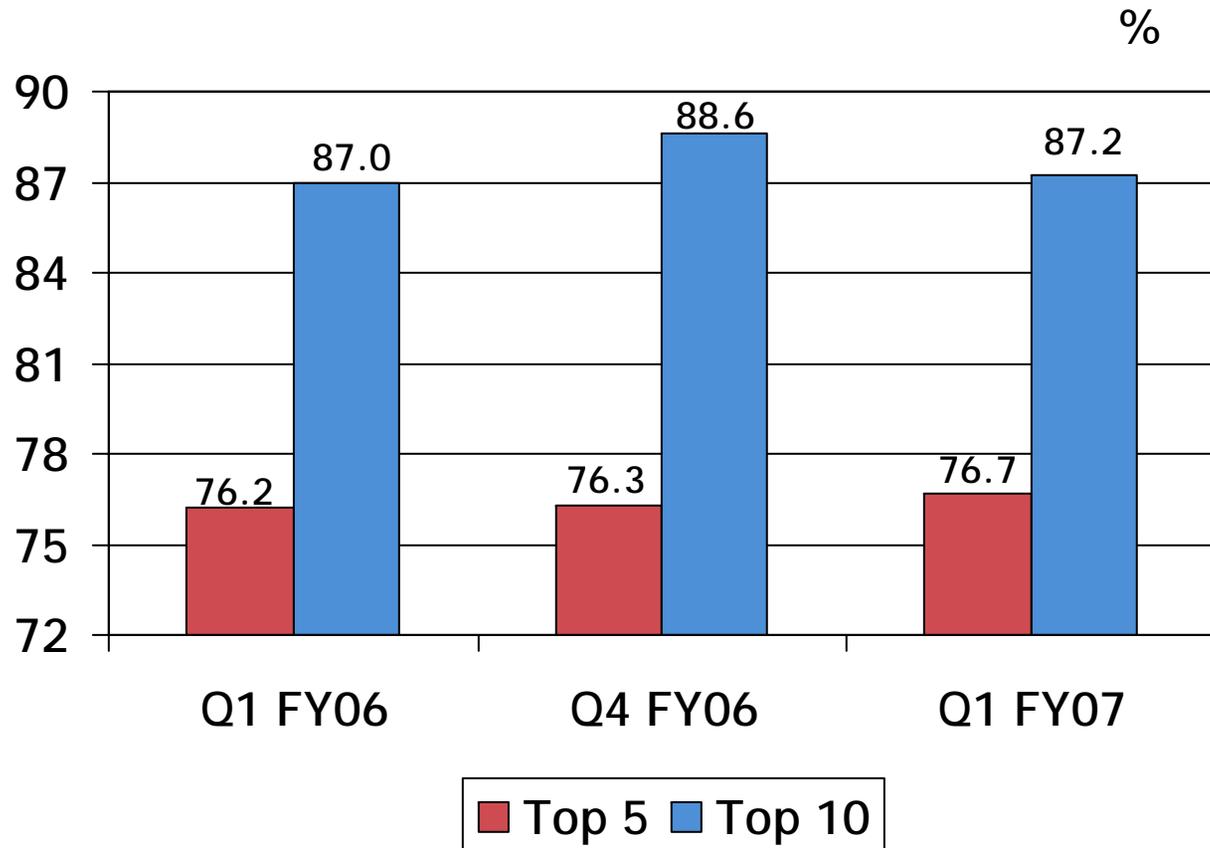
Q4 FY 06



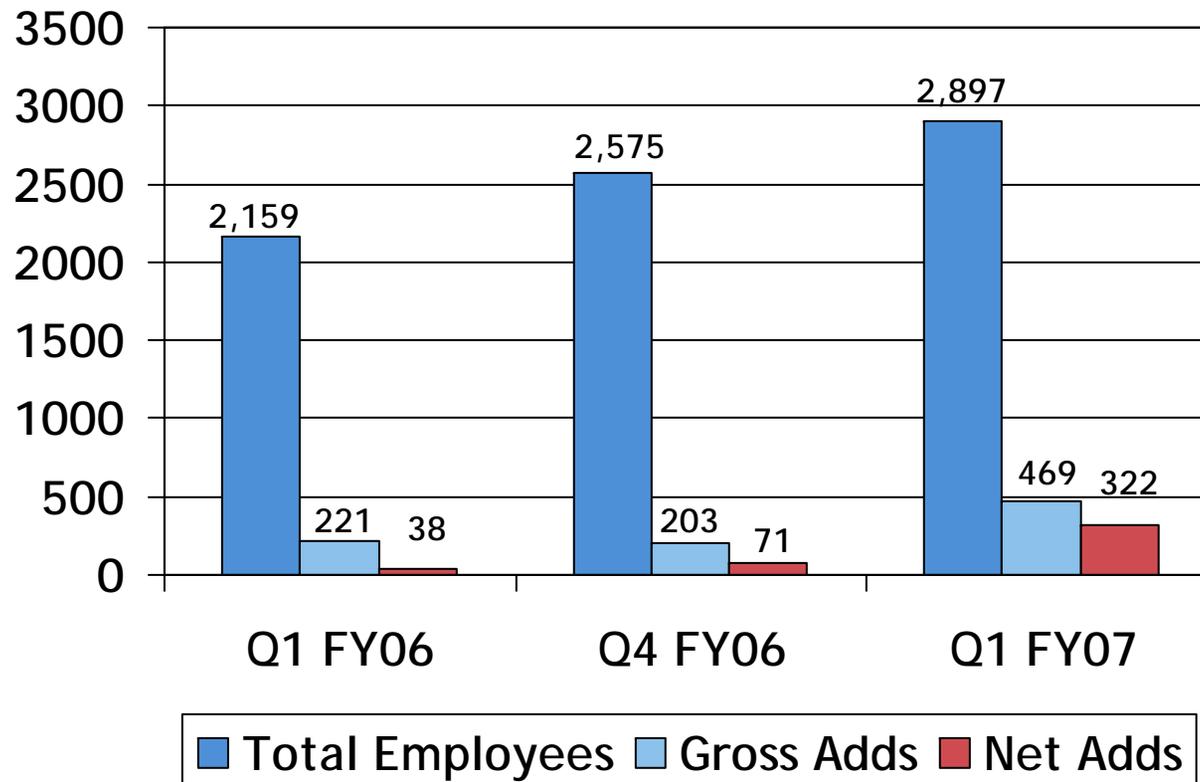
Q1 FY 07



Customer Concentration



Human Resources Metrics



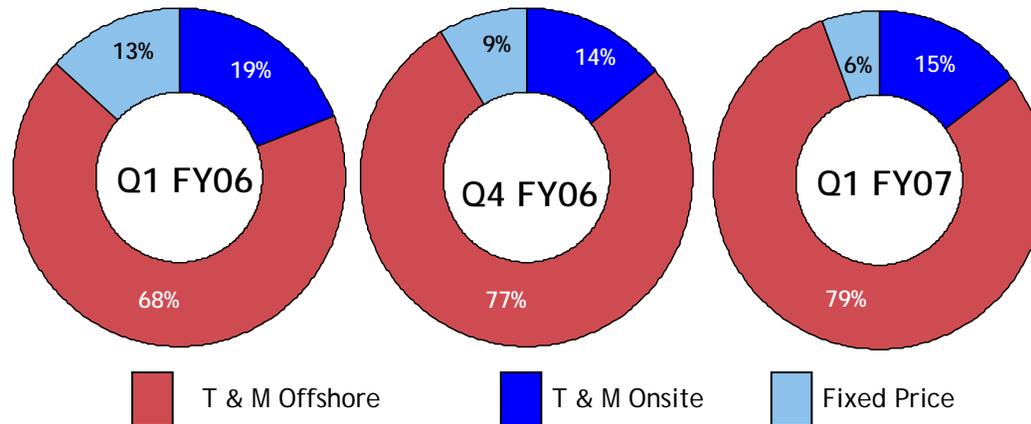
Attrition % - 21.0% in Q1 FY07 vs 24.9% in Q1 FY 06 and 23.3% in Q4 FY06

A decorative background pattern of white, thin-lined triangles and diamonds on a dark blue background, creating a complex geometric lattice.

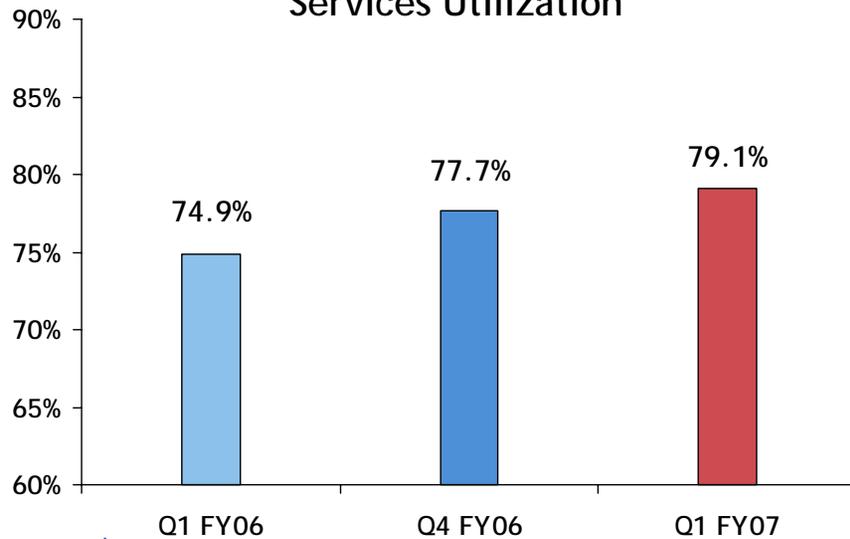
Services Business

Services Metrics

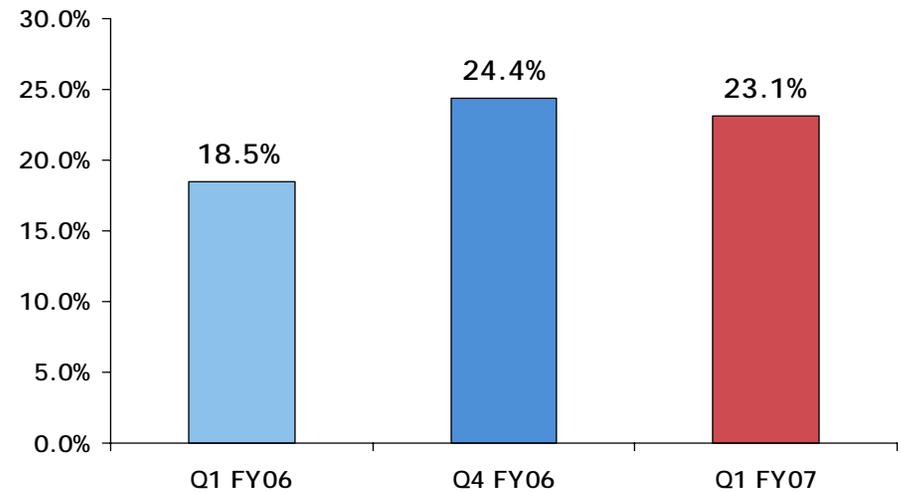
Services Revenue Mix - Delivery



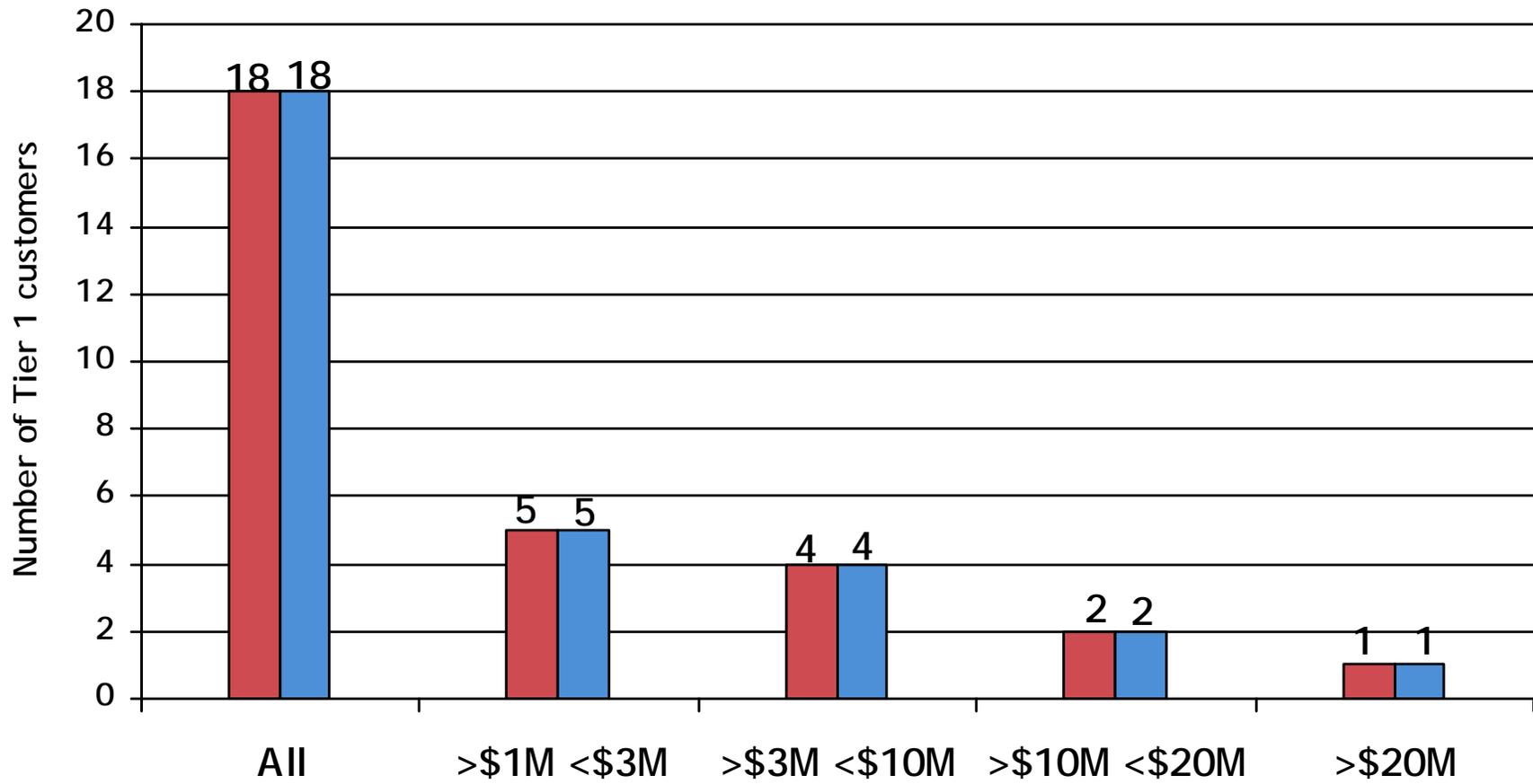
Services Utilization



Services EBITDA %

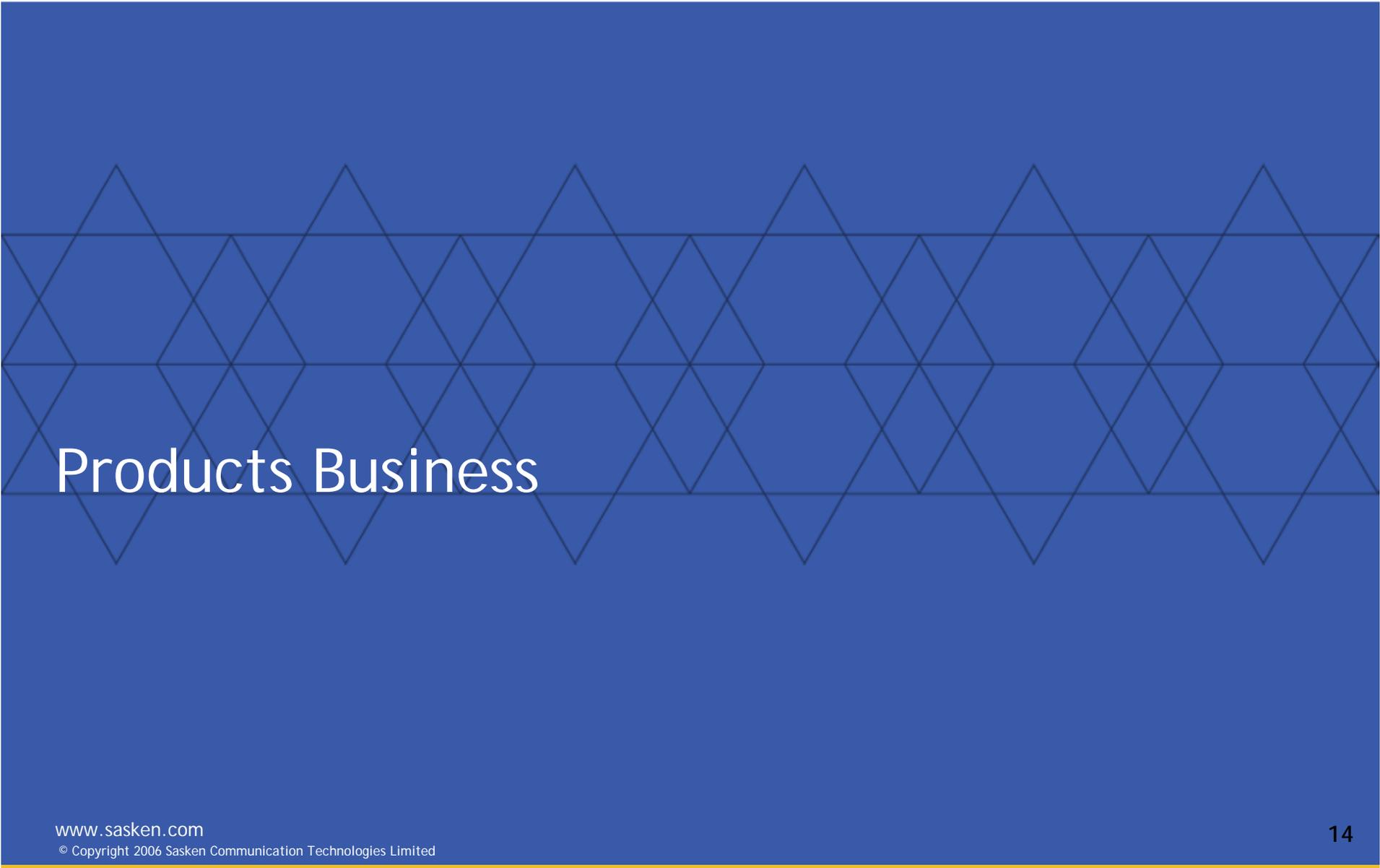


Relationships with Tier 1 Customers - Cumulative



Based on trailing 12 months Services revenues in USD



A large blue rectangular area with a white geometric pattern of overlapping triangles and diamonds. The pattern is centered horizontally and vertically.

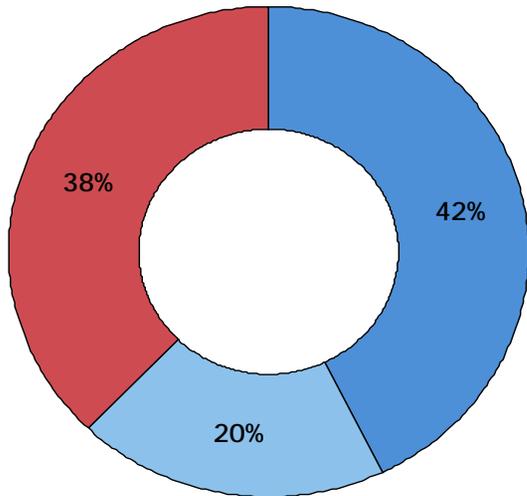
Products Business

Products - Milestone Targets and Status

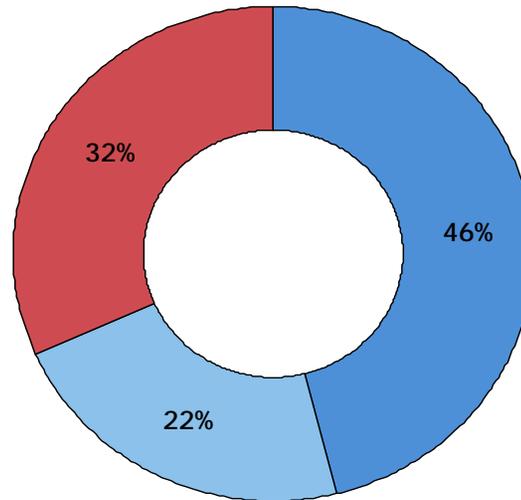
Milestones	'E-Series'	2.5G 'M-Series'	3G 'M-Series'	3G 'S-Series'
Identify Lead Semiconductor Partner	Q1 FY06	Q1 FY05	Q4 FY04	Q4 FY03
Product demo on lead chipset	Q4 FY06	Q3 FY06	Q3 FY06	Q3 FY05
First Design In	*	Q4 FY06	Q4 FY06	Q3 FY05
First Design Win	*	*	*	Q3 FY06
No of Platform Design-ins as of date	None	3	2	3
No of Phone Design-wins as of date	None	None	None	2
Contestable Market in CY 2007 (in Million Units)	93	4	6	54

Revenue Mix - Products

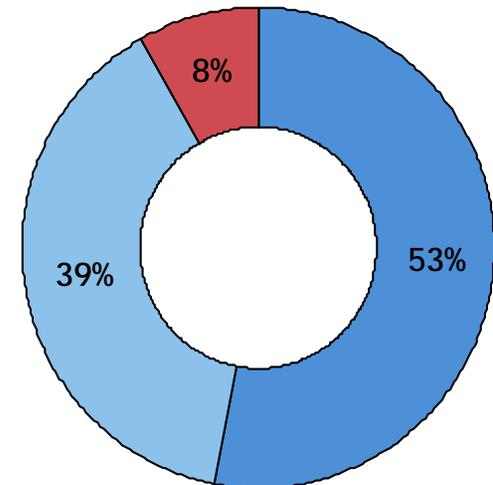
Q1 FY 06



Q4 FY 06



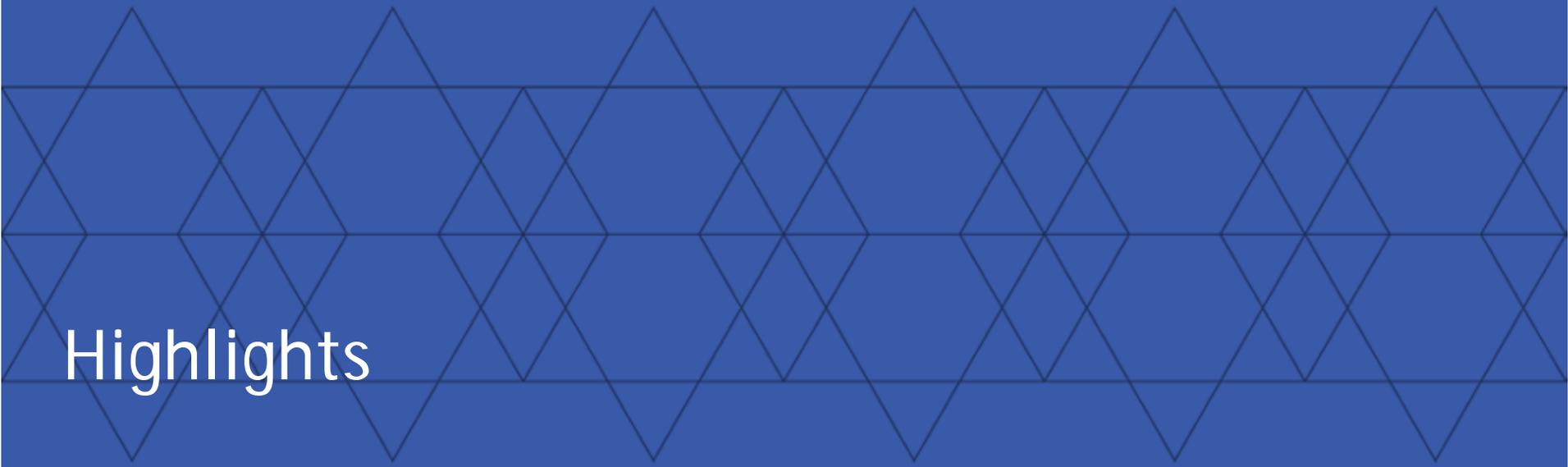
Q1 FY 07



 Customization

 Licensing

 Royalty

A large, repeating geometric pattern of white lines on a dark blue background. The pattern consists of a grid of triangles, with some triangles pointing up and some pointing down, creating a complex, interlocking design.

Highlights

Sasken recommended for ISO 14001
certification for its
Environment Management System



Services



Highlights

Volume growths leading to 40% growth on an annual basis and 19% growth on a sequential basis in rupee terms; 15% in dollar terms

Overall increase in blended rates and offshore rates

Utilization increased to 79% in Q1; continue to sustain it in a band between 70 and 80%

iSoftTech, Chennai consolidated into accounts from June 1, 2006

Mexico centre being steadily ramped up; started contribution to revenues from Q1 FY07

New offering launched - Test Labs - first of its kind in India offering 2G / 2.5G pre-conformance protocol testing for silicon vendors and terminal device manufacturers

Products



Highlights

Design-in for S-Series - Tier 1 handset manufacturer

Sub-licensing revenues for 3G M Series - Tier 1 handset manufacturer

Royalty revenues have gone up from the last quarter - from Rs 9.86 Million in Q4 FY06 to Rs 13.89 Million in Q1 FY07

Customization revenues have dropped as there were no expected milestones in this quarter

Thank You