

Media Release - FOR IMMEDIATE RELEASE

Sasken Q3 FY08 Revenues at Rs 141.3 crore - up 8% YoY

Bangalore, January 19, 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 third quarter ended December 31, 2007.

Performance Snapshot

Consolidated Revenues: Rs 141.3 crore - increases 8% vs Q3 FY07 and -1% vs Q2 FY08

Consolidated Profit After Tax (PAT): Rs. 3.8 crore for Q3 FY 08 compared to Rs. 12 crore for Q3 FY 07 and Rs 14.3 crore for Q2 FY 08

Consolidated Basic EPS: Rs. 1.35/- vs Rs. 4.28/- in Q3 FY07

Key Financial Highlights for Q3 FY08

- Revenue contribution from the Top five customers stood at 77.5% and from Top 10 customers at 85.7%
- Cash and cash equivalents stand at Rs. 58.5 crore as on December 31, 2007, compared to Rs. 34.8 crore as on March 31, 2007
- The consolidated Forex-hedged (forward covers) position on December 31, 2007 was US\$ 40.8 Million at an average rate of Rs. 41.40/-
- Average realized rate for the quarter Rs 39.51/- per US\$

Key Business Highlights for Q3 FY08

- A Gross total of 228 people were added this quarter, taking the total employee strength to 3,602 as on December 31, 2007
- Utilization on the services side stands at 79.2%
- The services business delivered an EPS of Rs 3.83/-
- EBITDA Margins on the services side were at 14.7%
- 7 new customers added during the quarter; a total of 91 active customers

Mr. Mody added "Our capabilities to straddle the needs of the entire communication value chain are beginning to play out well given the need for a solution centric approach to providing services. We have made in-roads by beginning to win and execute projects in the emerging technology areas like Wimax, Femtocells etc".

"The consolidation of Sasken's business verticals to focus on handsets, semiconductors and networks which was implemented in Q3 has made us better prepared to address the business context we are operating in" said Mr. Mody.

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On the handsets business, Mr. Mody said, "Sasken's silicon to software solution expertise will enable it to offer attractive turnkey solutions to mobile device manufacturers"

Commenting on the performance, Rajiv Mody, Chairman & CEO, Sasken said, "We recorded a 1% dollar terms growth in our business in absolute terms. Excluding the compensation received in the previous quarter, the revenues have grown by 8.8%, sequentially in dollar terms. The operating margins were at 14.7% in the services business, for the current quarter"

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 1030 hrs IST on Monday, January 21, 2008, where the senior management of Sasken led by Chairman and CEO, Rajiv Mody, will comment on the company's performance for the third quarter ended December 31, 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, January 21, 2008, 10:30 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	31571820#
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.

Sasken Communication Technologies Limited		Amount in Rs. Lakhs	
Consolidated Balance Sheet			
	As at December 31, 2007	As at March 31 2007	
SOURCES OF FUNDS			
<u>Shareholders' Funds</u>			
Share Capital	2,855.33	2,850.01	
Share Application Money	15.87	-	
Employee Stock Options Outstanding (Net of deferred compensation cost)	489.94	172.40	
Reserves and Surplus	40,867.36	39,152.74	
Government Subsidy (PROSOFT)	-	25.09	
<u>Loan Funds</u>			
Secured Loans	7,976.65	9,091.13	
Unsecured Loans	283.07	68.76	
Deferred Tax Liability	7.01	7.10	
Total Sources	52,495.23	51,367.23	
APPLICATION OF FUNDS			
<u>Fixed Assets</u>			
Gross Block	43,239.04	41,758.48	
Less : Accumulated Depreciation	14,342.21	12,303.53	
Net Block	28,896.83	29,454.95	
Capital Work in Progress including capital advances	364.44	500.43	
Total	29,261.27	29,955.38	
<u>Capitalised software product costs (net of amortization)</u>	2,425.58	3,327.36	
<u>Investments</u>	2,662.49	3,680.58	
<u>Deferred Tax Asset</u>	271.42	62.98	
<u>Current Assets, Loans and Advances</u>			
Inventories	224.25	79.91	
Sundry Debtors	11,204.82	11,081.98	
Cash and Bank Balances	5,850.61	3,487.61	
Loans and Advances	7,569.18	7,470.28	
Gross Current Assets	24,848.86	22,119.78	
<u>Less: Current Liabilities and Provisions</u>			
Current Liabilities	4,460.77	5,020.51	
Provisions	2,513.62	2,758.34	
Total	6,974.39	7,778.85	
Net Current Assets	17,874.47	14,340.93	
Total Applications	52,495.23	51,367.23	

Sasken Communication Technologies Limited		Amount in Rs. Lakhs		
Consolidated Profit and Loss Account				
	For the Quarter ended December 31, 2007	For the Quarter ended December 31 2006	For The Nine Months Ended December 31, 2007	For The Nine Months Ended December 31 2006
Revenues	14,132.15	13,101.84	41,292.69	33,968.63
Cost of Revenues	10,674.31	8,702.46	29,810.33	22,364.36
Gross Profit	3,457.84	4,399.38	11,482.36	11,604.27
Research and Development Expenses	539.08	555.51	2,054.15	1,356.11
Gross Profit after Research and Development Expenses	2,918.76	3,843.87	9,428.21	10,248.16
Selling and Marketing Expenses	752.73	667.03	2,233.52	1,763.97
Administrative and General Expenses	1,495.28	1,678.79	4,937.32	4,267.98
Employee stock option compensation cost (net)	88.04	97.36	322.43	100.65
Profit from operations	582.71	1,400.69	1,934.94	4,115.56
Amortisation of Non Compete Fees	30.82	54.72	123.28	162.78
Other Income	108.85	153.09	305.37	653.31
Exchange Gain/ (loss) (net)	190.36	158.81	1,839.63	(147.45)
Profit Before Interest and Income Taxes	851.10	1,657.87	3,956.66	4,458.64
Interest Expense	100.09	103.99	302.36	342.22
Profit Before Taxes	751.01	1,553.88	3,654.30	4,116.42
Income Tax expense/(credit), net				
-Current	325.05	329.08	1,233.50	655.06
-Deferred	(36.72)	(20.02)	(198.17)	(44.10)
Fringe Benefit Tax	76.58	42.20	161.16	123.42
Profit After Tax	386.10	1,202.62	2,457.81	3,382.04
Add: Balance brought forward	10,392.83	8,458.01	8,990.48	6,446.39
Less: Transfer to General Reserve on account of Merger of SNS	-	-	-	(167.80)
Less: Adjustment for transitional provision under AS 15 (revised)	-	-	(669.36)	-
Profit available for appropriations	10,778.93	9,660.63	10,778.93	9,660.63
Balance carried to Consolidated Balance Sheet	10,778.93	9,660.63	10,778.93	9,660.63
Earnings Per Share (Equity Share par value Rs 10 each)				
Basic	1.35	4.27	8.62	12.06
Diluted	1.35	4.21	8.57	11.88
Weighted average number of Equity Shares used in computation of				
Basic EPS	28,535,569	28,146,040	28,511,947	28,033,496
Diluted EPS	28,680,935	28,548,611	28,669,587	28,468,684