

Media Release - FOR IMMEDIATE RELEASE

Sasken Q2 FY08 Revenues at Rs 143.2 crore - up 22%

Bangalore, October 15, 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 second quarter ended September 30, 2007.

Performance Snapshot

Consolidated Revenues: Rs 143.23 crore - increases 22% vs Q2 FY07 and 11.6% vs Q1 FY08

Consolidated Profit After Tax (PAT): Rs. 14.33 crore - increases 13.7% vs Q2 FY07 and 124.4% vs Q1 FY08

Consolidated Basic EPS: Rs. 5.03/- vs Rs. 4.50/- in Q2 FY07

Key Financial Highlights for Q2 FY08

- Revenue contribution from the Top five customers stood at 74% and from Top 10 customers at 85%
- Cash and cash equivalents stand at Rs. 36.4 crore as on September 30, 2007, compared to Rs. 34.8 crore as on March 31, 2007
- The consolidated Forex-hedged (forward covers) position on September 30, 2007 was US\$ 46.6 Million at an average rate of Rs. 43.06/-
- Average realized rate for the quarter Rs 40.40/- per US\$

Key Business Highlights for Q2 FY08

- A Gross total of 476 people were added this quarter (Net Adds of 143), taking the total employee strength to 3,656 as on September 30, 2007
- Utilization on the services side stands at 76.2%
- The services business delivered an EPS of Rs 7.35/-
- EBITDA Margins on the services side were at 20%
- 9 new customers added during the quarter; a total of 89 active customers

Commenting on the performance, Rajiv Mody, Chairman & CEO, Sasken said, "We recorded a 12.8% dollar terms growth in our business. In spite of a rupee appreciation of 1.2% over the quarter, the operating margins in our services business has improved to 20%,"

"In Q2, we had two good design-wins for our products business. One for our protocol stack and application framework targeting the growing satellite communications market and the other with a Global Tier 1 for the multimedia subsystem,"

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"The pipeline we have in our services and products business is encouraging," he added.

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 1700 hrs IST on Monday, October 15, 2007, where the senior management of Sasken led by Chairman and CEO, Rajiv Mody, will comment on the company's performance for the second quarter ended September 30, 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, October 15, 2007, 17:00 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	20077391#
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

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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			
	Schedule No.	As at September 30, 2007	As at March 31 2007
SOURCES OF FUNDS			
<u>Shareholders' Funds</u>			
Share Capital	1	2,850.01	2,850.01
Share Application Money		80.53	-
Employee Stock Options Outstanding (Net of deferred compensation cost)		406.80	172.40
Reserves and Surplus	2	40,193.90	39,152.74
Government Subsidy (PROSOFT)		-	25.09
<u>Loan Funds</u>			
Secured Loans	3	8,459.79	9,091.13
Unsecured Loans	4	123.68	68.76
Deferred Tax Liability		6.91	7.10
Total Sources		52,121.62	51,367.23
APPLICATION OF FUNDS			
<u>Fixed Assets</u>			
Gross Block	5	42,433.66	41,758.48
Less : Accumulated Depreciation		13,578.83	12,303.53
Net Block		28,854.83	29,454.95
Capital Work in Progress including capital advances		126.38	500.43
Total		28,981.21	29,955.38
<u>Capitalised software product costs (net of amortization)</u>		2,727.54	3,327.36
<u>Investments</u>	6	1,751.81	3,680.58
<u>Deferred Tax Asset</u>		232.37	62.98
<u>Current Assets, Loans and Advances</u>			
Inventories	7	153.66	79.91
Sundry Debtors	8	12,960.79	11,081.98
Cash and Bank Balances	9	3,638.65	3,487.61
Loans and Advances	10	7,838.97	7,470.28
Gross Current Assets	(A)	24,592.07	22,119.78
<u>Less: Current Liabilities and Provisions</u>			
Current Liabilities	11	4,014.36	5,020.51
Provisions		2,149.02	2,758.34
Total	(B)	6,163.38	7,778.85
Net Current Assets	(A-B)	18,428.69	14,340.93
Total Applications		52,121.62	51,367.23

Sasken Communication Technologies Limited					Amount in Rs. Lakhs	
Consolidated Profit and Loss Account						
	Schedule No.	For the Quarter ended September 30, 2007	For the Quarter ended September 30, 2006	For the Half Year ended September 30, 2007	For the Half Year ended September 30, 2006	
Revenues		14,323.31	11,754.46	27,160.54	20,866.79	
Cost of Revenues	12	9,822.29	7,413.59	19,136.02	13,661.86	
Gross Profit		4,501.02	4,340.87	8,024.52	7,204.93	
Research and Development Expenses	13	555.42	461.35	1,515.07	800.64	
Gross Profit after Research and Development Expenses		3,945.60	3,879.52	6,509.45	6,404.29	
Selling and Marketing Expenses	14	762.12	611.14	1,480.79	1,096.94	
Administrative and General Expenses	15	1,723.84	1,492.93	3,442.04	2,589.19	
Employee stock option compensation cost (net) (Refer Note 10 in the Notes to Consolidated Accounts)		114.87	(3.15)	234.39	3.29	
Profit from operations		1,344.77	1,778.60	1,352.23	2,714.87	
Amortisation of Non Compete Fees		30.82	65.28	92.46	108.06	
Other Income	16	84.13	269.89	196.52	500.22	
Exchange Gain/ (loss) (net)		702.94	(154.20)	1,649.27	(306.26)	
Profit Before Interest and Income Taxes		2,101.02	1,829.01	3,105.56	2,800.77	
Interest Expense	17	101.09	235.60	202.27	238.22	
Profit Before Taxes		1,999.93	1,593.41	2,903.29	2,562.55	
Income Tax expense/(credit), net						
-Current		560.00	303.49	908.45	325.98	
-Deferred		(35.06)	(11.57)	(161.45)	(24.08)	
Fringe Benefit Tax		41.87	41.57	84.58	81.22	
Profit After Tax		1,433.12	1,259.92	2,071.71	2,179.43	
Add: Balance brought forward		8,959.71	7,365.86	8,990.48	6,446.37	
Less: Transfer to General Reserve on account of Merger of SNS (Also refer Note 4(a) in Notes to Consolidated Accounts)		-	(167.80)	-	(167.80)	
Less: Adjustment for transitional provision under Accounting Standard 15 (revised) (Refer Note 3 in Notes to Consolidated Accounts)		-	-	(669.36)	-	
Profit available for appropriations		10,392.83	8,458.01	10,392.83	8,458.01	
Balance carried to Consolidated Balance Sheet		10,392.83	8,458.01	10,392.83	8,458.01	
Earnings Per Share (Equity Share par value Rs 10 each)						
Basic		5.03	4.50	7.27	7.79	
Diluted		4.98	4.43	7.20	7.68	
Weighted average number of Equity Shares used in computation of						
Basic EPS		28,500,136	28,011,336	28,500,136	27,977,225	
Diluted EPS		28,770,901	28,428,225	28,770,901	28,392,322	
(Refer Note 13 in Notes to Consolidated Accounts)						