

Sasken Group Financial Results for H1 and Q2 FY07

October 2006

Disclaimer

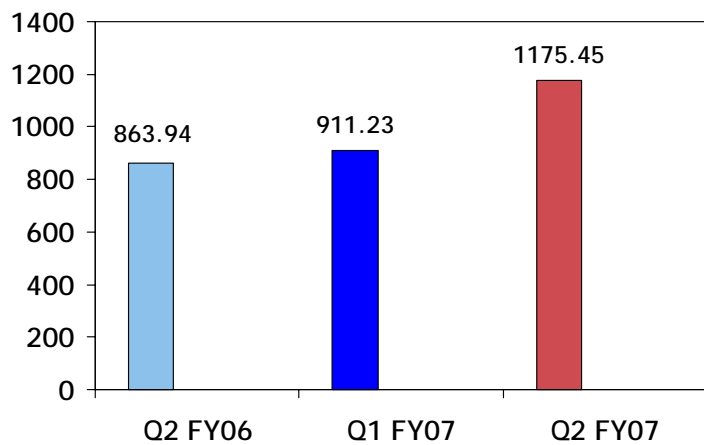


Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements due to risks or uncertainties associated with 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 - Q2 FY07 - Sasken Group

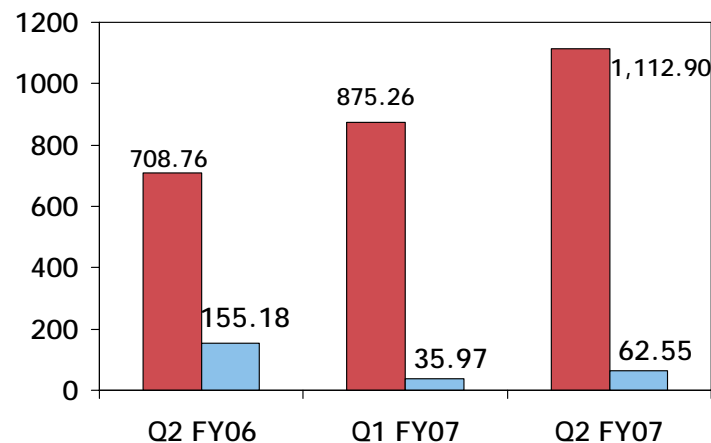


Consolidated Revenues (Rs. Million)



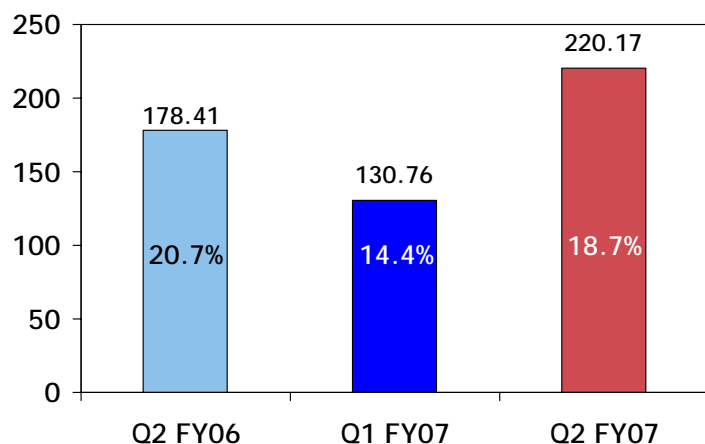
YoY Growth: 36%; QoQ Growth: 29%

Services - Products Revenue Mix (Rs. Million)



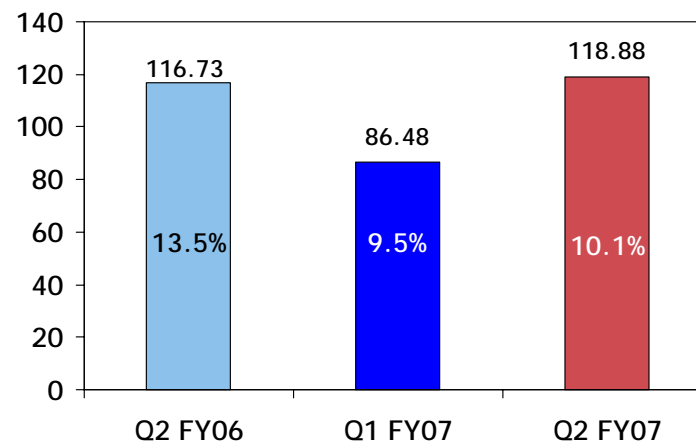
Services - YoY: 57%; QoQ: 27%
Products - YoY: (60%); QoQ: 74%

Consolidated EBITDA (Rs. Million)



YoY Growth: 23%; QoQ Growth: 68%

Consolidated PAT (Rs. Million)

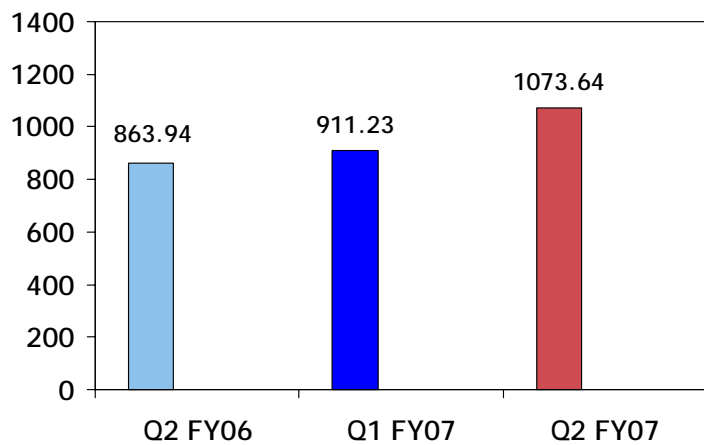


YoY Growth: 2%; QoQ Growth: 37%

Performance Snapshot - Q2 FY07 - Sasken Group without Botnia

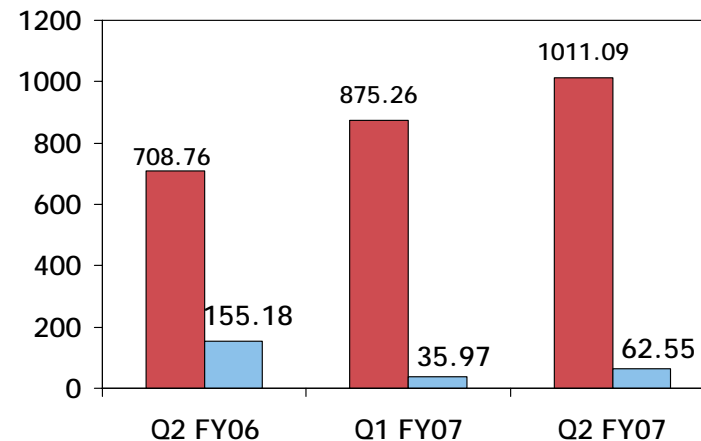


Consolidated Revenues (Rs. Million)



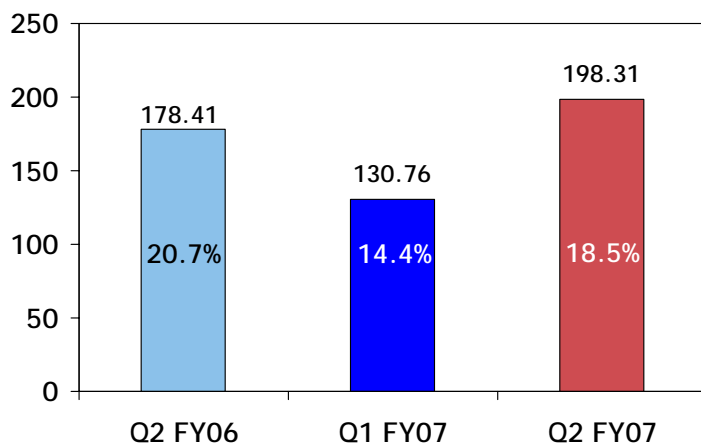
YoY Growth: 24%; QoQ Growth: 18%

Services - Products Revenue Mix (Rs. Million)



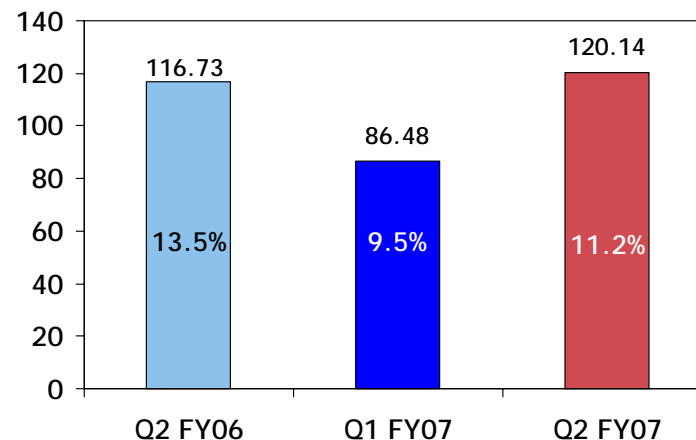
Services - YoY: 43%; QoQ: 16%
Products - YoY: (60%); QoQ: 74%

Consolidated EBITDA (Rs. Million)



YoY Growth: 11%; QoQ Growth: 51%

Consolidated PAT (Rs. Million)

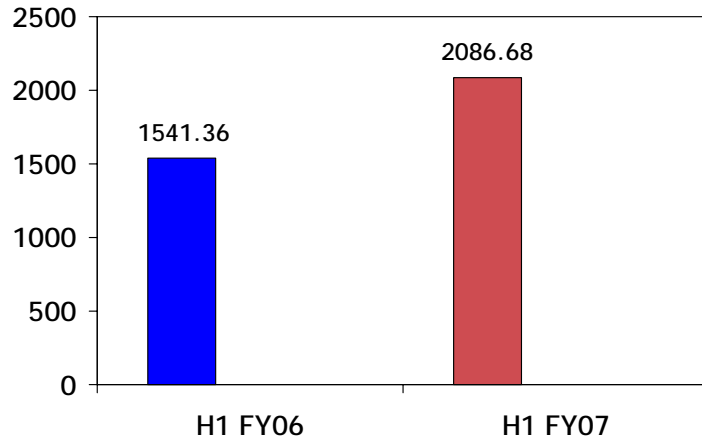


YoY Growth: 3%; QoQ Growth: 39%

Performance Snapshot - H1 FY07- Sasken Group

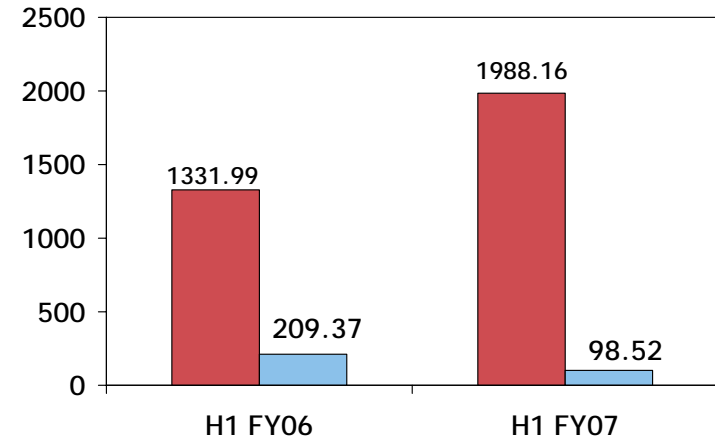


Consolidated Revenues (Rs. Million)



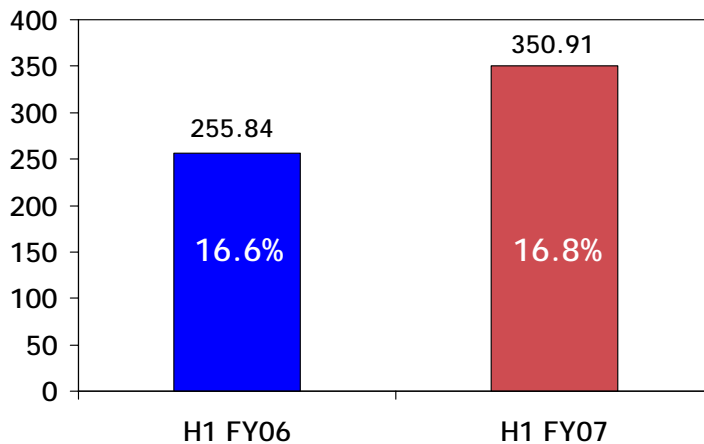
Growth: 35%

Services - Products Revenue Mix (Rs. Million)



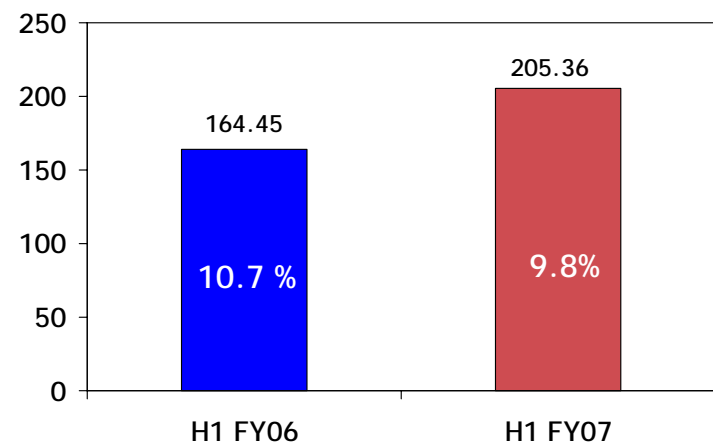
Services: 49%
Products: (53)%

Consolidated EBITDA (Rs. Million)



Growth: 37%

Consolidated PAT (Rs. Million)

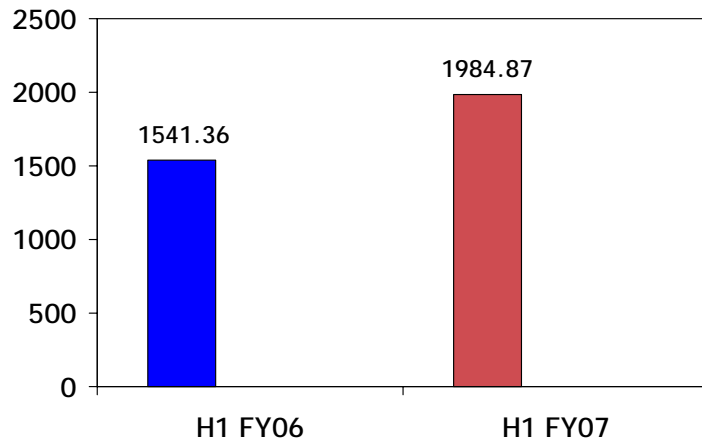


Growth: 25%

Performance Snapshot - H1 FY07- Sasken Group without Botnia

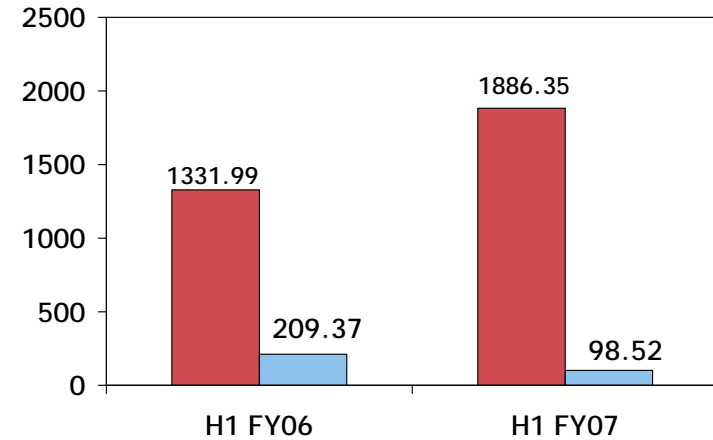


Consolidated Revenues (Rs. Million)



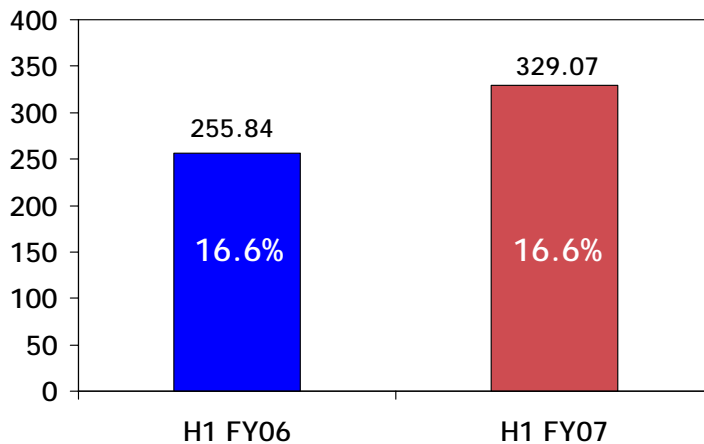
Growth: 29%

Services - Products Revenue Mix (Rs. Million)



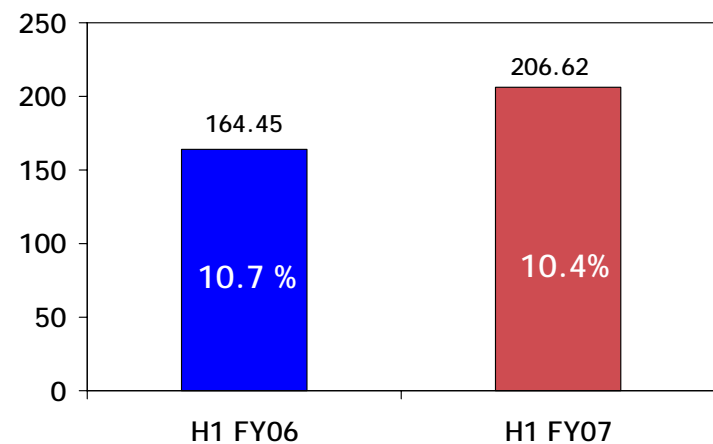
Services: 42%
Products: (53)%

Consolidated EBITDA (Rs. Million)



Growth: 29%

Consolidated PAT (Rs. Million)



Growth: 26%

A decorative background pattern of white lines forming a repeating geometric design of overlapping triangles and diamonds on a dark blue background.

Consolidated Results – Q2 FY07

Income Statement Summary (Consolidated)

Rs. Million



	Q2 FY07	%	Q1 FY07	%	Q2 FY06	%	Growth over	
							Q1 FY07 (QoQ)	Q2 FY06 (YoY)
Revenues	1,175.45	100.0	911.23	100.0	863.94	100.0	29%	36%
Cost of Revenue	708.56	60.3	598.50	65.7	488.28	56.5	18%	45%
R&D ¹	42.11	3.6	29.11	3.2	42.49	4.9	45%	(1)%
Gross Profit	424.78	36.1	283.62	31.1	333.17	38.6	50%	28%
SG&A	204.63	17.4	152.86	16.8	154.76	17.9	34%	32%
EBITDA	220.15	18.7	130.76	14.3	178.41	20.7	68%	23%
Depreciation	49.40	4.2	42.61	4.7	44.81	5.2	16%	10%
Amortization	6.53	0.5	4.28	0.5	3.10	0.3	53%	111%
EBIT	164.22	14.0	83.88	9.1	130.50	15.2	96%	26%
Other Income	26.99	2.3	23.03	2.5	12.75	1.5	17%	111%
Exchange gain/(loss)	(15.42)	(1.3)	(15.21)	(1.7)	7.44	0.9	1%	(307)%
Interest	23.56	2.0	0.26	-	0.27	-	-	-
Taxes	33.35	2.8	4.96	0.5	33.69	3.9	572%	(1)%
Profit After Tax	118.88	10.1	86.48	9.5	116.73	13.5	37%	2%

Segmental Results (Consolidated)

Rs. Million 

	Q2 FY07	Q1 FY07	Q2 FY06	Growth over	
				Q1 FY07 (QoQ)	Q2 FY06 (YoY)
Revenues	1,175.45	911.23	863.94	29%	36%
Software Services	1,112.90	875.26	708.76	27%	57%
Products	62.55	35.97	155.18	74%	(60)%
EBITDA	220.15	130.76	178.41	68%	23%
Software Services	266.86	202.14	155.70	32%	71%
Products	(46.72)	(71.38)	22.71	35%	(306)%
EBITDA %	18.7%	14.4%	20.7%		
Software Services	24.0%	23.1%	22.0%		
Products	(74.7)%	(198.4)%	14.6%		
Depreciation %	4.2%	4.7%	5.2%		
Software Services	3.7%	3.9%	5.2%		
Products	12.7%	23.5%	5.2%		
EBITA %	14.5%	9.7%	15.5%		
Software Services	20.3%	19.2%	16.8%		
Products	(87.4)%	(221.9)%	9.5%		

Balance Sheet Summary (Consolidated)

Rs. Million



	Sep 30, 2006	%	Jun 30, 2006	%
Liabilities				
Share capital	283.98	5.6	279.77	7.2
ESOP Outstanding	5.86	0.1	7.10	0.2
Reserves & Surplus	3,698.89	73.6	3,590.77	92.4
Deferred Tax Liability	4.0	0.1		
Borrowing	1,034.79	20.4	6.89	0.2
Total Liabilities	5,027.50	100.0	3,884.53	100.0
Assets				
Net Fixed Assets	3,027.17	60.2	1,080.07	27.8
Capitalized software product costs (net of amortization)	271.54	5.4	203.31	5.2
Investments	317.87	6.3	1,637.89	42.2
Current Assets				
Cash and equivalents	412.29	8.2	206.72	5.3
Receivables	1,176.24	23.4	808.95	20.8
Other current assets	513.90	10.2	446.28	11.9
Total Current Assets	2,102.44	41.8	1,461.75	38.1
Current Liabilities	691.52	13.8	498.70	13.3
Net Current Assets	1,410.92	28.1	963.26	24.8
Total Assets	5,027.50	100.0	3,884.53	100.0

A decorative background pattern of white lines forming a repeating geometric design of overlapping triangles and diamonds on a dark blue background.

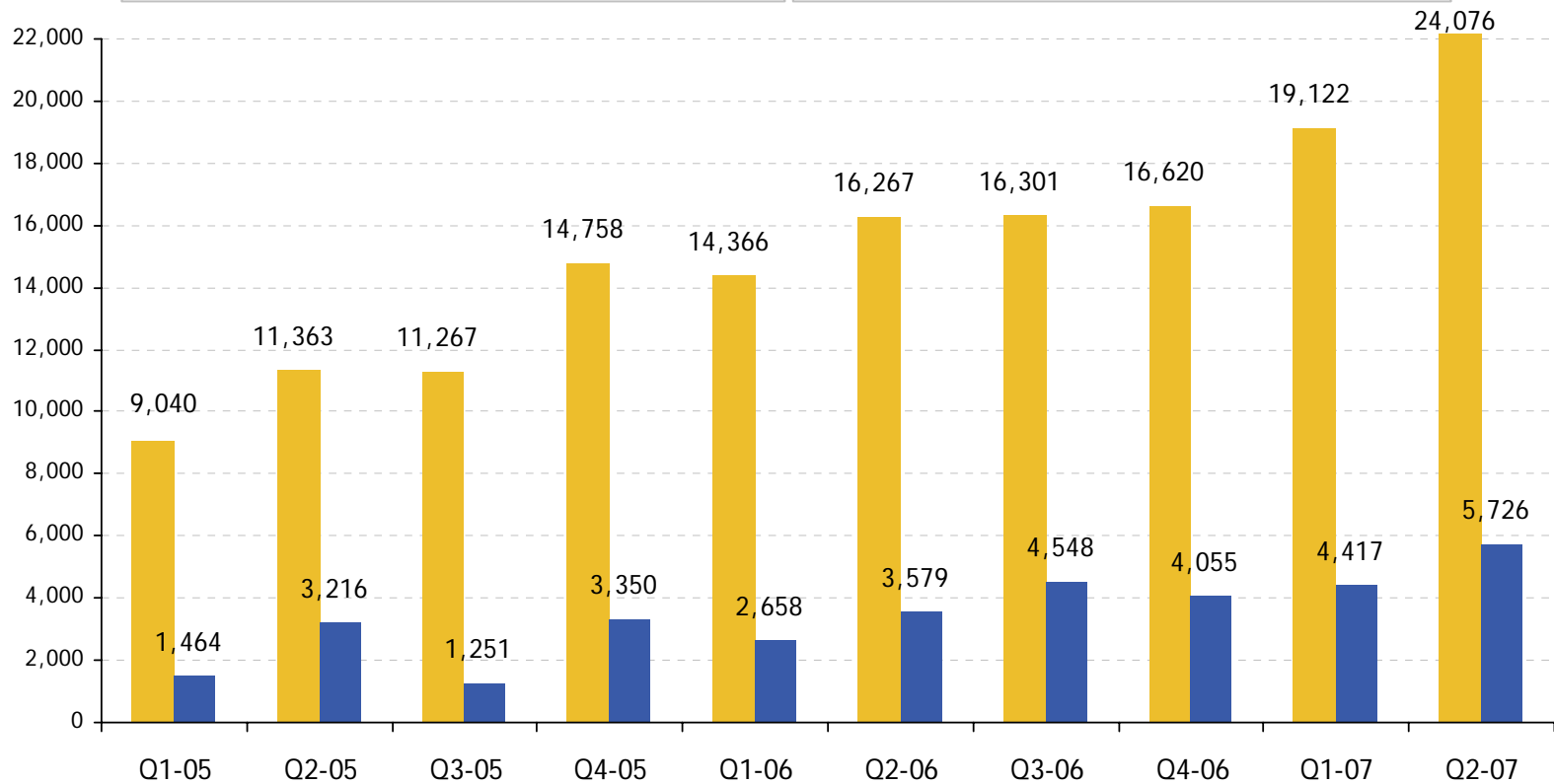
Services Business

Revenue Growth with EBITDA: Services (Consolidated)

(K\$)

CAGR : 63% over 2 Years

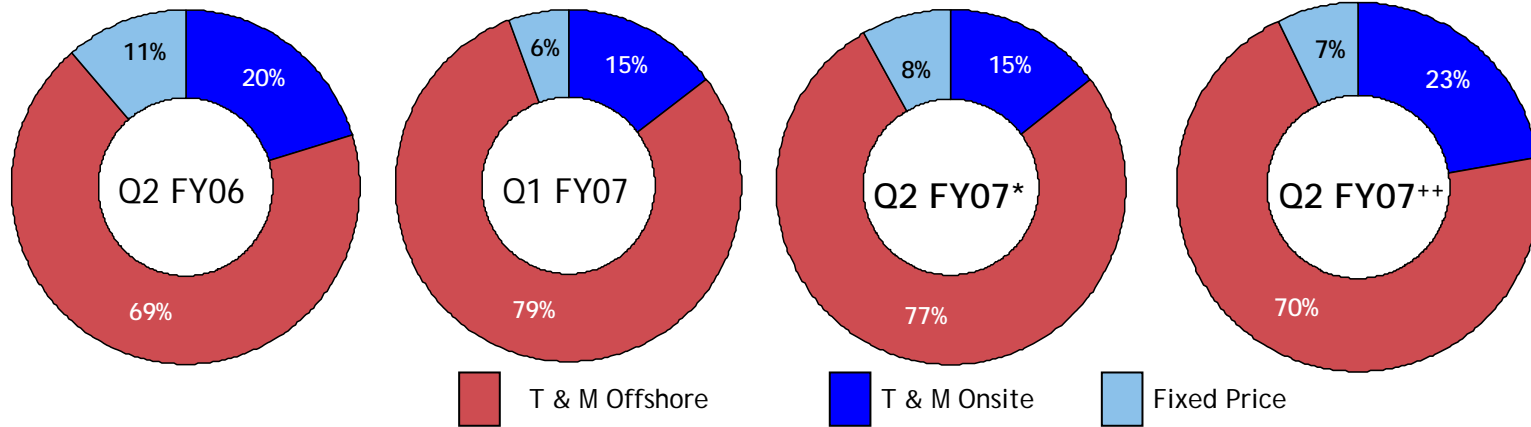
COGR : 12% over 9 Qtrs



■ Revenue ■ EBITDA

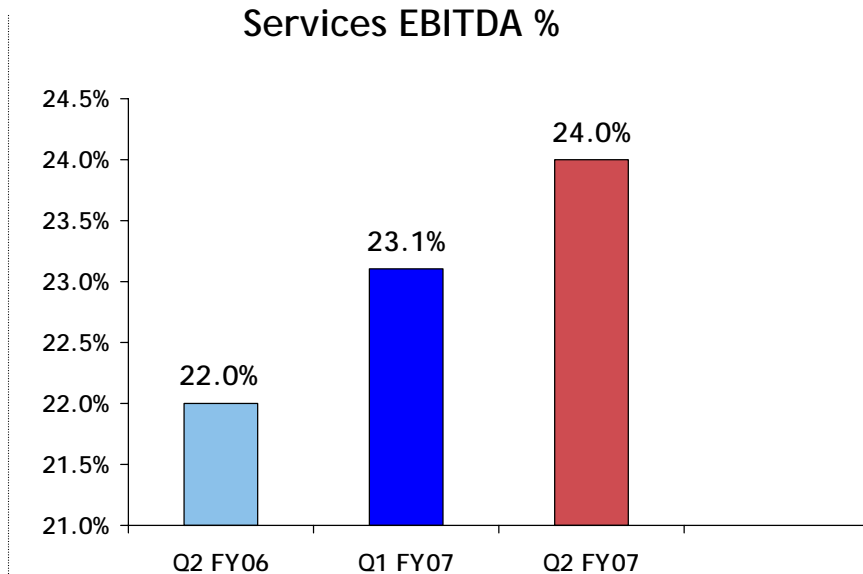
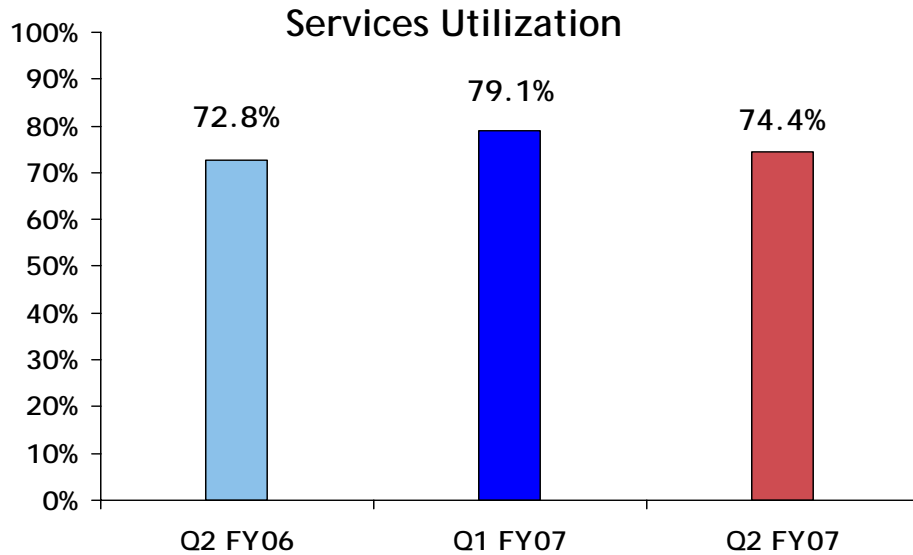
Services Metrics

Services Revenue Mix - Delivery

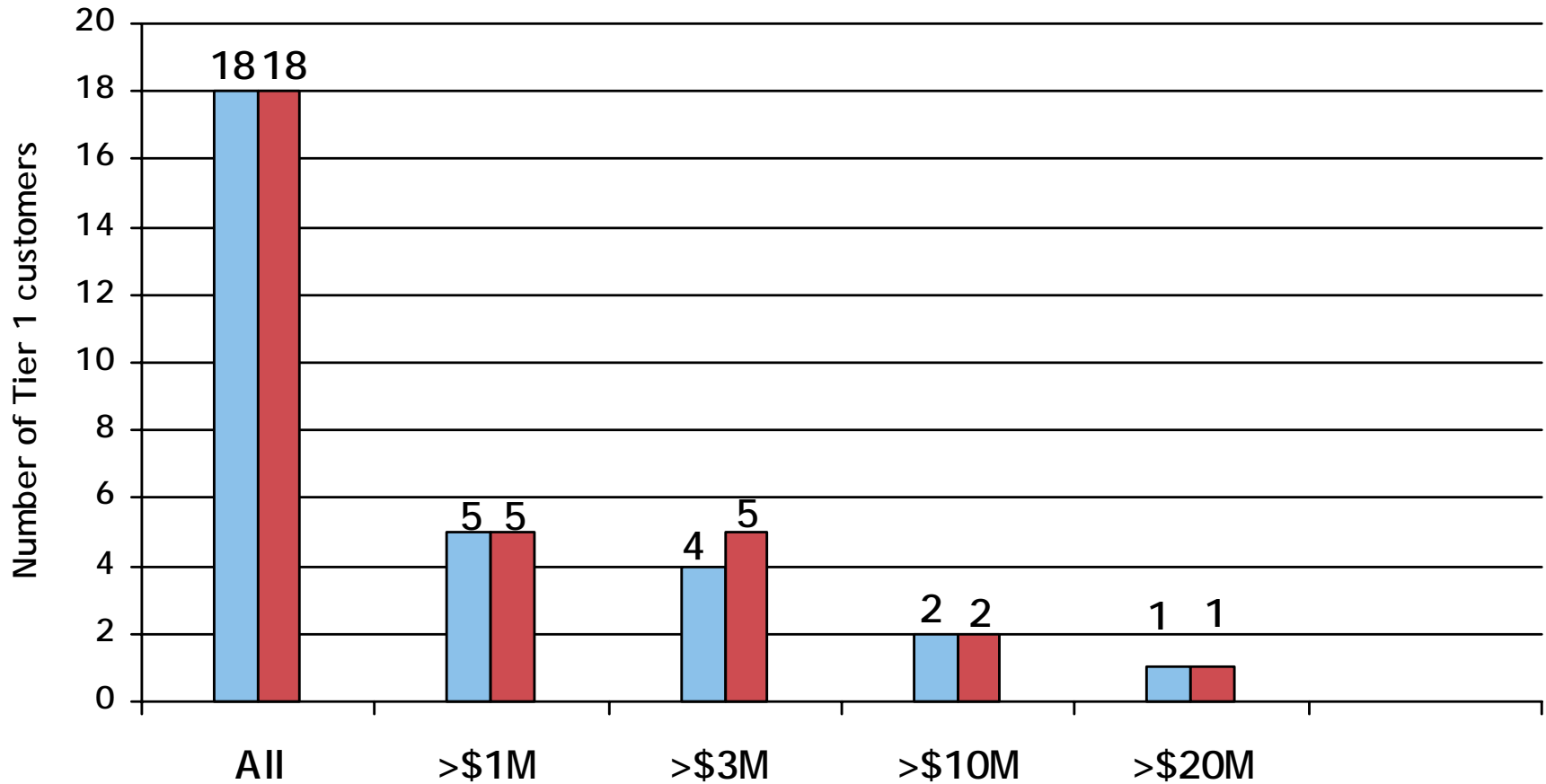


* Without Botnia

++ With Botnia



Relationships with Tier 1 Customers - Cumulative



Cumulated based on trailing 12 months Services revenues in USD

■ Q1 FY 07 ■ Q2 FY 07

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Products Business

Products - Milestone Targets and Status

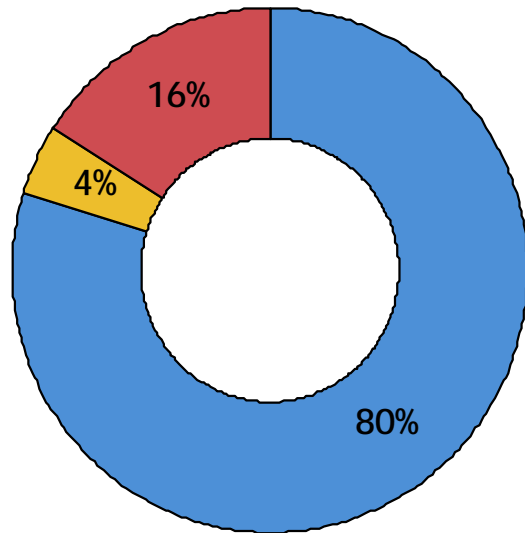


Milestones	2.5G 'E-Series'	2.5G 'M-Series'	3G 'M-Series'	3G 'S-Series'
Identify Lead Semiconductor Partner	Q1 FY06	Q1 FY05	Q4 FY04	Q4 FY03
Product demo on lead chipset	Q4 FY06	Q3 FY06	Q3 FY06	Q3 FY05
First Design In	*	Q4 FY06	Q4 FY06	Q3 FY05
First Design Win	*	*	*	Q3 FY06
No of Platform Design-ins as of date	None	3 → 4	2	3 → 4
No of Phone Design-wins as of date	None	None	None	2

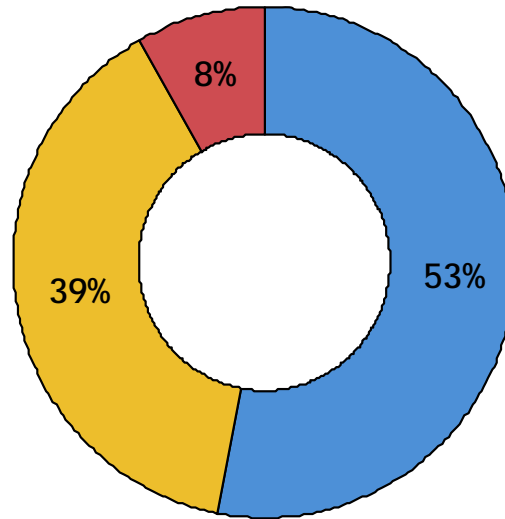
* Not disclosed as it is forward looking

Revenue Mix - Products

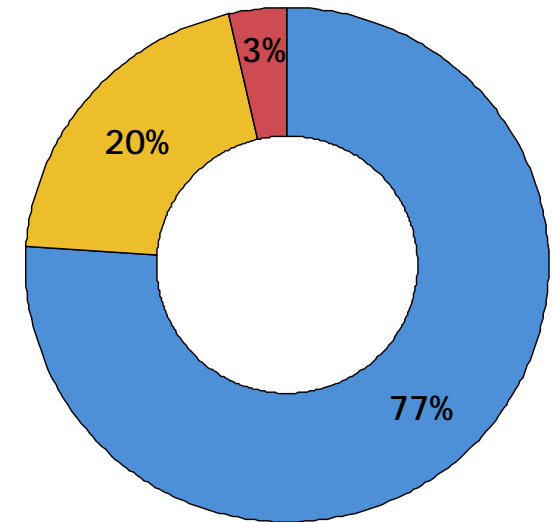
Q2 FY 06



Q1 FY 07



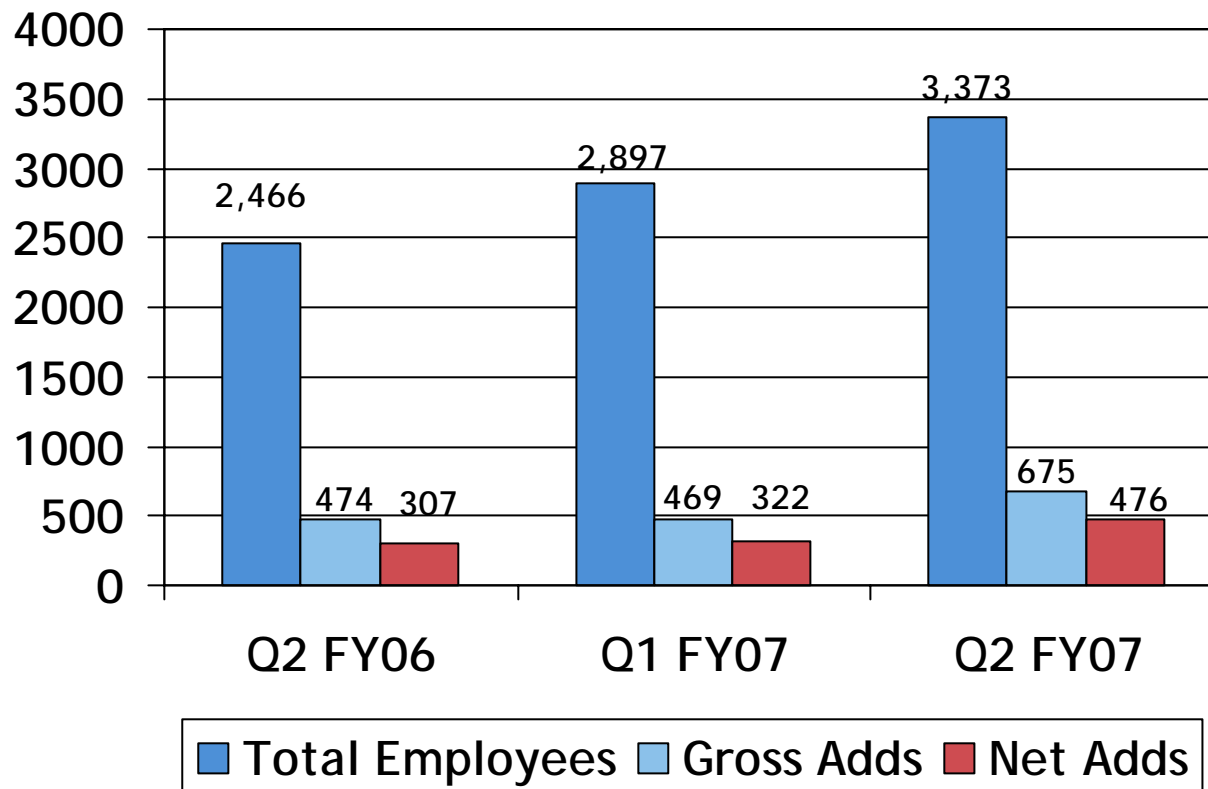
Q2 FY 07



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Corporate Metrics

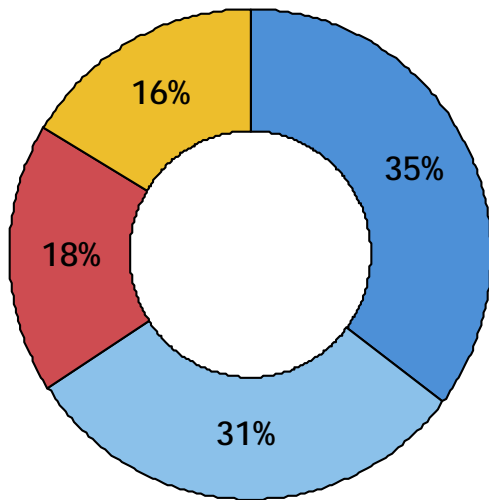
Human Resources Metrics



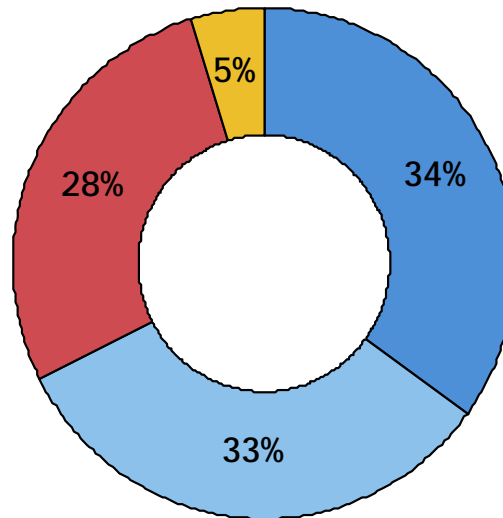
Voluntary Attrition % - 23.2% in Q2 FY07 vs 21.0% in Q1 FY07 and 23.4% in Q2 FY06

Geography Wise Revenue

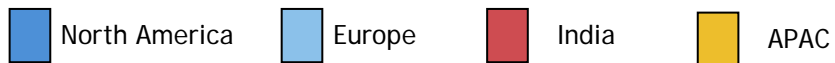
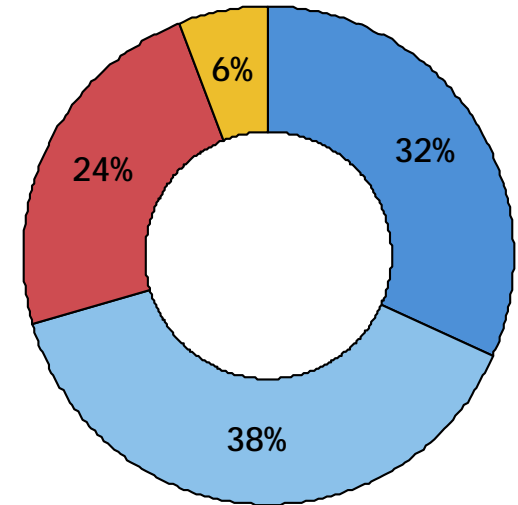
Q2 FY 06



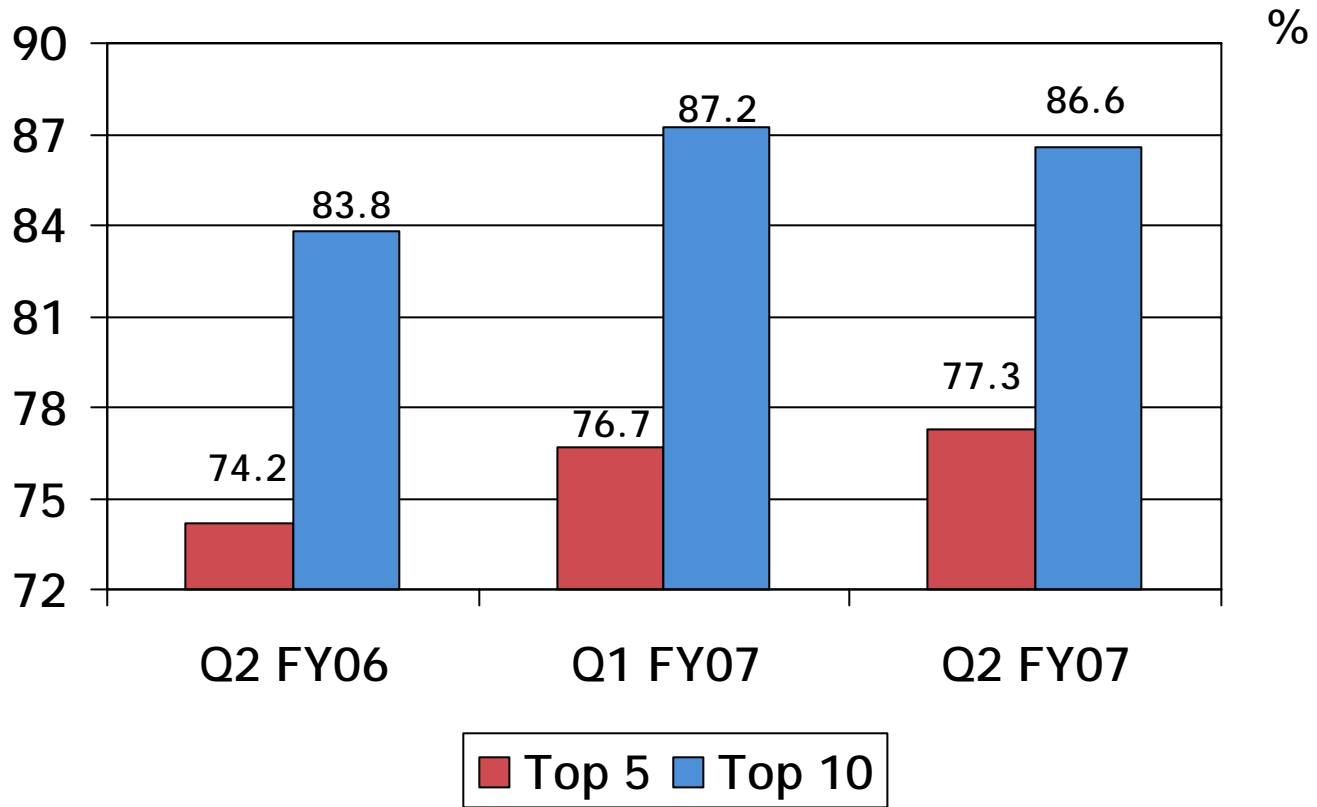
Q1 FY 07



Q2 FY 07



Customer Concentration



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Financial Information - H1 FY07

Income Statement Summary - H1 FY07 (Consolidated)

Rs. Million

	H1 FY07	%	H1 FY06	%	Growth
Revenues	2086.68	100.0	1541.36	100.0	35%
Cost of Revenue	1307.06	62.6	912.72	59.2	43%
R&D ¹	71.22	3.0	83.55	5.4	(15)%
Gross Profit	708.40	33.9	545.09	35.4	30%
SG&A	357.49	17.1	289.25	18.8	24%
EBITDA	350.91	16.8	255.84	16.6	37%
Depreciation	92.01	4.4	80.15	5.2	15%
Amortization	10.81	0.5	3.10	0.2	249%
EBIT	248.10	11.9	172.59	11.2	44%
Other Income	50.02	2.4	20.77	1.3	140%
Exchange gain/(loss)	(30.63)	(1.5)	19.16	1.2	(260)%
Interest	23.82	1.1	0.65	0.0	3565%
Taxes	38.31	1.8	47.42	3.1	(19)%
Profit After Tax	205.36	9.8	164.45	10.7	25%

Segmental Results (Consolidated) - H1 FY07

Rs. Million  **sasken**

	H1 FY07	H1 FY06	% Growth
Revenues	2086.68	1541.36	35%
Software Services	1988.16	1331.99	49%
Products	98.52	209.38	(53)%
EBITDA	350.93	255.84	37%
Software Services	469.03	270.88	73%
Products	(118.1)	(15.04)	-
EBITDA %	16.8%	16.6%	
Software Services	23.6%	20.3%	
Products	(119.87)%	(7.18)%	
Depreciation %	4.5%	5.2%	
Software Services	3.8%	4.9%	
Products	18.1%	9.0%	
EBITA %	12.1%	10.9%	
Software Services	19.8%	15.3%	
Products	(154.7)%	(36.5)%	

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Thank You