

SONATA



SONATA SOFTWARE LIMITED

1/4, A.P.S. TRUST BUILDING, BULL TEMPLE ROAD,

N. R. COLONY, BANGALORE - 560 019, INDIA

TEL : +91-80-30971999 FAX : +91-80-26610972



November 10, 2010

The Manager
Market Operations
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

Dear Sir/Madam,

**SUB : AUDITED RESULTS FOR THE QUARTER AND HALF
YEAR ENDED 30TH SEPTEMBER, 2010
REF : CLAUSE 41 OF THE LISTING AGREEMENT**

With reference to the above, we wish to inform you that the audited financial results for the above period were considered and adopted by the Board in their meeting held on November 10, 2010. We are sending herewith highlights of the financial results in the prescribed format.

A copy of the press release and Investor Update is enclosed for your reference.

Kindly take the same on record.

Thanking you,

Very truly yours,
For **SONATA SOFTWARE LIMITED**


PRAVEEN KUMAR D
COMPANY SECRETARY

CC to : The National Stock Exchange Ltd - Mumbai
Bangalore Stock Exchange Ltd – Bangalore

N. M. RAIJI & CO.
Chartered Accountants
Universal Insurance Building,
Pherozechah Mehta Road,
Mumbai-400 001. INDIA
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Auditor's Report On Quarterly Financial Results and Year to Date Results of Sonata Software Ltd Pursuant to the Clause 41 of the Listing Agreement

To The Board of Directors of Sonata Software Limited,

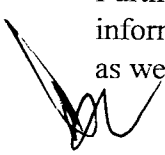
We have audited the quarterly financial results of Sonata Software Limited for the quarter ended 30th September, 2010 and the year to date results for the period 1st April, 2010 to 30th September, 2010, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 30th September, 2010 as well as the year to date results for the period from 1st April, 2010 to 30th September, 2010.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as



N. M. RAIJI & CO.

furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For N. M. Raiji & Co
Chartered Accountants
Registration No. 108296W



CA. Y. N. Thakkar

Partner

Membership No. 33329

Place : Bengaluru

Date : November 10, 2010

SONATA SOFTWARE LIMITED

Registered Office: 208, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai - 400 030

Corporate Office: 1/4, A.P.S Trust Building, Bull Temple Road, N.R. Colony, Bangalore - 560 019

STANDALONE AUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2010

Figures in Rs. Lakhs
(Except EPS)

Particulars	Quarter ended		Half year ended		Year ended
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
1 Sales and Services	6,508.11	5,994.85	12,808.23	11,680.57	23,609.42
2 Other Operating Income	378.50	44.30	854.64	80.67	380.45
3 Total Operating Income	6,886.61	6,039.15	13,662.87	11,761.24	23,989.87
4 Expenditure					
a) (Increase) / Decrease in stocks	-	-	-	-	-
b) Staff Costs	3,687.23	2,607.62	7,042.04	5,499.58	11,618.84
c) Depreciation	243.91	193.71	453.78	375.75	776.65
d) Other operating Expenses	1,411.56	1,682.59	3,071.69	2,901.99	5,570.61
Total Expenditure	5,342.70	4,483.92	10,567.51	8,777.32	17,966.10
5 Other Income	72.38	5.20	128.50	12.05	147.57
6 Profit before Interest	1,616.29	1,560.43	3,223.85	2,995.97	6,171.34
7 Interest	-	-	-	-	-
8 Profit after Interest but before tax	1,616.29	1,560.43	3,223.85	2,995.97	6,171.34
9 Tax expense/provision including FBT	96.19	93.86	217.49	190.74	151.04
10 Net Profit After Tax	1,520.10	1,466.57	3,006.36	2,805.23	6,020.30
11 Paid-up Equity Share Capital (FV-Re.1/-)	1,051.59	1,051.59	1,051.59	1,051.59	1,051.59
12 Reserves & Surplus	28,939.19	23,522.17	28,939.19	23,522.17	28,165.33
13 Earning per Share (Face value Re.1/-each)					
- Basic & Diluted	1.45	1.39	2.86	2.67	5.72
14 Public Shareholding*					
No. of shares (Face value Re.1/-each)	59,062,794	57,411,456	59,062,794	57,411,456	57,411,456
% of holding (to total shareholding)	56.17%	54.59%	56.17%	54.59%	54.59%
15 Promoters & Promoter group shareholding					
(a) Pledged / Encumbered					
- Number of shares	16,075,000	13,575,000	16,075,000	13,575,000	13,500,000
- % of shares(to total holding of Promoter group)	34.87%	28.43%	34.87%	28.43%	28.27%
- % of shares(to total share capital of the Company)	15.29%	12.91%	15.29%	12.91%	12.84%
(b) Non-encumbered					
- Number of shares	30,021,512	34,172,850	30,021,512	34,172,850	34,247,850
- % of shares(to total holding of Promoter group)	65.13%	71.57%	65.13%	71.57%	71.73%
- % of shares(to total share capital of the Company)	28.54%	32.50%	28.54%	32.50%	32.57%
16 EBIDT %	26.73%	29.02%	26.67%	28.64%	28.79%
17 PAT %	21.84%	24.26%	21.80%	23.83%	24.94%
18 ROCE % (Annualised)	20.27%	24.15%	20.31%	23.90%	22.90%
19 RONW % (Annualised)	20.27%	24.15%	20.31%	23.90%	22.90%

* Public Shareholding as classified under category B in the shareholding pattern in Clause 35/40A of the Listing Agreement.

Notes:

- 1 These audited results for the quarter and half year ended 30th September, 2010, have been taken on record by the Board at its Meeting held on 10th November, 2010.
- 2 The Audit Report of the Company for the period bears no qualification.
- 3 Interim dividend of Re.1/- per share(100% on par value of Re.1/-) has been declared at the Board Meeting held today. The record date for payment of dividend is 18th November, 2010.
- 4 Details of Other operating expenses exceeding 10% of total expenditure :

Figures in Rs. Lakhs

Particulars	Quarter ended		Half year ended		Year ended
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
Subsistence/Living Cost	455.91	513.81	986.84	1,030.21	1,962.60

- 5 These Accounts have been prepared in accordance with the mandatory applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).
- 6 Figures have been regrouped wherever necessary to facilitate comparison.
- 7 Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended September 30, 2010

Nature of complaints received	Opening balance	Additions	Disposal	Closing balance
Non receipt of dividend / Annual Report	0	6	6	0

- 8 The Board has approved voluntary delisting of Company's equity shares from Bangalore Stock Exchange Ltd. The Company's equity shares will continue to be listed on BSE and NSE.
- 9 The Standalone statement of assets and liabilities for the half year ended 30th September, 2010 as required under Clause 41 of the Listing Agreement is as follows :

Figures in Rs. Lakhs

Particulars	Half year ended		Particulars	Half year ended	
	30.09.2010	30.09.2009		30.09.2010	30.09.2009
Sources of Funds			Application of Funds		
1. Shareholders' Funds			1. Fixed Assets	3415.54	3114.88
a. Capital	1051.59	1051.59	2. Investments	12503.53	12276.10
b. Reserves and Surplus	28939.19	23522.17	3. Deferred Tax Asset	365.66	601.67
2. Minority Interest			4. Current Assets, Loans and Advances		
3. Loan Funds			a. Inventories		
4. Deferred Tax Liability			b. Sundry Debtors	6120.21	4809.58
Total Funds employed	29,990.79	24,573.76	c. Cash & Bank Balances	2492.16	1488.17
			d. Other Current Assets	192.96	220.99
			e. Loans & Advances	8969.06	5413.46
			Less: Current Liabilities and Provisions		
			a. Liabilities	2684.12	2109.00
			b. Provisions	1384.23	1242.08
			Net Current Assets	13,706.05	8,581.12
			Total Funds applied	29,990.79	24,573.76

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

B. Ramaswamy
B RAMASWAMY
PRESIDENT & MANAGING DIRECTOR

Place: Bengaluru
Date : 10th November, 2010

As per Accounting Standard 25 of the ICAI, the accounts are presented in condensed form. These are available at the website www.sonata-software.com

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**Auditor's Report On Quarterly Consolidated Financial Results and Consolidated Year to Date
Results of Sonata Software Ltd Pursuant to the Clause 41 of the Listing Agreement**

To The Board of Directors of Sonata Software Ltd,

We have audited the quarterly consolidated financial results of Sonata Software Limited for the quarter ended 30th September, 2010 and the consolidated year to date results for the period 1st April, 2010 to 30th September, 2010, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to Companies (Accounting Standards) Rules, 2006 as per Section 211 (3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of five (5) subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated financial statements reflect total assets of Rs.3,908,954,547 as at 30th September, 2010 (year to date) and Rs.3,908,954,547 as at the quarter ended 30th September, 2010 (date of quarter end); as well as the total revenue of Rs.3,409,356,948 as at 30th September, 2010 (year to date) and

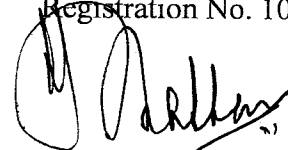
Rs. 1,781,341,900 as at the quarter ended 30th September, 2010 (date of quarter end). These financial statements and other financial information have been audited by other auditors except for Sonata Software GmbH whose financial statements have been reviewed by their auditors, whose reports have been furnished to us and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:

- (i) include the quarterly financial results and year to date of the following entities;
 - (a) Sonata Information Technology Ltd, India
 - (b) TUI InfoTec GmbH, Germany
 - (c) Sonata Software North America Inc., USA
 - (d) Sonata Software GmbH, Germany
 - (e) Sonata Europe Ltd, UK
 - (f) Sonata Software FZ LLC
- (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended 30th September, 2010 as well as the consolidated year to date results for the period from 1st April, 2010 to 30th September, 2010.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated non promoter shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For **N M Raiji & Co**
Chartered Accountants
Registration No. 108296W



CA.Y. N. Thakkar

Partner

Membership No: 33329

Place : Bengaluru

Date : November 10, 2010

SONATA SOFTWARE LIMITED
Registered Office: 208, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai - 400 030
Corporate Office: 1/4, A.P.S Trust Building, Bull Temple Road, N.R. Colony, Bangalore - 560 019
CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2010

Particulars	INTERNATIONAL						DOMESTIC						TOTAL			
	Quarter ended		Half year ended		Year ended		Quarter ended		Half year ended		Year ended		Quarter ended		Half year ended	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010	31.03.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010	31.03.2009	30.09.2010	30.09.2009	30.09.2010	31.03.2010
1 Sales and Services	20,255.94	23,107.63	40,089.63	44,883.84	87,975.95	18,857.78	11,624.88	32,354.70	27,650.43	50,068.51	39,113.73	34,732.50	72,444.33	72,534.27	138,044.46	
2 Other Operating Income	729.85	244.49	1,022.90	348.87	1,039.11	3.24	0.00	77.76	5.11	204.14	733.09	244.49	1,100.66	353.98	1,243.25	
3 Total Operating Income	20,985.80	23,352.11	41,112.53	45,232.70	89,015.06	18,861.02	11,624.88	32,432.46	27,655.54	50,272.65	39,846.82	34,976.99	73,544.98	72,888.24	139,287.71	
4 Expenditure																
a) (Increase) / Decrease in stocks	(219.93)	(456.06)	(99.23)	(451.43)	(441.33)	(2,751.55)	714.76	(2,626.47)	(461.62)	(483.96)	(2,971.49)	258.70	(2,725.70)	(913.06)	(925.29)	
b) Purchase of traded items	50.87	383.47	16.82	451.44	(247.30)	19,792.71	9,654.80	31,649.37	25,596.22	45,390.99	19,843.58	10,038.27	31,666.19	26,047.66	45,143.69	
c) Staff Costs	10,008.18	9,752.73	19,569.80	19,872.23	39,907.18	542.29	461.02	1,034.47	849.09	1,967.08	10,550.48	10,213.75	20,604.27	20,721.32	41,874.26	
d) Depreciation	949.92	1,283.56	1,908.69	2,449.83	4,887.29	5.06	7.69	11.32	15.43	29.95	954.98	1,291.25	1,920.00	2,465.26	4,917.25	
e) Other operating expenses	7,407.01	9,317.38	14,685.45	17,486.30	34,142.76	716.85	510.50	1,265.73	1,082.47	1,985.01	8,123.85	9,827.88	15,951.18	18,568.77	36,127.78	
Total Expenditure	18,196.05	20,281.08	36,081.52	39,808.36	78,248.60	18,305.36	11,348.77	31,334.42	27,081.60	48,889.07	36,501.40	31,629.86	67,415.94	66,889.95	127,137.69	
5 Profit from operations before other Income and Interest	2,789.75	3,071.03	5,031.00	5,424.34	10,766.45	555.66	276.11	1,098.04	573.95	1,383.58	3,345.41	3,347.14	6,129.04	5,998.29	12,150.02	
6 Other Income	23.32	5.20	37.83	12.05	39.13	0.49	-	0.66	-	2.22	23.81	5.20	38.48	12.05	41.35	
7 Profit before Interest	2,813.07	3,076.23	5,068.83	5,436.39	10,805.58	556.16	276.11	1,098.69	573.95	1,385.80	3,369.23	3,352.33	6,167.53	6,010.34	12,191.38	
8 Interest	90.39	129.36	190.33	253.70	529.53	52.60	36.34	118.50	83.91	140.77	142.99	165.70	308.82	337.61	670.30	
9 Profit after Interest but before tax	2,722.68	2,946.86	4,878.50	5,182.69	10,276.05	503.55	239.77	980.20	490.04	1,245.03	3,226.24	3,186.63	5,858.70	5,672.73	11,521.07	
10 Tax expense/provision including FBT	340.16	532.59	742.13	892.65	1,587.56	137.82	69.35	271.38	156.13	391.00	477.99	601.94	1,013.51	1,048.78	1,978.56	
11 Net Profit after Tax	2,382.52	2,414.27	4,136.37	4,290.04	8,688.49	365.73	170.42	708.82	333.90	854.03	2,748.25	2,584.69	4,845.19	4,623.95	9,542.52	
12 Share in earning of Affiliates	-	-	-	-	(153.68)	-	-	-	-	-	-	-	-	-	(153.68)	
13 Minority Interest	(244.03)	(449.41)	(517.66)	(712.81)	(1,401.40)	-	-	-	-	-	(244.03)	(449.41)	(517.66)	(712.81)	(1,401.40)	
14 Net Profit	2,138.48	1,964.86	3,618.72	3,577.23	7,133.41	365.73	170.42	708.82	333.91	854.03	2,504.21	2,135.28	4,327.53	3,911.14	7,987.44	
15 Paid-up Equity Share Capital (Face Value Re.1/-)											1051.59	1051.59	1051.59	1051.59	1051.59	
16 Reserves & Surplus											37524.43	29925.76	37524.43	29925.76	35337.19	
17 Earning Per Share (Face value Re.1/-each)											2.38	2.03	4.12	3.72	7.60	
- Basic & Diluted																
18 Public Shareholding																
No. of shares (Face value Re.1/-each)											59,062,794	57,411,456	59,062,794	57,411,456	57,411,456	
% of holding (to total shareholding)											56.17%	54.59%	56.17%	54.59%	54.59%	
19 Promoters & Promoter group shareholding																
(a) Pledged / Encumbered																
- Number of shares											16075000	13575000	16075000	13575000	13500000	
- % of shares(to total holding of Promoter group)											34.87%	28.43%	34.87%	28.43%	28.27%	
- % of shares(to total share capital of the Company)											15.29%	12.91%	15.29%	12.91%	12.84%	
(b) Non-encumbered																
- Number of shares											30021512	34172850	30021512	34172850	34247850	
- % of shares(to total holding of Promoter group)											65.13%	71.57%	65.13%	71.57%	71.73%	
- % of shares(to total share capital of the Company)											28.55%	32.50%	28.55%	32.50%	32.57%	
20 EBITD %	17.91%	18.64%	16.96%	17.41%	17.62%	2.98%	2.47%	3.42%	2.15%	2.82%	10.85%	13.27%	10.99%	11.63%	12.28%	
21 PAT %	10.18%	8.56%	8.79%	8.00%	8.01%	1.94%	1.17%	2.19%	1.05%	1.70%	6.28%	6.10%	5.88%	5.37%	5.73%	
22 ROCE % (Annualised)	26.96%	30.81%	23.94%	29.04%	26.80%	17.37%	14.23%	17.62%	14.45%	19.49%	24.88%	28.34%	22.50%	27.02%	25.32%	
23 RONW % (Annualised)	25.11%	29.30%	21.51%	27.49%	24.73%	36.37%	17.82%	36.90%	19.45%	26.81%	26.30%	28.14%	23.09%	26.67%	24.56%	

International : Comprises of Sonata Software Limited, SS North America Inc., Sonata Europe Limited, Sonata Software GmbH, TUI InfoTec GmbH & Sonata Software FZ LLC

Sonata & its subsidiaries portfolio of Services include IT Consulting Services, Travel Solutions, Application Development, Application Management, Managed Testing, Business Intelligence, Infrastructure Management and Packaged Applications.

Domestic : Sonata Information Technology Limited which is into Indian Operations comprising of Software Product Marketing & Services

Notes:

- 1 These audited results for the quarter and half year ended 30th September, 2010, have been taken on record by the Board at its Meeting held on 10th November, 2010.
- 2 The Audit Report of the Company for the period bears no qualification.
- 3 Figures have been regrouped wherever necessary to facilitate comparison.
- 4 The consolidated segmentwise revenue and results for the quarter and half year ended 30th September, 2010 as required under Clause 41 of the Listing Agreement are as follows :

Particulars	Quarter ended		Half year ended		Year ended	Particulars	Quarter ended		Half year ended		Year ended
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010		30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
1. Segment Revenue						Less: Other unallocable expenditure,					
a. Domestic (Sales & Services)	18857.78	11624.88	32354.70	27650.43	50068.51	Net of Unallocable Income					
b. International (Software Service Exports)	20255.94	23107.63	40089.63	44883.84	87975.95						
Total	39113.73	34732.50	72444.33	72534.27	138044.46	a. Domestic (Sales & Services)					
Less : Inter segment revenue						b. International (Software Service Exports)					
Net sales/income from operations	39113.73	34732.50	72444.33	72534.27	138044.46	Total	-	-	-	-	-
2. Segment Results											
Profit(+)/loss(-) before tax & Interest						3. Profit Before Tax					
a. Domestic (Sales & Services)	556.16	276.11	1098.69	573.95	1385.80	a. Domestic (Sales & Services)	503.55	239.77	980.20	490.04	1245.03
b. International (Software Service Exports)	2813.07	3076.23	5068.83	5436.39	10805.58	b. International (Software Service Exports)	2722.68	2946.86	4878.50	5182.69	10276.05
Total	3369.23	3352.34	6167.53	6010.34	12191.38	Total Profit Before Tax	3226.23	3186.63	5858.70	5672.73	11521.08
Less: Interest						4. Capital Employed					
a. Domestic (Sales & Services)	52.60	36.34	118.50	83.91	140.77	(Segment assets - Segment liabilities)					
b. International (Software Service Exports)	90.39	129.36	190.33	253.70	529.53	a. Domestic (Sales & Services)	11421.62	8948.73	11421.62	8948.73	7359.47
Total	142.99	165.70	308.82	337.61	670.30	b. International (Software Service Exports)	31612.56	25930.23	31612.56	25930.23	32023.04
						Total	43034.18	34878.96	43034.18	34878.96	39382.51

- 5 The consolidated statement of assets and liabilities for the half year ended 30th September, 2010 as required under Clause 41 of the Listing Agreement is as follows :

Particulars	Half year ended		Particulars	Half year ended	
	30.09.2010	30.09.2009		30.09.2010	30.09.2009
Sources of Funds			Application of Funds		
1. Shareholders' Funds			1. Fixed Assets	17,697.00	19,501.99
a. Capital	1,051.59	1,051.59	2. Investments	3,856.94	1,226.56
b. Reserves and Surplus	37,524.43	29,925.76	3. Deferred Tax Asset	1,482.50	1,741.88
2. Minority Interest	4,413.53	3,471.94	4. Current Assets, Loans and Advances		
3. Loan Funds	4,458.15	3,901.61	a. Inventories	4,198.48	1,460.55
4. Deferred Tax Liability	-	6.97	b. Sundry Debtors	28,270.87	28,674.27
Total Funds employed	47,447.71	38,357.87	c. Cash & Bank Balances	12,959.37	7,246.99
			d. Other Current Assets	1,350.04	643.09
			e. Loans & Advances	22,738.75	15,312.45
			Less: Current Liabilities and Provisions		
			a. Liabilities	37,386.17	29,732.14
			b. Provisions	7,720.05	7,717.76
			Net Current Assets	24,411.28	15,887.44
			Total Funds applied	47,447.71	38,357.87

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

B. Ramaswamy

B RAMASWAMY

PRESIDENT & MANAGING DIRECTOR

Place: Bengaluru

Date : 10th November, 2010

As per Accounting Standard 25 of the ICAI, the accounts are presented in condensed form. These are available at the website www.sonata-software.com



Sonata Consolidated Q2 FY11 Net Profit at Rs. 25.04 Cr up by 17% YoY Declares Interim Dividend of 100%

Bangalore, Nov 10, 2010

Leading Indian software solutions company, Sonata Software Ltd. today reported its audited financial results for the quarter and the half year ended 30th September 2010.

Highlights:

Sonata Software Ltd. – Consolidated

- o Revenue for the quarter at Rs. 391.14 Cr (Rs.347.33 Cr) up 13% YoY
- o Net profit for the quarter at Rs.25.04 Cr (Rs. 21.35 Cr) up 17% YoY
- o Earnings per share (Annualized) for the quarter at Rs. 9.53 (Rs. 8.12) up 17% YoY
- o RONW (Annualised) for the quarter at 26%
- o ROCE (Annualised) for the quarter at 25%
- o Consolidated Cash Reserves : Rs.156.04 Cr (Rs.72.47 Cr)

Sonata Software Ltd. – Stand Alone

- o Revenue for the quarter at US\$14.25 Mn (US\$12.51 Mn) up 14% YoY
- o Revenue for the quarter at Rs.65.08 Cr (Rs.59.95 Cr) up 9% YoY
- o EBIDTA for the quarter at Rs.18.60 Cr (Rs.17.54 Cr) up 6% YoY
- o Net profit for the quarter at Rs. 15.20 Cr (Rs.14.67 Cr) up 4% YoY
- o Earnings per share (Annualised) for the quarter at Rs.5.78 (Rs.5.58) up 4% YoY
- o RONW and ROCE (Annualised)for the quarter at 20%
- o Cash from operations for the quarter Rs.13.44 Cr
- o Cash Reserves : Rs. 67.15 Cr (Rs.37.38 Cr)

** Figures shown in brackets pertains to Q2 09-10*

Management Comments:

Commenting on the results, Mr. B. Ramaswamy, President and Managing Director, Sonata Software Limited said, "This has been a strong quarter showing improvement in key operational metrics. Focus continues to be on building specialization and demonstrating continued value for our customers".



Significant Projects:

A pharmaceutical major has engaged Sonata to establish a centralized IT services Delivery Team which will help them to meet the IT needs of various divisions and optimize cost of operations in a highly regulated environment. As a part of this engagement, Sonata will provide Managed Testing Services which will help them to achieve significant improvement in their service quality to the end customer. Sonata will also provide Remote Infrastructure Support and Application Maintenance Services to the customer enabling them to enhance their productivity, improve response times and achieve significant cost reduction.

As a part of implementing web strategy for general insurance company, Sonata has developed a comprehensive e-commerce platform and product management system for the customer. The new e-commerce platform will enable help them to develop new products for their customers, manage marketing campaigns and Affinity Partners with minimal IT involvement. This solution will also help them to cross-sell insurance products to customers visiting the Partner Websites.

A defence establishment has engaged Sonata for the implementation of Active Directory, System Centre Configuration Manager (SCCM), Office Communications Server (OCS) and related support services for a period of 2 years. The establishment has 100 units spread over 30 kilometers and connected through Optical Fibre Communication (OFC). Each unit has its own Domain. Sonata is helping the customer to effectively consolidate the Domains into one Unified Domain. This will lead to smooth flow of information across departments, centralized management of Domains, reduced downtime of servers, improved efficiency of mailing solution and increased availability of critical systems.

Sonata is assisting a leading provider of Workforce Management Solution Software to undergo a technology modernization through re-engineering. The modernization process will enable them to upgrade the product to an enterprise class solution that is scalable. This will help them to offer the product globally and expand their customer base.

Sonata is working with the IT wing of a leading provider of Travel and Transportation services in the Middle East to develop a Travel Management System which will include a full suite of Front Office (POS), Mid Office (Pricing) and Back-Office (Revenue Accounting) solutions. Developed for their Travel Services business, the application will provide the Travel Agents with the functionality of flight reservations along with booking of Hotels, Cars and Transfers which will be integrated seamlessly within the transaction life-cycle so as to have an error-free and efficient handling of various business transactions.



Sonata Software Ltd Financial results - Consolidated

(In Rs. Cr.)

Revenues	Quarter 2 10-11	Quarter 2 09-10	Half Year 10-11	Half Year 09-10
International				
- IT Services	75.33	67.03	145.71	132.20
-TUI InfoTec	127.23	162.95	254.97	315.07
Domestic - Sonata Information Technology Ltd.	188.58	117.35	323.76	278.07
Consolidated	391.14	347.33	724.44	725.34

EBIDTA	Quarter 2 10-11	Quarter 2 09-10	Half Year 10-11	Half Year 09-10
International				
- IT Services	20.45	17.61	37.52	33.93
-TUI InfoTec	17.52	25.93	32.91	44.85
Domestic - Sonata Information Technology Ltd.	5.27	2.90	10.45	5.98
Consolidated	43.24	46.44	80.88	84.76

PAT	Quarter 2 10-11	Quarter 2 09-10	Half Year 10-11	Half Year 09-10
International				
- IT Services	17.31	15.69	31.48	29.35
-TUI InfoTec	4.91	4.29	6.29	6.85
Domestic - Sonata Information Technology Ltd.	2.82	1.37	5.51	2.91
Consolidated	25.04	21.35	43.28	39.11

Notes :

- 1) Consolidated Revenue, EBIDTA and PAT are after elimination of inter company transactions
- 2) Consolidated includes Sonata Software Limited, Sonata Information Technology Limited, TUI InfoTec, Sonata Software Noth America Inc. (Formerly known as Offshore Digital Services Inc.), Sonata Software GmbH, Sonata Europe Limited and Sonata Software FZ LLC.
- 3) IT Services comprises of Sonata Software Limited, Sonata Software Noth America Inc. (Formerly known as Offshore Digital Services Inc.), Sonata Software GmbH, Sonata Europe Limited and Sonata Software FZ LLC
- 4) Consolidated PAT is after minority interest
- 5) Intercompany revenues between IT Services and TUI Infotec have been adjusted
- 6) Translation loss / gain on account of TUI Consolidation is adjusted in TUI Infotec



About Sonata Software Limited

Sonata Software (www.sonata-software.com), headquartered in Bangalore, India, is a leading IT consulting and services company. Sonata's customers are located across the US, Europe, Middle East and the Asia-Pacific region. Its key business segments include Product Engineering (ISV), Enterprise IT and Travel, Transportation and Logistics. As per the industry rankings released by NASSCOM for FY 2009-10, Sonata Software figured among the Top 20 IT Software Services Exporters in India for the third consecutive year. Sonata has been ranked among Top 10 R&D Services players globally by Zinnov Management Consulting Pvt. Ltd. Zinnov has rated Sonata 6th in the Software Products segment.

Sonata's subsidiaries include (1) TUI InfoTec – Sonata's Joint Venture with TUI, Europe's largest tourism group, (2) Sonata North America Inc (formerly Offshore Digital Services Inc) – Sonata's arm in the US, which provides development and consulting services to clients, using an Onsite-Offshore Delivery Model, (3) Sonata Software FZ LLC – Sonata's fully-owned subsidiary that provides value-based IT solutions to customers in the Middle East and (4) Sonata Information Technology Limited, which is a premier software services and product distribution company with India-focused business operations.

For further information, please contact :

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INVESTOR UPDATE FOR QUARTER AND YEAR ENDED 30th SEPTEMBER 2010 FINANCIALS

Sonata Software Ltd Financial results - Consolidated

(In Rs. Cr.)

Revenues	Quarter 2 10-11	Quarter 2 09-10	Half Year 10-11	Half Year 09-10
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Performance Metrics

Particulars		Q1 2010-11	Q2 2010-11	Q2 2009-10	Half Year 2010-11	Half Year 2009-10
Revenue Metrics						
<i>Geography split</i>	International services					
USA		56.35%	55.54%	43.41%	56.46%	43.68%
Europe incl UK		36.35%	36.11%	50.16%	35.82%	50.34%
Rest of World		7.30%	8.35%	6.43%	7.71%	5.98%
<i>Onsite/Offshore mix</i>	International services					
Onsite		27.17%	26.35%	26.10%	26.74%	25.47%
Offshore		72.83%	73.65%	73.90%	73.26%	74.53%
<i>New clients added</i>	International services	9	9	5	18	9
<i>Concentration - Top 10 customers</i>	International services	79.41%	77.61%	76.27%	78.39%	75.99%
# of Fortune 500 accounts	International services	8	8	8	8	9
# of million dollar clients	International services	14	13	14	13	13
<i>Split by service offering and industry</i>	International services					
Travel & Tourism		33.29%	33.48%	45.62%	33.33%	45.01%
IT /ISV (S/w Product Co.)		40.80%	38.30%	27.31%	39.27%	27.77%
Others		25.91%	28.22%	27.07%	27.40%	27.22%
<i>Effective realization rates in Rupees</i>	Stand alone					
US Dollar		47.64	46.79	45.43	47.21	45.04
Euro		67.98	68.09	65.10	68.04	65.06
GBP		79.30	78.04	80.24	78.63	80.12
People Metrics						
<i># of employees</i>	Consolidated	2,835	2,902	2,649	2,902	2,649
	Stand alone	2,160	2,220	1,964	2,220	1,964
<i>Employee Utilization %</i>	Stand alone	77%	80%	73%	79%	72%
Balance Sheet						
<i>Return on net worth (RONW)</i> (Annualised)	Consolidated	19.71%	26.30%	28.14%	23.09%	26.67%
<i>Return on Capital employed (ROCE)</i> (Annualised)	Consolidated	19.53%	24.88%	28.34%	22.50%	27.02%
<i>Debtors no. of days sales</i>	Stand alone	84	86	73	87	75

Stand alone relates to Sonata Software Limited.

International Services comprises of Sonata Software Limited, Sonata Software North America Inc.(Formerly known as Offshore Digital Services Inc.) , Sonata Software GmbH, Sonata Europe Limited and Sonata Software FZ LLC.

Consolidated includes Sonata Software Limited, Sonata Information Technology Limited, TUI InfoTec, Sonata Software North America Inc. (Formerly known as Offshore Digital Services Inc)., Sonata Software GmbH, Sonata Europe Limited and Sonata Software FZ LLC.



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