

NEWS RELEASE

Media Contacts:

Scandent Solutions Corp Ltd.
Pradeep Chaudhry, CFO
Phone: 98860-10174
Pradeep.chaudhry@scandent.com

Scandent Announces 2004-2005 Financial Results

Record Revenues of \$16.5 Million, Up 5.7 Percent over Previous Quarter; Earnings After Tax \$2.2 Million, Up 22.5 Percent over Previous Quarter.

Bangalore India, May 24, 2005 —Scandent Solutions Corporation Limited (“Scandent”) today announced its results for the financial year ended March 31, 2005. Total revenues for the last quarter of 2004-2005 were \$16,524,762, up by 5.7 percent, compared to total revenues of \$15,641,664 for the previous quarter ending December 31st, 2004. Total earnings after taxes for the last quarter of 2004-2005 were \$2,207,867 (calculated at a INR to US\$ conversion of 43.71) up 22.5 percent, compared to earnings after taxes of \$1,801,858 (calculated at a INR to US\$ conversion of 44.90) for the previous quarter ending December 31st, 2004.

The company’s earnings per share on a fully diluted basis for the most recent quarter were Rs.3.31. On an annualized basis the earnings per share was Rs.13.24.

This is the third quarter of sequential organic growth in revenues and earnings after taxes, following the company’s merger with the IT division of SSI Limited. The number of new clients added in the most recent three quarters - quarter 1, quarter 2 and quarter 3 were 17, 17 and 18 respectively. The table below outlines the growth in revenue and earnings after taxes:

All Fig. in USD	QTR ending June 30 th, 2004	QTR ending Sept 30 th, 2004	QTR ending Dec 31 st, 2004	QTR ending Mar 31 st, 2005
Revenue	7,440,465	14,634,495	15,641,664	16,524,762
Growth	NA	NA	6.9%	5.7%
Earnings After Taxes	(1,494,608)	1,589,890	1,801,858	2,207,867
Growth	NA	NA	13.3%	22.5%
Conversion INR/US\$	45.53	45.64	44.90	43.71
Earnings per share - annualized	NA	0.22	0.25	0.31



The company's three core verticals, Banking, Financial Services and Insurance (BFSI), Government and Manufacturing & Logistics, contributed 27%, 26% and 47% of the revenues of the last quarter respectively. The US operations of the company contributed 73% of the total revenues with its Asia Pacific operations at 12% and Europe at 15%.

The company's revenue quality and mix remained largely unchanged and stable with 52% coming from fixed price contracts and 48% from time and material engagements. In the most recent quarter, offshore work as a percentage of effort increased to 35% (up from 31% of the previous quarter) and onsite work decreased to 65% (down from 69% of the previous quarter).

The number of clients with an annual revenue run rate tracking at greater than \$1 Million grew from 8 in the quarter ending September 30 th, 2004 to 13 in the quarter ending March 31 st, 2005.

Chris Sinclair, Chairman of Scandent, said, "We are very pleased with our sequential progress. We have added a number of prestigious clients, diversified our revenue base, improved our revenue quality and achieved CMMi 5 and PCMM 3 certifications during the year, while optimizing our operating margins and introducing new offerings."

Conference Call

Following the board meeting and statutory information release, Scandent's senior management will comment on the company's performance on a teleconference that will be hosted by HDFC Securities.

Details of the conference call are as under:

Time: 4:00 pm IST

Conference dial-in: + 91 22 27812277

Standby No: +91 22 55917977

Call leader: Jaideep Goswami, HDFC Securities

Replay Facility: Available from 7pm, May 24, May 2005 to 7 pm
May 26, 2005 on +91 22 55917979

Replay Standby no.: +91 22 27810506

To participate in the conference call one may dial the numbers provided five to ten minutes ahead of the scheduled start time. An operator will provide instructions on asking questions before the call. Participation in the call is limited to 50 ports.

About Scandent Solutions

Scandent Solutions ("Scandent") is a broad based IT services company that offers business consulting, application implementation, software engineering, maintenance and support services. It is promoted by Scandent Group, which has in its fold IT and BPO companies that collectively employ 3,000 professionals, serving customers in 4 continents through 70 locations worldwide. Scandent strives to deliver differentiated solutions with impeccable quality. For more information about Scandent, please visit www.scandentsolutions.com and for information on Scandent Group visit www.scandentgroup.com.

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