

SELECT FINANCIAL INFORMATION FOR THE QUARTER APRIL TO JUNE 2008

Figures in \$ 000s	Apr - Jun 08	Apr - Jun 07	Variance	%	Apr - Jun 08	Jan - Mar-08	Variance	%
Revenues								
<u>India Online</u>								
Advertising	5,003	3,167	1,836	58%	5,003	5,405	(402)	-7%
Fee based service	1,559	1,456	103	7%	1,559	1,773	(214)	-12%
Total India Online	6,562	4,623	1,939	42%	6,562	7,178	(616)	-9%
<u>US Publishing</u>								
Offline revenues	1,283	1,390	(107)	-8%	1,283	1,155	128	11%
Online revenues	480	789	(309)	-39%	480	727	(247)	-34%
Total US Publishing	1,763	2,179	(416)	-19%	1,763	1,882	(119)	-6%
Total Revenues	8,325	6,802	1,523	22%	8,325	9,060	(735)	-8%
Cost of revenues								
India Online	916	760	156	21%	916	814	102	13%
US Publishing	762	745	17	2%	762	720	42	6%
Total cost of revenues	1,678	1,505	173	11%	1,678	1,534	144	9%
Gross Margin								
India Online	5,646	3,863	1,783	46%	5,646	6,364	(718)	-11%
US Publishing	1,001	1,434	(433)	-30%	1,001	1,162	(161)	-14%
Total gross margin	6,647	5,297	1,350	25%	6,647	7,526	(879)	-12%
Gross Margin %								
India Online	86%	84%			86%	89%		
US Publishing	57%	66%			57%	62%		
Total gross margin	80%	78%			80%	83%		
Operating Expenses								
Sales & Marketing	1,433	1,493	(60)	-4%	1,433	2,070	(637)	-31%
Product Development	1,771	1,380	391	28%	1,771	1,631	140	9%
General & Administrative *	2,341	1,810	531	29%	2,341	2,418	(77)	-3%
Total operating expenses	5,545	4,683	862	18%	5,545	6,119	(574)	-9%
Operating EBIDTA	1,102	614	488	80%	1,102	1,407	(305)	-22%
Depreciation/Amortization	(1,681)	(1,105)	(576)		(1,681)	(1,684)	3	
Interest Income	1,170	1,347	(177)		1,170	1,333	(163)	
Foreign exchange Gain/(Loss)	291	(443)	734		291	63	228	
Other Income	-	1,896	(1,896)		-	-	-	
Net Income from continuing operations before income taxes	882	2,310	(1,428)		882	1,119	(237)	
Tax	(110)	(189)	79		(110)	(100)	(10)	
Net Income/(Loss)	772	2,121	(1,349)		772	1,019	(247)	
* Stock-based compensation cost included in General and Administrative	441	431			441	604		
# of Advertisers	257	172			257	250		
# Headcount at end of Quarter	338	312			338	349		
Cash Balance \$ mln at end of quarter	54.74	58.93			54.74	59.03		