

SELECT FINANCIAL INFORMATION FOR THE QUARTER OCT-07 TO DEC 2007

Figures in \$ 000s	Oct - Dec-07	Oct - Dec-06	Variance	%	Oct - Dec-07	Jul - Sep 07	Variance	%
<b>Revenues</b>								
<u>India Online</u>								
Advertising	4,562	4518	44	1%	4,562	4,263	299	7%
Fee based service	1,555	1168	387	33%	1,555	1,468	87	6%
<b>Total India Online</b>	<b>6,117</b>	<b>5,686</b>	<b>431</b>	<b>8%</b>	<b>6,117</b>	<b>5,731</b>	<b>386</b>	<b>7%</b>
<u>US Publishing</u>								
Offline revenues	1,392	1305	87	7%	1,392	1,400	(8)	-1%
Online revenues	1,016	757	259	34%	1,016	730	286	39%
<b>Total US Publishing</b>	<b>2,408</b>	<b>2062</b>	<b>346</b>	<b>17%</b>	<b>2,408</b>	<b>2,130</b>	<b>278</b>	<b>13%</b>
<b>Total Revenues</b>	<b>8,525</b>	<b>7748</b>	<b>777</b>	<b>10%</b>	<b>8,525</b>	<b>7,861</b>	<b>664</b>	<b>8%</b>
<b>Cost of revenues</b>								
India Online	754	620	134	22%	754	632	122	19%
US Publishing	768	787	(19)	-2%	768	797	(29)	-4%
<b>Total cost of revenues</b>	<b>1,522</b>	<b>1,407</b>	<b>115</b>	<b>8%</b>	<b>1,522</b>	<b>1,429</b>	<b>93</b>	<b>6%</b>
<b>Gross Margin</b>								
India Online	5,363	5,066	297	6%	5,363	5,099	264	5%
US Publishing	1,640	1,275	365	29%	1,640	1,333	307	23%
<b>Total gross margin</b>	<b>7,003</b>	<b>6,341</b>	<b>662</b>	<b>10%</b>	<b>7,003</b>	<b>6,432</b>	<b>571</b>	<b>9%</b>
<b>Gross Margin %</b>								
India Online	88%	89%			88%	89%		
US Publishing	68%	62%			68%	63%		
<b>Total gross margin</b>	<b>82%</b>	<b>82%</b>			<b>82%</b>	<b>82%</b>		
<b>Operating Expenses</b>								
Sales & Marketing	1,898	1,502	396	26%	1,898	1,431	467	33%
Product Development	1,505	1,030	475	46%	1,505	1,466	39	3%
General & Administrative *	2,268	1,985	283	14%	2,268	2,495	(227)	-9%
<b>Total operating expenses</b>	<b>5,671</b>	<b>4,517</b>	<b>1,154</b>	<b>26%</b>	<b>5,671</b>	<b>5,392</b>	<b>279</b>	<b>5%</b>
<b>Operating EBIDTA</b>	<b>1,332</b>	<b>1,824</b>	<b>(492)</b>	<b>-27%</b>	<b>1,332</b>	<b>1,040</b>	<b>292</b>	<b>28%</b>
Depreciation/Amortization	(1,655)	(760)	(895)		(1,655)	(1,456)	(199)	
Interest Income	1,385	940	445		1,385	1,445	(60)	
Foreign exchange Gain/(Loss)	(48)	(489)	441		(48)	(118)	70	
Other Income		6	(6)		-	-		
<b>Net Income from continuing operations before income taxes</b>	<b>1,014</b>	<b>1,521</b>	<b>(507)</b>		<b>1,014</b>	<b>910</b>	<b>104</b>	
Tax	(5)	(10)	5		(5)	(22)	17	
<b>Net Income/(Loss)</b>	<b>1,009</b>	<b>1,511</b>	<b>(502)</b>		<b>1,009</b>	<b>888</b>	<b>121</b>	
* Stock-based compensation cost included in General and Administrative	434	437			434	407		

<b># of Advertisers</b>	<b>237</b>	<b>163</b>		<b>237</b>	<b>193</b>
<b># Headcount at end of Quarter</b>	<b>331</b>	<b>288</b>		<b>331</b>	<b>319</b>
<b>Cash Balance \$ mln at end of quarter</b>	<b>59.56</b>	<b>53.18</b>		<b>59.56</b>	<b>59.13</b>