

SELECT FINANCIAL INFORMATION FOR THE QUARTER JULY TO SEPTEMBER 2008

Figures in \$ 000s	Jul - Sep 08	Jul - Sep 07	Variance	%	Jul - Sep 08	Apr - Jun 08	Variance	%
<b>Revenues</b>								
<u>India Online</u>								
Advertising	4,035	4,263	(228)	-5%	4,035	5,003	(968)	-19%
Fee based service	1,583	1,468	115	8%	1,583	1,559	24	2%
<b>Total India Online</b>	<b>5,618</b>	<b>5,731</b>	<b>(113)</b>	<b>-2%</b>	<b>5,618</b>	<b>6,562</b>	<b>(944)</b>	<b>-14%</b>
<u>US Publishing</u>								
Offline revenues	1,211	1,400	(189)	-14%	1,211	1,283	(72)	-6%
Online revenues	487	730	(243)	-33%	487	480	7	1%
<b>Total US Publishing</b>	<b>1,698</b>	<b>2,130</b>	<b>(432)</b>	<b>-20%</b>	<b>1,698</b>	<b>1,763</b>	<b>(65)</b>	<b>-4%</b>
<b>Total Revenues</b>	<b>7,316</b>	<b>7,861</b>	<b>(545)</b>	<b>-7%</b>	<b>7,316</b>	<b>8,325</b>	<b>(1,009)</b>	<b>-12%</b>
<b>Cost of revenues</b>								
India Online	951	632	319	50%	951	916	35	4%
US Publishing	804	797	7	1%	804	762	42	6%
<b>Total cost of revenues</b>	<b>1,755</b>	<b>1,429</b>	<b>326</b>	<b>23%</b>	<b>1,755</b>	<b>1,678</b>	<b>77</b>	<b>5%</b>
<b>Gross Margin</b>								
India Online	4,667	5,099	(432)	-8%	4,667	5,646	(979)	-17%
US Publishing	894	1,333	(439)	-33%	894	1,001	(107)	-11%
<b>Total gross margin</b>	<b>5,561</b>	<b>6,432</b>	<b>(871)</b>	<b>-14%</b>	<b>5,561</b>	<b>6,647</b>	<b>(1,086)</b>	<b>-16%</b>
<b>Gross Margin %</b>								
India Online	83%	89%			83%	86%		
US Publishing	53%	63%			53%	57%		
<b>Total gross margin</b>	<b>76%</b>	<b>82%</b>			<b>76%</b>	<b>80%</b>		
<b>Operating Expenses</b>								
Sales & Marketing	1,551	1,431	120	8%	1,551	1,433	118	8%
Product Development	1,687	1,466	221	15%	1,687	1,771	(84)	-5%
General & Administrative *	2,261	2,495	(234)	-9%	2,261	2,341	(80)	-3%
<b>Total operating expenses</b>	<b>5,499</b>	<b>5,392</b>	<b>107</b>	<b>2%</b>	<b>5,499</b>	<b>5,545</b>	<b>(46)</b>	<b>-1%</b>
<b>Operating EBIDTA</b>	<b>62</b>	<b>1,040</b>	<b>(978)</b>	<b>-94%</b>	<b>62</b>	<b>1,102</b>	<b>(1,040)</b>	<b>-94%</b>
Depreciation / Amortization	(1,644)	(1,456)	(188)		(1,644)	(1,681)	37	
Interest Income	1,124	1,445	(321)		1,124	1,170	(46)	
Foreign exchange Gain/(Loss)	10	(118)	128		10	291	(281)	
Other Income	43	-	43		43		43	
<b>Net (loss) / income before income taxes</b>	<b>(405)</b>	<b>911</b>	<b>(1,316)</b>		<b>(405)</b>	<b>882</b>	<b>(1,287)</b>	
Tax	(10)	(22)	12		(10)	(110)	100	
<b>Net (loss) / income</b>	<b>(415)</b>	<b>889</b>	<b>(1,304)</b>		<b>(415)</b>	<b>772</b>	<b>(1,187)</b>	
* Stock-based compensation cost included in General and Administrative	307	407			307	441		

<b># of Advertisers</b>	<b>261</b>	<b>193</b>		<b>261</b>	<b>257</b>
<b># Headcount at end of Quarter</b>	<b>346</b>	<b>319</b>		<b>346</b>	<b>338</b>
<b>Cash Balance \$ mln at end of quarter</b>	<b>49.1</b>	<b>59.1</b>		<b>49.1</b>	<b>54.7</b>