

SELECT FINANCIAL INFORMATION FOR THE QUARTER OCOTBER TO DECEMBER 2008

Figures in \$ 000s	Oct -Dec 08	Oct - Dec 07	Variance	%	Oct -Dec 08	Jul - Sep 08	Variance	%
Revenues								
<u>India Online</u>								
Advertising	2,671	4,562	(1,891)	-41%	2,671	4,035	(1,364)	-34%
Fee based service	1,428	1,555	(127)	-8%	1,428	1,583	(155)	-10%
Total India Online	4,099	6,117	(2,018)	-33%	4,099	5,618	(1,519)	-27%
<u>US Publishing</u>								
Offline revenues	843	1,392	(549)	-39%	843	1,211	(368)	-30%
Online revenues	362	1,016	(654)	-64%	362	487	(125)	-26%
Total US Publishing	1,205	2,408	(1,203)	-50%	1,205	1,698	(493)	-29%
Total Revenues	5,304	8,525	(3,221)	-38%	5,304	7,316	(2,012)	-28%
Cost of revenues								
India Online	837	754	83	11%	837	951	(114)	-12%
US Publishing	691	768	(77)	-10%	691	804	(113)	-14%
Total cost of revenues	1,528	1,522	6	0%	1,528	1,755	(227)	-13%
Gross Margin								
India Online	3,262	5,363	(2,101)	-39%	3,262	4,667	(1,405)	-30%
US Publishing	514	1,640	(1,126)	-69%	514	894	(380)	-43%
Total gross margin	3,776	7,003	(3,227)	-46%	3,776	5,561	(1,785)	-32%
Gross Margin %								
India Online	80%	88%			80%	83%		
US Publishing	43%	68%			43%	53%		
Total gross margin	71%	82%			71%	76%		
Operating Expenses								
Sales & Marketing	1,123	1,898	(775)	-41%	1,123	1,551	(428)	-28%
Product Development	1,330	1,505	(175)	-12%	1,330	1,687	(357)	-21%
General & Administrative *	2,465	2,268	197	9%	2,465	2,261	204	9%
Total operating expenses	4,918	5,671	(753)	-13%	4,918	5,499	(581)	-11%
Operating EBIDTA	(1,142)	1,332	(2,474)	-186%	(1,142)	62	(1,204)	-1942%
Depreciation / Amortization	(1,541)	(1,655)	114		(1,541)	(1,644)	103	
Impairment relating to discontinued capitat projects	(1,108)				(1,108)			
Interest Income	1,110	1,385	(275)		1,110	1,124	(14)	
Foreign exchange Gain/(Loss)	(107)	(48)	(59)		(107)	10	(117)	
Other Income	-	-	-		-	43	(43)	
Equity in net loss of equity method investee	(50)				(50)			
Net (loss) / income before income taxes	(2,838)	1,014	(2,694)		(2,838)	(405)	(1,275)	
Tax	88	(5)	93		88	(10)	98	
Net (loss) / income	(2,750)	1,009	(2,601)		(2,750)	(415)	(1,177)	
* Stock-based compensation cost included in General and Administrative	223	434			223	307		
* Provision for doubtful accounts	730	150			730	260		

# of Advertisers	229	237			229	261		
# Headcount at end of Quarter	322	331			322	346		
Cash Balance \$ mln at end of quarter	47.1	59.6			47.1	49.1		