

REDIFF.COM INDIA LTD

SELECT FINANCIAL INFORMATION FOR THE QUARTER JANUARY TO MARCH 2008

Figures in \$ 000s	Jan - Mar-08	Jan - Mar-07	Variance	%	Jan - Mar-08	Oct - Dec-07	Variance	%
<b>Revenues</b>								
India Online								
Advertising	5,405	5,005	400	8%	5,405	4,562	843	18%
Fee based service	1,773	1,291	482	37%	1,773	1,555	218	14%
<b>Total India Online</b>	<b>7,178</b>	<b>6,296</b>	<b>882</b>	<b>14%</b>	<b>7,178</b>	<b>6,117</b>	<b>1,061</b>	<b>17%</b>
US Publishing								
Offline revenues	1,155	1,397	(242)	-17%	1,155	1,392	(237)	-17%
Online revenues	727	786	(59)	-8%	727	1,016	(289)	-28%
<b>Total US Publishing</b>	<b>1,882</b>	<b>2,183</b>	<b>(301)</b>	<b>-14%</b>	<b>1,882</b>	<b>2,408</b>	<b>(526)</b>	<b>-22%</b>
<b>Total Revenues</b>	<b>9,060</b>	<b>8,479</b>	<b>581</b>	<b>7%</b>	<b>9,060</b>	<b>8,525</b>	<b>535</b>	<b>6%</b>
<b>Cost of revenues</b>								
India Online	814	705	109	15%	814	754	60	8%
US Publishing	720	724	(4)	-1%	720	768	(48)	-6%
<b>Total cost of revenues</b>	<b>1,534</b>	<b>1,429</b>	<b>105</b>	<b>7%</b>	<b>1,534</b>	<b>1,522</b>	<b>12</b>	<b>1%</b>
<b>Gross Margin</b>								
India Online	6,364	5,591	773	14%	6,364	5,363	1,001	19%
US Publishing	1,162	1,459	(297)	-20%	1,162	1,640	(478)	-29%
<b>Total gross margin</b>	<b>7,526</b>	<b>7,050</b>	<b>476</b>	<b>7%</b>	<b>7,526</b>	<b>7,003</b>	<b>523</b>	<b>7%</b>
<b>Gross Margin %</b>								
India Online	89%	89%			89%	88%		
US Publishing	62%	67%			62%	68%		
<b>Total gross margin</b>	<b>83%</b>	<b>83%</b>			<b>83%</b>	<b>82%</b>		
<b>Operating Expenses</b>								
Sales & Marketing	2,070	1,676	394	24%	2,070	1,898	172	9%
Product Development	1,631	1,336	295	22%	1,631	1,505	126	8%
General & Administrative *	2,418	2,025	393	19%	2,418	2,268	150	7%
<b>Total operating expenses</b>	<b>6,119</b>	<b>5,037</b>	<b>1,082</b>	<b>21%</b>	<b>6,119</b>	<b>5,671</b>	<b>448</b>	<b>8%</b>
<b>Operating EBITDA</b>	<b>1,407</b>	<b>2,013</b>	<b>(606)</b>	<b>-30%</b>	<b>1,407</b>	<b>1,332</b>	<b>75</b>	<b>6%</b>
Depreciation/Amortization	(1,684)	(937)	(747)		(1,684)	(1,655)	(29)	
Interest Income	1,333	1,025	308		1,333	1,385	(52)	
Foreign exchange Gain/(Loss)	63	(88)	151		63	(48)	111	
Other Income		-	-		-	-	-	
<b>Net Income from continuing operations before income taxes</b>	<b>1,119</b>	<b>2,013</b>	<b>(894)</b>		<b>1,119</b>	<b>1,014</b>	<b>105</b>	
Tax	(100)	(10)	(90)		(100)	(5)	(95)	
<b>Net Income/(Loss)</b>	<b>1,019</b>	<b>2,003</b>	<b>(984)</b>		<b>1,019</b>	<b>1,009</b>	<b>10</b>	
* Stock-based compensation cost included in General and Administrative	604	440			604	434		
<b># of Advertisers</b>	<b>250</b>	<b>177</b>			<b>250</b>	<b>237</b>		
<b># Headcount at end of Quarter</b>	<b>349</b>	<b>293</b>			<b>349</b>	<b>331</b>		
<b>Cash Balance \$ mln at end of quarter</b>	<b>59.03</b>	<b>53.55</b>			<b>59.03</b>	<b>59.56</b>		