



Investor Update

Northgate Technologies Ltd.

Q1FY'09 (April, 2008 to June, 2008)

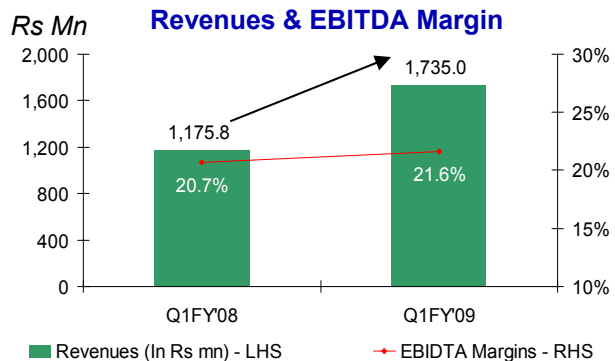


July 31 2008



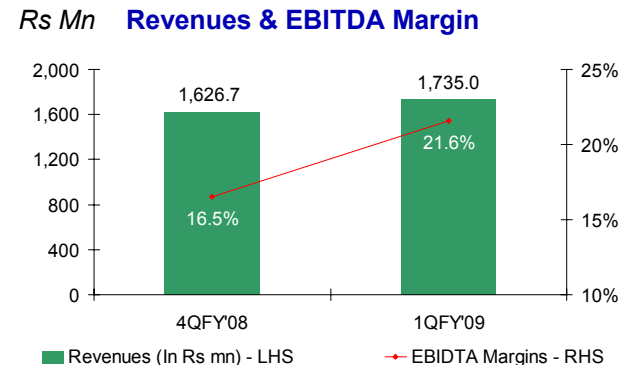
Growth Momentum Continues with Sharp Improvement in Profitability

Performance Review Q1FY'09 Vs. Q1FY'08



- Revenues up 47% from Rs 1,176mn to Rs 1,735mn driven by:
 - 35% increase in revenues from Online Media Exchange (OMX) from Rs 1,032mn to 1,394mn
 - 137% increase in revenues from Online Media Properties (OMP) from Rs 144mn to 340mn
- Gross Profit up 76% from Rs 339mn to 596mn; Gross profit margin improved from 29.0% to 34.4% due to strong traction in the OMP business (which witnessed increase in gross margin from 72.3% to 80.2%)
- EBITDA up 54% from Rs 243mn to Rs 374mn; EBITDA margin improved at a slower rate from 20.7% to 21.6% due to increase in Sales and Marketing Expenses as a % of revenues from 6.2% to 10.8% for promoting the Online Media Properties
- Net Profits up 22% from Rs 184mn to Rs 224mn; Net Profit Margin down from 15.7% to 12.9% due to increase in depreciation as a percentage of revenues from 1.5% to 8.3% with incremental capex to set up new server farms in Hong Kong

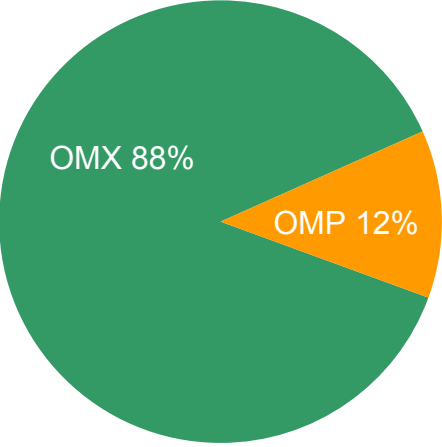
Performance Review 1QFY'09 Vs. 4QFY'08



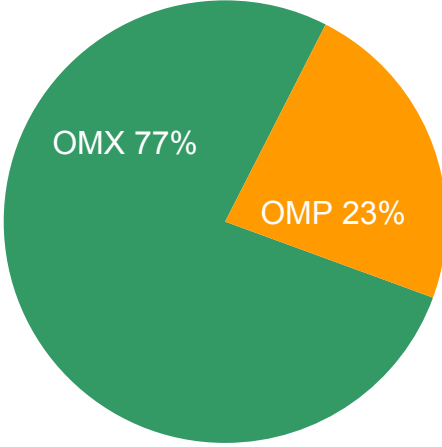
- Revenues up 7% from Rs 1,627mn to Rs 1,735mn driven by:
 - 12% increase in revenues from OMX from Rs 1,250mn to Rs 1,394mn
 - partially offset by 10% decrease in revenues from OMP from Rs 377mn to Rs 340mn due to no revenues from study abroad segment, which is a seasonal business
- Gross profit remained almost flat at Rs 596mn; Gross profit margin decreased from 36.5% to 34.4% due to decrease in revenues from OMP with no revenue contribution from study abroad segment as mentioned above
- EBITDA up 40% from Rs 268mn to Rs 374mn with EBITDA margin improving from 16.5% to 21.6% due to decrease in sales and marketing expenses as a % of revenues from 13.9% to 10.8%
- Net Profits up 11% from Rs 202mn to Rs 224mn with Net margin improving at a slower rate (compared to EBITDA margin) from 12.4% to 12.9% due to increase in depreciation as a % of revenues from 5.6% to 8.3% with incremental capex of Rs 700mn to increase capacity of server farms in Hong Kong

Driven by Increased Focus on Higher Margin Segment

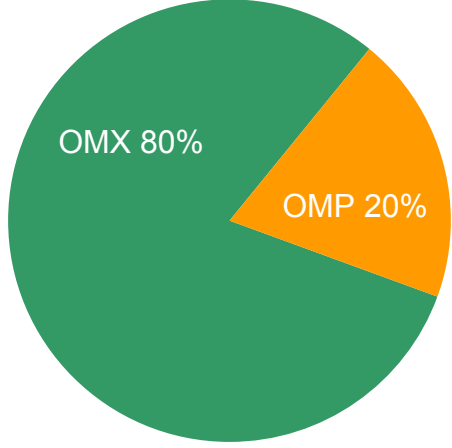
Q1FY'08



Q4FY'08



Q1FY'09*



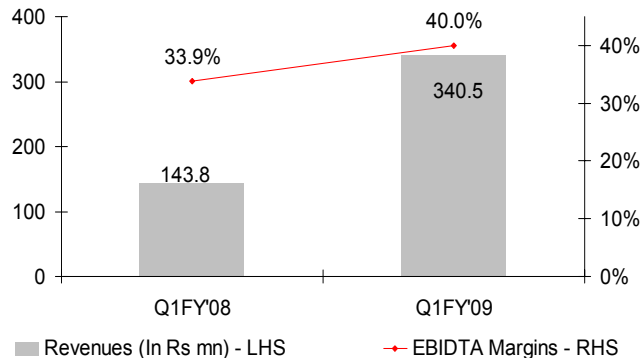
* Contribution from OMP decreased on a sequential basis due to seasonality in study abroad segment

Increased Contribution from OMP Segment

OMP – Expanding Profitability

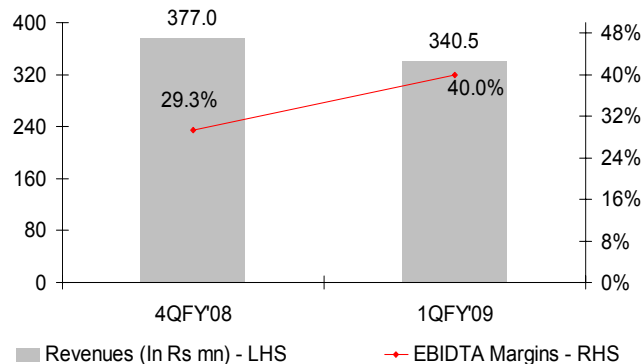
Performance Review Q1FY'09 Vs. Q1FY'08

Revenues & EBITDA Margin



Performance Review 1QFY'09 Vs. 4QFY'08

Revenues & EBITDA Margin

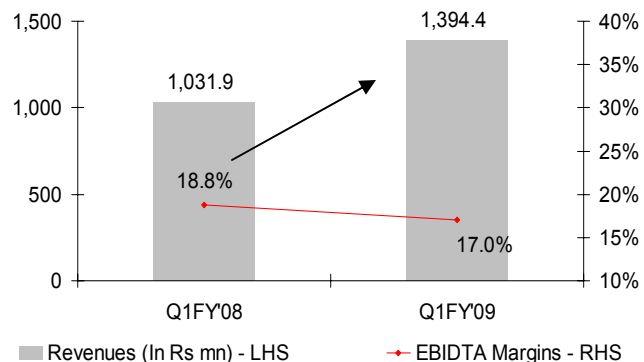


- Revenue up 137%, YoY from Rs 144mn to Rs 341mn due to increase in page views (in '000) by over 5x from 69,416 to 367,294
- EBITDA margin improved from 33.9% to 40.0% due to economies of scale
- The company has entered into partnership with three Chinese advertising firms – Baidu, Alimama, and Allyes – for building exposure for its Globe7 products
- Most of the online web properties continue to grow the traffic leading to higher rankings. These websites are ranked amongst the top global websites as per Alexa.com
 - ✓ www.bharatstudent.com: Ranked among top 16 websites in India and top 475 globally. Previously, the ranking was 20 and 500 respectively.
 - ✓ www.globe7.com: Ranked among world's top 1,074 most visited websites
 - ✓ www.ziddu.com: Amongst world's top 179 websites, improved from its previous ranking of 220
- Globe7 HK Ltd, a wholly owned subsidiary of Northgate Technologies Ltd, has been selected for the Hong Kong Government sponsored 'Ubiquitous City – Hong Kong Project' (to spread awareness of wireless internet) to provide mobile phone service with its Globe7@mobile service throughout the territory from Wi-Fi hotspots
 - ✓ Ubiquitous City – HK was launched in Sep'07 with an aim to create and foster innovative hotspot applications and to raise public awareness of the possibilities afforded by regional Wi-Fi zones. □ The intention is to make the city completely Wi-Fi enabled before the end of the project in June'09
 - ✓ Globe7 will support the deployment at HKWDC and Wi-Fi facilities under the Government Wi-Fi programme

OMX - Continues to Witness Strong Growth

Performance Review Q1FY'09 Vs. Q1FY'08

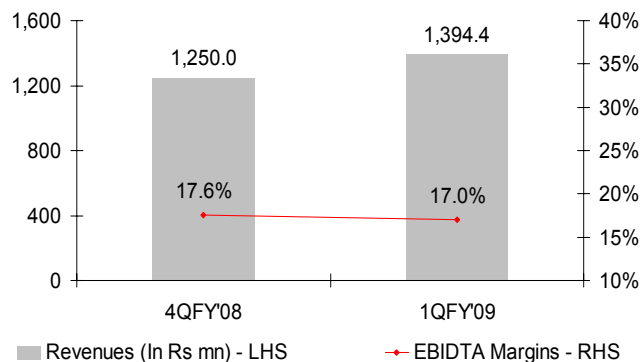
Revenues & EBITDA Margin



- Revenue up 35.1% YoY from Rs 1,031.9mn to Rs 1,394.4mn due to increase in impressions from 10.7mn to 13.3mn
- EBITDA margin declined from 18.8% to 17.0% due to expenses incurred to promote the Social Media Exchange
- Established a strong network of advertisers for Social Media Exchange including names like ITC, Johnson & Johnson, Pepsi, Coke, Reliance and DLF amongst others
- Growing Network of advertisers and publishers with net addition of 30 advertisers and 500 publishers to take the total advertisers to 14,030 and publishers to 7,800 as on June 30, 2008

Performance Review 1QFY'09 Vs. 4QFY'08

Revenues & EBITDA Margin



Financial Statements – Consolidated Income Statement

Figures in Rs mn	Q1'FY08	Q4'FY08	Q1'FY09	QoQ %	YoY%
Total Revenues	1,175.8	1,626.7	1,735.0	6.7%	47.6%
Traffic Acquisition costs	(795.2)	(958.9)	(1,070.5)	11.6%	34.6%
Other Direct Costs	(42.0)	(73.2)	(68.0)	-7.2%	61.9%
Cost of Revenues	(836.7)	(1,032.1)	(1,138.8)	10.3%	36.1%
Gross Profit	339.0	594.5	596.2	0.3%	75.8%
S & M Expenses	(73.4)	(225.3)	(187.8)	-16.7%	156.0%
G & A Expenses	(23.1)	(101.1)	(34.1)	-66.3%	47.5%
EBITDA	242.6	268.1	374.3	39.6%	54.3%
Reorganisational expenses		(36.1)			NA
Fixed Assets w/off		(26.4)			NA
<i>EBITDA pre exceptional items</i>	242.6	330.6			-100.0%
D&A	(18.0)	(90.7)	(144.8)	59.5%	704.6%
EBIT	224.6	177.4	229.6	29.4%	2.2%
Financial Expenses	0.0	(0.3)	(4.6)		NA
Other Income	(36.8)	80.4	45.5	-43.4%	-223.5%
Net profit before taxes	187.8	257.5	270.5	5.1%	44.1%
Taxes	(4.0)	(56.2)	(48.0)		1106.3%
Net Income	183.8	201.3	222.5	10.5%	21.1%
Share of loss of Minorities Interest	0.0	0.6	1.8	215.0%	NA
Net profit for equity holders	183.8	201.9	224.3	11.1%	22.0%
Basic Weighted Avg shares	33.1	34.9	34.9		
Diluted Weighted Avg Shares	34.0	35.8	35.7		
Basic EPS	5.6	5.8	6.4		
Diluted EPS	5.4	5.6	6.3		

Financial Statements – Segmental Analysis

In Rs mn

Revenue Break up	Q1FY'08	Q4FY'08	Q1FY'09	QoQ %	YoY%
Online Media Exchange	1,031.9	1,250.0	1,394.4	12%	35%
Online Media Properties	143.8	377.0	340.4	-10%	137%
Total Revenues	1,175.7	1,627.0	1,734.8	16%	59%

EBITDA Break up	Q1FY'08	Q4FY'08	Q1FY'09	QoQ %	YoY%
Online Media Exchange	193.8	220.0	236.5	8%	NA
Online Media Properties	48.8	110.0	137.7	25%	NA
Re-organizational expenses		(36.1)			NA
Fixed Assets w/off		(26.4)			
EBITDA	243.6	268.0	374.2	40%	54%

EBITDA Margin	Q1FY'08	Q4FY'08	Q1FY'09
Online Media Exchange	18.8%	17.6%	17.0%
Online Media Properties	33.9%	29.3%	40.4%
Total	20.7%	16.5%	21.6%

Key Ratios

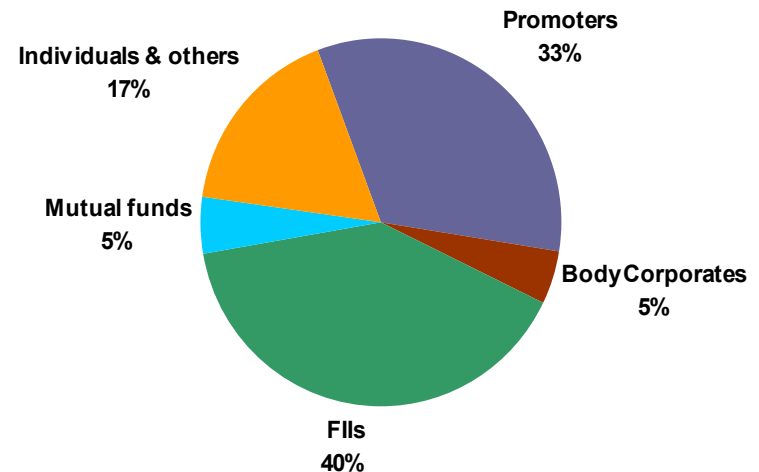
Key Ratios	Q1FY'08	Q4FY'08	Q1FY'09
EBIT Margin	19.1%	10.9%	13.2%
EBITDA Margin	20.7%	16.5%	21.6%
Net Profit Margin	15.7%	12.4%	12.9%

Shareholding Pattern

Category of Shareholders	Total No. of Shares
Promoters and Promoters Group	11,476,612
Body Corporate	1,705,753
FIs	13,971,943
Mutual Funds/Banks/FIs	1,735,288
Individuals & Others	5,968,994
Total	34,858,590

Key Institutional Investors	% Share Holding
Macquarie Bank Ltd	7.5
Merrill Lynch Capital Markets Espana SA S.V	6.1
Swiss Finance Corporation Mauritius Ltd	4.5
LB India Holdings Cayman II Ltd	4.2
India Capital Fund Ltd	3.6
Citigroup Global Markets Mauritius Pvt Ltd	3.5
Reliance Capital Trustee Company Ltd	3.4
Deutsche Securities Mauritius Ltd	2.7
Goldman Sachs Investments Mauritius I Ltd	2.6
Citibank N A New York Nyadr Department	2.1
Copthall Mauritius Investment Ltd	1.9

Percentage Shareholding



As on June 30, 2008

About Northgate Technologies Ltd

Northgate Technologies is a leading provider of Internet marketing and ad technology services, combined number of unique products (VoIP, social networking) and high-capacity, highly scalable data centers. It is a beneficiary of the strong secular growth in online advertising due to its online ad agency business, online ad serving technology, and multi-pronged aggregation strategy. For more information please visit www.northgatetech.com

About Four-S Services Pvt. Ltd.

Four-S Services provides customized business and financial research to organizations across the globe. The company also provides Investor Relations consulting to corporates based on in-depth sectoral and company research. The company has an impressive client profile and a team of experienced analysts covering the key sectors including Finance & Banking, IT & Telecom, Retail, Media & Entertainment, Pharmaceuticals, Infrastructure and Manufacturing amongst others. For further information on the company please visit www.four-s.com

Forward Looking Statement

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

For any Investor Relations queries please contact:

Anil Singh

Northgate Technologies Ltd
Email: cfo@northgatetech.com
Tel No. + 91- 40 -66534444

Ashish Nayyar

Four-S Services Pvt. Ltd
Email: ashish@four-s.com
Tel. No. +91-124- 4251443
Cell: +91 9810535458

Subra Ramanathan

Four-S Services Pvt. Ltd
Email: subra.ramanathan@four-s.com
Tel. No. +91-22-26482878
Cell: +91 9833944209

Four-S Services Locations

Mumbai: 202, Vinayak Chambers, 4th Road, Khar (West), Mumbai - 400 052. Tel: +91-22-26482878

Gurgaon: 214, Udyog Vihar Phase I, Gurgaon – 122016