

## Northgate Technologies Limited

Reg. Off. : Plot No.1, JR Towers, 2nd Floor, Road No.2, Banjara Hills, Hyderabad - 500 034

### Un-audited Financial Results for the quarter ended June 30, 2008

*Amount/Rs. in Lakhs except per share data*

Sl. No.	Particulars	Consolidated			Standalone		
		3 Months ended		Year ended	3 Months ended		Year ended
		30.06.2008 (Un-audited)	30.06.2007 (Un-audited)	31.03.2008 (Audited)	30.06.2008 (Un-audited)	30.06.2007 (Un-audited)	31.03.2008 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)
1	Revenues	17,350.16	11,757.60	55,125.09	390.54	2,526.86	6,194.34
2	Cost of Revenues	11,388.28	8,367.13	36,609.03	152.04	202.10	810.90
3	<b>Gross Profit</b>	<b>5,961.88</b>	<b>3,390.47</b>	<b>18,516.06</b>	<b>238.50</b>	<b>2,324.76</b>	<b>5,383.44</b>
4	Selling and Marketing Expenses	1,877.95	733.58	6,586.11	5.90	4.01	39.84
5	General and Administrative Expenses	340.65	230.97	2,122.09	108.22	71.25	487.06
6	Miscellaneous Expenditure Written off	-	-	-	-	-	-
7	<b>Operating Profit before Interest, Depreciation and Amortization</b>	<b>3,743.28</b>	<b>2,425.92</b>	<b>9,807.86</b>	<b>124.38</b>	<b>2,249.50</b>	<b>4,856.54</b>
8	Depreciation and Amortization	1,447.61	179.91	1,790.46	46.28	54.50	194.66
9	<b>Operating Profit before Interest</b>	<b>2,295.67</b>	<b>2,246.01</b>	<b>8,017.40</b>	<b>78.10</b>	<b>2,195.00</b>	<b>4,661.88</b>
10	Interest	45.53	-	3.48	1.38	-	2.12
11	<b>Operating Profit</b>	<b>2,250.14</b>	<b>2,246.01</b>	<b>8,013.92</b>	<b>76.72</b>	<b>2,195.00</b>	<b>4,659.76</b>
12	Other Income/(Loss)	454.97	(368.39)	(21.39)	541.64	(143.83)	(548.54)
13	<b>Net Profit before Tax</b>	<b>2,705.11</b>	<b>1,877.62</b>	<b>7,992.53</b>	<b>618.36</b>	<b>2,051.17</b>	<b>4,111.22</b>
14	Provision for Taxation						
	- Current	262.73	33.66	62.34	14.50	26.00	26.00
	- Fringe benefit	9.24	0.66	16.54	0.90	0.66	11.28
	- Deferred	208.12	5.46	644.87	-	5.46	(60.41)
15	<b>Net Profit before Minority Interest</b>	<b>2,225.02</b>	<b>1,837.84</b>	<b>7,268.78</b>	<b>602.96</b>	<b>2,019.05</b>	<b>4,134.35</b>
16	Minority Interest	(18.05)	-	(15.88)	-	-	-
17	<b>Net Profit</b>	<b>2,243.07</b>	<b>1,837.84</b>	<b>7,284.66</b>	<b>602.96</b>	<b>2,019.05</b>	<b>4,134.35</b>
18	Paid-up Equity Share Capital ( Face value of Rs.10 each)	3,498.71	1,664.28	3,498.71	3,498.71	1,664.28	3,498.71
19	Reserves excluding revaluation reserves	-	-	38,684.38	-	-	36,285.58
20	Earnings per share ( Equity shares of face value of Rs.10 each)						
	- Basic	6.43	5.56	21.53	1.73	6.11	12.22
	- Diluted	6.28	5.40	21.29	1.69	5.93	12.08
21	Aggregate of Public Shareholding						
	- Number of Shares	23,381,978	10,551,130	23,320,577	23,381,978	10,551,130	23,320,577
	- Percentage of Shareholding	67.08	63.89	66.90	67.08	63.89	66.90

Notes:

1. The above mentioned un-audited financial results for the quarter ended June 30, 2008 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 30, 2008.
2. The un-audited consolidated financial results for the quarter ended June 30, 2008 include results of the company and its subsidiaries, Social Media India Limited, Northgate Investments Pte Limited and its subsidiaries Globe7 Pte Ltd., Globe7 Inc., Axill Europe Limited and Globe7 HK Limited.
3. The above mentioned un-audited standalone financial results for the quarter ended June 30, 2008 are subjected to a Limited Review by the Statutory Auditors of the company in terms of Clause 41 of the Listing Agreement.
4. Pursuant to Clause 41 of the Listing Agreement, the company opted to publish only consolidated financial results. The standalone results is available on the company's website www.northgatetech.com and on the websites of NSE (www.nseindia.com) and BSE(www.bseindia.com).
5. The company has only one business segment i.e. Online Advertising on consolidated business activities.
6. During the quarter ended June 30, 2008 one investor complaint was received and resolved. No investor complaints were pending either at the beginning or at the end of the quarter.

7. Details of expenditure incurred on staff cost and other expenditures exceeding 10% of the total expenditures are as follows:

*Amount/Rs. in Lakhs*

Sl. No.	Particulars	Consolidated			Standalone		
		3 Months ended		Year ended	3 Months ended		Year ended
		30.06.2008 (Un-audited)	30.06.2007 (Un-audited)	31.03.2008 (Audited)	30.06.2008 (Un-audited)	30.06.2007 (Un-audited)	31.03.2008 (Audited)
		(1)	(2)	(3)	(4)	(5)	(6)
i.	Staff Cost (included under various heads)	636.00	363.11	1,849.12	134.29	189.49	727.21
ii.	Traffic Acquisition cost (included under Cost of Revenues)	10,705.25	7,951.75	34,364.45	-	-	-

8. The standalone financial results for the quarter ended June 30, 2008 are not comparable due to reorganisation effected in previous financial year.

9. The standalone financial results for the quarter ended June 30, 2008 includes other income of Rs. 497 lakhs on account of gain on foreign exchange fluctuations.

10. Figures of previous periods wherever necessary have been regrouped and rearranged.

for and on behalf of the Board

Place: Hyderabad  
Date: July 30, 2008

Venkat S. Meenavalli  
Chairman and Managing Director

**Highlights:**

Globe7 HK Ltd has formed partnership with Chinese advertising giants, Baidu, Alimama and Allyes to build mainland advertising exposure for Globe7 products  
Globe7.com, Egglad.com, Ziddu.com and Longhaier.com

Globe7.com has been selected for the Hong Kong government wireless project to provide 'globe7@mobile' internet valued service through the territory from wifi hotspots.

www.globe7.com, a communication and entertainment online community of Globe7 HK is ranked among World's top 1074 most visited websites as per www.alexa.com.

www.bharatstudent.com, social utility platform is ranked among Top 16 websites in India and Top 475 globally.

www.ziddu.com, a file sharing online community of Globe7 HK is currently among World's Top 179 websites as per www.alexa.com

www.ziddu.com currently generates more than 200 million page views per month

**Financial Highlights****Consolidated 1st Quarter – FY 2008-09**

Revenues raised to Rs. 17,350 Lakhs; a YoY increase of 47% and a sequential increase of 6%.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) raised to Rs. 3,743 Lakhs; a YoY increase of 54% and a sequential increase of 39%. EBITDA margin was 21%.

Net Profit raised to Rs. 2,243 Lakhs or Rs. 6.43 a share; a YoY increase of 22% and a sequential increase of 11%. Net Profit margin was 13%