

FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2009

All amounts in Indian Rupees Lakhs, except EPS and Shareholding

Sl. No.	Particulars	Consolidated			Standalone		
		3 Months ended		Year ended	3 Months ended		Year ended
		30.06.2009	30.06.2008	31.03.2009	30.06.2009	30.06.2008	31.03.2009
		(Unaudited)		(Audited)	(Unaudited)		(Audited)
	(1)	(2)	(3)	(1)	(2)	(3)	
1	Revenues	1,083.69	17,350.16	56,034.27	241.05	390.54	1,299.71
2	Cost of revenues	1,070.23	11,388.28	35,478.66	124.69	152.04	517.51
3	Gross profit	13.46	5,961.88	20,555.61	116.36	238.50	782.20
4	Selling and marketing expenses	1,925.36	1,877.95	9,333.70	0.44	5.90	6.66
5	General and administrative expenses	292.04	303.51	1,216.80	81.47	71.08	271.89
6	Bad and doubtful debts written off /provided for	1,748.79	-	17,790.09	-	-	-
7	Bad and doubtful debts written off /provided for	-	-	629.94	14.59	-	-
8	Fixed Assets discarded, net / written off	81.93	37.14	16,457.87	81.93	37.14	290.89
9	Provision for decline in value of long term investments	-	-	-	-	-	26,277.37
10	Operating profit/(loss) before interest, depreciation and amortization	(4,034.66)	3,743.28	(24,872.79)	(62.07)	124.38	(26,064.61)
11	Depreciation and amortization	905.50	1,447.61	7,157.57	34.52	46.28	161.20
12	Operating profit/(loss) before interest	(4,940.16)	2,295.67	(32,030.36)	(96.59)	78.10	(26,225.81)
13	Interest	8.79	45.53	99.41	1.23	1.38	4.15
14	Operating profit/(loss) after Interest	(4,948.95)	2,250.14	(32,129.77)	(97.82)	76.72	(26,229.96)
15	Other income	207.13	454.97	1,809.67	0.84	541.64	1,025.10
16	Profit/(loss) from ordinary activities before tax	(4,741.82)	2,705.11	(30,320.10)	(96.98)	618.36	(25,204.86)
17	Provision for taxation	(188.65)	480.09	(772.20)	0.56	15.40	102.49
18	Net profit / (loss) from ordinary activities after tax and before minority interest	(4,553.17)	2,225.02	(29,547.90)	(97.54)	602.96	(25,307.35)
19	Minority interest	-	(18.05)	(3.87)	-	-	-
20	Net profit / (loss) for the period	(4,553.17)	2,243.07	(29,544.03)	(97.54)	602.96	(25,307.35)
21	Paid-up equity share capital (face value of Rs.10 each)	3,514.71	3,498.71	3,514.71	3,514.71	3,498.71	3,514.71
22	Reserves excluding revaluation reserve (as per balance sheet) of previous accounting year	-	-	28,402.23	-	-	11,056.42
23	Earnings per share (EPS) (Equity shares of face value of Rs.10 each)						
	- Basic	(13.00)	6.43	(84.54)	(0.28)	1.73	(72.42)
	- Diluted	(13.00)	6.28	(84.54)	(0.28)	1.69	(72.42)
24	Public Shareholding						
	- Number of shares	23,547,989	23,381,978	23,547,989	23,547,989	23,381,978	23,547,989
	- Percentage of shareholding	67.24	67.08	67.24	67.24	67.08	67.24
25	Promoters and promoter group shareholding **						
	a) Pledged/encumbered	-	-	-	-	-	-
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	11,470,601	11,476,612	11,470,601	11,470,601	11,476,612	11,470,601
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	32.76	32.92	32.76	32.76	32.92	32.76

Notes:

- The above financial results has been reviewed by the Audit Committee and approved by the Board of directors at their meeting held on July 31, 2009.
- The company has opted to publish only unaudited consolidated financial results subjected to limited review by the statutory auditors, pursuant to Clause 41 of the Listing agreement. The unaudited standalone financial results are available on the company's website www.northgatetech.com and on the website of National Stock Exchange (www.nseindia.com).
- During the quarter ended 31 March 2009, the Company embarked on a restructuring plan, in view of the significant adverse developments in certain geographies where the Company operates. These adverse developments continue to cause a significant drop in revenues of the Company and also difficulties in collection of receivables, following which further provisions of Rs 1,748.79 lakhs have been made for bad and doubtful receivables consistently in accordance with the Company's provisioning policy. The restructuring plan also involved relocation of certain offices, which resulted in pre-mature termination of a lease and the consequential accelerated write off of leasehold improvements of Rs 81.93 lakhs. Continuing further with the restructuring plan, the Company is exploring alternatives, including a trade sale of certain intellectual web properties. The deliberation on the potential alternatives are currently in progress. The Company's ability to generate future sustainable revenues is significantly dependent on the outcome of the restructuring plan.
- The Company's business activities relate to only one business segment i.e. Online Advertising.
- During the quarter ended June 30, 2009, three investor complaints were received and the same were resolved. No investor complaints were pending either at the beginning or at the end of the quarter.
- Details of expenditure incurred on staff cost and other expenditures exceeding 10% of the total expenditures are as follows: *All amounts in Indian Rupees Lakhs*

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		(Unaudited)		(Audited)	(Unaudited)		(Audited)
		(1)	(2)	(3)	(1)	(2)	(3)
i.	Staff Cost (included under various heads)	273.89	636.00	2,500.38	95.95	134.29	456.35
ii.	Traffic Acquisition cost (included under Cost of Revenues)	618.63	10,705.25	30,033.29	-	-	-
iii.	Gain/(Loss) on Foreign Exchange Fluctuations (included under Other income)	-	-	-	-	497.04	(819.51)
iv.	Advertisement and business promotion expenses (included under Selling and Marketing Expenses)	1,867.42	1,468.27	8,256.79	-	-	-

7. Previous period figures have been regrouped, rearranged, restated and reclassified where necessary, for the purpose of comparison.

for and on behalf of the Board

Place: Hyderabad
Date: July 31, 2009

Venkat S. Meenavalli
Chairman and Managing Director