

Unaudited Financial Results for the three and six months ended September 30, 2007

Amount/Rs. in Lakhs except per share data

| Sl. No. | Particulars | Consolidated | | | | | Standalone | | | | |
|---------|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | 3 Months ended 30.09.2007 (Unaudited) | 3 Months ended 30.09.2006 (Unaudited) | 6 Months ended 30.09.2007 (Unaudited) | 6 Months ended 30.09.2006 (Unaudited) | Year ended 31.03.2007 (Audited) | 3 Months ended 30.09.2007 (Unaudited) | 3 Months ended 30.09.2006 (Unaudited) | 6 Months ended 30.09.2007 (Unaudited) | 6 Months ended 30.09.2006 (Unaudited) | Year ended 31.03.2007 (Audited) |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1 | Revenues | 13,052.42 | 6,368.55 | 24,810.02 | 11,060.43 | 29,457.87 | 2,633.08 | 2,852.50 | 5,159.94 | 4,651.85 | 8,057.22 |
| 2 | Cost of Revenues | 8,774.02 | 4,680.39 | 17,141.15 | 7,907.06 | 21,047.86 | 185.76 | 1,178.09 | 387.86 | 1,775.49 | 2,286.03 |
| 3 | Gross Profit | 4,278.40 | 1,688.16 | 7,668.87 | 3,153.37 | 8,410.01 | 2,447.32 | 1,674.41 | 4,772.08 | 2,876.36 | 5,771.19 |
| 4 | Selling and Marketing Expenses | 1,564.57 | 159.11 | 2,298.15 | 237.85 | 792.23 | 13.91 | 34.99 | 17.92 | 52.83 | 48.56 |
| 5 | General and Administrative Expenses | 523.01 | 42.19 | 1,058.88 | 216.35 | 1,633.84 | 242.30 | 37.43 | 552.42 | 77.76 | 430.55 |
| 6 | Miscellaneous Expenditure Written off | - | 2.92 | - | 5.83 | 11.66 | - | 2.92 | - | 5.83 | 11.66 |
| 7 | Operating Profit before Interest, Depreciation and Amortization | 2,190.82 | 1,483.94 | 4,311.84 | 2,693.34 | 5,972.28 | 2,191.11 | 1,599.07 | 4,201.74 | 2,739.94 | 5,280.42 |
| 8 | Depreciation and Amortization | 180.99 | 168.95 | 360.90 | 332.24 | 683.90 | 55.64 | 49.28 | 110.14 | 95.97 | 195.77 |
| 9 | Operating Profit before Interest | 2,009.83 | 1,314.99 | 3,950.94 | 2,361.10 | 5,288.38 | 2,135.47 | 1,549.79 | 4,091.60 | 2,643.97 | 5,082.98 |
| 10 | Interest | - | 4.81 | - | 6.85 | 16.75 | - | 0.60 | - | 0.97 | 1.67 |
| 11 | Operating Profit | 2,009.83 | 1,310.18 | 3,950.94 | 2,354.25 | 5,271.63 | 2,135.47 | 1,549.19 | 4,091.60 | 2,643.00 | 5,082.98 |
| 12 | Other Income | 17.54 | 8.69 | (45.94) | 113.26 | 650.62 | 17.87 | 4.84 | 112.91 | 113.02 | 108.17 |
| 13 | Net Profit before Tax | 2,027.37 | 1,318.87 | 3,905.00 | 2,467.51 | 5,922.25 | 2,153.34 | 1,554.03 | 4,204.51 | 2,756.02 | 5,191.15 |
| 14 | Provision for Taxation | - | 17.00 | 33.66 | 32.66 | 115.21 | - | 17.00 | 26.00 | 32.66 | 47.48 |
| | - Current (Refer note 4) | - | 17.00 | 33.66 | 32.66 | 115.21 | - | 17.00 | 26.00 | 32.66 | 47.48 |
| | - Fringe benefit | 1.09 | 0.79 | 1.75 | 1.29 | 2.56 | 1.09 | 0.79 | 1.75 | 1.29 | 2.56 |
| | - Deferred | 8.64 | (7.05) | 14.11 | (3.65) | 101.28 | 8.65 | (7.05) | 14.11 | (3.65) | 53.50 |
| 15 | Net Profit before Minority Interest | 2,017.64 | 1,308.13 | 3,855.48 | 2,437.21 | 5,703.20 | 2,143.60 | 1,543.29 | 4,162.65 | 2,725.72 | 5,087.61 |
| 16 | Minority Interest | (3.94) | (11.26) | (3.94) | (20.09) | (38.28) | - | - | - | - | - |
| 17 | Net Profit | 2,021.58 | 1,319.39 | 3,859.42 | 2,457.30 | 5,741.48 | 2,143.60 | 1,543.29 | 4,162.65 | 2,725.72 | 5,087.61 |
| 18 | Paid-up Equity Share Capital (Face value of Rs.10 each) | 3,315.71 | 1,396.76 | 3,315.71 | 1,396.76 | 1,663.89 | 3,315.71 | 1,396.76 | 3,315.71 | 1,396.76 | 1,663.89 |
| 19 | Reserves excluding revaluation reserves | - | - | - | - | 23,921.39 | - | - | - | - | 23,438.01 |
| 20 | Earnings per share (Equity shares of face value of Rs.10 each) * | | | | | | | | | | |
| | - Basic | 6.12 | 4.77 | 11.69 | 8.88 | 19.27 | 6.49 | 5.58 | 12.60 | 9.85 | 17.07 |
| | - Diluted | 5.92 | 4.56 | 11.32 | 8.50 | 18.60 | 6.28 | 5.34 | 12.20 | 9.43 | 16.48 |
| 21 | Public Shareholding | | | | | | | | | | |
| | - Number of Shares | 21,102,260 | 7,875,918 | 21,102,260 | 7,875,918 | 10,547,230 | 21,102,260 | 7,875,918 | 21,102,260 | 7,875,918 | 10,547,230 |
| | - Percentage of Shareholding | 63.89 | 56.91 | 63.89 | 56.91 | 63.88 | 63.89 | 56.91 | 63.89 | 56.91 | 63.88 |

* All basic and diluted shares used in determining earnings per share are after considering the effect of bonus issue in the ratio of 1:1

Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement

Amount Rs. in Lakhs

| Sl. No. | Particulars | Consolidated | | | | | Standalone | | | | |
|---------|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| | | 3 Months ended 30.09.2007 (Unaudited) | 3 Months ended 30.09.2006 (Unaudited) | 6 Months ended 30.09.2007 (Unaudited) | 6 Months ended 30.09.2006 (Unaudited) | Year ended 31.03.2007 (Audited) | 3 Months ended 30.09.2007 (Unaudited) | 3 Months ended 30.09.2006 (Unaudited) | 6 Months ended 30.09.2007 (Unaudited) | 6 Months ended 30.09.2006 (Unaudited) | Year ended 31.03.2007 (Audited) |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1 | Segment Revenue | | | | | | | | | | |
| | a. Online Advertising | 13,052.42 | 5,254.37 | 24,810.02 | 9,478.62 | 28,301.81 | - | - | - | - | - |
| | b. Telecommunication | - | 1,247.10 | - | 2,296.58 | 2,361.00 | - | 1,129.93 | - | 1,686.40 | 1,688.58 |
| | c. Information Technology Services | - | - | - | - | 6,394.22 | 2,633.08 | 1,722.57 | 5,159.94 | 2,965.45 | 6,368.64 |
| | Total | 13,052.42 | 6,501.47 | 24,810.02 | 11,775.20 | 37,057.03 | 2,633.08 | 2,852.50 | 5,159.94 | 4,651.85 | 8,057.22 |
| | Less: Inter Segment Revenues | - | 132.92 | - | 714.77 | 7,599.16 | - | - | - | - | - |
| | Net Revenues | 13,052.42 | 6,368.55 | 24,810.02 | 11,060.43 | 29,457.87 | 2,633.08 | 2,852.50 | 5,159.94 | 4,651.85 | 8,057.22 |
| 2 | Segment Results | | | | | | | | | | |
| | (Profit/(Loss) before tax and interest from each segment) | | | | | | | | | | |
| | a. Online Advertising | 2,550.38 | 1,286.21 | 4,963.88 | 2,577.81 | 7,655.32 | - | - | - | - | - |
| | b. Telecommunication | - | 69.06 | - | 5.46 | (804.49) | - | 27.91 | - | 70.39 | (278.80) |
| | c. Information Technology Services | - | - | - | - | - | 2,395.64 | 1,562.22 | 4,756.93 | 2,659.33 | 5,736.12 |
| | Total | 2,550.38 | 1,355.27 | 4,963.88 | 2,583.27 | 6,850.83 | 2,395.64 | 1,590.13 | 4,756.93 | 2,729.72 | 5,457.32 |
| | Less: | | | | | | | | | | |
| | i. Interest | - | 0.10 | - | 0.12 | 16.75 | - | 0.01 | - | 0.03 | 1.68 |
| | ii. Other un-allocable expenditure net off un-allocable income | 523.01 | 36.30 | 1,058.88 | 115.64 | 911.83 | 242.30 | 36.09 | 552.42 | (26.33) | 264.49 |
| | Operating Profit before Tax | 2,027.37 | 1,318.87 | 3,905.00 | 2,467.51 | 5,922.25 | 2,153.34 | 1,554.03 | 4,204.51 | 2,756.02 | 5,191.15 |
| 3 | Capital Employed | | | | | | | | | | |
| | (Segment assets - Segment liabilities) | | | | | | | | | | |
| | a. Online Advertising | 24,071.55 | 9,035.91 | 24,071.55 | 9,035.91 | 15,793.38 | 370.13 | - | 370.13 | - | - |
| | b. Telecommunication | - | 2,565.59 | - | 2,565.59 | 397.36 | - | 1,936.18 | - | 1,936.18 | 399.68 |
| | c. Information Technology Services | 532.94 | - | 532.94 | - | 1,048.75 | 5,695.66 | 3,472.22 | 5,695.66 | 3,472.22 | 4,470.70 |
| | Un-allocable Capital Employed | 3,768.55 | (79.14) | 3,768.55 | (79.14) | 9,118.62 | 23,218.86 | 6,009.90 | 23,218.86 | 6,009.90 | 21,004.36 |
| | Total Capital Employed | 28,373.04 | 11,522.36 | 28,373.04 | 11,522.36 | 26,358.11 | 29,284.65 | 11,418.30 | 29,284.65 | 11,418.30 | 25,874.74 |

Notes:

- The above mentioned unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 31, 2007.
- The above mentioned unaudited standalone financial results for the three and six months ended September 30, 2007 are subjected to a Limited Review by the Statutory Auditors of the Company in terms of Clause 41 of the Listing Agreement.
- The unaudited consolidated financial results for the three and six months ended September 30, 2007 include results of the Company and its Subsidiaries Axill Inc., Globe7 Inc., Axill Europe Limited, Globe7 HK Limited and Social Media India Limited.
- The Current Income Tax for the three months ended September 30, 2007 is net off Minimum Alternate Tax credit of Rs. 231 Lakhs.
- During the three months ended September 30, 2007 Social Media India Limited, a company incorporated on August 09, 2007 under the Companies Act, 1956 has become majority owned subsidiary of the company on September 10, 2007.
- Pursuant to the members approval at the 15th Annual General Meeting held on August 01, 2007, 16,514,295 equity shares of Rs.10 each as fully paid-up bonus shares in the ratio of 1:1 was allotted on September 05, 2007 by way of capitalisation of Share Premium Account.
- Pursuant to the members approval at the 15th Annual General Meeting held on August 01, 2007, 3,660,000 Global Depository Receipts (GDRs) were allotted on October 23, 2007. Each GDR represents 1/2 of one equity share of the Company, priced at US\$ 8.20 per GDR and aggregating to US\$ 30 Million.
- The GDRs of the Company are listed on the Luxembourg Stock Exchange under Euro MTF market effective from October 23, 2007.
- The Company is in the process of reorganising corporate and business structure to enhance operational efficiencies.
- There were no investor complaints received during three months and no investor complaints were pending at the beginning or at the end of the three months ended on September 30, 2007.
- 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 30.09.2007 (Unaudited) | 3 Months ended 30.09.2006 (Unaudited) | 6 Months ended 30.09.2007 (Unaudited) | 6 Months ended 30.09.2006 (Unaudited) | Year ended 31.03.2007 (Audited) | 3 Months ended 30.09.2007 (Unaudited) | 3 Months ended 30.09.2006 (Unaudited) | 6 Months ended 30.09.2007 (Unaudited) | 6 Months ended 30.09.2006 (Unaudited) | Year ended 31.03.2007 (Audited) |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| i. | Staff Cost | 390.84 | 189.89 | 749.47 | 320.27 | 794.59 | 187.58 | 107.54 | 377.07 | 200.06 | 410.72 |
| ii. | Traffic Acquisition cost | 8,303.62 | 3,142.82 | 16,255.37 | 4,918.01 | 17,202.58 | - | - | - | - | - |
| iii. | Cost of Telecom minutes | - | - | - | - | 2,574.92 | - | 1,072.55 | - | 1,573.66 | 1,821.83 |
| iv. | Loss on Foreign Exchange Fluctuations | - | - | - | - | - | 126.15 | - | 365.03 | - | - |

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

Highlights for three months and six months ended September 2007

Consolidated three months – FY 2007-08

Revenues raised to Rs. 13,052 Lakhs; a YoY increase of 105% and a sequential increase of 11%. 99.38% of Revenues was from Online Advertising business. Revenues from own web properties was Rs. 1,869 Lakhs; a YoY increase of 166 % and a sequential increase of 130%. Gross Profit raised to Rs. 4,278 Lakhs; a YoY increase of 153% and a sequential increase of 26%. Gross Profit margin was 32.78%. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) raised to Rs. 2,190 Lakhs; a YoY increase of 48% and a sequential increase of 3%. EBITDA margin was 16.78%. Net Profit raised to Rs. 2,021 Lakhs or Rs. 6.12 a share; a YoY increase of 53% and a sequential increase of 10%. Net Profit margin was 15.49%.

Consolidated six months - FY 2007-08

Revenues raised to Rs. 24,810 Lakhs; a YoY increase of 124%. 99.39% of Revenues was from Online Advertising business. Revenues from own web properties was Rs. 3,308 Lakhs; a YoY increase of 371%. Gross Profit raised to Rs. 7,668 Lakhs; a YoY increase of 143%. Gross Profit margin was 30.91%. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) raised to Rs. 4,311 Lakhs; a YoY increase of 60%. EBITDA margin was 17.38%. Net Profit raised to Rs. 3,859 Lakhs or Rs. 11.69 a share; a YoY increase of 57%. Net Profit margin was 15.56%.

Others

In August 2007, Mr. Clayton Haswell, was appointed as President and CEO of Globe7 HK Limited. Prior to joining Globe7 HK Mr. Clay was Managing Director, Asia Pacific, of The Associated Press (AP). The AP is the backbone of the world's information system serving thousands of daily newspaper, radio, television and online customers in all media and news in all formats.

In September 2007, Globe7 HK Limited, a WOS of the company entered into strategic revenue sharing partnership with SINA.COM.HK to provide co branded online video advertising and voice over internet services for global sina.com users. SINA.COM.HK is a subsidiary of NASDAQ listed SINA Corporation and is ranked #14 most traffic websites of HK (source: alexa.com).

In October 2007, Globe7 HK Limited entered into strategic revenue sharing partnership with bangkokpost.com to provide rich media services and transforming online news papers to online TV to compete for TV advertising budget. Bangkokpost.com is Thailand's leading and oldest English daily owned by Post Publishing PCL Corporation, a Thailand based listed Corporation.

Launched beta version of gaming web portal www.egglad.com for global online gaming community integrated with g-Commerce. Within short span Egglad.com is ranked world's # 6,516 most traffic web sites by www.alexa.com.

In September 2007, Social Media India Limited (SMIL), a India based subsidiary was incorporated to tap India's fast moving high growth Internet Industry. SMIL provides social networking, online advertising and ecommerce services through www.bharatstudent.com and www.axill.in . Bharatstudent.com is ranked among Top 30 web sites of India by www.alexa.com with over two million users generating more than 40 million page views per month.

Axill.in an online advertising exchange aggregates over 250 million banner impressions per month from the top 100 Indian websites.

for and on behalf of the Board