

Northgate Technologies Limited
Plot No.1, JR Towers, 2nd Floor, Road No.2, Banjara Hills, Hyderabad - 500 034

Unaudited Financial Results for the three and six months ended September 30, 2008

Amount/Rs. in Lakhs except EPS and Shareholding

Sl. No.	Particulars	Consolidated					Standalone				
		3 Months ended 30.09.2008 (Unaudited)	3 Months ended 30.09.2007 (Unaudited)	6 Months ended 30.09.2008 (Unaudited)	6 Months ended 30.09.2007 (Unaudited)	Previous accounting year ended 31.03.2008 (Audited)	3 Months ended 30.09.2008 (Unaudited)	3 Months ended 30.09.2007 (Unaudited)	6 Months ended 30.09.2008 (Unaudited)	6 Months ended 30.09.2007 (Unaudited)	Previous accounting year ended 31.03.2008 (Audited)
		(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
1	Revenues	18,937.38	13,052.42	36,287.54	24,810.02	55,125.09	348.22	2,633.08	738.76	5,159.94	6,194.34
2	Cost of Revenues	12,124.17	8,774.02	23,512.45	17,141.15	36,609.03	146.41	185.76	298.45	387.86	810.90
3	Gross Profit	6,813.21	4,278.40	12,775.09	7,668.87	18,516.06	201.81	2,447.32	440.31	4,772.08	5,383.44
4	Selling and Marketing Expenses	1,593.71	1,564.57	3,471.66	2,298.15	6,586.11	4.79	13.91	10.69	17.92	39.84
5	General and Administrative Expenses	583.80	523.01	924.45	1,058.88	2,122.09	84.91	242.30	193.13	552.42	487.06
6	Operating Profit before Interest, Depreciation and Amortization	4,635.70	2,190.82	8,378.98	4,311.84	9,807.86	112.11	2,191.11	236.49	4,201.74	4,856.54
7	Depreciation and Amortization	1,772.45	180.99	3,220.06	360.90	1,790.46	41.32	55.64	87.60	110.14	194.66
8	Operating Profit before Interest	2,863.25	2,009.83	5,158.92	3,950.94	8,017.40	70.79	2,135.47	148.89	4,091.60	4,661.88
9	Interest	23.54	-	69.07	-	3.48	0.91	-	2.29	-	2.12
10	Operating Profit after Interest	2,839.71	2,009.83	5,089.85	3,950.94	8,013.92	69.88	2,135.47	146.60	4,091.60	4,659.76
11	Other Income	15.93	17.54	470.90	(45.94)	(21.39)	312.40	17.87	854.04	112.91	(548.54)
12	Profit from ordinary activities before Tax	2,855.64	2,027.37	5,560.75	3,905.00	7,992.53	382.28	2,153.34	1,000.64	4,204.51	4,111.22
13	Provision for Taxation										
	- Current	790.23	-	1,052.95	33.66	62.34	20.50	-	35.00	26.00	26.00
	- Fringe benefit	3.04	1.09	12.28	1.75	16.54	1.18	1.09	2.08	1.75	11.28
	- Deferred	(192.31)	8.64	15.81	14.11	644.87	-	8.65	-	14.11	(60.41)
14	Net Profit from ordinary activities after tax and before Minority Interest	2,254.68	2,017.64	4,479.71	3,855.48	7,268.78	360.60	2,143.60	963.56	4,162.65	4,134.35
15	Minority Interest	14.18	(3.94)	(3.87)	(3.94)	(15.88)	-	-	-	-	-
16	Net Profit for the period	2,240.50	2,021.58	4,483.58	3,859.42	7,284.66	360.60	2,143.60	963.56	4,162.65	4,134.35
17	Paid-up Equity Share Capital (Face value of Rs.10 each)	3,514.71	3,315.71	3,514.71	3,315.71	3,498.71	3,514.71	3,315.71	3,514.71	3,315.71	3,498.71
18	Reserve excluding Revaluation Reserves (as per balance sheet) of previous accounting year	-	-	-	-	38,454.55	-	-	-	-	36,285.58
19	Earnings Per Share (EPS) (Equity shares of face value of Rs.10 each)										
	- Basic	6.42	6.12	12.86	11.69	21.53	1.03	6.49	2.76	12.60	12.22
	- Diluted	6.29	5.92	12.59	11.32	20.97	1.01	6.28	2.71	12.20	11.90
20	Public Shareholding										
	- Number of Shares	23,553,989	21,102,260	23,553,989	21,102,260	23,320,577	23,553,989	21,102,260	23,553,989	21,102,260	23,320,577
	- Percentage of Shareholding	67.26	63.89	67.26	63.89	66.90	67.26	63.89	67.26	63.89	66.90

Notes:

- The above mentioned unaudited consolidated financial results for the three and six months ended September 30, 2008 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 30, 2008.
- The above mentioned unaudited standalone financial results for the three and six months ended September 30, 2008 are subjected to a Limited Review by Statutory Auditors of the company in terms of Clause 41 of the Listing Agreement.
- As per group reorganisation plan the entire shareholding of Social Media India Limited, a wholly owned subsidiary of the company was sold at cost to Globe7 Pte Limited, another wholly owned subsidiary of the company.
- The unaudited consolidated financial results for the three and six months ended September 30, 2008 include results of the company and its subsidiary, Northgate Investments Pte Limited and its subsidiaries Globe7 Pte Ltd., Globe7 Inc., Axill Europe Limited, Globe7 HK Limited, Social Media India Limited and Globe7 Americas Inc.
- Pursuant to Clause 41 of the Listing Agreement, the company opted to publish only unaudited consolidated financial results. The unaudited standalone financial results are available on the company's website www.northgatetech.com and on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com).
- The company has only one business segment i.e. Online Advertising on consolidated business activities.
- During the quarter 160,000 equity shares of face value of Rs.10 each were allotted to Employees of the company under Employee Stock Option Plans 2004 and 2005.
- During the three and six months ended September 30, 2008 two investor complaints were received and resolved. No investor complaints were pending either at the beginning or at the end of the quarter.
- The unaudited standalone financial results of the company for three and six months ended September 30, 2008 are not comparable with those of previous periods due to group reorganisation during previous year.

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

Amount Rs. in Lakhs

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		3 Months ended 30.09.2008 (Unaudited)	3 Months ended 30.09.2007 (Unaudited)	6 Months ended 30.09.2008 (Unaudited)	6 Months ended 30.09.2007 (Unaudited)	Previous accounting year ended 31.03.2008 (Audited)	3 Months ended 30.09.2008 (Unaudited)	3 Months ended 30.09.2007 (Unaudited)	6 Months ended 30.09.2008 (Unaudited)	6 Months ended 30.09.2007 (Unaudited)	Previous accounting year ended 31.03.2008 (Audited)
		(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
i.	Staff Cost (included under various heads)	742.60	390.84	1,378.61	749.47	1,849.12	135.63	187.58	269.92	377.07	727.21
ii.	Traffic Acquisition cost (included under Cost of Revenues)	10,214.48	8,303.62	20,919.73	16,255.37	34,364.45	-	-	-	-	-
iii.	Loss on Foreign Exchange Fluctuations (included under Other Income)	-	-	-	-	-	-	126.15	-	365.03	161.67

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

for and on behalf of the Board

Place: Hyderabad
Date: October 30, 2008

Venkat S. Meenavalli
Chairman and Managing Director

Highlights:

As per ComScore, the Company has built a world wide internet audience through its own web sites which has grown more than 6X the growth of the internet market for the period Jan -Sept 2008.

Northgate's web properties are accessed by over 22 million unique visitors per month which is more than 2% of the total global internet unique visitors. (Source: ComScore, Sept-2008).

Three Web properties globe7.com, bharatstudent.com and Ziddu.com are ranked among Top 500 globally (Source: Alexa.com, Oct-2008).

Globe7 HK Ltd a wholly owned subsidiary has established new sales offices at Beijing (China) and San Francisco (USA).

Financial Highlights

Consolidated six months ended September 2008

Revenues raised to Rs. 36,287 Lakhs; a YoY increase of 46%.

Gross Profit raised to Rs. 12,775 Lakhs; a YoY increase of 66%. Gross Profit margin was 35%.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) raised to Rs. 8,378 Lakhs; a YoY increase of 94%. EBITDA margin was 23%.

Net Profit raised to Rs. 4,483 Lakhs or Rs. 12.86 a share; a YoY increase of 16%. Net Profit margin was 12%.

Consolidated three months ended September 2008

Revenues raised to Rs. 18,937 Lakhs; a YoY increase of 45%.

Gross Profit raised to Rs. 6,813 Lakhs; a YoY increase of 59%. Gross Profit margin was 36%.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) raised to Rs. 4,635 Lakhs; a YoY increase of 112%. EBITDA margin was 24%.

Net Profit raised to Rs. 2,240 Lakhs or Rs. 6.42 a share; a YoY increase of 11%. Net Profit margin was 12%