

Unaudited Financial Results for the three and nine months ended December 31, 2008

Amount/Rs. in Lakhs except EPS and Shareholding

| Sl. No. | Particulars | Consolidated | | | | | Standalone | | | | |
|---------|--------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------------------------|
| | | 3 Months ended 31.12.2008 (Unaudited) | 3 Months ended 31.12.2007 (Unaudited) | 9 Months ended 31.12.2008 (Unaudited) | 9 Months ended 31.12.2007 (Unaudited) | Previous accounting year ended 31.03.2008 (Audited) | 3 Months ended 31.12.2008 (Unaudited) | 3 Months ended 31.12.2007 (Unaudited) | 9 Months ended 31.12.2008 (Unaudited) | 9 Months ended 31.12.2007 (Unaudited) | Previous accounting year ended 31.03.2008 (Audited) |
| | | (1) | (2) | (3) | (4) | (5) | (1) | (2) | (3) | (4) | (5) |
| 1 | Revenues | 14,840.01 | 14,048.43 | 51,127.55 | 38,858.45 | 55,125.09 | 298.47 | 587.36 | 1,037.23 | 5,747.30 | 6,194.34 |
| 2 | Cost of Revenues | 7,861.78 | 9,146.59 | 31,374.23 | 26,287.74 | 36,609.03 | 142.42 | 225.03 | 440.87 | 612.89 | 810.90 |
| 3 | Gross Profit | 6,978.23 | 4,901.84 | 19,753.32 | 12,570.71 | 18,516.06 | 156.05 | 362.33 | 596.36 | 5,134.41 | 5,383.44 |
| 4 | Selling and Marketing Expenses | 3,108.54 | 2,034.76 | 6,580.20 | 4,332.91 | 6,586.11 | 1.96 | 15.17 | 12.65 | 33.09 | 39.84 |
| 5 | General and Administrative Expenses | 761.47 | 925.19 | 1,685.92 | 1,984.07 | 2,122.09 | 373.69 | 321.43 | 566.82 | 873.85 | 487.06 |
| 6 | Operating Profit before Interest, Depreciation and Amortization | 3,108.22 | 1,941.89 | 11,487.20 | 6,253.73 | 9,807.86 | (219.60) | 25.73 | 16.89 | 4,227.47 | 4,856.54 |
| 7 | Depreciation and Amortization | 1,994.69 | 522.12 | 5,214.75 | 883.02 | 1,790.46 | 36.54 | 37.04 | 124.14 | 147.18 | 194.66 |
| 8 | Operating Profit before Interest | 1,113.53 | 1,419.77 | 6,272.45 | 5,370.71 | 8,017.40 | (256.14) | (11.31) | (107.25) | 4,080.29 | 4,661.88 |
| 9 | Interest | 12.11 | - | 81.18 | - | 3.48 | 0.98 | - | 3.27 | - | 2.12 |
| 10 | Operating Profit after Interest | 1,101.42 | 1,419.77 | 6,191.27 | 5,370.71 | 8,013.92 | (257.12) | (11.31) | (110.52) | 4,080.29 | 4,659.76 |
| 11 | Other Income | 997.38 | 92.96 | 1,468.28 | 47.02 | (21.39) | - | - | - | - | - |
| | - Gain / (Loss) on Foreign Exchange Fluctuations | - | - | - | - | - | 83.40 | (126.64) | 830.88 | (491.66) | (161.67) |
| | - Others | - | - | - | - | - | 58.26 | (382.56) | 164.82 | 95.37 | (386.87) |
| 12 | Profit from ordinary activities before Tax | 2,098.80 | 1,512.73 | 7,659.55 | 5,417.73 | 7,992.53 | (115.46) | (520.51) | 885.18 | 3,684.00 | 4,111.22 |
| 13 | Provision for Taxation | - | - | - | - | - | - | - | - | - | - |
| | - Current | 712.17 | 71.05 | 1,765.12 | 104.71 | 62.34 | 96.06 | - | 131.06 | 26.00 | 26.00 |
| | - Fringe benefit | 0.94 | 11.78 | 13.22 | 13.53 | 16.54 | 0.95 | 8.16 | 3.03 | 9.91 | 11.28 |
| | - Deferred | 142.20 | 29.55 | 158.01 | 43.66 | 644.87 | - | 4.92 | - | 19.03 | (60.41) |
| 14 | Net Profit / (Loss) from ordinary activities after tax and before Minority Interest | 1,243.49 | 1,400.35 | 5,723.20 | 5,255.83 | 7,268.78 | (212.46) | (533.59) | 751.09 | 3,629.06 | 4,134.35 |
| 15 | Minority Interest | - | (6.21) | (3.87) | (10.15) | (15.88) | - | - | - | - | - |
| 16 | Net Profit / (Loss) for the period | 1,243.49 | 1,406.56 | 5,727.07 | 5,265.98 | 7,284.66 | (212.46) | (533.59) | 751.09 | 3,629.06 | 4,134.35 |
| 17 | Paid-up Equity Share Capital (Face value of Rs.10 each) | 3,514.71 | 3,498.71 | 3,514.71 | 3,498.71 | 3,498.71 | 3,514.71 | 3,498.71 | 3,514.71 | 3,498.71 | 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 | 3.55 | 4.09 | 16.40 | 15.73 | 21.53 | (0.61) | (1.55) | 2.15 | 10.84 | 12.22 |
| | - Diluted | 3.44 | 3.97 | 16.12 | 15.26 | 20.97 | (0.61) | - | 2.11 | 10.52 | 11.90 |
| 20 | Public Shareholding | - | - | - | - | - | - | - | - | - | - |
| | - Number of Shares | 23,547,989 | 22,945,610 | 23,547,989 | 22,945,610 | 23,320,577 | 23,547,989 | 22,945,610 | 23,547,989 | 22,945,610 | 23,320,577 |
| | - Percentage of Shareholding | 67.24 | 65.82 | 67.24 | 65.82 | 66.90 | 67.24 | 65.82 | 67.24 | 65.82 | 66.90 |

Notes:

- The above mentioned unaudited financial results for the three and nine months ended December 31, 2008 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 30, 2009.
- The above mentioned unaudited standalone financial results for the three and nine months ended December 31, 2008 are subjected to a Limited Review by Statutory Auditors of the company in terms of Clause 41 of the Listing Agreement.
- The unaudited consolidated financial results for the three and nine months ended December 31, 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, 926,500 the existing stock options held by employees under the Employee Stock Option Plan 2004 and 2005 were cancelled. Additionally, the company has granted 2,200,000 numbers of stock options to the employees and directors under "Employee Stock Option Plan - 2006" and "Restricted Stock Option Plan - 2007".
- The Company has written off fixed assets of Rs. 208 lakhs due to closure of Singapore based branch.
- During the three and nine months ended December 31, 2008 six 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 nine months ended December 31, 2008 are not comparable with those of previous periods due to group reorganisation during previous year.
- 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 31.12.2008 (Unaudited) | 3 Months ended 31.12.2007 (Unaudited) | 9 Months ended 31.12.2008 (Unaudited) | 9 Months ended 31.12.2007 (Unaudited) | Previous accounting year ended 31.03.2008 (Audited) | 3 Months ended 31.12.2008 (Unaudited) | 3 Months ended 31.12.2007 (Unaudited) | 9 Months ended 31.12.2008 (Unaudited) | 9 Months ended 31.12.2007 (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) | 731.30 | 522.05 | 2,109.94 | 1,271.52 | 1,849.12 | 144.20 | 179.19 | 414.13 | 556.26 | 727.21 |
| ii. | Traffic Acquisition cost (included under Cost of Revenues) | 6,442.92 | 8,520.17 | 27,362.65 | 24,775.54 | 34,364.45 | - | - | - | - | - |

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

for and on behalf of the Board

Place: Hyderabad

Date: January 30, 2009

Venkat S. Meenavalli
Chairman and Managing Director**Highlights:**

As per ComScore, the Company's world wide internet audience through its own web sites has grown at the rate more than 8X the growth of the internet market for the period Jan -Dec 2008.

Three Web properties globe7.com, bharatstudent.com and Ziddu.com are ranked among Top 500 globally (Source: Alexa.com, Jan-2009).

During the quarter ended Dec 08, the new key clients includes Microsoft, Citibank, Intel, P&G, Alibaba, KLM Airlines, Cathay Pacific Airlines and Apple Ipod.

Ziddu.com was awarded as Most Popular Media Sharing Website for the year 2008 of USA. (Source : www.websiteoftheyear.us)

Financial Highlights**Consolidated nine months ended December 2008**

Revenues raised to Rs.51,127 lakhs; a YoY increase of 31%.

Gross Profit raised to Rs. 19,753 lakhs; a YoY increase of 57%. Gross Profit margin was 39%.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) raised to Rs.11,487 lakhs; a YoY increase of 83%. EBITDA margin was 22%.

Net Profit raised to Rs. 5,727 lakhs or Rs.16.40 a share; a YoY increase of 8.7%. Net Profit margin was 11%

Consolidated three months ended December 2008

Revenues raised to Rs.14,840 lakhs; a YoY increase of 5%.

Gross Profit raised to Rs. 6,978 lakhs; a YoY increase of 42%. Gross Profit margin was 47%.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) raised to Rs.3,108 lakhs; a YoY increase of 60%. EBITDA margin was 21%.

Net Profit raised to Rs. 1,243 lakhs or Rs. 3.55 a share. Net Profit margin was 8%