

## FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2008

*Amount Rs. in Lakhs except per share data*

Sl. No.	Particulars	Consolidated				Standalone			
		3 Months ended	3 Months ended	Year ended	Year ended	3 Months ended	3 Months ended	Year ended	Year ended
		31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
		(Unaudited)		(Audited)		(Unaudited)		(Audited)	
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	
1	Revenues	16,266.64	10,202.56	55,125.09	29,457.87	447.04	1,627.52	6,194.34	8,057.22
2	Cost of Revenues	10,321.29	7,209.19	36,609.03	21,047.86	198.01	367.14	810.90	2,286.03
3	<b>Gross Profit</b>	<b>5,945.35</b>	<b>2,993.37</b>	<b>18,516.06</b>	<b>8,410.01</b>	<b>249.03</b>	<b>1,260.38</b>	<b>5,383.44</b>	<b>5,771.19</b>
4	Selling and Marketing Expenses	2,253.20	469.95	6,586.11	792.23	6.75	5.44	39.84	48.56
5	General and Administrative Expenses	1,010.70	1,165.01	2,122.09	960.10	104.87	301.77	487.06	331.04
6	<b>Operating Profit before Interest, Depreciation and Amortization</b>	<b>2,681.45</b>	<b>1,358.41</b>	<b>9,807.86</b>	<b>6,657.68</b>	<b>137.41</b>	<b>953.17</b>	<b>4,856.54</b>	<b>5,391.59</b>
7	Depreciation and Amortization	907.44	158.92	1,790.46	683.90	47.48	48.98	194.66	195.77
8	<b>Operating Profit before Interest</b>	<b>1,774.01</b>	<b>1,199.49</b>	<b>8,017.40</b>	<b>5,973.78</b>	<b>89.93</b>	<b>904.19</b>	<b>4,661.88</b>	<b>5,195.82</b>
9	Interest	3.48	16.70	3.48	16.75	2.12	1.62	2.12	3.63
10	<b>Operating Profit</b>	<b>1,770.53</b>	<b>1,182.79</b>	<b>8,013.92</b>	<b>5,957.03</b>	<b>87.81</b>	<b>902.57</b>	<b>4,659.76</b>	<b>5,192.19</b>
11	Other Income/(Loss)	804.27	696.30	(21.39)	(34.77)	339.41	65.89	(548.54)	(1.05)
12	<b>Net Profit before Tax</b>	<b>2,574.80</b>	<b>1,879.09</b>	<b>7,992.53</b>	<b>5,922.25</b>	<b>427.22</b>	<b>968.46</b>	<b>4,111.22</b>	<b>5,191.14</b>
13	Provision for Taxation								
	- Current (Refer Note 6)	(42.37)	51.23	62.34	115.21	-	(14.66)	26.00	47.48
	- Fringe benefit	3.01	0.46	16.54	2.56	1.37	0.46	11.28	2.56
	- Deferred	601.21	56.99	644.87	101.28	(79.44)	9.21	(60.41)	53.50
14	<b>Net Profit before Minority Interest</b>	<b>2,012.95</b>	<b>1,770.41</b>	<b>7,268.78</b>	<b>5,703.20</b>	<b>505.29</b>	<b>973.45</b>	<b>4,134.35</b>	<b>5,087.60</b>
15	Minority Interest	(5.73)	-	(15.88)	(38.28)	-	-	-	-
16	<b>Net Profit</b>	<b>2,018.68</b>	<b>1,770.41</b>	<b>7,284.66</b>	<b>5,741.48</b>	<b>505.29</b>	<b>973.45</b>	<b>4,134.35</b>	<b>5,087.60</b>
17	Paid-up Equity Share Capital ( Face value of Rs.10 each)	3,498.71	1,663.89	3,498.71	1,663.89	3,498.71	1,663.89	3,498.71	1,663.89
18	Reserves excluding revaluation reserves	38,684.38	23,921.39	38,684.38	23,921.39	36,285.58	23,438.01	36,285.58	23,438.01
19	Earnings per share ( Equity share of face value of Rs.10 each) *								
	- Basic	5.79	5.37	21.53	18.28	1.33	2.95	12.22	16.20
	- Diluted	5.64	5.19	20.97	17.69	1.30	2.86	11.90	15.67
20	Public Shareholding								
	- Number of Shares	23,320,577	10,547,230	23,320,577	10,547,230	23,320,577	10,547,230	23,320,577	10,547,230
	- Percentage of Shareholding	66.90	63.88	66.90	63.88	66.90	63.88	66.90	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 31.03.2008	3 Months ended 31.03.2007	Year ended 31.03.2008	Year ended 31.03.2007	3 Months ended 31.03.2008	3 Months ended 31.03.2007	Year ended 31.03.2008	Year ended 31.03.2007
		(Unaudited)		(Audited)		(Unaudited)		(Audited)	
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
1	<b>Segment Revenue</b>								
	a. Online Advertising	16,266.64	10,168.86	55,125.09	28,301.81	-	-	-	-
	b. Telecommunication	-	38.59	-	2,361.00	-	-	-	1,688.58
	c. Information Technology Services	-	1,627.58	-	6,394.22	447.04	1,627.52	6,194.34	6,368.64
	<b>Total</b>	16,266.64	11,835.03	55,125.09	37,057.03	447.04	1,627.52	6,194.34	8,057.22
	Less: Inter Segment Revenue	-	1,632.47	-	7,599.16	-	-	-	-
	<b>Net Revenues/Income from Operations</b>	<b>16,266.64</b>	<b>10,202.56</b>	<b>55,125.09</b>	<b>29,457.87</b>	447.04	1,627.52	6,194.34	8,057.22
2	<b>Segment Results</b> (Profit/(Loss) before tax and interest from each segment)								
	a. Online Advertising	3,588.98	2,982.97	10,118.10	7,655.32	-	-	-	-
	b. Telecommunication	-	(701.52)	-	(804.49)	-	(316.60)	-	(278.80)
	c. Information Technology Services	-	-	-	-	534.21	1,469.90	4,600.40	5,736.12
	<b>Total</b>	3,588.98	2,281.45	10,118.10	6,850.83	534.21	1,153.30	4,600.40	5,457.32
	Less:								
	i. Interest	3.48	16.70	3.48	16.75	2.12	1.63	2.12	1.68
	ii. Other un-allocable expenditure net off un-allocable income	1,010.70	385.66	2,122.09	911.83	104.87	183.21	487.06	264.50
	<b>Profit before Tax</b>	<b>2,574.80</b>	<b>1,879.09</b>	<b>7,992.53</b>	<b>5,922.25</b>	<b>427.22</b>	<b>968.46</b>	<b>4,111.22</b>	<b>5,191.14</b>
3	<b>Capital Employed</b> (Segment assets - Segment liabilities)								
	a. Online Advertising	38,223.50	16,842.13	38,223.50	16,842.13	-	-	-	-
	b. Telecommunication	214.32	397.36	214.32	397.36	347.98	399.68	347.98	399.68
	c. Information Technology Services	-	-	-	-	1,858.21	4,470.70	1,858.21	4,470.70
	d. Unallocated	4,064.40	9,118.62	4,064.40	9,118.62	37,493.73	21,004.36	37,493.73	21,004.36
	<b>Total</b>	<b>42,502.22</b>	<b>26,358.11</b>	<b>42,502.22</b>	<b>26,358.11</b>	<b>39,699.92</b>	<b>25,874.74</b>	<b>39,699.92</b>	<b>25,874.74</b>

**Notes to the Financial Results:**

1. The above mentioned Audited financial results for the year ended March 31, 2008 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 30, 2008.
2. The Audited consolidated financial results for the year ended March 31, 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. Pursuant to Clause 41 of the Listing Agreement, the Company opted to publish only consolidated financial results of the Company. The standalone results of the Company is available on the Company's website www.northgatetech.com and on the websites of NSE (www.nseindia.com) and BSE(www.bseindia.com).
4. The Board of Directors has recommended final equity dividend of Rs. 2 per share(20% on the face value of Rs.10 per share). The total amount of final equity dividend recommended aggregates to Rs. 697.17 Lakhs excluding tax on distributed profits.
5. Expenses of Rs. 631 Lakhs were incurred towards professional services availed for implementation of reorganisation during the year ended March 31, 2008.
6. The Current Income Tax for the year ended March 31, 2008 is net off Minimum Alternate Tax credit of Rs. 458.90 Lakhs.
7. During the quarter ended March 31, 2008 one investor compliant was received and the same was resolved. No investor complaints were pending either at the beginning or at the end of the quarter.
8. Details of expenditure incurred on staff cost and other expenditure exceeding 10% of the total expenditure are as follows:

*Amount Rs. in Lakhs*

Sl. No.	Particulars	Consolidated				Standalone			
		3 Months ended 31.03.2008	3 Months ended 31.03.2007	Year ended 31.03.2008	Year ended 31.03.2007	3 Months ended 31.03.2008	3 Months ended 31.03.2007	Year ended 31.03.2008	Year ended 31.03.2007
		(Unaudited)		(Audited)		(Unaudited)		(Audited)	
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
i.	Staff Cost (included under various heads)	577.60	251.27	1,849.12	794.59	170.95	110.68	727.21	410.72
ii.	Traffic Acquisition cost (included under Cost of Revenues)	9,588.91	6,250.12	34,364.45	17,202.58	-	-	-	-
iii.	Cost of Telecom minutes (included under Cost of Revenues)	-	655.99	-	2,574.92	-	248.17	-	1,821.83
iv.	Loss on Foreign Exchange Fluctuations (included under Other Income)	-	-	-	-	(329.99)	-	161.67	-

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

for and on behalf of the Board

Place: Hyderabad  
Date: May 30, 2008

Venkat S. Meenavalli  
Chairman and Managing Director

**Highlights:**

In year 2007-08, Northgate entered into high growth large market opportunity regions, India and China.

In August 2007, Northgate promoted Social Media India Limited targeting Indian advertising industry size of \$4 billion and overseas education industry size of \$13 billion.

www.bharatstudent.com, the social utility platform, addresses 600 million young population of India has reached landmark of being the Top 20 most visited websites in India as per Alexa.com.

www.bharatstudent.com has more than 3.5 million users capturing 5% of the total India's internet user base.

www.bharatstudent.com generates more than 70 million page views per month and is among World's Top 500 most visited websites as per Alexa.com.

www.bharatstudent.com under Study Abroad services has established association with more than 14,000 Colleges and Universities of India, UK, USA and Australia.

Social Media India Limited has launched beta version of Online Media Exchange "www.smxchange.com", the first of its kind in India enabling Out-Of-Home, Television and Web Media owners and buyers to connect on common online platform.

Northgate is targeting China's Online advertising industry size of \$4 billion through Globe7 HK Limited, a Hong Kong based subsidiary.

During year 2007-08, Globe7.com has build access to reach more than 300 million internet users, 30% of the global internet user base, through strategic partnership entered with QQ.com, Sina.com.hk, Bangkokpost.com, chinatimes.com and nst.com.

Globe7 HK launched Video Streaming and Storage services for sina.com.hk users under "woop" brand.

Globe7 HK launched student web portal and Longhaier.com in partnership with QQ.com in Mandarin language

Globe7 HK has achieved more than 10 million user base for the year ended March 31, 2008.

www.ziddu.com, a file sharing online community of Globe7 HK is currently among World's Top 220 websites

www.globe7.com, a communication and entertainment online community of Globe7 HK is ranked among World's top 1050 most visited websites.

**Financial Highlights****Consolidated - FY 2007-08**

Revenues raised to Rs. 55,125 Lakhs; a YoY increase of 87%.

Gross Profit raised to Rs. 18,516 Lakhs; a YoY increase of 120%. Gross Profit margin was 33.59%.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) raised to Rs. 9,807 Lakhs; a YoY increase of 64%. EBITDA margin was 17.79%.

Net Profit raised to Rs. 7,284 Lakhs or Rs. 21.53 a share; a YoY increase of 26.88%. Net Profit margin was 13.21%.

**Consolidated 4th Quarter – FY 2007-08**

Revenues raised to Rs. 16,266 Lakhs; a YoY increase of 59% and a sequential increase of 15%.

Gross Profit raised to Rs. 5,945 Lakhs; a YoY increase of 98% and a sequential increase of 21%. Gross Profit margin was 36.55%.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) raised to Rs. 2,681 Lakhs; a YoY increase of 97% and a sequential increase of 38%. EBITDA margin was 16.48%.

Net Profit raised to Rs. 2,018 Lakhs or Rs. 5.79 a share; a YoY increase of 14.02% and a sequential increase of 43%. Net Profit margin was 12.41%