



**STATEMENT OF OPERATIONS**  
**QUARTER ENDED SEPTEMBER 30, 2009**

*(All figures are in US\$ million, unless otherwise indicated below)*

	Quarter ended September 30	
	2009	2008
Revenues		
India Online	3.08	5.62
US Publishing	1.11	1.70
<b>Total Revenues</b>	<b>4.19</b>	<b>7.32</b>
Cost of Revenues *	(1.43)	(1.82)
<b>Gross Margin</b>	<b>2.76</b>	<b>5.50</b>
<b>Gross Margin %</b>	<b>66%</b>	<b>75%</b>
Operating Expenses *	(5.03)	(5.44)
Operating EBITDA	<b>(2.27)</b>	<b>0.06</b>
Depreciation / Amortization	(1.26)	(1.64)
Interest Income	1.13	1.12
Other Income	-	0.04
Impairment of long lived assets	(0.11)	-
Foreign Exchange Gain/ (Loss)	(0.01)	0.01
Equity in net loss of equity method investee	(0.08)	-
<b>Net loss before income taxes</b>	<b>(2.60)</b>	<b>(0.41)</b>
Tax	(0.01)	(0.01)
<b>Net loss</b>	<b>(2.61)</b>	<b>(0.42)</b>
<b>Net loss per ADS (in US dollar)</b>	<b>(0.089)</b>	<b>(0.014)</b>

<b>Net loss per ADS (in US dollar) diluted</b>	<b>(0.089)</b>	<b>(0.014)</b>
Weighted average ADS Outstanding (in millions)	29.23	29.23
* Stock based Compensation included in:		
Cost of revenue	0.05	0.06
Operating expenses	0.21	0.25

### Notes

- Each ADS represents one half of an equity share.
- The above numbers are subject to audit and while no significant changes are anticipated, an audit could result in adjustments which would result in the audited numbers varying from the numbers set forth above.

### Non-GAAP Measures Note

Operating EBITDA, non-GAAP operating expenses, impairments related to long lived assets are the non-GAAP measures in this press release. These measurements are not recognized under generally accepted accounting principles (“GAAP”).

Operating EBITDA represents loss from operations prior to adjustments for depreciation/ amortization, non-recurring items and other income or expense and tax. However, other companies may calculate operating EBITDA differently. Operating EBITDA is not intended to represent cash flows as defined by generally accepted accounting principles and should not be considered as an indicator of cash flow from operations. We have included information concerning operating EBITDA in this press release because management and our board of directors use it as a measure of our performance. In addition, future investment and capital allocation decisions are based on operating EBITDA. Investors and industry analysts use operating EBITDA to measure the Company’s performance to historic results and our peer group. The reconciliation between operating EBITDA and net loss, the GAAP measure, is as follows:

**RECONCILIATION FROM OPERATING EBITDA TO NET INCOME  
QUARTER ENDED SEPTEMBER 30, 2009**

*(All figures are in US\$ million)*

	<b>Quarter ended September 30</b>	
	<b>2009</b>	<b>2008</b>
<b>Operating EBITDA (Non GAAP)</b>	<b>(2.28)</b>	<b>0.06</b>
Depreciation / Amortization	(1.26)	(1.64)
Interest Income	1.13	1.12
Other Income	-	0.04
Impairment of long lived assets	(0.11)	-
Foreign Exchange Gain/ (Loss)	(0.01)	0.01
Equity in net loss of equity method investee	(0.08)	-
Net Loss before income taxes	(2.60)	(0.41)
Tax	(0.01)	(0.01)
<b>Net loss (GAAP)</b>	<b>(2.61)</b>	<b>(0.42)</b>

Non-GAAP operating expenses represent our operating expenses comprised of sales and marketing, product development and general and administrative expenses excluding depreciation and amortization. We have used the non-GAAP operating expense to compute our operating EBITDA. A reconciliation of the GAAP operating expense to non-GAAP operating expense is as follows:

**RECONCILIATION FROM GAAP TO NON-GAAP OPERATING EXPENSES  
 QUARTER ENDED SEPTEMBER 30, 2009**

*(All figures are in US\$ million)*

	Quarter ended September 30	
	2009	2008
Operating Expenses (GAAP)	6.29	7.08
Depreciation/Amortization	(1.26)	(1.64)
Operating Expense (Non-GAAP)	5.03	5.44