

SIFY LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share data and as otherwise stated)

	Quarter ended June 30,		
	2003	2004	
Revenues	Rs. 588,006	Rs. 764,790	\$ 16,629
Revenue from related parties	13,019	13,047	284
Total Revenue	601,025	777,837	16,913
Cost of revenues	320,844	431,244	9,377
Selling, general and administrative expenses	290,070	311,550	6,774
Provision for doubtful receivables and advances	38,076	13,052	284
Depreciation	121,006	119,664	2,602
Amortisation of intangible assets	14,044	11,657	253
Amortisation of deferred stock compensation expense	8,835	3,665	80
Foreign exchange (gain) / loss	14,099	(33,248)	(723)
Total operating expenses	806,974	857,584	18,647
Operating loss	(205,949)	(79,747)	(1,734)
Other income, net	12,772	12,973	282
Loss before taxes, equity in losses of affiliates and minority interest	(193,177)	(66,774)	(1,452)
Equity in (losses) / profits of affiliates	(13,514)	12,035	262
Minority interest	(462)	-	-
Losses before income taxes	(207,153)	(54,739)	(1,190)
Taxes	-	-	-
Net loss	Rs.(207,153)	Rs.(54,739)	\$(1,190)
Net loss per share	(6.18)	(1.56)	(0.03)
Weighted equity shares used in computing loss per equity share	33,501,588	35,007,617	35,007,617

See accompanying notes to unaudited condensed consolidated financial statements