

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

	Quarter ended September 30,			Six months ended September 30,		
	2003	2004	\$	2003	2004	\$
Revenues	Rs. 646,320	Rs. 845,244	\$ 18,412	Rs. 1,234,326	Rs. 1,610,034	\$ 35,069
Revenue from related parties	17,435	15,553	339	30,454	28,600	623
Total revenue	663,755	860,797	18,751	1,264,780	1,638,634	35,692
Cost of revenues	336,912	457,248	9,960	657,755	888,492	19,353
Selling, general and administrative expenses	328,260	336,003	7,319	618,330	647,552	14,105
Provision for doubtful receivables and advances	16,288	12,694	276	54,364	25,746	561
Depreciation	118,295	124,605	2,714	239,301	244,269	5,320
Amortization of intangible assets	34,784	14,876	324	48,828	26,533	578
Amortization of deferred stock compensation expense	7,052	3,045	66	15,887	6,710	146
Foreign exchange (gain) / loss	8,529	3,436	75	22,628	(29,812)	(649)
Total operating expenses	850,120	951,907	20,734	1,657,093	1,809,490	39,414
Operating loss	(186,365)	(91,110)	(1,983)	(392,313)	(170,856)	(3,722)
Other income, net	103,339	38,671	842	116,111	51,644	1,125
Loss before taxes, equity in losses of affiliates and minority interest	(83,026)	(52,439)	(1,141)	(276,202)	(119,212)	(2,597)
Equity in (losses) / profit of affiliates	(2,230)	6,236	136	(15,744)	18,271	398
Minority interest	532	-	-	70	-	-
Losses before income taxes	(84,724)	(46,203)	(1,005)	(291,876)	(100,941)	(2,199)
Taxes	(71)	-	-	(72)	-	-
Net loss	Rs. (84,795)	Rs. (46,203)	\$ (1,005)	Rs. (291,948)	Rs. (100,941)	\$ (2,199)
Net loss per share	(2.44)	(1.32)	(0.03)	(8.55)	(2.88)	(0.06)
Weighted equity shares used in computing loss per equity share	34,822,821	35,040,371	35,040,371	34,165,814	35,024,083	35,024,083

See accompanying notes to unaudited condensed consolidated financial statements