

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

	Quarter ended December 31,			Nine months ended December 31,		
	2003	2004	2004	2003	2004	2004
Revenues	Rs. 702,194	Rs. 934,434	\$ 21,595	Rs. 1,936,520	Rs. 2,544,468	\$ 58,804
Revenue from related parties	9,253	11,205	259	39,707	39,805	920
Total Revenue	711,447	945,639	21,854	1,976,227	2,584,273	59,724
Cost of revenues	376,366	529,207	12,230	1,034,121	1,417,699	32,764
Selling, general and administrative expenses	312,303	364,805	8,431	930,633	1,012,359	23,397
Provision for doubtful receivables and advances	7,949	13,745	319	62,313	39,489	913
Depreciation	121,323	130,097	3,007	360,624	374,366	8,652
Amortization of intangible assets	12,103	12,938	299	60,931	39,471	912
Amortization of deferred stock compensation expense	6,620	2,690	62	22,507	9,400	217
Foreign exchange loss	1,831	32,852	759	24,459	3,040	70
Total operating expenses	838,495	1,086,334	25,107	2,495,588	2,895,824	66,925
Operating loss	(127,048)	(140,695)	(3,253)	(519,361)	(311,551)	(7,201)
Other income, net	15,245	28,389	656	131,356	80,033	1,850
Loss before taxes, equity in losses of affiliates and minority interest	(111,803)	(112,306)	(2,597)	(388,005)	(231,518)	(5,351)
Equity in (losses) / profits of affiliates	9,321	17,294	400	(6,423)	35,565	822
Minority interest	9	-	-	79	-	-
Losses before income taxes	(102,473)	(95,012)	(2,197)	(394,349)	(195,953)	(4,529)
Taxes	-	-	-	(72)	-	-
Net loss	Rs.(102,473)	Rs.(95,012)	\$(2,197)	Rs.(394,421)	Rs.(195,953)	\$(4,529)
Net loss per share	(2.94)	(2.70)	(0.06)	(11.47)	(5.59)	(0.13)
Weighted equity shares used in computing loss per equity share	34,857,882	35,201,019	35,201,019	34,397,342	35,083,277	35,083,277

See accompanying notes to unaudited condensed consolidated financial statements