

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

	Quarter ended June 30,		
	2005	2006	2006
	Rs.	Rs.	\$
Revenue			
Products	Rs. 67,993	Rs. 120,045	\$ 2,617
Services	938,060	1,198,336	26,125
	Rs. 1,006,053	Rs. 1,318,381	Rs. 28,742
Revenue from related parties			
Products	2,688	-	-
Services	12,534	-	-
	15,222	-	-
Total Revenue	1,021,275	1,318,381	28,742
Cost of revenue			
Products	357,753	101,349	2,209
Services	224,222	593,967	12,949
	581,975	695,316	15,158
Selling, general and administrative expenses	425,073	480,780	10,481
Provision for doubtful receivables and advances	16,218	23,085	503
Depreciation	99,812	95,036	2,072
Amortization of intangible assets	22,038	16,497	360
Amortization of deferred stock compensation expense	1,157	35,943	784
Foreign exchange (gain) / loss	220	(44,037)	(960)
Total operating expenses	1,146,493	1,302,620	28,398
Operating profit / (loss)	(125,218)	15,761	344
Other income, net	16,187	30,874	673
Profit / (loss) before taxes and equity in profit of affiliate	(109,031)	46,635	1,017
Equity in profit of affiliate	10,882	15,788	344
Profit / (loss) before income tax	(98,149)	62,423	1,361
Taxes	-	-	-
Net profit / (loss) after tax	Rs.(98,149)	Rs. 62,423	\$ 1,361
Net profit / (loss) per share – Basic	(2.77)	1.47	0.03
Net profit / (loss) per share – Diluted	(2.77)	1.45	0.03
Weighted average equity shares – Basic	35,380,278	42,583,948	42,583,948
Weighted average equity shares – Diluted	35,380,278	43,064,618	43,064,618

See accompanying notes to unaudited condensed consolidated financial statements