

**SIFY TECHNOLOGIES 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		
	2006	2007	2007	2006	2007	2007
			Convenience translation into US\$ (Note 2)			Convenience translation into US\$ (Note 2)
	Rs.	Rs.	\$	Rs.	Rs.	\$
Revenue						
Products	Rs. 136,457	Rs. 213,570	\$ 5,419	Rs. 385,407	Rs. 523,449	\$ 13,282
Services	1,254,830	1,318,717	33,461	3,707,359	3,885,443	\$ 98,590
<b>Total Revenue</b>	<b>1,391,287</b>	<b>1,532,287</b>	<b>38,880</b>	<b>4,092,766</b>	<b>4,408,892</b>	<b>111,872</b>
Cost of revenue						
Products	121,744	201,470	5,112	334,420	461,749	11,717
Services	624,536	655,224	16,626	1,813,215	1,978,319	50,198
	746,280	856,694	21,738	2,147,635	2,440,068	61,915
Selling, general and administrative expenses	437,853	539,613	13,692	1,397,427	1,653,032	41,944
Provision for doubtful receivables and advances	68,676	29,440	747	142,340	110,107	2,794
Impairment of assets	-	-	-	-	-	-
Depreciation	102,385	118,864	3,016	297,705	352,900	8,955
Amortisation of intangible assets	10,964	10,529	267	44,400	23,332	592
Employee stock compensation expense	5,039	10,295	261	46,509	39,618	1,005
Foreign exchange (gain) / loss, net	20,558	(1,830)	(46)	(23,781)	18,149	461
<b>Total operating expenses</b>	<b>1,391,755</b>	<b>1,563,605</b>	<b>39,675</b>	<b>4,052,235</b>	<b>4,637,206</b>	<b>117,666</b>
Operating profit/(loss)	(468)	(31,318)	(795)	40,531	(228,314)	(5,794)
Other income, net	31,059	24,735	628	97,125	94,290	2,393
Gain on sale of investment in subsidiary	226	-	-	226	-	-
Equity in net profit of affiliate	18,650	81,409	2,066	42,544	147,051	3,731
<b>Net Profit / (Loss) before income tax and minority interest</b>	<b>49,467</b>	<b>74,826</b>	<b>1,899</b>	<b>180,426</b>	<b>13,027</b>	<b>330</b>
Income tax expense	-	(42,803)	(1,086)	-	(77,864)	(1,976)
<b>Net Profit / (Loss) before minority interest</b>	<b>49,467</b>	<b>32,023</b>	<b>813</b>	<b>180,426</b>	<b>(64,837)</b>	<b>(1,646)</b>
Minority interest	7,896	5,824	148	7,896	20,010	508
<b>Net Profit / (loss) after tax</b>	<b>Rs. 41,571</b>	<b>Rs. 26,199</b>	<b>\$ 665</b>	<b>Rs. 172,530</b>	<b>Rs.(84,847)</b>	<b>\$(2,154)</b>
Net Profit/(loss) per share (basic)	0.97	0.61	0.02	4.03	(1.98)	(0.05)
Net Profit/(loss) per share (diluted)	0.97	0.61	0.02	4.02	(1.98)	(0.05)
<b>Basic Weighted average Equity Shares used in computing Profit/(loss) per share</b>	42,743,011	42,820,082	42,820,082	42,822,399	42,838,055	42,838,055
<b>Diluted Weighted average Equity Shares used in computing Profit/(loss) per share</b>	42,842,653	42,846,165	42,846,165	42,927,221	42,838,055	42,838,055

See accompanying notes to unaudited condensed consolidated financial statements