

**IOL NETCOM LIMITED (Formerly known as IOL Broadband Ltd.)**  
**Reg. Off: 601, 6th Floor Raheja Centre, Nariman Point, Mumbai - 400 021**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED DECEMBER 31, 2007**

(Rs. In Lakhs)

| Sr. No.   | Particulars  | 3 months ended<br>31.12.2007 | Corresponding 3<br>months ended in<br>previous year<br>31.12.2006 | Year to Date<br>figures for<br>current Period<br>ended 31.12.07 | Year to Date<br>figures for<br>previous year<br>ended 31.12.06 | Previous<br>accounting year<br>ended 31.03.2007 |
|-----------|--|------------------------------|---|---|--|---|
|           |  | Unaudited                    | Unaudited   | Unaudited   | Unaudited  | Audited   |
| 1         | Net Sales/Income from Operations   | 360.82                       | 7.36  | 1,378.10  | 503.32   | 1,469.68  |
| 2         | Other Income   | 13.09                        | 2.76  | 229.98  | 15.50  | 269.72  |
| <b>3</b>  | <b>Total Income (1+2)</b>  | <b>373.91</b>                | <b>10.12</b>  | <b>1,608.08</b>   | <b>518.82</b>  | <b>1,739.40</b>                                 |
| 4         | Expenditure  |                              |   |   |  |   |
|           | a. Increase/Decrease in stock in trade and work in progress  | -                            | -   | -   | -  | -   |
|           | b. Operational Cost  | 416.81                       | -   | 1,088.71  | 386.74   | 57.15   |
|           | c. Purchase of traded goods  | -                            | -   | -   | -  | 1,014.80  |
|           | d. Employee cost   | 361.55                       | 98.06   | 641.84  | 205.08   | 185.40  |
|           | e. Rent  | 246.93                       | -   | 319.34  | -  | 50.32   |
|           | f. Depreciation  | 350.09                       | -   | 515.73  | 52.33  | 179.21  |
|           | g. Other expenditure   | 440.04                       | 84.78   | 636.83  | 163.46   | 554.63  |
|           | h. Total   | <b>1,815.42</b>              | <b>182.84</b>   | <b>3,202.45</b>   | <b>807.61</b>  | <b>2,041.51</b>                                 |
| 5         | Interest   | 6.94                         | -   | 30.25   | -  | -   |
| 6         | Exceptional Items  | -                            | -   | -   | -  | -   |
| <b>7</b>  | <b>Profit/(Loss) from Ordinary Activities before tax (3)-(4+5+6)</b>   | <b>(1,448.45)</b>            | <b>(172.72)</b>   | <b>(1,624.62)</b>   | <b>(288.79)</b>  | <b>(302.11)</b>                                 |
| 8         | Tax expense  | -                            | -   | -   | -  | 13.64   |
| <b>9</b>  | <b>Net Profit/(Loss) from ordinary activities after tax (7-8)</b>  | <b>(1,448.45)</b>            | <b>(172.72)</b>   | <b>(1,624.62)</b>   | <b>(288.79)</b>  | <b>(315.75)</b>                                 |
| 10        | Extraordinary Items (net of tax expense)   | -                            | -   | -   | -  | -   |
| <b>11</b> | <b>Net Profit / (Loss) for the period (9-10)</b>   | <b>(1,448.45)</b>            | <b>(172.72)</b>   | <b>(1,624.62)</b>   | <b>(288.79)</b>  | <b>(315.75)</b>                                 |
| 12        | Paid up Equity Share Capital<br>(Face Value of Rs. 10 Each)  | 2,415.34                     | 2,089.63  | 2,415.34  | 2,089.63   | 2,334.96  |
| 13        | Reserves excluding revaluation reserves as per balance sheet of previous<br>accounting year  | -                            | -   | -   | -  | 9,185.10  |
| 14        | EPS for the period (in Rs.)  |                              |   |   |  |   |
|           | a. Basic and diluted EPS before Extra Ordinary Items for the period ,<br>for the year to date and for the previous year (not to be annualised) | (6.00)                       | (0.83)  | (6.73)  | (1.38)   | (1.56)  |
|           | b. Basic and diluted EPS after Extra Ordinary Items for the period , for<br>the year to date and for the previous year (not to be annualised)  | (6.00)                       | (0.83)  | (6.73)  | (1.38)   | (1.56)  |
| 15        | Public Shareholding  |                              |   |   |  |   |
|           | -Number of Shares  | 23,390,500                   | 19,745,500  | 23,390,500  | 19,745,500   | 22,507,123                                      |
|           | -Percentage of Shareholding  | 96.79%                       | 94.41%  | 96.79%  | 94.41%   | 96.33%  |

**Notes:**

1. The above financial results for the quarter ended December 31, 2007 have been reviewed by the Audit Committee and approved by the Board at its meeting held on January 28, 2008. The statutory auditors have carried out Limited Review of the above financial results.

2. During the quarter ended December 31, 2007, the Scheme of amalgamation of Exatt Technologies Pvt. Ltd.(Exatt) with the Company has been approved by the Karnataka and Bombay High Court as per the petitions filed by the Transferor and Transferee company with these High Courts respectively. The Appointed date for the scheme is April 1, 2006 and with effect from January 15, 2008, Exatt has been amalgamated with the Company.

Post amalgamation, the Company has an "A" category Internet service Provider (ISP) license and it can now provide Broadband / Internet Protocol Television (IPTV) / Voice Over Internet Protocol (VOIP) and other value added services across the Country.

3. In view of the amalgamation the figures for the quarter and nine months ended 31st December,2007 are not comparable with those of the corresponding quarter and nine months ended 31st December,2006

4. On January 15, 2008, the Board of Directors of the Company decided to dispose off the shareholding of the Company in the subsidiary company Spacecom Broadband Networks Ltd. (earlier a subsidiary of Exatt Technologies Pvt. Ltd.). In accordance with this decision, these investments have been disposed off and it has ceased to be the subsidiary of the Company.

5. During the quarter, the issue of twenty lacs equity warrants convertible into equal no. of equity shares of Rs. 10/- each at a price of Rs. 576/- per share was approved by the Board. Out of the above, on January 23, 2008, 1,078,000 equity warrants have been allotted.

6. With effect from January 10, 2008, name of the Company has been changed from "IOL Broadband Ltd." to "IOL Netcom Ltd."

7. The diluted EPS is calculated taking into the consideration 7,00,000 outstanding Equity warrants which will be converted into equal number of equity shares on or before their last date for conversion and 25,00,000 equity shares proposed to be issued to shareholders of Exatt as per the scheme of amalgamation.

8. The Company operates in only one segment.

9. The Deferred Tax Liability/Asset as required by AS-22 will be considered at the end of the financial year.

10. In respect of Limited Review for the quarter ended September 30, 2007, the statutory auditor's commented regarding:

- (a) Non-recognition of Foreign exchange gain/ loss as required by AS – 11 "The effect of changes in Foreign Exchange Rates"
- (b) Variances in published un-audited financial results

The company has given the necessary effect in the above results for the said qualifications.

11. Number of Investor Complaints Opening - NIL, Received: 3, Disposed Off: 2, Pending: 1.

12. Figures of previous period have been regrouped/ reclassified wherever necessary.

**Date : January 28, 2008**

**Place: Mumbai**

**For and on behalf of the Board**

**A.S. Oberai**  
**Whole Time Director**