

**KRONE COMMUNICATIONS LIMITED**  
**10 ( C ), II PHASE, PEENYA, BANGALORE 560 058**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JULY 31, 2007**

Sl. No.	Particulars	(Rs. In Lakhs)				Previous Accounting Year Ended on 31.10.2006 (Audited) (5)
		Quarter Ended		Nine Months Ended		
		31.07.2007 (Unaudited) (1)	31.07.2006 (Unaudited) (2)	31.07.2007 (Unaudited) (3)	31.07.2006 (Unaudited) (4)	
1	Net Sales / Income from Operations	2,150	1,873	6,601	6,002	8,061
2	Other Income	86	95	245	199	364
	Total Income	2,236	1,968	6,846	6,201	8,425
3	Total Expenditure					
	a. Decrease / (Increase) in stock	15	(43)	113	(68)	(149)
	b. Consumption of raw materials	1,309	1,317	4,498	4,315	5,831
	c. Staff cost	267	174	657	471	648
	d. Other expenditure	252	175	635	562	879
4	Interest	2	1	4	4	5
5	Depreciation	48	34	181	52	124
6	Profit before Tax	343	310	758	865	1,087
7	Provision for tax					
	- Current Tax	131	124	329	313	414
	- Deferred Tax	(14)	(22)	(71)	(19)	(48)
	- Fringe Benefits Tax	3	3	12	12	17
8	Net Profit	223	205	488	559	704
9	Paid-up Equity Share Capital (Face value of each share - Rs.10/-)	460	460	460	460	460
10	Reserves excluding revaluation reserve (as per Balance sheet) of previous accounting year	N.A	N.A	N.A	N.A	3,419
11	Basic and diluted EPS (In Rs.)	4.85	4.46	10.61	12.16	15.30
12	Aggregate of public shareholding					
	-Number of Shares	1743033	1743033	1743033	1743033	1743033
	-Percentage of Shareholding	37.89%	37.89%	37.89%	37.89%	37.89%

**Notes :**

- 1 The above results were taken on record by the Board at its meeting held on 30th August 2007.
- 2 A Limited review of the financial results of the quarter ended 31st July 2007 has been carried out by the Statutory Auditors of the company pursuant to Clause 41 of the Listing Agreement.
- 3 Net Sales / Income from operations is exclusive of excise duty.
- 4 The Company was charging depreciation on straight line method for certain categories of assets and written down value method for other assets. This has now been aligned to straight line method for all assets and management has also reassessed their estimate of useful lives of assets ranging from 1 to 20 years. The depreciation for the current quarter includes impact of accelerated depreciation provided on account of revised useful lives. The depreciation for previous corresponding quarter has been recomputed on straight line method, based on the old useful life estimates.
- 5 Information on investor complaints for the quarter - (Nos.): Opening balance-0, New-12, Disposals-12, Closing Balance-0.
- 6 Previous periods / financial year ended figures are regrouped/reclassified in line with the current period.

**By Order of the Board**

Place : Bangalore  
Date : August 30, 2007

Director

**Segment wise Revenue, Results and Capital Employed**

(Rs. In Lakhs)

Sl. No.	Particulars	Quarter Ended 31.07.2007 (Unaudited) (1)	Quarter Ended 31.07.2006 (Unaudited) (2)	Nine Months Ended 31.07.2007 (Unaudited) (3)	Nine Months Ended 31.07.2006 (Unaudited) (4)	Previous Accounting Year Ended on 31.10.2006 (Audited) (5)
1	Segment Revenue					
	a. Telecommunication	1,122	1,206	4,159	4,383	5,508
	b. IT - Networking	1,028	667	2,442	1,619	2,553
	Total	2,150	1,873	6,601	6,002	8,061
	Less : Inter segment revenue	-	-	-	-	-
	Net sales / income from operations	2,150	1,873	6,601	6,002	8,061
2	Segment Profit / (Loss) before Tax and Interest					
	a. Telecommunication	197	216	441	635	801
	b. IT - Networking	132	95	271	184	306
	Total	329	311	712	819	1,107
	Add/(Less) : a. Interest	25	9	49	34	48
	b. Other un-allocable expenditure net off un-allocable income	(11)	(10)	(3)	12	(68)
	Total Profit Before Tax	343	310	758	865	1,087
3	Capital Employed					
	a. Telecommunication	1,688	1,855	1,688	1,855	1,906
	b. IT - Networking	907	634	907	634	890
	c. Unallocable	1,773	1,403	1,773	1,403	1,083
	Total	4,368	3,892	4,368	3,892	3,879

**Note :**

Capital Employed - Unallocable amount represents assets/liabilities used interchangeably between segments.

**By Order of the Board**

**Place : Bangalore**

**Date : August 30, 2007**

**Director**