

<b>Company</b>	Info Edge (India) Limited
<b>Date:</b>	July 27, 2007

**Operator:**

Thank you for standing by, and welcome to Info Edge India Limited Investors Conference Call presented by Mr. Sanjeev Bikhchandani, MD and CEO. At this time, all participants are in a listen-only mode. There will be a presentation followed by a question-and-answer session, at which time, if you wish to ask a question, please press "star, one" on your telephone. Please be advised this conference is being recorded today. I would like to hand the conference over to your speaker, now. Over to you, sir.

**Sanjeev Bikhchandani:**

Thank you, and welcome to our conference call. We are reasonably satisfied with the results of our first quarter. The growth momentum has continued led by Naukri. The other verticals are also growing fast, but Naukri continued to be fast on a large base, and therefore, the percentage revenue from the verticals does not change.

Our operational income is up 67% over the same quarter last year, and the total income is up 77%, but this includes a reasonably high degree or a high component of other income, which is essentially treasury income on proceeds from IPO.

The EBITDA is up 97%, and net profit is up 123%. And that's on the total net profit. Operational PAT, is up 66%. A word of caution on this while the results are excellent, you should look at these operational numbers rather than the total numbers. And one other word of caution, we have underspent slightly as compared to the plan on advertising in quarter one. This has contributed to some of the increase in profit.

Quarter one to quarter one, the income from recruitment solutions is up 59%. And the rest of the growth has come from the other verticals. JeevanSathi and 99acres remain in investment mode, and at the EBITDA level, we lost about US\$1 million on both these businesses put together in this quarter.

We are still holding on to our earlier statement that we are hoping that JeevanSathi breaks even on a month-on-month basis by March '08, but we'll comment further on this as the time comes closer. And on 99acres, what we had said earlier was that we are hoping it breaks even month-on-month by March '09. We are still staying with that. We'll comment on it further as that time comes closer.

In Naukri, the number of resumes added per day moved up from 10,000 a day in the previous quarter to 10,700 a day in this quarter. And the total resumes registered on Naukri are now over 10 million as compared to 9 million on March 31st, 2007. The number of corporate customers on Naukri that we raised bills on in this quarter is upwards of 14,000. The same quarter the previous year, it was over 12,000. So we have seen a growth in the customer base also as compared to the same quarter last year.

But the total profiles on JeevanSathi cumulative till date went up to 1.71 million. The average registrations during this quarter were 2,500 a day, up from 2,200 per day in the corresponding quarter last year and 2,300 in quarter four last financial year.

We recently launched initiative called Ask Naukri.com, which is career guidance site. This was a week or 10 days ago. That is getting reasonable traffic, but it's too early to comment on its success or failure, but we are satisfied with the progress so far. We should be making a foray into the education space in the next two or three months within our company.

We are in the process of negotiating an acquisition of land to build our campus. We are hoping to close something out in this next couple of months, but we will announce it once it happens.

We expect to expand our gulf operations this financial year by adding more salespeople and a few more offices. We are in the process of getting permissions and licenses. We will announce more on this as the date comes closer.

We are concerned about the appreciating rupee for two reasons. One is, what it does to our clients who are dependent on overseas income, that will be the IT sector, the BPO sector. These are our single largest client segments, and also the placement consultants who recruit for the IT sector. This constitutes a significant chunk of the Naukri.com corporate revenue.

So we are keeping one eye open on that. So far we have not noticed any slowdown in our sales on account of this. But we are concerned about this and keeping one eye on that.

We are also concerned about the tight money policy of the Government of India and have to see what impact this has on other sectors in the Indian Economy. What we believe is that if the economy grows, continues to grow at 8, 9 or 10%, you know, we should be fine. But if it is a slowdown, we will be challenged.

We continue to invest in technology and production in all our businesses, and we have made some very good progress in Naukri and in JeevanSathi and in 99acres on improving the product, on improving the algorithms. And this is yielding good results in terms of total number of applications, total number of relevant applications, add stickiness on the sites in general.

I'll stop here, and we'd be happy to invite questions.

**Operator:**

Surely Sir. At this time, if you wish to ask a question, please press "star" "one" on your telephone and wait for your name to be announced. If you wish to cancel your request, please press the "hash" or the "pound" key.

The first question comes from Mr. Jason from Citigroup. Please go ahead, sir.

**Jason:**

Thank you. Good morning, gentlemen. Congratulations on another excellent quarter. I'd probably ask some more questions to what I've asked in the past. So maybe give them to you all in advance. Could you maybe comment, especially with respect to Naukri, on the competition? How you think your market share have fared in the first quarter?

You seem to have a very good growth, but it's also we saw I think in last quarter, some of your competitors continue to make strong push into the market. Second question is maybe just discuss the demand environment overall. You talked a little bit about concerns about the rupee and how you haven't seen the impact. But maybe also with respect to JeevanSathi and 99acres as well as how is the demand environment you see maybe for the rest of calendar year.

And then my follow-up question is regarding Jeevansathi. Could you maybe comment on how the pricing environment for that specific business is going? I think some of your competitors may have raised their prices during the quarter. And I was just curious if you guys followed it or what you are thinking about on that front? Thanks.

**Sanjeev Bikhchandani:**

Okay. So I'll talk about competition in Naukri first. The market remains competitive. Having said that, our sense is that Monster spent a little bit less on television, perhaps maybe more than a little bit less on television as compared to earlier periods. We are not sure whether this is a natural break in the media plan or whether because they're coming under pressure in the US. So we are not sure about that, but we are watching that space.

As far as TimesJobs' claims of being number one is concerned, they seem to have stopped that advertising campaign. And frankly, our business is not affected by it. But it is price competition that is of real concern. You know, we are facing price competition. But having said that, we are able to, I believe, maintain our market share, but we don't have reliable competitive data on their revenues, at least not quarter-on-quarter.

So this is something which cannot be verified completely, but we believe we are able to retain our market share as of now. In terms of demand environment, we are watching the IT space. We are seeing how we can get to strengthening rupee. There are some companies who

may actually increase their hiring plans so that they make the same absolute profit on lower margins, therefore defend the valuations and the share price.

But there will be some companies who may actually get hit, because they can't get business at that price or their margins are not enough to defend it. So we are still watching.

As far as the captives are concerned, it's going to be a mixed bag. There would be new companies coming in and expanding, because the outsourcing story is still strong in India. But we have to wait and see what happens, once we are already here and what rate they expand. Given the fact that, you know, the labour arbitrage benefit has reduced a bit because of the strengthening rupee.

So we are still waiting one more quarter before, we are able to really comment on that. But so far we have seen a slow down in our sales. As far the non-IT sectors are concerned, you know, growth is strong in other service sectors, retail, we are hoping will contribute in the future.

The entire construction energy, infrastructure, engineering, mining, all these sectors are showing good traction in India and a lot of investment is growing in these sectors. But there again, the domestic sector the domestically focused sectors, we are a bit concerned about the tight money policy, which the government has adopted to continue inflation and we believe that if this continues for long time, it may impact the entire economy in India. So we're keeping an eye on that. But there are indications that there maybe some easing up of interest rates going forward. And if that does happen then I think the economic growth will be fine.

As far as Jeevansathi, 99acres is concerned. In 99acres there has been some slowdown in the market because the government tightened credit to real estate sector both on the supply side to builders and on the demand side for home loans and that did dampen demand but the fact is that even the 99acres and other real estate portals are so small in the advertising mix of the industry that, it's in the same situation where Naukri was in 2001 when the melt down happened that it just continued to grow because although the total market might have shrunk a bit our share was small, we were able to grow anyway and capture share because the value proposition was so compelling. So we are seeing some growth there. But yes, there we are seeing clients who are being challenged, because of type credit.

On JeevanSathi, again, you know we are seeing steady growth in number of profiles acquired. We are seeing steady growth in revenue and in average realization per bill but Jeevansathi remains a business where we are discovering the way forward because you know it's about algorithms, it's about what works, it's about trying to find about what works and trying to create the market and there it remains a little less predictable the growth. So we sometimes get it right. We sometimes get it wrong then we correct course again. And so it's a question of learning by doing. And we are making decent progress there.

On Jeevansathi pricing, our competitors did take up prices. We have not taken up prices, over here we are price takers not prices makers. The reason why we have not taken up our prices is because to match them we are not sure whether we'll leaving too much of a gap at the bottom end of the market where competition is coming.

And until we achieve clarity on that we would not take up our prices. So we are still evaluating. Actually we're creating pricing strategies depending on the value derived from the site. But that is all under discussion. We have not finalized anything yet.

**Jason:**

Great. If I can maybe have one additional question. You had mentioned on the call that you are looking to make some type of move into the education space. And I know from some of my conversation with you that's a market that you've interested in I think for a while as you think there is a lot of potential.

Could you maybe, maybe its too early for you to do this but could you maybe give us some color on exactly how or what area of the education market you think that you'll be going after will be a similar type of business model from the ones you currently have - the three models that you have.

And what should we be thinking just in general terms about how that ramp-up on the expense side is likely to impact the P&L over the next first 12 months post the launch or what have that initiative entered being? Thanks.

**Sanjeev Bikhchandani:**

On the education space our approach is not very dissimilar from our other businesses. Basically, we will help buyers and seller meet or we will generate leads for education providers. It's a question of aggregation of content, you know. And getting traffic in building brand and then, basically enable handshakes.

Now, the way we launch new business is that look, the cost of actually building a new site is not a lot, okay. There is cost in brand building and there the way we always have worked is that look we first launch a product. We will put in a little bit of marketing and to try and get some momentum, see how it works. Then a sales team will be put in to the marketplace and they will try and generate revenue and we'll take it quarter-on-quarter. So we've not actually budgeted any investments or losses or anything, on this one. We will take it quarter-by-quarter and see how it goes. So that's the best answer I can give you right now. But it will be kind of a marketplace or a platform or an exchange where buyers and sellers will meet.

**Jason:**

Okay, that's very helpful. Thank you guys and again congratulations, fantastic job.

**Ambarish Raghuvanshi:**

And Jason, just to answer that last bit again. It's likely to be for working professionals. So people who are already working, the area we could be looking at.

**Jason:**

Is it focusing also on the domestic market and can other some sites out there that are trying to penetrate education for people in the US and Europe.

**Sanjeev Bikhchandani:**

Well it'll be on the domestic market to start with where our clients should be from India the advertisers and so we'll be the education seekers, because that's the space we know best. Overtime it may expand into other areas. So, what's going to happen in the education space is that nobody has got it right in India yet. And therefore the business models have yet to be discovered here. They have yet to evolve niches are yet to develop. So on this it will take two or three years to get clarity on exactly which business models are going to succeed and which are not going to succeed.

**Jason:**

Right. So on internet the key is just to build your brand, and then the model basically follows behind it?

**Sanjeev Bikhchandani:**

Well we do have some notions on what model to start with. And if that doesn't work we'll keep experimenting. But we feel that, what we have got which is similar to our other sites where you are charging money for enabling handshakes, whether per lead or a fixed fee. We believe that model should work. It may not be the only that work, but that model should work, that's what we believe right now.

**Jason:**

All right, thanks again guys.

**Sanjeev Bikhchandani:**

Thank you.

**Operator:**

Thank you, Mr. Jason. Next in line we have Mr. Nitin Saigal from Bridger. Please go head, sir.

**Nitin Sehgal:**

Hi, guys, just two quick questions. You say that the loss was one million in the quarter from JeevanSathi and 99acres? One million US?

**Sanjeev Bikhchandani:**

That's right, approximately.

**Nitin Sehgal:**

And what percentage of revenue is from JeevanSathi and 99acres, there?

**Sanjeev Bikhchandani:**

Okay. If you take our operating revenue, leave our other income. It will be approximately 10%.

**Nitin Sehgal:**

So it's up a bit from last year ?

**Sanjeev Bikhchandani:**

It is, it is growing faster, but see because Naukri continues to grow fast, the needle but doesn't move very quickly on share of revenue.

**Nitin Sehgal:**

Okay. And lastly, operational PAT that you said was up 63% year-over-year? Are you just excluding interest income from that when you talk about operational PAT?

**Sanjeev Bikhchandani:**

It is right.

**Nitin Sehgal:**

Okay. Thank you.

**Sanjeev Bikhchandani:**

Thanks.

**Ambarish Raghuvanshi:**

Thank you.

**Operator:**

Thank you, Mr. Nitin. Once again, if you wish to ask a question please press "star" "one" on your telephone and wait for your name to be announced. I repeat, if you wish to ask a question can please press "star" "one" and wait for your name to be announced.

We have next question from Mr. Ankit Kedia, ICICI Direct. Please go ahead, sir.

**Ankit Kedia:**

I will just to ask of the total revenues from Naukri and from the other verticals JeevanSathi and 99acres, how much percent comes from advertising?

**Sanjeev Bikhchandani:**

Okay. So actually there's Quadrangle also.

**Ankit Kedia:**

Yeah.

**Sanjeev Bikhchandani:**

But if you take all our verticals, now it depends how you define advertising, okay. So if you're saying Naukri job ads.

**Ankit Kedia:**

Okay.

**Sanjeev Bikhchandani:**

And then Naukri non-job ads and Naukri resume database, it's only a small percentage that comes from non-job ads.

**Ankit Kedia:**

Okay.

**Sanjeev Bikhchandani:**

Similarly in JeevanSathi it's only a small percentage that comes from other than matrimonial subscriptions. So we are not largely dependent on advertising revenue that is outside our core offering.

**Ankit Kedia:**

Okay. And why is that so because today we're talking about ads rates increasing for the internet. So aren't we focusing on more non-core ad rates as well from non-core business?

**Sanjeev Bikhchandani:**

We are doing that but because the core business is growing so fast the percentage remains small of the non-job ads, of the non-matrimonial ads, of non-real estate ads.

**Ankit Kedia:**

Okay. In the starting of the speech you said that this quarter advertising expenditure was less compared to the other quarters, why was it so ?

**Sanjeev Bikhchandani:**

No, no. not other quarters, compared to what we had planned.

**Ankit Kedia:**

Okay. So why was that so and going forward, what is the plan for the marketing?

**Sanjeev Bikhchandani:**

There were basic two reasons. One is we had budgeted a certain amount of ad expenditure in case we needed to combat the Times of India claims of being number one. We didn't need to combat them because the market wasn't listening to them anyway.

**Ankit Kedia:**

Okay.

**Sanjeev Bikhchandani:**

So we did not spend that money. And the second is that we, keep an eye on competition always to determine our share of voice and we found Monster was out of advertising so we did not spend that. The 99acres TV commercial got delayed by a couple of weeks, so there was less expenditure on that. Those are reasons why the ad expenditure was less than budgeted.

**Ankit Kedia:**

Okay. Thank you.

**Operator:**

Thank you Mr. Ankit. Next in line we have Mr. Sumit Poddar from Birla Sunlife Insurance. Please go ahead, sir.

**Sumit Poddar:**

Hello, sir and congratulations on your results. Can you please tell what will be the cash on books as of now?

**Sanjeev Bikhchandani:**

Upwards of 255 crores.

**Sumit Poddar:**

Okay. And as far as the IPO proceeds are concerned, how are the plans going for using those proceeds.

**Sanjeev Bikhchandani:**

We are negotiating a deal for land and campus.

**Sumit Poddar:**

Okay.

**Sanjeev Bikhchandani:**

You know, these things take time to close. Once it closes there are some investments going in there in the land plus campus. In addition, we are constantly on the lookout for acquisitions and constantly on the lookout for maybe funding startups, but there is no deal that's been closed yet. And on an acquisition, we're not really talking to anybody else because there are very few companies that you would like to acquire and they will be too expensive right now. So there are no viable acquisition targets available as of now. So acquisition will be slightly opportunistic.

**Sumit Poddar:**

Okay.

**Sanjeev Bikhchandani:**

You know, as and when they arise, but we expect that over the next year or two, if one of these new VC funded dotcom's build something, but is willing to be rolled up, that is the sort of target we may look at.

**Sumit Poddar:**

Okay. So apart from that, I mean apart from the education business that we're looking for, what other areas are we looking at or, I mean things are like in very initial stage, if you could throw some light on that.

**Sanjeev Bikhchandani:**

Okay. So like I said we launched Ask Naukri, which is a career guidance site.

**Sumit Poddar:**

Right.

**Sanjeev Bikhchandani:**

And what we have learned, from talking to recruiters overseas and in India is that, one of the lacunae they find in jobsites is that they don't give you passive candidates. So somebody who is actively looking for a job will go and register in a jobsite, but somebody who is not looking, but is open to talk if the right job comes along and you could not make the effort to register a jobsite either because he is not looking very actively or because he is shy, he doesn't want his resume out there.

**Sumit Poddar:**

Right.

**Sanjeev Bikhchandani:**

There if something could plug that gap and solves /fulfill that need, that's of interest to us, naturally. One of the things that lends itself to that is possible a networking site, we are interested in that space.

**Sumit Poddar:**

Okay. I mean is there a revenue model attached to Ask Naukri or how would it work? I mean would advertising be primarily the revenue model or some other thing would be adding on it.

**Sanjeev Bikhchandani:**

As of now the only revenue model we see in the immediate future, is advertising.

**Sumit Poddar:**

Okay.

**Sanjeev Bikhchandani:**

However, around the space, there are various revenue models that could evolve, but really this site is about building stickiness to Naukri., the site is about maybe reducing cost of resume acquisition by Naukri, this site is about good engagement to the brand and the customer.

**Sumit Poddar:**

Okay. Great.

**Sanjeev Bikhchandani:**

But we don't expect Ask Naukri to be a major revenue in the foreseeable future.

**Sumit Poddar:**

So one can see it as a value added service to Naukri?

**Sanjeev Bikhchandani:**

That's right.

**Sumit Poddar:**

Okay. Great. Thanks so much and all the best for future.

**Operator:**

Next question comes from Mr. Shekhar Singh, Goldman Sachs. Please go ahead, sir.

**Shekhar Singh:**

Hi, sir. Just wanted to know like, what is the status of pricing in the naukri.com site, that have you increased prices or just stable?

**Hitesh Oberoi:**

Well, there is a lot of pressure on pricing at the bottom end of the market because these are very, very small customers, who need to hire 10, 20, 30 people. So there the market is very competitive. However we are not seeing any pricing pressure at the top end right now, because these are really big companies who need to hire a lot of people. And they are already spending a lot of money on various channels for recruitment, so here we are going for larger and larger share of wallet, but yet as we penetrate more and more and as we get into more and more smaller cities and start targeting for our smaller customers, there is pressure on pricing there.

**Shekhar Singh:**

Okay. Can you tell in terms of some of your IT clients, have you actually seen some of them rolling back their recruitment plans, in the sense like or here they might be targeting with their numbers, but now they might actually be looking at slightly lower as compared to what they were expecting earlier.

**Sanjeev Bikhchandani:**

Actually, we haven't seen this and as far as our bigger clients goes, companies like TCS, Wipro, Satyam, we don't see anything like this. However, it's a little early to say because you know people are only now realizing that this rupee, at least some of them are saying that this rupee appreciation is here to stay. And we sense that the smaller company is likely to impact in more than a larger company.

But you know, it's not very clear as yet, and maybe it will be clear in another three or four months, I guess.

**Shekhar Singh:**

Okay.

**Ambarish Raghuvanshi:**

But you know, Shekhar we've also taken a slight price increase in the first quarter of this year.

**Shekhar Singh:**

Okay.

**Ambarish Raghuvanshi:**

And you know, it's not large and it's not across all our products. I mean, so for example our resume a database product we have taken some price increase.

**Shekhar Singh:**

Okay. Sir lastly, like on your website at the bottom of it shows as part of your naukri.com, it show something called icicicommunities.com. What is that, is it like something which you own or?

**Sanjeev Bikhchandani:**

No, no. This is just about a few years ago, you know, icicicommunities is a CSR sort of initiative with ICICI. They had requested us for a link so we gave it to them as a part of you know, if somebody gets helped, its fine, its kind of our CSR initiative, but no that's not a revenue earning thing and we don't own it. That's the link we gave on CRS kind of thing.

**Shekhar Singh:**

Okay. Thanks a lot.

**Operator:**

Thank you sir. Next question comes from Mr. Ajay Nandanwar from Indea Capital. Please go ahead sir.

**Ajay Nandanwar:**

Hi. Congratulations on a good quarter.

**Sanjeev Bikhchandani:**

Thanks.

**Ajay Nandanwar:**

Just a quick question where do you see on a normalized basis your advertising revenues to be as part of your overall revenue base?

**Sanjeev Bikhchandani:**

No, no. In revenues, not cost.

**Ajay Nandanwar:**

For the advertising costs as part of your overall revenue base?

**Sanjeev Bikhchandani:**

Okay. So you know, this is kind of tricky, because it's hard to predict I'll let Hitesh take it, but there are few of a variables that we got to look at.

**Hitesh Oberoi:**

Actually, we've got a good budget for this year, because we were not sure what the competitive landscape will be and two, we were not sure of how prices would move in the internet space. In Q1 we under spent on advertising compared to plan, because there wasn't much competitive activity from Monster and TimesJobs. We are not seeing too much of competitive activity in Q2 as well. And we are seeing for the first time rates go down for online advertising in India, so whether that's temporary or whether that's here to stay we don't know. So really it's very difficult to say. We have got a good budget, but you know we could come and slightly under this year, compared to our plan.

**Ajay Nandanwar:**

Sure. What part of the advertising spend is internet based?

**Sanjeev Bikhchandani:**

Well, the mix changes from quarter-to-quarter, but last year for example it was about 50/50 and in Q1 of this year it was maybe about 60/40 in favor of the internet.

**Ajay Nandanwar:**

Sure. One more question about new initiatives. What sort of investments are required to before the break even on new vertical on ballpark number?

**Sanjeev Bikhchandani:**

Well, actually you know there is no one standard. But depends on the size of market, nature of business, readiness of market, revenue model and so on and so forth. But you know, lets say something like 99acres requires product, it requires brand, traffic, sales team, evangelization, time to evangelize because the market is not so ready because the brokers are not tech savvy. Jeevansathi on the other hand does not require that kind of feed sales team but it is you know, you get smaller payments because individuals are paying. So its has online payments there are very few field sales. So therefore it varies and then Jeevansathi has also got two strong competitors. So therefore there is no sort of any sort of benchmark, but really you know we'll be surprised if any new business breaks even in less than three years.

**Ajay Nandanwar:**

If 99acres breaks even at the end of FY '09 how much would you have spent?

**Sanjeev Bikhchandani:**

Again, we don't do our budgeting in that fashion, we take it quarter-on-quarter and we see what we need to do to achieve the next milestone. So our budgeting is not, okay this is the budget, what we say is this is the milestone and how do we get there and what will it take to get there. And essentially, you know, the way we work is that internally within the Company, we do not target a profit number, we do not target an EBITDA number, what we do target however is, okay, what's the go for number on topline, and what do we need to get there, what resources, what spend levels, what new products, what new activities, what new offices. And then we go out and do that, and you know, the revenue could come at that level, could come slightly higher, could come slightly lower and the profit is the derived figure.

**Ajay Nandanwar:**

Sure. Okay. Thanks. Thanks so much.

**Operator:**

Thank you, sir. Next question comes from Mr. Nitin Lathia from HDFC Mutual Funds. Please go ahead, sir.

**Nitin Lathia:**

Hi, sir. You mentioned that you're still maintaining your monthly breakeven targets for JeevanSathi and 99acares, we would definitely like to hear from you, if you could share some of the operating metrics of those two sites and how they are behaving in terms of attractions that you would have expected vis-à-vis, what you are actually achieving?

**Sanjeev Bikhchandani:**

Just give me a second. So JeevanSathi, you know, had 1.71 million ever registered at the end of June '07, which was a year ago, 0.84 million, that's 840,000, so it's approximately doubled.

**Nitin Lathia:**

These are all live and paying profiles, is it?

**Sanjeev Bikhchandani:**

No. This is ever registered. The reason why we're talking about register because our competition talks of ever registered in their claims, but you know, live would be a fraction of this, you know, maybe a few hundred thousand. The number of paid transactions in the quarter went up from by about 25% from 16,745 to slightly over 20,000. The average revenue per bill, was about 1,400 rupees, up from about a 1,000 rupees in the same quarter previous year, that's about a 40% increase, it's growing steadily. I wouldn't say it's growing at 100% or 200% a year but number of profiles added daily is about 2,500.

**Nitin Lathia:**

Sorry, you said 2,500?

**Sanjeev Bikhchandani:**

A day.

**Nitin Lathia:**

Yeah.

**Sanjeev Bikhchandani:**

As compared to 2,200 in the same quarter previous year. We're seeing steady growth, I won't say its dramatic growth, but its steady growth and we are sort of inching forward every month and we are getting there.

**Nitin Lathia:**

Okay. And with regards 99acres?

**Sanjeev Bikhchandani:**

In 99acres the number of listings on the site end of June '07 was 55,000. But you know, the thing about 99acres is that we give a lot of free trials to get listings because there are lakhs of brokers out there, so to get a broker on, first we may give a free trial and then start charging him. So this number is important, but what's important from a surfer's perspective is how many and what kind of choice you have there. And you know, a listing goes out once it's 60 days old or when the client takes it off, is he has sold the property or rented it out. The number of paid transactions doubled in the quarter to over 1700 from under 900 previously, so we're seeing good steady progress there. We are a bit hampered by the fact that the market is slower than it use to be a year ago, the real estate market, but like I said, because we are so small, we'll still see growth.

**Nitin Lathia:**

Okay. Both these properties of yours are in your opinion progressing satisfactorily.

**Sanjeev Bikhchandani:**

Yes. I mean they are progressing, but naturally in any business we'd like to grow faster than we always are, so in our business, good enough is always a little more. But we're happy.

**Nitin Lathia:**

Okay, sir. Thank you very much for that.

**Operator:**

Thank you, sir. We have a follow-up question from Mr. Ankit Kedia from ICICI Direct. Please go ahead, sir.

**Ankit Kedia:**

Yeah. Sir, on the Jeevansathi, you gave the figures, could you say what is the acquisition cost per profile?

**Sanjeev Bikhchandani:**

We don't disclose that. But there are two elements of acquisition cost. One is the things you get from online and there are different acquisition cost from different sort of sources and there are different conversion rates from free to paid from different sources.

**Sanjeev Bikhchandani:**

Okay. But there is a certain base level of acquisition that happens on the site anyway. And the acquisition that happens on TV you can't really measure the acquisition, because you don't how much happened on TV and how much happened anyway? The only thing when you can measure is how much happened from online advertising. So it's kind of hard to sort of give a number there, but in any case even for the online thing where you can give a number, we don't disclose it for competitive reasons.

**Ankit Kedia:**

Okay. And about the percentage of advertising how much you spend on Naukri? How much you spend on 99acres and how much you spend on JeevanSathi?

**Sanjeev Bikhchandani:**

Well, it varies, you know, what we do is that we decide quarter-on-quarter on what we decide how is it doing, so for example, you know, if a live telecast film is not ready or we are not happy with the script and we keep rejecting scripts. We will not spend on TV until we get it right. So it's more milestone based than a budget. In our company, you know, a budget is not a sort of target or an entitlement, it is a ceiling. And we do what is need based beyond that.

**Ankit Kedia:**

But approximately your ballpark figure?

**Sanjeev Bikhchandani:**

Well, you know, Naukri being the bigger brand we do spend more on Naukri than any other individual brand. But for competitive reasons we don't give up breakups.

**Ankit Kedia:**

Okay. And I was seeing your last quarter results compared to this quarter results. Your staff cost remains exactly the same. So when does the wage high happens in the company and what were the implied additions in the quarter?

**Sanjeev Bikhchandani:**

Cost?

**Ankit Kedia:**

Your staff cost.

**Ambarish Raghuvanshi:**

Okay. I'll just explain that. You know, what happens is that our staff cost also includes a substantial proportion of sales incentive. In quarter four because our sales team had lots of big targets and make up plans and contest and so on, so as a result of that the figures at the yearend on sale intensive were higher, which was not similarly high I mean weren't as high in quarter one. But to answer your question, yes, we have taken increments in quarter one. And, you know, so that is already factored into the figure, which we have disclosed. But it doesn't take in account the quarter four or last year's sales intensive figures.

**Ankit Kedia:**

Sales intensive is 7%, 7% to 8%?

**Ambarish Raghuvanshi:**

7 to 8% of sales. That's right.

**Ankit Kedia:**

Okay. And there is one thing, how much are we hit from the Forex? How much of the revenue is coming from the international business in dollars?

**Ambarish Raghuvanshi:**

There are two ways of looking at it. One is that, you know, approximately 7% to 10% is from foreign revenues but some of it comes in rupees. But most of it is in dollars. We also have import payments on server payments and network charges and so on. So I think the net exposure would be about 6% to 7%.

**Ankit Kedia:**

Of the top line?

**Sanjeev Bikhchandani:**

But in addition, you know, like said on the demand side in Naukri, some of our clients are dependent on dollar revenue, like the IT sector, the BPO sector, the export sector, a placement consultancy or recruit firm for the IT sector, so there is a sort of sundry exposures there or derived exposure there, where if our clients are hit, you know, we will be hit.

**Ankit Kedia:**

Okay. And there is one thing, how much staff's addition are we looking at in this year, because for the Gulf expansion and stuff?

**Ambarish Raghuvanshi:**

Gulf expansion, is not going to be very manpower intensive because each of these offices will probably take three, four, five in Middle-East, in the Middle-East we right now have probably about five or six people. But we have a telesales operation which sells out of Noida, you know, there is field sales operations which is supported by a telesales operation, which works out of Noida. So the ramp up in headcount is not going to be on Gulf operations. There is going to be some increase in headcount, it's going to be for the 99acres sales team as we expand into more locations in India and Naukri domestic corporate sales because in any case, we're expanding to newer locations Naukri and in existing locations we're going to be mining them more deeply. So I don't think we're looking at a really huge ramp up in numbers this year on head count.

**Question:**

Okay. Thank you.

**Operator:**

Thank you, sir. Next is the follow-up question from Mr. Shekhar Singh, Goldman Sachs, over to you, sir.

**Shekhar Singh:**

Basically on 99acres, I'm just trying to understand like right now when the supply of flats and the property is pretty high and the demand is not very high, or the demand is fallen

off. This should be the time when there should be some pressure on the developer to advertise more and therefore, this should be the time when 99acres should be doing well. Is my understanding right or is this what you're seeing on the ground or is it?

**Hitesh Oberoi:**

Well, this is not what we are seeing as far as print advertising goes, the amount of money we spent on print ad has gone down substantially. So but, however our business continues to grow because, we are very small part of the total advertising pie. What it is doing it is helping us, crack more and more customers because they want to reach out to a different audience and they don't want to spend that kind of money on advertising in print. So our addition in terms of customers continues to be strong. But a lot of the small and medium builders and broker are actually not in business anymore, because like Sanjeev, mentioned earlier, there is a huge shortage of funds in the supply side as well because a lot of these brokers / builders who are small and medium size have land banks but no money to build property. So the supply side is also not that strong right now.

**Ambarish Raghuvanshi:**

But we have made head way with, some big developers and, I think we are getting greater traction there, Shekhar.

**Shekhar Singh:**

Okay. Thanks a lot.

**Operator:**

Thank you, Mr. Shekhar. Once again, if you wish to ask a question please press "star" "one" on your telephone and wait for your name to be announced. I repeat, if you wish to ask a question can please press "star" "one" and wait for your name to be announced.

There is a follow-up question from Ankit Kedia, ICICI Directory. Please go ahead, sir.

**Ankit Kedia:**

Sir, you said in couple of months you'll close on the property. So what's the budget for the property we are looking at?

**Sanjeev Bikhchandani:**

At current estimates at current prices of construction, the project cost or even current sort of construction interiors cost would be in the region of 55 to 60 crores.

**Ankit Kedia:**

Okay.

**Sanjeev Bikhchandani:**

But this is over a 2 year period, once we buy it, then we'll do the plan approvals, and then start the building construction interiors. So it depends there may be some inflation on construction cost in that period.

**Ankit Kedia:**

So you'll still be sitting on huge pile of cash?

**Sanjeev Bikhchandani:**

Yes, we should be. But like I said, acquisitions are opportunistic and it depends on, when they come.

**Ankit Kedia:**

Okay. Thank you.

**Operator:**

Thank you, sir. Once again, if you wish to ask a question please press "star" "one" on your telephone and wait for your name to be announced. Participants, who wish to ask any questions can please press "star" "one" and wait for their name to be announced.

At this time, there are no further questions. I would like to hand over the flow back to, Mr. Sanjeev Bikhchandani for the final remark, over to you sir.

**Sanjeev Bikhchandani:**

Well I've got nothing really to add on. Thank you for coming on the call, and do please get in touch in case you have further clarifications. Thank you.

**Operator:**

That does conclude our conference for today. Thank you for participating. You may all disconnect now.

**END**