

OnMobile Global Limited

Consolidated Financial Results for the Quarter and Nine months ended December 31, 2009

Amount in Rs. Lakhs except earnings per share and public shareholding data

Sl. No	Particulars	Quarter ended		Nine months ended / Year to date		Year ended
		December 31, 2009 (Unaudited)	December 31, 2008 (Unaudited)	December 31, 2009 (Unaudited)	December 31, 2008 (Unaudited)	March 31, 2009 (Audited)
1	Net Sales/ Income from Operations					
	(a) Telecom Value Added Services	10,279	10,288	30,487	26,817	37,247
	(b) Other services	1,268	1,284	2,647	2,287	3,389
	Total Revenue	11,547	11,572	33,134	29,104	40,636
2	Expenditure					
	(a) Cost of sales and services					
	- Content fee and royalty	2,191	1,425	6,298	3,263	5,132
	- Other sales and services	1,149	720	3,092	2,057	2,643
	(b) Employee cost	3,769	3,147	10,880	8,661	12,036
	(c) Depreciation	1,131	1,162	3,284	3,159	4,397
	(d) Other Expenditure	2,131	2,212	6,766	6,132	8,012
	Total Expenditure	10,371	8,666	30,320	23,272	32,220
3	Profit from operations before Other income, Interest and Exceptional items (1-2)	1,176	2,906	2,814	5,832	8,416
4	Other Income	534	782	1,715	2,400	3,101
5	Profit before Interest and Exceptional items (3+4)	1,710	3,688	4,529	8,232	11,517
6	Interest	7	5	17	5	5
7	Profit after interest but before Exceptional items (5-6)	1,703	3,683	4,512	8,227	11,512
8	Exceptional items	-	-	-	-	-
9	Profit from Ordinary Activities before tax (7+8)	1,703	3,683	4,512	8,227	11,512
10	Tax expense					
	(a) Current Tax	186	826	1,252	1,997	2,599
	(b) Earlier year provision	-	-	(102)	-	-
	(c) Deferred Tax	255	64	164	19	279
	(d) Fringe Benefit Tax	-	29	-	94	114
		441	919	1,314	2,110	2,992
11	Net profit from Ordinary Activities after tax (9-10)	1,262	2,764	3,198	6,117	8,520
12	Extraordinary items (net of tax expenses)	-	-	-	-	-
13	Net Profit for the period (11-12)	1,262	2,764	3,198	6,117	8,520
14	Minority interest	-	-	85	-	-
15	Share in Profit/(Loss) of Associates	55	-	55	-	-
16	Profit attributable to Consolidated Group (13-14+15)	1,317	2,764	3,168	6,117	8,520
17	Paid up equity share capital (Face value of Rs 10/- each)	5,839	5,780	5,839	5,780	5,783
18	Reserves excluding revaluation reserves	-	-	-	-	64,112
19	Earnings per share (in Rs) (not annualised)					
	(a) Basic	2.3	4.8	5.5	10.6	14.8
	(b) Diluted	2.2	4.6	5.3	10.2	14.3
20	Public Shareholding					
	- Number of shares	26,374,467	24,779,563	26,374,467	24,779,563	24,809,502
	- Percentage of shareholding	45.17	42.87	45.17	42.87	42.90
21	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	-	-	-	-	150,000
	- Percentage of shares (as a % of 'the total shareholding of promoter and promoter group)	-	-	-	-	0.45
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	0.26
	b) Non-encumbered					
	- Number of shares	32,020,156	33,023,817	32,020,156	33,023,817	32,873,817
	- Percentage of shares (as a % of 'the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	99.55
	- Percentage of shares (as a % of the total share capital of the company)	54.83	57.16	54.83	57.16	56.84

Notes

- 1 The above results have been reviewed by the Audit Committee, taken on record by the Board of Directors at its meeting held on January 29, 2010 and have been reviewed by the auditors.
- 2 The above results include consolidated results of the Company and its subsidiaries OnMobile Australia Pty Limited, OnMobile Singapore Pte Limited, PT OnMobile Indonesia, OnMobile Europe B.V., VoxMobili S.A., VoxMobili Inc., Telisma S.A., Phonetize Solutions Private Limited, OnMobile USA LLC, Servicios De Telefonía OnMobile SA DE CV, Ver se Innovation Private Limited (upto September 29, 2009) and its associate Ver se Innovation Private Limited (From September 29, 2009). The financial results of Telisma S.A. has been consolidated from its acquisition on July 1, 2008 onwards and Ver se Innovation Private Limited has become associate from September 29, 2009 and hence the figures of previous period/year are not comparable. The results of OnMobile Singapore Pte Limited, VoxMobili S.A., VoxMobili Inc., and Telisma S.A. have been reviewed by the auditors of respective subsidiaries. Remaining subsidiaries and associates have been consolidated based on management reports.
- 3 The Company has sold 5.08% of its equity holding, in Ver se Innovation Private Limited for a consideration of Rs 300 lakhs on September 29, 2009, as a result of which the said subsidiary has become an associate of the Company.
- 4 The Company is in the process of expanding its business in Latin America and has made an initial commitment of Euro 370 lakhs to start its operations in this region. Various business agreements dated June 30, 2009 have been formalised with Telefonica Internacional, S.A.U, Spain (Telefonica) towards deploying Value Added Services on exclusive and non-exclusive basis across 13 countries in the region.
- 5 Based on an internal technical evaluation, the Company has revised the estimated useful life of Telephony Cards grouped under Computer and Electronic Equipment from 3 years to 5 years, the impact being the profit before tax during the quarter and period ended December 31, 2009 is higher by Rs. 270.36 lakhs and Rs. 776.69 lakhs respectively.
- 6 During the previous year the Company had received demand notices relating to KST, KVAT and CST from Deputy Commissioner of Commercial Taxes amounting to Rs 3,392 lakhs for the period from April 2002 to March 2008, which the Company had disputed and filed a writ petition in the Honorable High Court of Karnataka. The matter was dismissed by the Honorable High Court of Karnataka with direction to file an appeal to the VAT Appellate Authority and the same has been filed as on March 31, 2009. The Company had deposited 50% of the total claim amount under the direction of the Honorable High Court of Karnataka and pending resolution of the matter, no amounts have been accrued in the accounts.

A demand notice relating to KST, KVAT and CST from Deputy Commissioner of Commercial Taxes amounting to Rs. 1,124 lakhs for the period from April 2008 to March 2009 has been received by the Company on January 11, 2010. The Company has deposited 50% of the total claim amount and no amounts have been accrued in the accounts

- 7 The details of utilisation of Net IPO proceeds are as under:

Categories as defined in the Prospectus	Amount in Rs. Lakhs	
	Projection in Prospectus	Actual funds utilised till December 31, 2009
Purchase of equipments for offices at Bangalore, Mumbai and Delhi and various customer sites	18,052	11,688
Working Capital requirements	500	500
Repayment of loan	3,500	3,500
General Corporate purposes	13,393	12,995
Total	35,445	28,683

The proceeds from IPO (Net of Share Issue Expenses) was Rs. 35,356 lakhs. The unutilised funds as at December 31, 2009 have been temporarily invested in Short term Investments/ Fixed Deposits with Banks.

- 8 Information on investor complaints pursuant to clause 41 of the Listing agreement for the quarter ended December 31, 2009 :

Nature of Investor complaints	Opening Balance	Additions	Disposal	Closing Balance
Allotment/ Refund/Transfer/others	-	2	2	-

- 9 The Company is engaged in providing value added services in telecom business and its operations are considered to constitute a single segment in the context of Accounting Standard 17 - "Segment Reporting".
- 10 Previous period figures have been reclassified/ regrouped wherever necessary.
- 11 The Standalone financial results for the period ended December 31, 2009 is available at www.onmobile.com

on behalf of Board of Directors

Arvind Rao
Chief Executive Officer and
Managing Director

Place: Bangalore
Date: January 29, 2010