

## **OnMobile Global Ltd**

30<sup>th</sup> Jan 2009

Quarter ending 31<sup>st</sup> Dec 2008 – For external communication

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We are happy to present the financial performance of the Company for the Quarter ended 31<sup>st</sup> December 2008.

### **1. Material New Developments - Customers**

Launched Cross Operator \* to Copy between two more Operators in India  
Won the order to provide VAS services to another GSM operator in India  
Started deployment of first RBT customer in Europe  
Signed contract with another Operator in Bangladesh for IVR, OBD and Subscription services  
Signed contract with an Operator in Bangladesh for providing Phone back-up services  
Letter of Intent signed for providing IVR services with another Operator in Indonesia

### **2. Material New Developments – Products**

Launched Music Search in a leading Operator in India on Telisma's Speech Recognition Technology  
Launched OnMobile Developer Network  
Initiated retail kiosk rollout with one of India's largest Operators.

### **3. Material New Developments - Organization**

- a. Sanjay Uppal was appointed as the President and Chief Operating Officer. His previous assignment was with Citrix Systems Inc., where he was Vice-President Application Networking. He was also associated with Caymas Technologies as President and CEO and with Hewlett – Packard in the US.
- b. New offices:
  - Registration obtained for a new branch office in South Africa
  - Applied for registration of a new branch office in Nepal

### **4. Awards and Recognition**

Deloitte Fast 50 India 2008  
Deloitte Fast 500 Asia Pacific 2008  
Mobile Marketing Award at MEA 2008 for Ad-RBT  
Ernst & Young Start-up Entrepreneur of the Year 2008 for Arvind  
Silver shield in ICAI Awards for Excellence in Financial Reporting

## **Financials**

### **5. Revenue**

- a. Current quarter consolidated revenue = INR 11, 572 lacs / *standalone* = INR 8,882 lacs (77% of consolidated revenue)
- b. QoQ sequential growth consolidated = 18.7% and standalone = 11.9%

- c. YoY growth in this quarter = 43.8% (consolidated revenue)
- d. YTD growth over prior YTD = 50.8% and standalone = 42.4%
- e. YTD International revenue is 24% of total revenue as compared to 19% for same period last year
- f. Revenue concentration from top 5 Operators down from 77% in the last financial year to 69% during YTD current year

## 6. EBITDA

- a. Current quarter consolidated EBITDA = INR 4,053 lacs (35% margin) / *standalone* = INR 3,439 lacs (38.7% margin, 85% of consolidated EBITDA)
- b. QoQ sequential growth consolidated = 48.1% and *standalone* = 17.4%
- c. YTD growth over prior YTD, consolidated = 1.1% and *standalone* = 23.7%
  - Our direct costs during the year are higher mainly due to higher content costs including costs related to strategic alliances and higher payouts for media and mobile marketing business.
  - During quarter 3 of last year, we had the benefit of higher revenue and EBITDA margins from Voxmobili under their old accounting policy.
  - Our year to date financials also include the revenue and costs of Telisma, which was acquired on 1<sup>st</sup> July 2008.

## 7. PAT

- a. Current quarter consolidated PAT = INR 2,764 lacs (22.4% margin) / *standalone* = INR 2,042 lacs (21.6% margin, 87% of consolidated PAT)
- b. QoQ sequential growth consolidated = 50.3% and *standalone* = 17.4%
- c. YTD growth over prior YTD, consolidated = 9.7% and *standalone* = 46.1%

## 8. EPS

- a. Current quarter EPS = INR 4.6 per share / *standalone* = INR 3.4 per share
- b. YoY quarterly growth in consolidated EPS is -8.2% / *standalone* growth is 61.1%
- c. YTD EPS = INR 10.2 per share / *standalone* is INR 8.7 per share
- d. YTD growth in consolidated EPS is -7% / *standalone* growth is 24.1%

We have continued to focus on reducing the discretionary expenditure beginning Q3. This coupled with increased revenue has resulted in higher operating margins.

As we had mentioned in our previous earnings calls, we have changed the accounting policy on revenue recognition in Voxmobili from the beginning of this fiscal year. However, the quarterly revenue is still impacted by the underlying business seasonality. As a result, the Q3 Voxmobili financials would be better than all the other quarters.