



Tower # 1 94/1 C & 94/2,
Symbiosis - CGI Road,
Electronic City Phase-1,
Bangalore - 560100, India

P: +91 80 4009 6000
www.onmobile.com

Q1 FY2019 Investor's Conference Call

July 27, 2018

SPEAKERS:

Mr. François-Charles, Chairman and CEO;
Mr. Ignacio Martin Velasco; President and Chief Operating Officer (Europe, North America & Latin America);
Mr. Sanjay Bhambri, President and Chief Operating Officer, India, Asia, Middle East and Africa;
Mr. Ganesh Murthy, Chief Financial Officer.

Moderator:

A very good evening, ladies and gentlemen. I am Sourodip, your moderator for this session. Thank you for standing by and welcome to the Q1 FY2019 Investor's Conference Call. For the duration of the presentation, all participants' lines will be in listen-only mode, and there will be an introduction to the results followed by a Q&A session. Joining us today on the call are Mr. F. C., Chairman and CEO; Mr. Sanjay Bhambri; Mr. Ignacio Martin Velasco; and Mr. Ganesh Murthy from the management team.

Before we begin, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For a list of such considerations, please refer to the earnings presentation. OnMobile Global undertakes no obligation to publicly revise any forward-looking statement to reflect future, likely events or circumstances. Please be advised that this conference is being recorded today. I would like to now hand over the conference to Mr. Francois-Charles Sirois, Mr. F. C. Thank you and over to you, sir.

François-Charles:

Thank you. Good evening, everyone. Welcome to this Q1 call, the first quarter of the year. First let me say that we have a new Board member onboard Gianluca D'Agostino. We are very happy that he accepted to join the Board. He has got a good 25 years of experience in the field. Actually he founded a company very similar to OnMobile called Neomobile. During his tenure as the CEO of the company, it was a leading mobile organization on that front. Gianluca also serves on many Boards in other companies like CoolGames and Bango. He has a very good background on the ecosystems that we are playing on and really knows the industry's inside-out. So, we are very happy to have him join the Board. That's the first element I want to share with you.

The second thing I want to share with you is our strategic pillars. One thing we promised that we would give shareholders more information starting this quarter and that's what we are doing, especially in terms of our revenues and product segments. So, I would like you to be able to analyze and understand OnMobile on at least three pillars. One of them being the tones business which has been our legacy product. We have been in tones for a long time, but that's one segment of the business, which represents about 40% of the business. The second element which we push a lot is the video which is a growing segment in the mobile internet entertainment space. And the third element is games. As we announced last quarter, we launched a new gaming service. Gaming is a business that we have been doing in the past many years. But now we are really seeing the growth globally on mobile games, and we decided

to launch "All You Can Eat" services on that front. So, when we take these three, we actually look at the impact, as you can see, today we do about 142 millions rupees revenues in games and with the introduction of the new Movistar service in Telefonica, we really should see the number growing in the coming quarters. So, that's something that we should really look at as to how much growth can we generate on that front. And we have a lot of operators globally. That's why we are very interested to launch this new gaming service. So, that's one segment.

Second segment, as you see the video piece, we grew quarter-on-quarter 7.5% growth on the video and editorial. We talked a lot about the regional video portal. We talked a lot about the efforts that we are going across the globe with the video. And that's the segment which is fairly growing as you can see.

The last element is the tones business which represents 40% of our business. Ringback tones, as you know, was de-growing in the past quarters. Our priority is to stabilize this revenue. I am happy to share with you that the first quarter it is growing at 2.6%. That's the result of the bundling that we have been doing in India which really stopped the de-growth and now we can see a rollback. So, I think we are meeting the objective of being able to stabilize our ringback tone revenues and actually seeing a growth now in that segment.

I think this gives you a good view of our business by product. And we will be reporting on every quarter each of the segment of the business. So, we all are in agreement with what kind of business OnMobile is in and why we are optimistic on where we are going on that front.

Now I am going to pass to Ganesh, CFO. He will talk about the financial results.

Ganesh Murthy:

Thank you, FC. Let me now take you through the key financial highlights for the quarter. In quarter one, we achieved a total revenue of 151 crores and this represents a growth of 1.7% over the previous quarter. We are quite pleased with this because this upswing in revenue comes after two consecutive quarters of revenue decline. And I think, more importantly as our CEO mentioned, we have been successful in arresting the downward trend in our ringback tones revenues.

During the quarter, RBT revenue, that is ringback tone revenue, grew by 2.6% to Rs. 61 crores. And this growth in revenue has been achieved through our efforts in offering ringback tone bundled packages to our consumers. During the quarter, we added two new

operators to our revenue-generating list. One is the Caribbean region and other is the African region. And with these two additions to our customer base, we now have 76 customers across the world.

Now let's shift gear to the cost part. We have been successful in the quarter in renegotiating certain content contracts by shifting them from a fixed cost model to a revenue share basis, and this has resulted in an improvement in the gross profit by 2.4% in the current quarter. And from a gross margin perspective, there was an increase of 40 basis points from the previous quarter.

Our automation efforts continue to yield results as we closed this quarter with a head count of 857 people, and in the previous quarter we had 905 employees. I must also add that this does not translate to manpower cost reduction in this quarter since there was a salary increase that was given to all employees from April 2018. From an opex analysis, our focus on rationalization of expenses has been rewarding. We ended with 7% reduction quarter-on-quarter basis. We have further measures that are underway on this front and these measures are expected to improve and impact the margin positively in the forthcoming quarters.

Our operating profit for the quarter was flat at Rs. 8 million. Profit before tax was 33 million since we had a one-time impact of 26 million loss that arose from a sale of an office property in Mumbai during the quarter. So, this is a one-time loss which will not be repeated in the future. And this sale has actually, even though it resulted in a book loss, resulted in taxable gains, and this has adversely impacted our tax provision for this quarter. Now if you negate this impact of this sale, profit after tax would have been around Rs. 40 million which is in line with Q4 and which is actually Rs. 15 million higher than the corresponding quarter of the previous year. Cash and cash equivalents have touched an all-time high of Rs. 317 crores and this has been achieved through better working capital management and lower billed DSO. During the quarter, we generated an additional 12 crores of cash from operations.

With this, we complete the financial highlights for the quarter. I would now like to ask the moderator to open the line for questions from participants. Over to you, moderator.

Moderator:

Thank you very much. So, participants, with this we open it for Q&A interactive session. Should you wish to ask any question, you may press "0" "1" on your telephone keypad. We have the first question from Mr. Yash Agarwal from Crest Capital. The line is unmuted. You may please go ahead and ask your question.

- Yash Agarwal:** Good evening, sir. If I heard you correctly, your gaming business contributed 14 million to the revenue this quarter, right?
- Ganesh Murthy:** It's Rs. 142 million, which is Rs. 14 crores.
- Yash Agarwal:** For the full year, what is the expectation on the games revenue?
- Ganesh Murthy:** We don't provide any forward looking guidance. But we expect a growth because we already had games revenue which was the existing revenue. That was in a different model. Now we have added "All-You-Can-Eat" subscription model on the games. We have already done this with one operator and negotiations are underway with other operators. So, we anticipate a growth in the overall games portfolio. Ignacio, maybe you want to add on that?
- Ignacio Martin Velasco:** You are right, Ganesh. We were already providing our games offering in some countries. Now we have a unique new offer with unlimited games, more than 300 titles that have been accessible for the customers on flat fee. We are seeing a lot of traction in this. We have seen a lot of opportunities globally to launch this service. So, we are positive about the growth and future for games.
- Yash Agarwal:** I think in the past few quarters, you stated about 5 million dollars of new contracts you have won. So, I am just trying to understand if that has kicked in the Q1 of FY19 in the revenue booking?
- Ganesh Murthy:** It has kicked in. As I mentioned, we have had additional revenues not only from the games offering but we have also had revenues from two new customers, one in Africa and one is in the Caribbean. The revenues have started kicking in. Further revenues are expected to kick in from the remaining customers from quarter two onwards.
- Yash Agarwal:** Another question on the tones business. From here can we anticipate 3% quarterly growth and the decline has been downward? Is that the right assessment?
- Ganesh Murthy:** To give you the perspective – our ringback tones business over the last few quarters was declining. So, we were concerned with that, and we evolved a strategy to make sure that we arrest this decline. And this has been a gradual process because we have done a lot of measures like introducing bundled packages, introducing RBT recharge vouchers with various customers and so on. We have started looking at various customers in India as well as outside India and started this strategy. And this has started yielding results. So, you can see that this quarter we actually grew the ringback tones

revenue by 2.6% quarter-on-quarter. We do ringback tones right now of about 61 crores of rupees per quarter. We feel that we have stabilized it. Going forward, we want to ensure to follow the same strategy and to stabilize it and then grow it. I wouldn't be able to mention a growth percentage to you. But our objective is to stabilize and grow.

Yash Agarwal: Sir, have we added any new operators in RBT in this segment?

Ganesh Murthy: Yes, the two new deals... I told you about the deal in Africa and the deal in the Caribbean. These are RBT deals.

Yash Agarwal: Okay. Now few questions on the opex side. This 2.6 crores of loss that you were talking about in the loss & profit, is that a part of other expenses?

Ganesh Murthy: No. That won't come under other expenses. That will come below operating profit because that was an office property which was purchased about six, seven years ago, which we had rented out. We saw that cash was blocked and obviously we are not in the renting business. So, we got a good deal to sell the property.

Yash Agarwal: I cannot see anything in the exceptional item for this quarter specifically.

Ganesh Murthy: It's not in exceptional item. We haven't labeled it as an exceptional item. We have just clubbed it below operating profit. It is netted off with the other income.

Yash Agarwal: Okay. You removed from the other income?

Ganesh Murthy: It is netted off with the other income. And that is why you see in the last quarter the other income was Rs. 84 million and this quarter it is only Rs. 26 million. The reason for that is significant amount of Rs. 26 million is the book loss on the property. But we managed to get more than Rs. 6.5 crores cash inflow from the sale of this property.

Yash Agarwal: Okay. Sir, in terms of cost savings, obviously you highlighted the initiatives that you have taken in terms of content fee, rationalization, and reduction in employee cost. So, what's sort of EBITDA margin one should look at; or if not that, what sort of opex growth could you guide for in FY19?

Ganesh Murthy: We are not looking at any opex growth. In fact, we feel that opex will be contained at the same level or even decline in absolute terms.

- Yash Agarwal:** Incrementally, all the revenue will flow into the profits. Right?
- Ganesh Murthy:** That is correct. Yes. That is our expectation.
- Yash Agarwal:** Okay. Your presentation also refers to turning around a few subsidiaries. I believe there are a few loss making subsidiaries particularly in the United States. So, what is the plan there, sir?
- Ganesh Murthy:** There are two plans regarding subsidiaries. One is, if there are loss making subsidiaries, we are trying to get into that and see how we can rationalize the cost and make the subsidiary a profit making entity. That is objective number one. Again it's a process. We can't do miracles in one quarter. It takes a period of time to make structural changes. So, that is one aspect. The second aspect is to look at dormant entities. We have something like about 66 different entities across the world and many are in the same jurisdiction. We want to rationalize and limit it to one legal entity in each jurisdiction where we are present. So, that process is on. There will be some investment in liquidation expenses. But at the same time, we will realize savings in terms of compliance cost, audit cost, legal cost, tax return, filing of tax return and so on.
- Yash Agarwal:** Another question on other income. I believe we have about an excess of 300 crores of cash. So, why is the other income of 12 crores last year? Why is the other income so low?
- Ganesh Murthy:** As I mentioned, the other income is netted off with the building loss, the loss in the sale of the building.
- Yash Agarwal:** I am talking about the last whole year of FY18. It was about 12 crores.
- Ganesh Murthy:** Last year, in other income, we got interest from an income tax refund of Rs. 3.2 crores, which was a one-time other income.
- Yash Agarwal:** Actually, what I am trying to ask is, is the whole cash balance currently in India right now yielding interest or is it in other part of the world?
- Ganesh Murthy:** You are right. Most of it is in India. Out of 306 crores, I think the bulk of it, about 70% to 80% is in India, which is interest yielding and we get a return of about 7% plus.
- Yash Agarwal:** Okay. 70% to 80% of the cash is staying in India of the 306 crores.
- Ganesh Murthy:** That's correct.

- Yash Agarwal:** Is there a plan to increase that percentage?
- Ganesh Murthy:** See, we are an Indian company, headquartered in India. Our dividend obligations and so on are out of India. So, obviously we like to keep the cash in India and accumulate it. If you can see from last quarter to this quarter, there has already been a significant shift of cash being brought to India and we will try to maximize that.
- Yash Agarwal:** Sure. Final question from my side. Who are your main competitors globally, sir, in these product streams?
- Ganesh Murthy:** We have different competitors in different products streams. I can request Sanjay to answer that?
- Sanjay Bhambri:** Fundamentally, I think we won't typically have same set company as a competition but if you see from different verticals, we will have competition. Looking at tones, again we will have a fragmented competition. But if you look at the global level, it will be Huawei. Beyond that on a market to market, we will have competition in different parts of the world. Similarly, on games and video, typically the market segment we are working, globally we will have companies which will be our competitors, but not like a single company like OnMobile which is focusing on three verticals. I don't think there is a company which is exactly like that in the world which is focusing on three verticals in serving globally. That would be a little difficult to name because I can't think of any company exactly like cut, paste, copy. Does that help?
- Yash Agarwal:** Yes. And one more question. On the India market, sir, how is the competitive scenario now with Jio gaining substantial market share and how do you see this market evolving for you?
- Sanjay Bhambri:** Fundamentally, with the advent of Jio and how Jio has evolved over the last two years, the whole market dynamics in India per se has changed for everyone. Since our primary market being operators, obviously if you see one big shift which has happened is with the bundling coming in, the end consumer is fundamentally paying say Rs. 100, Rs. 200, Rs. 500, whatever number he pays and he gets services as a package. That is what Jio launched fundamentally and all the operators have gradually reacted to it. Once they have reacted, it became quite important for us to be a part of those packages. And that is what Ganesh was talking about earlier on how we have been trying to work with our partners in India to be a part of these packages so that the services are available to all these operators. So, there is a change in how the business is happening. It's partly shifting and we are adapting to those things as Ganesh was telling in the start part of the speech.

- Moderator:** Thank you very much. Before we take the next question, I would like to repeat. Participants, if you wish to ask any question, please press "0" "1" on your telephone keypad. We have the next question from Mr. Vardhan who is an individual investor. The line is unmuted.
- Vardhan:** First of all, I am very impressed finally with the sales and other things. My first question is on the buyback. So, I think, the promoter F.C and Telesystems, they have bought some OnMobile stock from Infosys, right? So, if it makes sense for the promoters to buy from Infosys, why have the shareholders not been rewarded and why is there no buyback announced?
- Ganesh Murthy:** So, your question is, why are we not announcing a share buyback, is it?
- Vardhan:** Yes, because your promoters are buying, right? We bought from another entity. So, if it makes sense for the promoters to buy and stock is underpriced, right? So, why doesn't the company announce buyback when we have 300 crores? So, how is it not prudent to make a buyback for the overall company?
- Ganesh Murthy:** Buyback is part of our cash strategy. If you look at our history, we have done three buybacks in the last four years. So, it's not that buyback is a new thing to us. So, that is something that the Board is considering. I won't be able to comment because they haven't taken any decision yet. But that is again one of the strategies that they are looking at.
- Vardhan:** So, as a shareholder, for me what's very important is if someone is buying and you have our money and you are not buying, obviously if someone is seeing the opportunity as a part of the Board and he doesn't see value for the shareholder, I don't know and it's a bit confusing. But I leave it to that. Second question I have is...
- Ganesh Murthy:** Just hang on. I just wanted to point out that in quarter one, there was no purchase of shares by the promoter. I just wanted that to be clarified. I don't want to give the impression that promoters bought shares in Q1. That happened in quarter four.
- Vardhan:** Ganesh, what I will appreciate is, I assume that you will do it in one or two quarters. We don't do it in the same quarter, right? So, your Board needs time and you talk about it and you decide, right? Anyway, I think I got my answer. So, coming to the other part, we should consider you as a service company or a product company because in your presentation we saw OnMo being there everywhere, right? But how many places OnMo brand being used

because what I know is in US you launched it and the number I saw on Google was not great. And in Telefonica and wherever you have launched it, is it under operators' brand name or is it under your name? Like Vodafone ringback tones, right? It's not under the OnMo brand name. So, are you a service company or a product company?

François-Charles:

I think we are clearly a service company with the operator but we are clearly a distinct product. So, just to be clear, you know, we are focused on B2B, B2C. When I say B2B, B2C, we work with the operators to launch services and we are not a pure off-deck where we would just do billing and do our pure OTT services with our brand B2C and invest in marketing. We focus on B2B, B2C because we want the operators' name and specially marketing dollars that we can invest with them and grow it big. If you take exactly the example of Telefonica, they want to put their name on the service and not our name. So, it's not called OnMo game, it's called Movistar game. But it's marketing dollars and they are pushing a lot. We can add some marketing dollars on this. So, at the end, I'm not going to debate if it's our brand or the operator's brand. At the end, we are selling subscription and we are making money. So, that's the key. But on the back end, it's clearly our product line and it's clearly a product. In other markets, we are going to introduce our brand and in some other markets we will be very aggressive and actually I have our own branding. I don't know if I have answered your question. It's going to be a mix of three here.

Vardhan:

Okay. So, I think there are so many global service companies, right? What makes you limit your service line? Other thing is, we don't do part in India. You have 60 crores of revenue, 40 crores of content spend. So, if the operators had to do in-house delivery, he is very happy because he is not giving any margins to you and you are not making money. So, how does it help if you're not making money and your service company is not expanding? What is the in-house cost for developing a ringback tone? I think the operator will pay the same. So, why don't you do a direct contract, make them handle the subscription? Why do you want to handle the subscription and make a transaction-based revenue?

Ganesh Murthy:

As F.C. mentioned, it's not necessarily that we are limited only to working through the operator. Depending upon the market and the situation, we may also look at launching our own brand. The only thing is that we need to bear in mind that we need to invest significantly in marketing if we have to launch our own brand. That's something that we need to first build our revenue growth engine and then look at these items.

- Wardhan:** Okay. How many patents have you filed? Can I ask that?
- Ganesh Murthy:** We haven't filed any patent.
- Wardhan:** Historically, how many patents do you have? TCS, lot of large companies are doing 20 times of your number. I really don't know what the strategy and revenue numbers you are planning is. For me, I am very surprised being a service company, you don't have 2, 3% PAT and you are not getting into new service lines. It's really confusing what are we up to.
- François-Charles:** You said it's confusing. For me, it's pretty clear. We are really focused on selling our products through operators and we have distinct products. You know, if you look at the mobile gaming market, we are the key players in the mobile gaming market and I think we can really hit the big piece of the market in terms of gaming subscription. Same thing with the video subscription. If you are playing Netflix model, it is very tough to do as you know in Netflix, we need dollars in customer acquisition and then billions of dollars in content. Right now we are more focused. If I think about our original video portal for example, regional video portal where we can expand in key market and leverage on some marketing, then with the operators added to our marketing. So, I really view this video segment growing, the gaming segment growing and I think we can do a very good business on that front. So, is that a mix of service and product? Yeah, it is. But I think the direction we are going is very clear on the product side.
- Vardhan:** Okay. I leave the best judgment to you, guys. A lot of companies which are 20 times of your size are growing five times faster than you and you are still into a market which you are not ready to admit that your numbers are 600 crores, whatever your numbers are. And that's a very small size, and still neither you can grow topline nor bottomline, right? And you are still betting on something which... I'm really sorry to say. But at least I'm very happy to see our numbers are restrained, our de-growth is restrained. But I really feel your business model needs a revamp. I think you have more smart people on the Board. So, best of luck.
- Model:** Thank you very much. Before you move further, I would like to repeat once again. Participants, if you wish to ask any question, please press "0" "1" on your telephone keypad. We have a question from Mr. Naishad from Dron Capital. The line is unmuted. You may please go ahead and ask your question.
- Naishad:** I will just add to what was highlighted in the previous question. Maybe you can consider this as a general thought. You are already

present in more than 76 operators. Broadly, whatever I have understood is in excess of 1500 million customers across the world in terms of the canvas. If you take a plan of two, three years, you will need to spend let's say... If you make a plan to spend about between 100 to 200 million dollars behind different products in terms of really branding OnMo and marketing, operators will be more than happy if you are adding marketing dollars to it. All you need to do is maybe create a subsidiary, commit 20, 30 millions from your kitty and raise balance 50, 70 millions from any of the VCs. They will be more than happy because you already have the canvas, you already have the product, you already have in terms of the technical side of it, the scalability side of it, everything is covered. All you need is putting money behind your brand. So, why can't we hear all kinds of names right from soft banks of the world, tigers of the world who have been putting money? And we have seen companies created in e-commerce in different kinds of segments. They have been created by putting money and paying for the customer acquisition and the risk is taken by somebody else. You can share part of the risk. You might not be happy putting so much money behind acquisition. But I am sure that there are many, many people around who will be happy to partner with you, who will be happy to give you their risk capital and happy to play out the five years' cycle of really building that whole business in terms of your brand. I am not expecting any answer on this right now. But I would say that you will really need a big bang approach and for that you just need maybe some partners to capitalize on this great platform that you already have.

François-Charles:

I appreciate your comments. As you know, I have been doing a lot of venture investment myself on my other fronts. We did over 150 investments. I understand exactly what you mean. Just keep in mind that we have a business also here. Doing side investment is one thing. But the core of our business needs to be run. Back on the previous question. We are service company or a product company? I think the nature of the business makes it that we are trending toward clearly more of a product company than service. But to really be able to keep that relationship with the operators, we need to have that service component. So, again the core business has to grow. We are making a profitable company growing and we have to push and grow. Yes, I appreciate your comments. Yes, we consider to do some side investment with other partners also. That could be understandable.

Naishad:

Generally, can we assume that in this year we will see growth overall in revenues y-o-y?

- Ganesh Murthy:** That is definitely the objective to grow revenue. I think we mentioned it last time also that the objective is to grow.
- Naishad:** Just a general question. Let's say given the way whatever is being contemplated right now, to double your revenues will take like how many years?
- François-Charles:** To double our revenues depends on which category here?
- Naishad:** It doesn't matter. All I am saying is finally it's all about growth. Unless they are just buying revenue, I am not saying buying revenue, but really trying to penetrate in different segments be it in mobile entertainment, be it in gaming, be it in RBT, It doesn't matter. The case is, can you expect your revenues to double or at least let's say in terms of ambition, what will it be? Will it be 3 years, will it be 5 years? How do you see yourself to double the revenues?
- François-Charles:** Clearly on the 3- to 5-year plan, you know, we have to see that kind of growth. I agree with you. That's on the roadmap.
- Naishad:** I would say that once there is growth, it will have more risk capital. The more risk capital you have, I am sure you will be able to put money behind building your brand.
- François-Charles:** Keep in mind that you are keeping profitability and growing also. We don't have to go through full VC and all in mindset. Doing a side venture is one thing, but on our core business we have to be profitable and we have to grow. That's my vision. I'm not thinking about going negative here and spending all the money to try to do something big. Let's do something big and make profit. That's my vision.
- Naishad:** Sorry, sir. Sorry to interrupt you. I was trying to segregate. Let's say for example you are working with the operator today who has RBT penetration of whatever and it is generating X amount of revenue and whatever share you and the operator is getting. Now my suggestion was that you create a 100% subsidiary which basically you bring in a partner mainly for marketing. If you want to go to the same operator and say that we would be really trying to increase penetration by creating this strategy. I am sure they will be more that happy if you were to increase penetration and increase their revenue. Why will they have a problem? Most of the operators in the world are struggling just to maintain their revenues because it's a fiercely competitive market.
- François-Charles:** Yeah, and I don't want to debate on our strategic plan here, but clearly that's the bit what we are doing with the operator but there

are many other plans and there also other wallets, other ways to be able to capture customer's money, especially the market thing. Anyway, I appreciate your comment. And keep in mind that we are thinking about that.

Naishad: Thank you very much.

Moderator: We have one last question in the queue from Mr. Shail Mundra from Vaibhav Financial Services. The line is unmuted.

Shail Mundra: I wanted to just add to what my previous two speakers have said. What I think is that in addition to what they are saying... How do you leverage your customer base? I have been watching you for the last seven, eight years and you have done a reasonably good job of reorganization, re-strategizing, cutting cost, etc. and you have got cash in the books. But in addition to what you are doing, the good things you are doing on games, etc. which is a good thing, there is a suggestion that you could look at the strategy being followed by InfoEdge, which is investing in startups. They are looking at startups or small companies which could leverage their own customer base. So, you could effectively cross sell their products. You bring in customer base to them. They bring in ideas and more hands on the job in terms of expanding the business, and you create a win-win situation. So, I propose that you look at investing in interesting startups which could leverage your huge customer base across countries and on the mobile. That could speed up your growth. Please study deeply how Info Edge has... There is one example with Zomato as to how they have grown their business. They acquired strategic stake and they have been growing that. So, you could partner with several teams across, not only India but the world. The Indian startup ecosystem is very, very alive with new ideas.

François-Charles: It's a good suggestion. Be reassured that we are mapping the whole market and we have been doing this and we have been able to track a lot of startups and potential partners which were planning to work with us. That's on our roadmap.

Shail Mundra: Great. And I wish you good luck.

François-Charles: Thank you so much.

Moderator: At this time, we have no more questions. I would just like to repeat for the audience. If you wish to ask any more questions, please press "0" "1" on your telephone keypad.

Ganesh Murthy: Since there are no more questions, I would request F.C. to sum up the discussion.

François-Charles:

Thanks to all for your questions. Thanks to all for being on the call. I just want to reiterate our focus and strategic pillars where we go with growing videos and editorial which is the key component, expanding our games and our gaming subscription club that we see that we can really push worldwide to the many operators and stabilize and grow our ringback tones revenues. So, that's really the major three pillars that we have today that we are focusing on. And aside to that, obviously we have an opex rationalization plan that we are working up to make sure we optimize and operate in the best manner possible. So, I thank you very much and look forward to speaking to you on the next quarter result. Thank you very much.

Moderator:

Thank you once again. I would like to thank the management team and the investors who joined us today. Hope you all spent a useful time. That does conclude the conference call. Wish you all a great day ahead. Thank you, everyone, for joining in.