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We are happy to present the performance of the Company for the Quarter ended 31<sup>st</sup> March 2011.

**1. Indian Telecom Sector Trends (to be discussed on call):**

**2. Update on Telefonica LatAm Deployment:**

- As at the end of the last quarter we were live with 6 countries in Telefonica LatAm, covering 80% of the total subscriber base of LatAm.
- We already have 3 Mn+ active users in 9 months from our first country deployment.
- The RBT ARPU for us in LATAM is 2x-3x from that of India.

**3. Update on Dilithium Acquisition:**

- We have licensed our 'Video Calling software stack' to several major handset, chipset and platform vendors in China. The licensees will embed the OnMobile video calling software in a range of handsets and chipsets, including Android. To support the ongoing demand in the region and expanding our Video Product Unit, we have also opened a new office in China.
- We have renewed our relationship with two of the biggest Telcos in China who were erstwhile Dilithium Customers. This will give us an entry in a major way into the large Chinese market.

**4. Material New Developments – Customers & Products:**

- Social RBT was launched amongst four leading telecom operators in India and abroad, allowing them to increase their subscribers' base by reaching out to more users leveraging the viral effect of social networking sites.
- A major operator in Africa selected OnMobile as the Music service provider across all their music service offerings. OnMobile is replacing the basic service from the current service provider and extending it to multi format and multi channel.
- The OnMobile RCS Phonebook 2.0 was selected for the App Garage at Mobile World Congress 2011 in Barcelona. The RCS Phonebook, a comprehensive and interactive user address book that synchronizes all contact information, including friends on social networks, into one central location for easy management and live access enables mobile providers to stay ahead of communication's shift to the Web, by offering its customers the ability to stay connected and communicate via live presence updates, live chat, and video streaming.
- A leading Indian operator experienced 100% growth in Reverse Ring Back Tone (RRBT) services.
- Reverse Ring Back Tone services were launched for the first time internationally for a major operator in the Asia Pacific region

**5. Material New Developments – Organizational:**

**Offices**

New offices registered in Cyprus, Senegal and Tanzania to facilitate our global operations and increase our presence in international territories.

### **Awards**

Arvind Rao, our CEO and Co-Founder was selected as one of thirteen inspiring Indian entrepreneurs by Dare Magazine, India's first entrepreneurship publication. The Chairman of Dare Inspiring Entrepreneurs Awards Mr. N.R. Narayanamurthy and the jury unanimously chose Arvind as one of the thirteen Inspiring Entrepreneurs. This award recognizes the stupendous developments made by OnMobile in the field of telecommunications.

### **6. Non Financial KPIs – Last few quarters:**

<b>KPI</b>	<b>Jun'09</b>	<b>Sep'09</b>	<b>Dec'09</b>	<b>Mar'10</b>	<b>Jun'10</b>	<b>Sep'10</b>	<b>Dec'10</b>	<b>Mar'11</b>
Subscriber Reach (Mn)	630	687	673	727	786	1,016	1,151	1,230
Unique Users (Mn)	64	71	77	83	86	88	105	100
Active RBT Users (Mn)	37	40	42	44	46	49	52	57
Number of Employees	1,154	1,223	1,209	1,236	1,271	1,241	1,281	1,344
Countries Live in	23	23	24	25	26	28	52	52

## 7. Financial Highlights:

Rs. Mn	Q3 2010-11	Q4 2010-11			
		Reported	Adjustment	Excluding Adjustment (Proforma)	% Growth
Revenue	1,486	1,333	160	1,493	0%
COGS	390	232	160	392	0%
Gross Margin	1,096	1,101	-	1,101	1%
GM %	74%	83%		74%	
EBITDA	336	307		307	-9%
%	23%	23%		21%	
Operating Profit	175	163		163	-7%
%	12%	12%		11%	

- a) Reported revenue is lower because of change in contractual scope involving content management responsibilities in one of the major Customers. As a result, there is also a drop in the content cost as reflected in the COGS line item.
- b) Excluding the above adjustment, the revenue is flat on account of the following reasons:
  - i) In some of our units like Europe and newly acquired Video products business, Jan-Mar period represents the first quarter of the financial year, which is generally lean in Capex orders.
  - ii) General weakness in European economy.
- c) We continued to maintain healthy EBIDTA and operating margins in Q4, broadly in line with previous quarters.

## 8. Financials – Core vs. Investments:

	Core Business		Investments		Total	
Rs. Mn	Q3 10-11	Q4 10-11	Q3 10-11	Q4 10-11	Q3 10-11	Q4 10-11
<b>Revenues</b>	<b>1,367.0</b>	<b>1,232.1</b>	<b>119.1</b>	<b>101.1</b>	<b>1,486.0</b>	<b>1,333.2</b>
<i>Domestic</i>	1,028.1	908.0	-	-	1,028.1	908.0
<i>International</i>	338.8	324.1	119.1	101.1	457.9	425.2
COGS	372.8	199.4	17.6	32.3	390.4	231.7
<b>Gross Profit</b>	<b>994.2</b>	<b>1,032.7</b>	<b>101.5</b>	<b>68.7</b>	<b>1,095.7</b>	<b>1,101.5</b>
<b>Gross Margin</b>	<b>72.7%</b>	<b>83.8%</b>	<b>85.2%</b>	<b>68.0%</b>	<b>73.7%</b>	<b>82.6%</b>
Manpower cost	348.5	349.0	105.4	134.6	453.9	483.5
Other Opex	195.7	215.9	109.8	95.0	305.4	310.9
<b>EBITDA</b>	<b>450.1</b>	<b>467.9</b>	<b>(113.7)</b>	<b>(160.8)</b>	<b>336.3</b>	<b>307.1</b>
%	<b>32.9%</b>	<b>38.0%</b>			<b>22.6%</b>	<b>23.0%</b>
Depreciation	107.9	97.1	53.6	47.3	161.5	144.4
<b>Operating Profit</b>	<b>342.1</b>	<b>370.8</b>	<b>(167.3)</b>	<b>(208.1)</b>	<b>174.8</b>	<b>162.7</b>
%	<b>25.0%</b>	<b>30.1%</b>			<b>11.8%</b>	<b>12.2%</b>
Other Income/exp					28.4	242.7
<b>Profit before Tax</b>					<b>203.2</b>	<b>405.4</b>
%					13.7%	30.4%
Tax					3.96	136.8
<b>Profit After Tax</b>					<b>209.1</b>	<b>268.5</b>
<b>PAT %</b>					<b>13.8%</b>	<b>17.0%</b>
<b>EPS (Diluted)</b>					<b>3.5</b>	<b>4.4</b>

### **Definition of Investments:**

**New Customers:** Investments (e.g., hardware, third party software, manpower costs, travel) in new customer deployments till 1 year following launch of services.

**New Products:** Large, measurable and discreet expenditures in new products development and deployment till 1 year following launch of this product in the first Customer.

- Other income in Q4 includes Rs 235 Mn as profit on the sale of investment in our associate company, Ver se Innovation Pvt Limited (Ver se). Post this sale we hold 17.84 % of the share capital in Ver se.
- Tax rate – effective tax rate for the year 2010-11 was around 17%, excluding tax on the sale of investment in Ver se.

9. Financials – Core business growth (Proforma):

Rs. Mn	Q3 10-11	Q4 10-11 Reported	Adjustment	Q4 Excluding Adjustment	% Gr
<b>Revenues</b>	<b>1,367.0</b>	<b>1,232.1</b>	<b>160.0</b>	<b>1,392.1</b>	<b>2%</b>
<i>Domestic</i>	1,028.2	908.0	160.0	1,068.0	4%
<i>International</i>	338.8	324.1		324.1	-4%
COGS	372.8	199.4	160.0	359.4	-4%
<b>Gross Profit</b>	<b>994.2</b>	<b>1,032.7</b>	<b>-</b>	<b>1,032.7</b>	<b>4%</b>
<b>Gross Margin</b>	<b>72.7%</b>	<b>83.8%</b>		<b>74.2%</b>	
Manpower cost	348.5	349.0		349.0	0%
Other Opex	195.7	215.9		215.9	10%
<b>EBITDA</b>	<b>450.1</b>	<b>467.9</b>		<b>467.9</b>	<b>4%</b>
%	<b>32.9%</b>	<b>38.0%</b>		<b>33.6%</b>	
Depreciation	107.9	97.1		97.1	-10%
<b>Operating Profit</b>	<b>342.1</b>	<b>370.8</b>		<b>370.8</b>	<b>8%</b>
%	<b>25.0%</b>	<b>30.1%</b>		<b>26.6%</b>	

10. Financials - Rolling 4 Quarters (Current year vs. Last year):

Rs. Mn	4 Quarters ending Mar 10	4 Quarters ending Mar 11	Gr %
<b>Net Revenue</b>	<b>4,544</b>	<b>5,372</b>	<b>18%</b>
<i>Domestic</i>	3,394	3,905	15%
<i>International</i>	1,150	1,467	28%
COGS	1,305	1,303	0%
<b>Gross Profit</b>	<b>3,239</b>	<b>4,069</b>	<b>26%</b>
<b>Gross Margin</b>	<b>71%</b>	<b>76%</b>	
Total Opex	2,408	2,863	19%
<b>EBITDA</b>	<b>831</b>	<b>1,206</b>	<b>45%</b>
	<b>18%</b>	<b>22%</b>	
Depreciation	441	567	29%
<b>Operating Profit</b>	<b>390</b>	<b>639</b>	<b>64%</b>
%	<b>9%</b>	<b>12%</b>	
Other Income / (Exp)	226	440	95%
<b>Profit before Tax</b>	<b>616</b>	<b>1,079</b>	<b>75%</b>
Tax	193	212	10%
<b>Profit After Tax*</b>	<b>428</b>	<b>892</b>	<b>109%</b>
%	<b>9%</b>	<b>15%</b>	
<b>EPS (Diluted)</b>	<b>7.2</b>	<b>14.8</b>	<b>105%</b>

\* including share of profit from associates