

OnMobile Reports Fourth Quarter Fiscal 2015 Results

Stable revenue and volatile currencies; EBITDA excluding forex impact at 21.2%

Bangalore, India - 29 May, 2015: OnMobile Global Limited (“OnMobile”) today announced the results for Fourth Quarter FY2015 ended March 31, 2015. The revenues for the fiscal quarter declined by 5.6% q-o-q and 4.9% y-o-y. Excluding forex fluctuation and Voxmobili business, the revenue for Q4 2015 declined by 2.0% q-o-q and increased by 11% y-o-y. EBITDA margin is at 15.3% in Q4 as compared to 20.5% in Q3 and 11.4% in Q4 of FY2014. The Proforma EBITDA without the forex impact is INR 471 million at 21.2% and the operating profit is INR 113 million at 5.1%. For the full year FY2015, the revenue was INR 8,319 million (excluding Voxmobili business) - a growth of 5.7% over FY2014.

Mr. Rajiv Pancholy, Chief Executive Officer and Managing Director, OnMobile Global said, “Despite the obvious impact of adverse currency movement diluting our quarter over quarter performance, we are buoyed by the fact that we continue to seize new opportunities, and are increasing the effort on new product development and initiatives. Some of these new initiatives are planned to be deployed with our customers in this financial year.

“On a KPI basis, we were able to achieve the EBITDA margin guidance that we had provided for the year. However the forex impact has put us back by a few margin points and with the currencies retreating partially, we expect some recovery in near future”, said Mr. Praveen Kumar, Chief Financial Officer, OnMobile Global.

Q4 FY2015 Business highlights:

International business (76% of total revenues):

- Revenues down by 7.5% q-o-q to INR 1,621 million and grew 13.6% on a y-o-y basis, normalized for Voxmobili business
- Proforma growth in international business excluding the currency depreciation in Q4 is negative 2.8% q-o-q and 5.8% y-o-y (19% excluding Voxmobili business)

Developed markets:

- Europe recorded a revenue decline of 7.8% q-o-q and grew by 52.9% y-o-y (and 92% excluding Voxmobili business) to INR 734 million. Normalized for the euro depreciation in Q4, the revenue grew 0.1% q-o-q and 109% y-o-y excluding the Voxmobili revenue.
- Launched innovative Ringback Tone application in Spain. New, evolved features give users the ability to personalize the calling experience of their friends, family and contacts like never before.

Other Emerging markets:

- Revenues down by 4.0% and grew by 3.9% respectively for q-o-q and y-o-y to INR 355 million
- We launched RBT and Football services in one of our customers in Mozambique

Latin America:

- We have successfully launched RBT services at Oi, Brazil in January giving us close to 50% market coverage in the fourth largest mobile market in the world
- Revenues went down by 9.0% for q-o-q and 8.9% for y-o-y to Rs. 445 million. Normalized for the BRL depreciation in Q4, the revenue declined by 4.9% q-o-q and 4.8% y-o-y.

Q4 FY2015 Financial performance:

1. Revenue is down by 5.6% q-o-q and 4.9% y-o-y to INR 2,140 million. Excluding Forex fluctuation and normalized for Voxmobili, revenue is down by 2.0% and grew by 11% y-o-y
2. Manpower cost reduced by INR 32 million q-o-q, representing the residual impact of cost rationalization undertaken in the earlier quarters and in Q4
3. EBITDA margin is at 15.3% in Q4 as compared to 20.5% in Q3 and 11.4% in Q4 of FY 2014
4. Other opex includes the Mark to Market (MTM) impact of all foreign currency fluctuation amounting to INR 120 million and hence EBITDA is lower to this extent. Further, the impact of Euro and BRL on various line items of the Profit and Loss statement is INR 26 million on the EBITDA and INR 22 million on Earnings Before Taxation. **The Proforma EBITDA without the FX impact mentioned above is INR 471 million at 21.2% and the Operating Profit is INR 113 million at 5.1%**
5. Other income also includes a part of the MTM impact amounting to INR 28 million. Excluding all the MTM and forex impact mentioned above, the profit before tax would have been INR 149 Mn as against INR 134 Mn in Q3, representing a growth of 11%.
6. Tax expense includes a one-time impact of INR 41 million relating to forex movement in one of our European subsidiary.

About OnMobile

OnMobile [NSE India: ONMOBILE], headquartered in Bangalore, India, and with offices in all regions of the world, delivers millions of music plays daily to mobile customers worldwide. Based on current deployments, OnMobile has the potential to reach more than 1.1 billion mobile users across several geographies. For further information, please visit www.onmobile.com.

Media Contacts:

Srividhya Parthasarathy
srividhya.parthasarathy@onmobile.com

Neethu Mathews
neethu.mathews@onmobile.com