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We are happy to present the performance of the Company for the Quarter ended 30<sup>th</sup> September 2011.

**1. Highlights:**

- International revenues have grown well, and they contributed 42% of topline revenues in 2Q and 47% in exit month of September.
- Based on this we anticipate OnMobile transitioning into 50+% international revenue Company before the end of this fiscal year, which is a major inflection point for the company.
- The Telefonica LatAm deployment and the results continue to be in line with our expectation. We have launched with another country in this quarter taking our reach up to 94% of the addressable subscriber reach in that market. Another key milestone this quarter is that we have turned cash-flow positive on this major project and we have achieved this within one year of launch.
- India VAS update.....3G, TRAI.

**2. Revenue distribution by geography – International shift:**

<i><b>Rs. Mn</b></i>	<b>1H 10-11</b>	<b>% of Total</b>	<b>1H 11-12</b>	<b>% of Total</b>	<b>% Gr</b>
India	1,969	77%	1,820	62%	-8%
Emerging Markets	274	11%	697	24%	154%
Developed Markets	310	12%	398	14%	29%
<b>Total</b>	<b>2,553</b>	<b>100%</b>	<b>2,916</b>	<b>100%</b>	<b>14%</b>

As a part of our long term de-risking strategy of shifting our revenue concentration from India away to different geographies, we have succeeded over the last few years in launching our services in various Telecom Operators across the world.

### 3. Core Vs. Investments - Q2 Vs. Q1 Current Year:

	Core Business		Investments		Total	
Rs. Mn	Q1 11-12	Q2 11-12	Q1 11-12	Q2 11-12	Q1 11-12	Q2 11-12
<b>Revenues</b>	<b>1,204.0</b>	<b>1,223.8</b>	<b>160.1</b>	<b>328.4</b>	<b>1,364.1</b>	<b>1,552.2</b>
<i>Domestic</i>	926.0	893.6	0.5	-	926.6	893.6
<i>International</i>	277.8	330.2	159.7	328.4	437.5	658.6
COGS	246.1	302.9	24.8	43.4	270.8	346.3
<b>Gross Profit</b>	958.0	920.9	135.3	285.0	1,093.2	1,205.9
<b>Gross Margin</b>	<b>79.6%</b>	<b>75.3%</b>	<b>84.5%</b>	<b>86.8%</b>	<b>80.1%</b>	<b>77.7%</b>
Manpower cost	365.1	402.5	134.3	171.7	499.5	574.2
Other Opex	223.7	167.9	100.3	139.1	323.9	307.0
<b>EBITDA</b>	<b>369.1</b>	<b>350.6</b>	<b>(99.3)</b>	<b>(25.8)</b>	<b>269.8</b>	<b>324.8</b>
<b>%</b>	<b>30.7%</b>	<b>28.6%</b>			<b>19.8%</b>	<b>20.9%</b>
Depreciation	97.2	99.4	61.6	87.5	158.8	186.9
<b>Operating Profit</b>	<b>271.9</b>	<b>251.5</b>	<b>(160.9)</b>	<b>(113.3)</b>	<b>111.0</b>	<b>137.9</b>
<b>%</b>	<b>22.6%</b>	<b>20.5%</b>			<b>8.1%</b>	<b>8.9%</b>
Other Income/exp					54.0	506.3
<b>Profit before Tax</b>					<b>165.0</b>	<b>644.2</b>
<b>%</b>					12.1%	41.5%
Tax					37.17	166.97
<b>Profit After Tax</b>					<b>127.8</b>	<b>477.2</b>
<b>PAT %</b>					<b>9.0%</b>	<b>23.2%</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.

- Entire revenue growth is coming in from our international operations in both core as well as investments mainly contributed by our LatAm and Africa operations.
- COGS in core business is higher because of changes in revenue mix.
- The manpower cost in core business is higher due to the impact of salary revisions effective second quarter. However the overall opex is trending lower.
- Other Income in this quarter is higher by Rs. 466 Mn on account of sale of a significant part of our remaining stake in Ver se Innovation Pvt Ltd.

Quarter III would mark completion of one year post deployment in LatAm, our largest “investment” project to date. As a result, most of the revenues and costs associated with this project would move into “Core” business and we would stop providing a separate break-up on Core versus Investment, going forward.

4. Rolling 4 Quarters ending September Current Year Vs. Last Year:

Rs. Mn	4 Quarters ending Sep 10	4 Quarters ending Sep 11	Gr %
<b>Net Revenue</b>	<b>4,938</b>	<b>5,736</b>	<b>16%</b>
<b>Domestic</b>	3,731	3,756	1%
<b>International</b>	1,208	1,979	64%
COGS	1,438	1,262	-12%
<b>Gross Profit</b>	<b>3,500</b>	<b>4,474</b>	<b>28%</b>
<b>Gross Margin</b>	<b>71%</b>	<b>78%</b>	
Total Opex	2,485	3,236	30%
<b>EBITDA</b>	<b>1,015</b>	<b>1,238</b>	<b>22%</b>
	<b>21%</b>	<b>22%</b>	
Depreciation	486	652	34%
<b>Operating Profit</b>	<b>529</b>	<b>587</b>	<b>11%</b>
<b>%</b>	<b>11%</b>	<b>10%</b>	
Other Income / (Exp)	279	831	198%
<b>Profit before Tax</b>	<b>808</b>	<b>1,418</b>	<b>75%</b>
Tax	180	345	92%
<b>Profit After Tax*</b>	<b>656</b>	<b>1083</b>	<b>65%</b>
<b>%</b>	<b>13%</b>	<b>16%</b>	
<b>EPS (Diluted)</b>	<b>5.4</b>	<b>9.1</b>	<b>67%</b>

\* Including share of profit from associates