

OnMobile Reports Second Quarter Fiscal 2016 Results

EBITDA margin at 19.0% in Q2 FY16 with 42% growth YoY

Bangalore, India - 28 October, 2015: OnMobile Global Limited ("OnMobile") today announced the results for Second Quarter FY2016 ended September 30, 2015. Revenue improved by 2.6% sequentially from Rs.2,018 million in Q1 FY'16 to Rs.2,070 million in Q2 FY'16. Revenue remains flat on a year on year comparison with Q2 FY'15. EBITDA grew by a healthy 42% year on year and 12% quarter on quarter to Rs.393 million in Q2 FY'16.

Q2 FY2016 Business highlights:

International business (78% of total revenue):

- International revenue grew by 8.0% in y-o-y and 2.8% q-o-q.

Developed markets:

- Europe recorded a revenue growth of 49.2% y-o-y and 4.4% q-o-q.

Other Emerging markets:

- Revenue grew by 6.7% y-o-y and 7.0% q-o-q to Rs.373 million.
- CVAS business won in 2 major operators in Srilanka, each with a subscriber base of around 6 million.
- Robust growth of Ring Back Tone business in a major operator in Bangladesh with 16% penetration and a subscriber base of 8 million.
- New business win for Ring Back Tone in Airtel Nigeria increases our coverage in Africa to over 50 million and makes OnMobile, Airtel's largest Ring Back Tone partner in Africa.
- New business win for Ring Back Tone in a leading operator in Lesotho, making it the first music service in the market.

Latin America:

- Revenue down by 1.5% q-o-q and 23.9% y-o-y respectively. Revenue grew by 5% q-o-q, excluding the forex impact of fluctuations in local currencies.

Domestic business (22 % of total revenue):

- India revenue was Rs.451 million in Q2 FY'16, a growth of 1.7 % q-o-q and reduction of 21.6% y-o-y. Won western Circles from Airtel for Ring Back Tone business to become the largest Ring Back Tone partner for Airtel in India. This win increases our reach in Airtel from over 60 million subscribers to over 115 million subscribers.
- CVAS, a direct to consumer product, has been launched in a large operator in India.

Q2 FY2016 Financial performance:

1. Revenue improved by 2.6% sequentially from Rs.2,018 million in Q1 FY'16 to Rs.2,070 million in Q2 FY'16. Revenue as compared to y-o-y Q2 FY'15 remains flat.
2. Headcount optimization during the last financial year and quarter resulted in a reduction of manpower cost by 23.6% y-o-y and 3.8% q-o-q. Our employee base at the end of Sep'15 was 1,075.
3. EBITDA grew by 42% y-o-y and 12% q-o-q to Rs.393 million in Q2 FY'16. Expenditure to support the development of new products and brand continues at the rate of 2% of revenue in the current quarter.
4. Other income includes a net forex gain of Rs.45 million contributed by favourable movement in Euro and USD partly offset by the BRL depreciation.
5. Tax rate in Q2 FY16 is higher due to the higher forex gain arising in Brazil on account of favourable movement of USD in Brazil local financials. However, this gets negated on consolidation and when we consider the tax on annual dividend income from our Bangladesh subsidiary.

About OnMobile

OnMobile [NSE India: ONMOBILE], headquartered in Bangalore, India, and with offices in all regions of the world, delivers over 500 million music plays daily to mobile customers worldwide. Based on current deployments, OnMobile has an addressable base of more than 1.5 billion mobile users across several geographies. For further information, please visit <http://www.onmobile.com>

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