



COMPANY PERFORMANCE ANALYSIS & OVERVIEW-
Q2 2010 RESULTS
August 2010





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Q2 2010 – financials



	2010 Q2	2009 Q2	% Change
	Rs lakhs	Rs lakhs	%
Revenues	4,219	7,836	(46%)
EBIDTA	1,292	907	42%
Cash profit	913	(224)	508%
PAT	518	(818)	163%
EPS (Rs)	1.15	(1.84)	163%



Balance Sheet



	As at	As at	
	30 Jun 2010	31 Dec 2009	Change
	Rs lakhs	Rs lakhs	%
Liabilities			
Shareholders' Funds	12,733	11,568	10.7%
Loans	17812	19717	-10.7%
	30,545	31,285	
Assets			
Fixed Assets (net)	17,459	18,150	-3.95%
Investments	1,212	1,212	0%
Net Current Assets	11,874	11,923	-1.0%
	30,545	31,285	
Net Worth	12,733	11,568	10.1%
Book value (Rs)	27.55	26.14	
Debt / Equity	1.40	1.70	
Current Ratio	3.91	2.94	



Company Evolution



2000: XIUS established as a telecom products company

- A high technology mobile telecom company – great products and patents
 - Over 63 patents filed globally (19 already granted till date)
- Many global firsts in the areas of Mobile Prepaid billing and real time call management, roaming and mobile commerce
- Built up customer base and revenues – became profitable in 18 months
- But lacked balance sheet strength, revenue size & company profile to win Tier 1 deals

Took the M&A route to build Balance Sheet strength & gain access to tier 1 customers and deals



Company Evolution



M&A history

January 2004: Megasoft India

- Became a listed entity through this M&A
- Gained offices and presence in US, Malaysia, Europe

October 2006: Visualsoft India

- Gained valuable real estate Assets & off-shore development infrastructure

September 2007: BCGI USA:

- Leveraging Visualsoft's assets, raised acquisition financing and bought BCGI
- Got Tier 1 access, strong US presence, US data center and a multi-national management team



Result...XIUS is a transformed entity



- Close to 80% of current revenues annuity based –
 - stable, predictable and generating cash month on month
- Over 75% revenues from large tier 1 carriers
 - Examples: Sprint, US Cellular, Telefonica group, Teleglobe, America Moviles, Telecom New Zealand, Celcom- Tunetalk (Malaysia), Loop telecom India etc
- Currently operating at 30% EBITDA margins
- Winning new deals regularly in LatAm, USA & Asia while expanding with existing large customers
- Mobile commerce, Mobile advertising and small carrier infrastructure are key growth drivers, while US pre-paid provides stable revenue base for the next 2-3 years



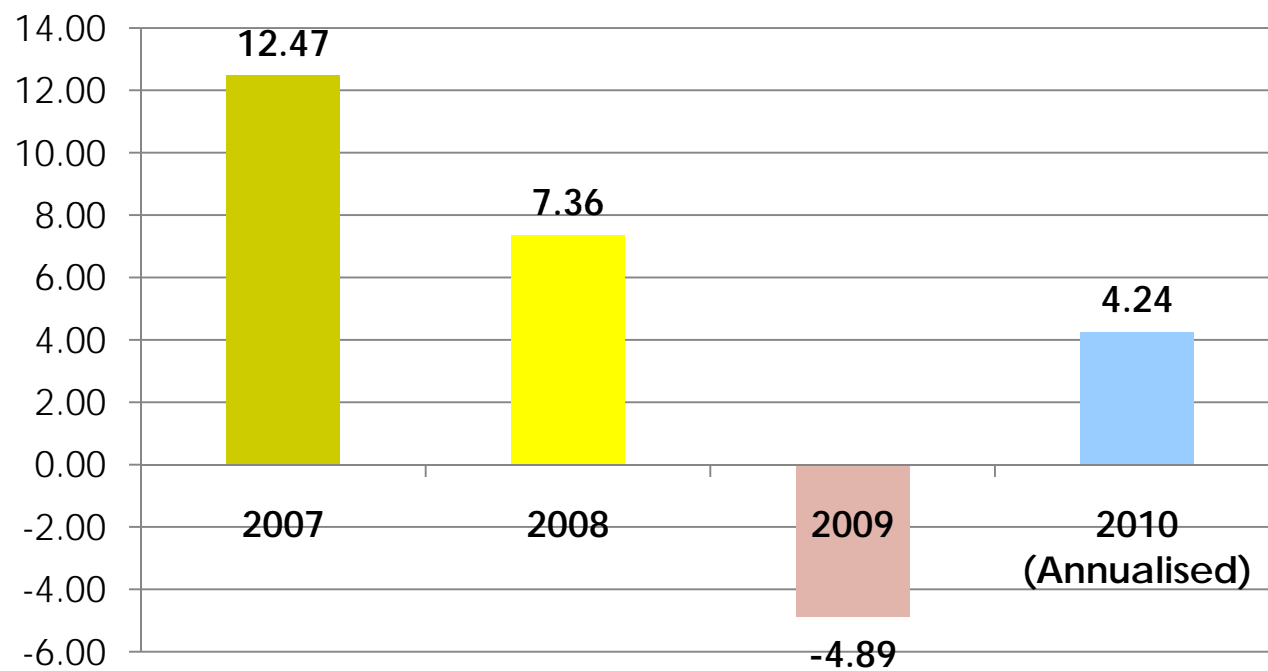
Poised for greater growth



- 2008 & 2009 economic situation was challenging for the company
 - Could not sell real estate asset to reduce debt burden
 - Top line growth was difficult
 - BCGI turn-around took a longer time resulting in operating losses and cost overruns remaining for a longer time than planned.
 - Severe cash flow crunch faced by customers – delayed payments, while facing interest outflow and debt burden
- Company significantly optimized operational costs to become profitable and has emerged stronger
 - Divested IT Services (BlueAlly) in October 2009
 - Approx 10.5 Mn \$ cash received till date- utilized for debt reduction
 - Singular focus on high growth, high margin Mobile telecom markets
- Real estate market turning around – plan to sell off properties in the coming months and reduce / eliminate debt burden

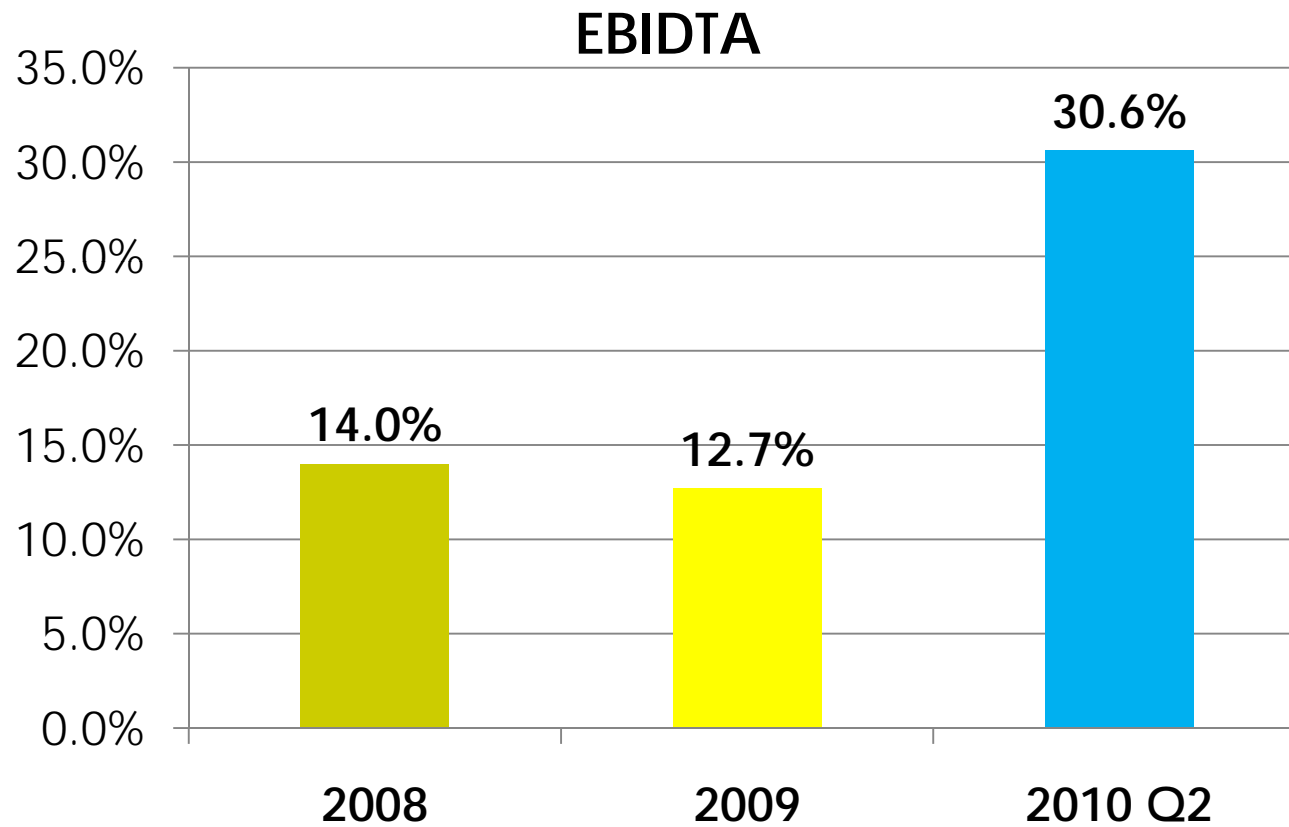


EPS



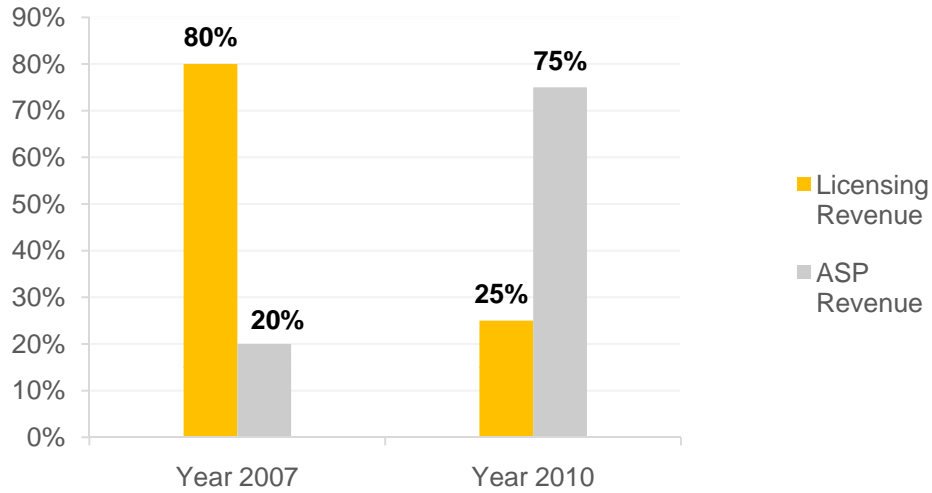


Smaller and Stronger

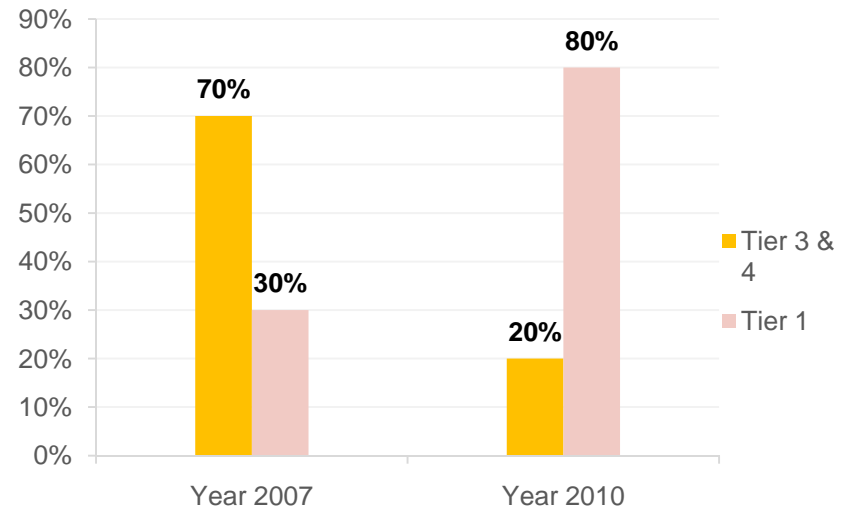




Changed Revenue & Customer Profile



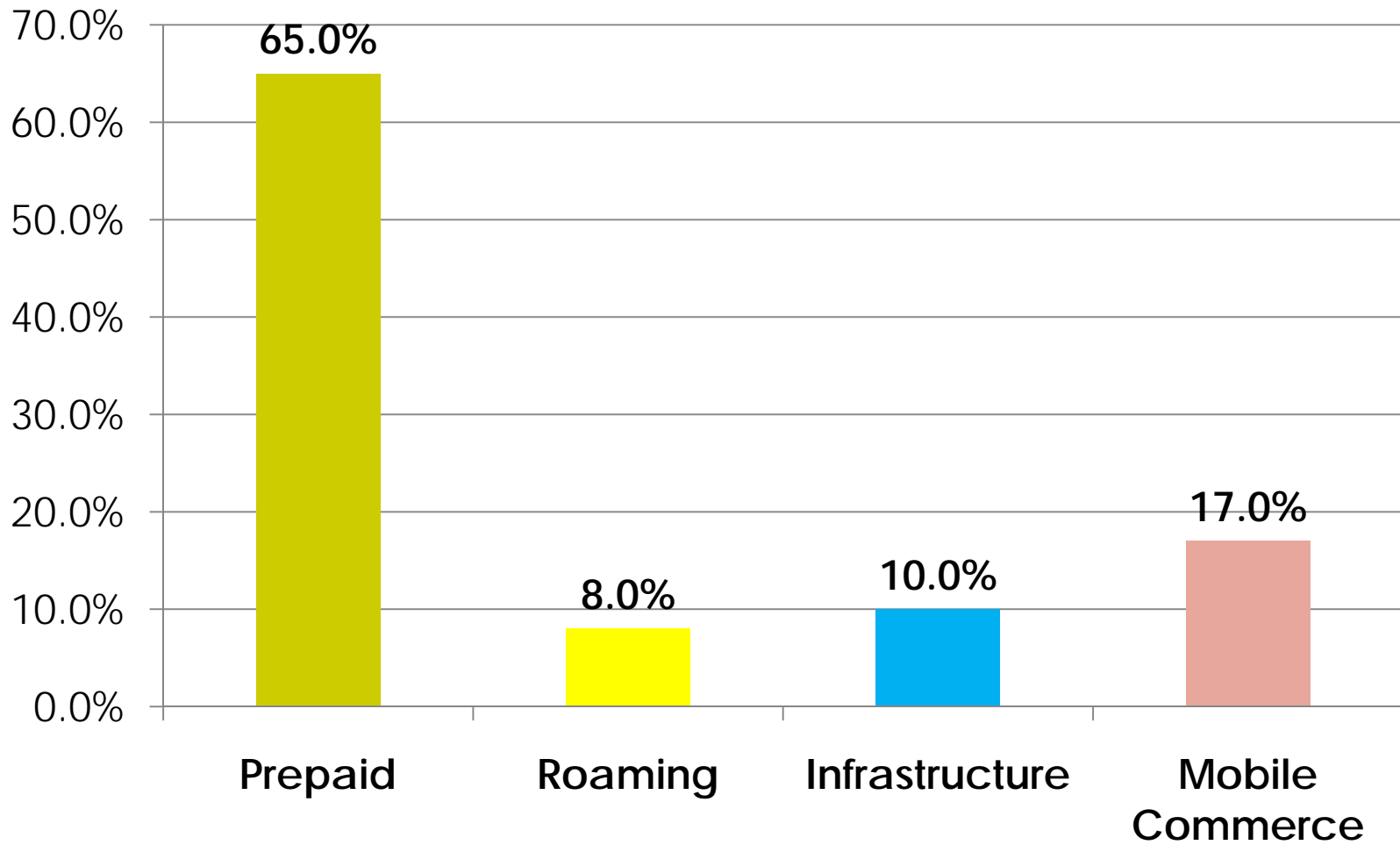
More annuity revenues with monthly billing cycles



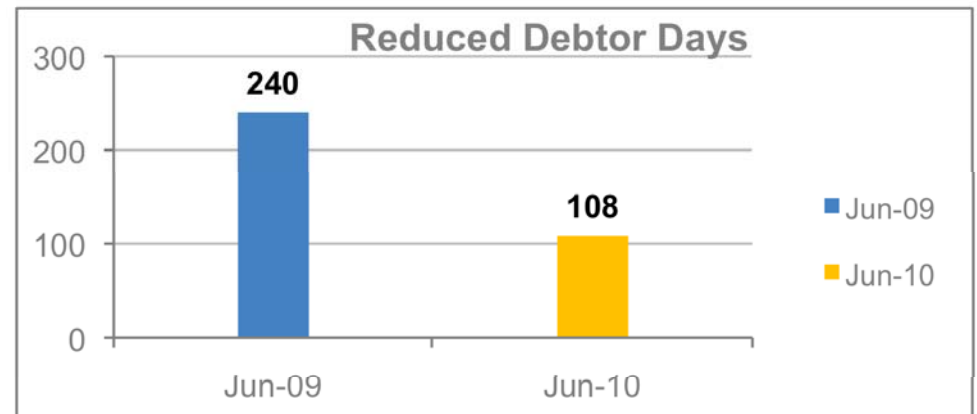
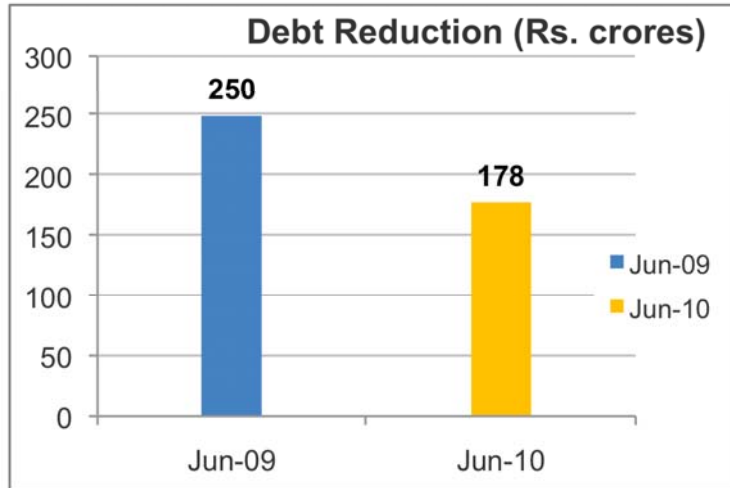
Max. revenues from large tier 1 Carriers



Product Revenues



Debt & Debtor days much lower





Current Business Status



- Steady quarterly revenues of around Rs. 40 Crores, with about 30% + EBITDA
- Fully & Solely focused on Mobile telecom markets
 - Strong Brand recognition across US & LatAm Markets
 - revenue transformation to Recurring, predictable Managed services model
- Top Tier 1 Clients for company's products
 - Sprint, US Cellular, Telefonica group, Teleglobe, America Moviles group, Telecom New Zealand, Celcom- Tunetalk (Malaysia), Etisalat (India) etc.
- Strong multi-national Management Team
- Real Estate owned by company currently valued at approx Rs. 220 Crores (more than the debt in the books)



Key Management Personnel



- G.V.Kumar: MD & CEO
- Kevin Bresnahan: EVP & Head Operations (US Office Head)
- Mitch Cornell: Head SBU (Americas)
- Upendra Bhatt: Head SBU (Rest of the World)
- Sridhar T: VP & Head (HR)
- Bob Hackney : VP Operations
- Sridhar Lanka: Head Engineering and Development
- Ken Sonberg: Head – R&D
- G.P. Srinath: VP (Finance) and Co. Secy

A team of exceptional talent and global experience



A unique Indo-American company



- Combines best practices of both cultures (US & India) creating a high quality & cost effective entity.
- Functional responsibilities located where they can be delivered most cost efficiently and effectively
 - U.S. – corporate Mgmt, marketing, strategy, product management, client relations & hosted services for US clients.
 - India – Asia Sales office, software development and engineering, operations and all back-office.





Technology & Innovation



- Technology & Innovation – a core strength
 - Strong Basket of products and IPRs (over 63 global patents filed till date and 19 already granted)
 - Two new products launched in 2009 and Three new launches slated in 2010
- Company uniquely positions itself as a real-time mobile transactions company – Enables to offer unique state-of-the-art platforms in the areas of
 - Pre-paid
 - Real time mobile advertisement delivery
 - Mobile payment transactions
 - Advanced Roaming



Growth Drivers



- Fast growing pre-paid mobile Market in the USA:
 1. US Pre-paid base expected to double in the next 18 – 24 months due to credit squeeze– all carriers enhancing their prepaid offerings.
 2. uniquely positioned to seize this opportunity –
 1. Company already a leader in US pre-paid segment
 2. Ready made hosted pre-paid infrastructure – allows carriers to launch new pre-paid offerings instantly without months/years of installation procedures & operational training
 3. Company has over 20 carrier customers in US for its prepaid and revenues are growing month on month

- Mobile Payments and Mobile wallet applications commercially launched already – high growth in India, LatAm & emerging markets for larger carriers

- Mobile advertizing market – already launched with a carrier and now has a strong pipeline from carriers across the globe.

- Focus on growing in LatAm & Asian Mobile markets esp.. With Larger multi-country carriers through multi-year contracts.



Thank you

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