



COMPANY PERFORMANCE  
ANALYSIS & OVERVIEW  
Q2-2011 RESULTS

3 August , 2011

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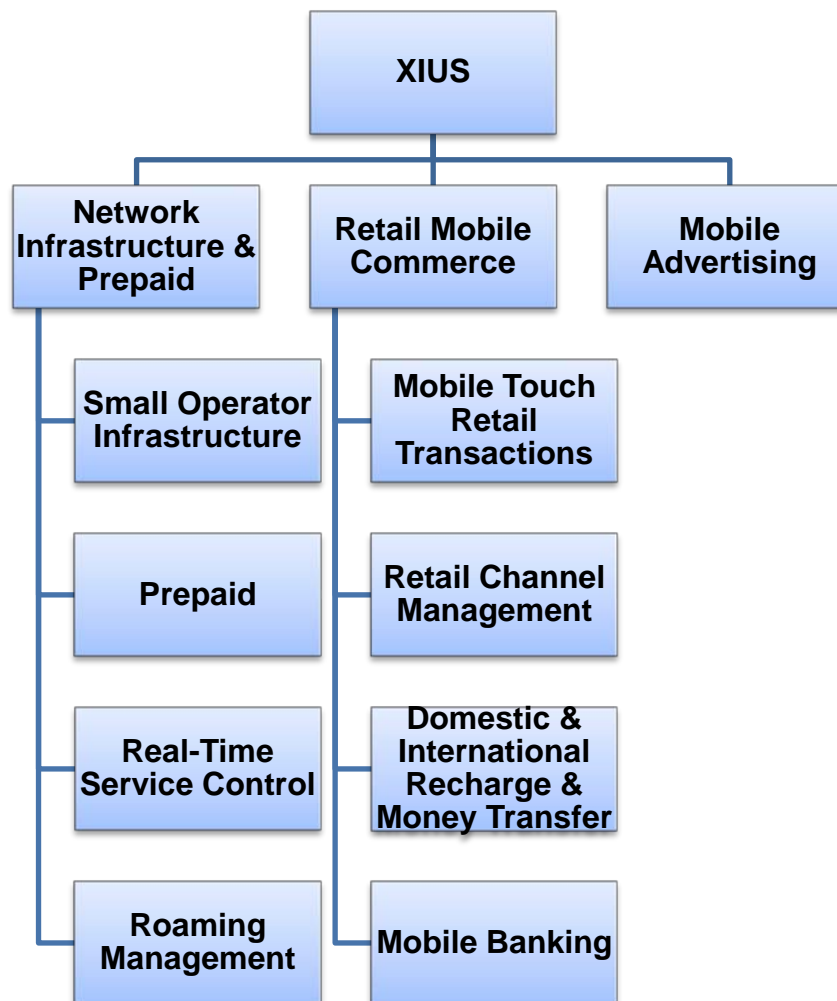
## What does XIUS do

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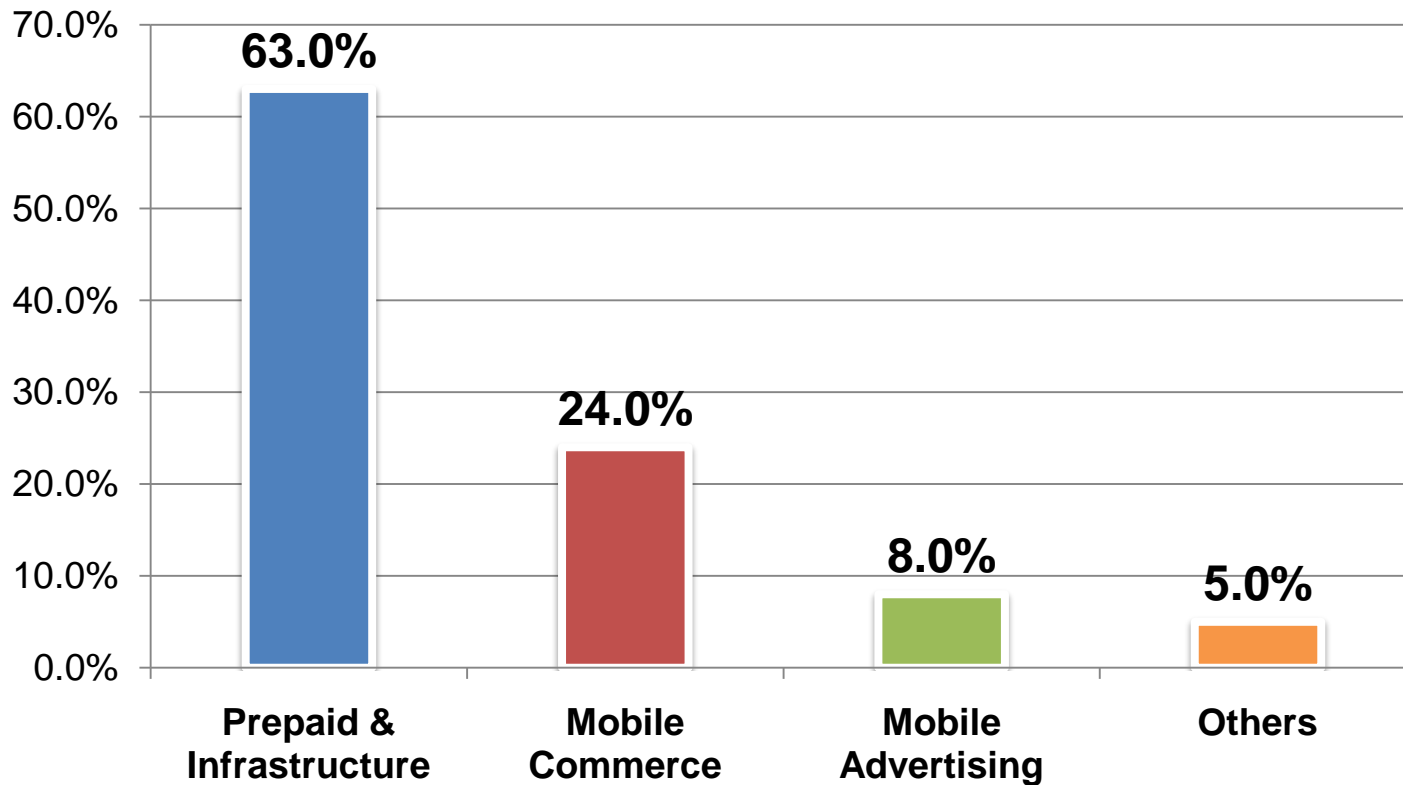
**XIUS, the telecom arm of Megasoft, is a mobile technology specialist focused on real-time transaction processing in three domain areas. We offer network infrastructure & prepaid, mobile commerce, and mobile advertising.**

**XIUS believes in innovation, agility, and execution excellence, with customer-centricity as its core value. XIUS offers its solutions in a managed services model thereby enabling customers to launch and monetize services quickly.**

# Domains / Solutions Matrix



# XIUS Product-Revenue Mix - First Half 2011



## 2011- First Half Performance Summary

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- 26% growth in PAT in first half - from Rs 942 lakhs in 2010 to Rs 1192 lakhs in 2011
- Debtors outstanding around 116 days
- 9 New deals closed during this period.
- MTT - Active Poster launch delayed by a full quarter - Customer + production issues
- Best ever Sales Pipeline build up
- Exploring New offerings in the Mobile Apps Market

## Q2-2011 Financial Summary

	2011 Q2	2010 Q2	% Change
	Rs lakhs	Rs lakhs	%
Revenues	4013	4220	(4.9)
EBIDTA	1227	1292	(5.0)
Cash profit	844	915	(7.8)
PAT	532	520	2.3
EPS (Rs)	1.20	1.18	1.8

# H1-2011 Financial Summary

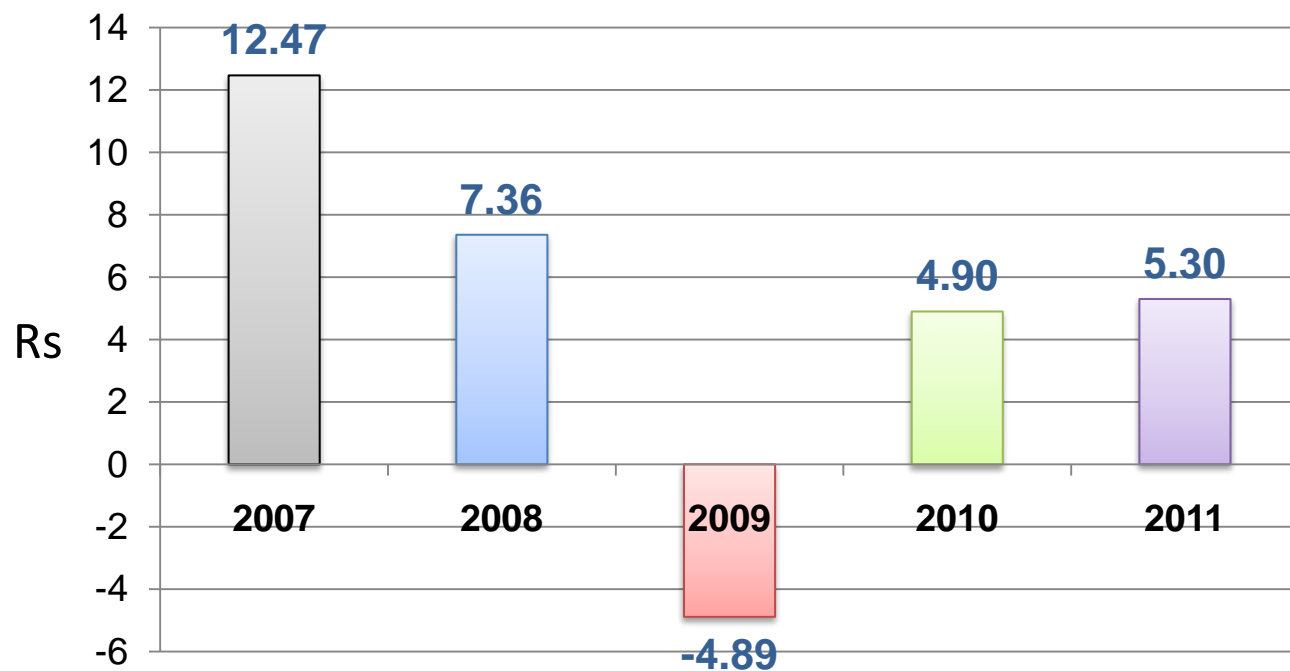
	2011 H1	2010 H1	% Change
	Rs lakhs	Rs lakhs	%
Revenues	8019	8145	(1.5)
EBIDTA	2478	2576	(3.8)
Cash profit	1807	1723	4.9
PAT	1192	942	26.5
EPS (Rs)	2.65	2.07	46.0



# Balance Sheet

	As at 30 Jun 2011 Rs lakhs	As at 30 Jun 2010 Rs lakhs	As at 31 Dec 2010 Rs lakhs
<b>Liabilities</b>			
Capital & Reserves	<b>11,758</b>	12,733	10,606
Borrowings	<b>8,697</b>	17,811	8,722
	<b>20,455</b>	<b>30,544</b>	<b>19,328</b>
<b>Assets</b>			
Fixed Assets (net)	<b>10,515</b>	17,459	9,953
Investments	<b>1,212</b>	1,212	1,212
Net Current Assets	<b>8,729</b>	11,873	8,163
	<b>20,456</b>	<b>30,544</b>	<b>19,328</b>
Net Worth	<b>11,758</b>	12,733	10,606
Book value (Rs)	<b>26.56</b>	28.76	23.96
Debt / Equity	<b>0.74</b>	1.40	0.82
Current Ratio	<b>4.66</b>	4.29	4.29

# EPS (Rs)



## 2011 –Focus Areas for the remaining year

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- I. MTT-APD – Commercial roll out in two countries and conversion of balance pilots to commercial contracts
- II. US rural carrier market for MSP – Govt. Stimulus Money
- III. Latam Mobile commerce & M-Banking (Govt directive in many countries)
- IV. Strong Order Back Log – Execution is key
- V. Commercial roll out of Mobile App Excellence centre by Q4.

# Market Opportunities

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- ◉ Explosive growth of Smart phones & tablets in US
  - ◉ Driving M-commerce and other new services through Mobile devices
  - ◉ Driving Mobile apps growth to non-I-Phone devices as well (Android)
- ◉ Mobile transactions & commerce are taking a larger share through point retail solutions
  - ◉ Money transfer
  - ◉ Mobile banking
  - ◉ M-wallet applications
- ◉ Mobile Advertising is a high growth segment
  - ◉ Advt. subsidy model gaining traction globally
  - ◉ Couponing and Discount vouchers are getting mobile – enabled due to smart phones
  - ◉ Alcatel-Lucent and Ericsson have also now launched – this will fast track adoption

**3G networks will act as a great catalyst for both the above**

## 2011-14: Key growth drivers for the company

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- Mobile Payments and Retail Mobile applications
- New MTT –APD Platform
- Mobile advertizing
- Mobile App Center services

**3G networks will act as a great catalyst for both the above**

Expanding in new Geographic segments

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

# Corporate Update

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- ◉ Vizag Land Sale – still no progress
- ◉ Some progress (but slow) in Land Allotment by APIIC
- ◉ Planning to Open SEZ center for MTT-APD business

## Business Risks

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- Client Concentration though still high, is coming down, (top 5 amounts to 60% of revenues)
- AP Property Market / Telangana issue
- MTT APD involves Hardware –a new area for the company
- Global Telecom Spend (Esp. in US) un-clear
- US pre-paid market revenues declining for the company quarter on quarter.