



COMPANY PERFORMANCE  
ANALYSIS & OVERVIEW  
Q3-2011 RESULTS

9 November 2011

# Contents

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- ◉ Company –Business & products
- ◉ 2011-Q3 Summary
- ◉ Financials – Q3 & 9 months of FY 2011
- ◉ Focus areas for balance 2011
- ◉ New Growth drivers & Market Opportunities
- ◉ Corporate matters & Risks

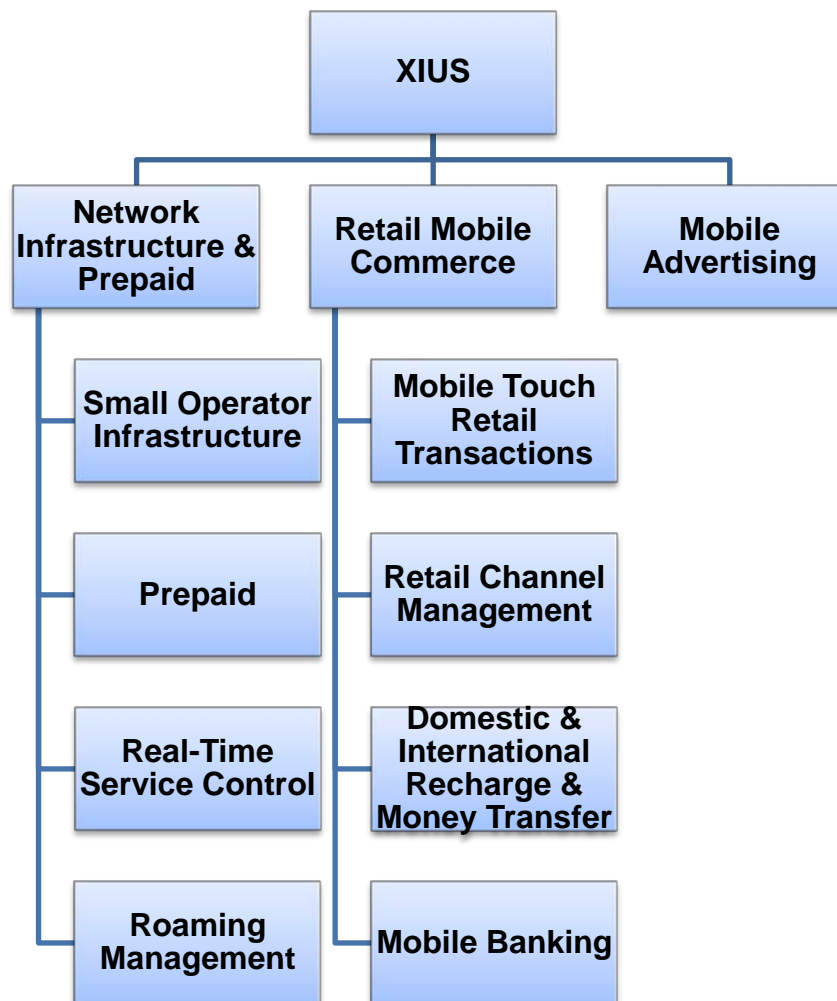
# What does XIUS do

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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



## 2011- 9 months Performance Summary

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- Q3 saw a 15% decline on Q-O-Q basis, due to decline in US pre-paid revenues
- 9 New deals closed during 2011
- Debtors outstanding around 123 days
- Best ever Sales Pipeline build up
- Concerns
  - MTT - Active Poster launch delayed further
  - Non-renewal by a large customer affecting revenues in short term

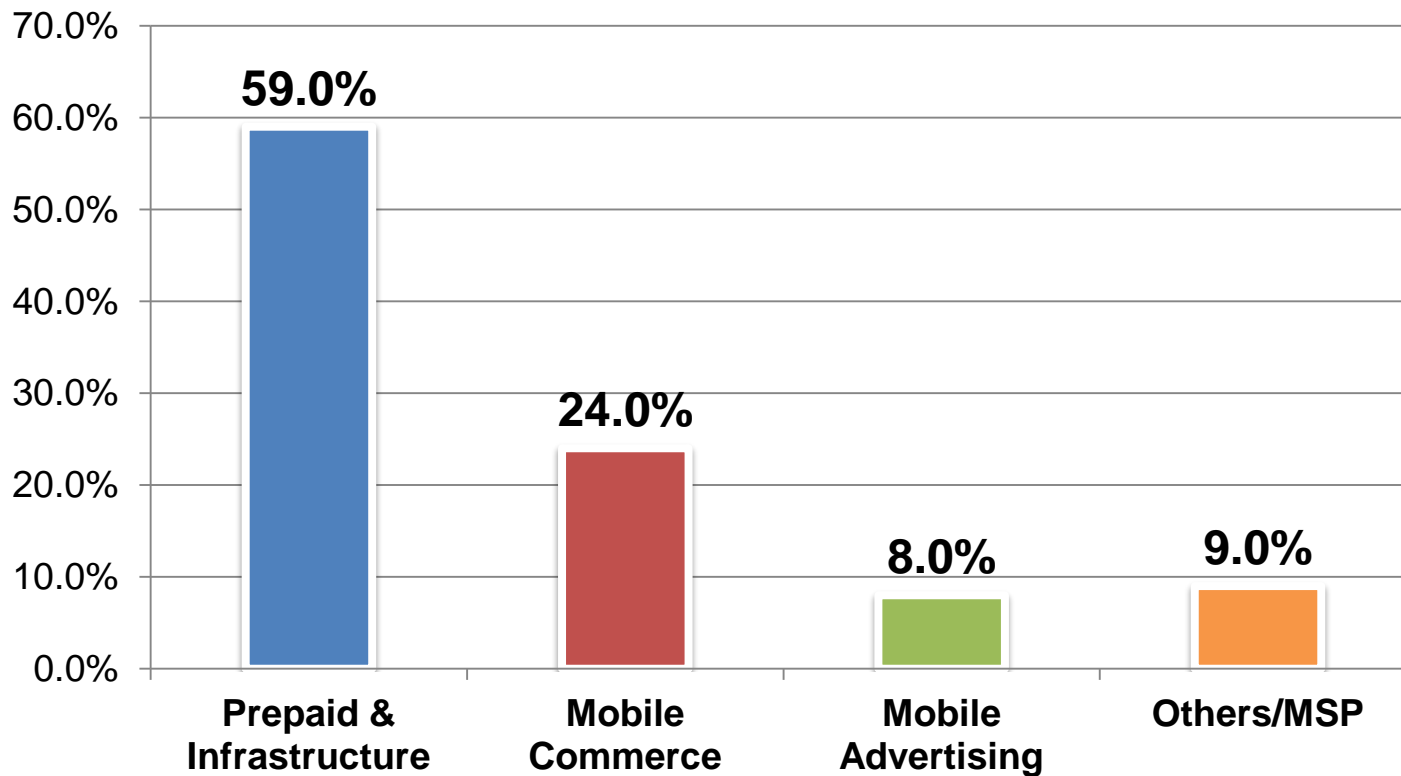
# Q3-2011 Financial Summary

	2011 Q3	2010 Q3	% Change
	Rs lakhs	Rs lakhs	%
Revenues	3444	4285	(19.6)
EBIDTA	769	1360	(43.5)
Cash profit	601	947	(36.5)
PAT	303	608	(50.2)
EPS (Rs)	0.68	1.37	(50.1)

# 2011 – 9 months Financial Summary

9 months	2011	2010	% Change
	Rs lakhs	Rs lakhs	%
Revenues	11463	12430	(7.8)
EBIDTA	3247	3936	(17.5)
Cash profit	2407	2670	(9.8)
PAT	1476	1544	(4.4)
EPS (Rs)	3.27	3.49	(6.3)

# XIUS Product-Revenue Mix - 9 months of 2011

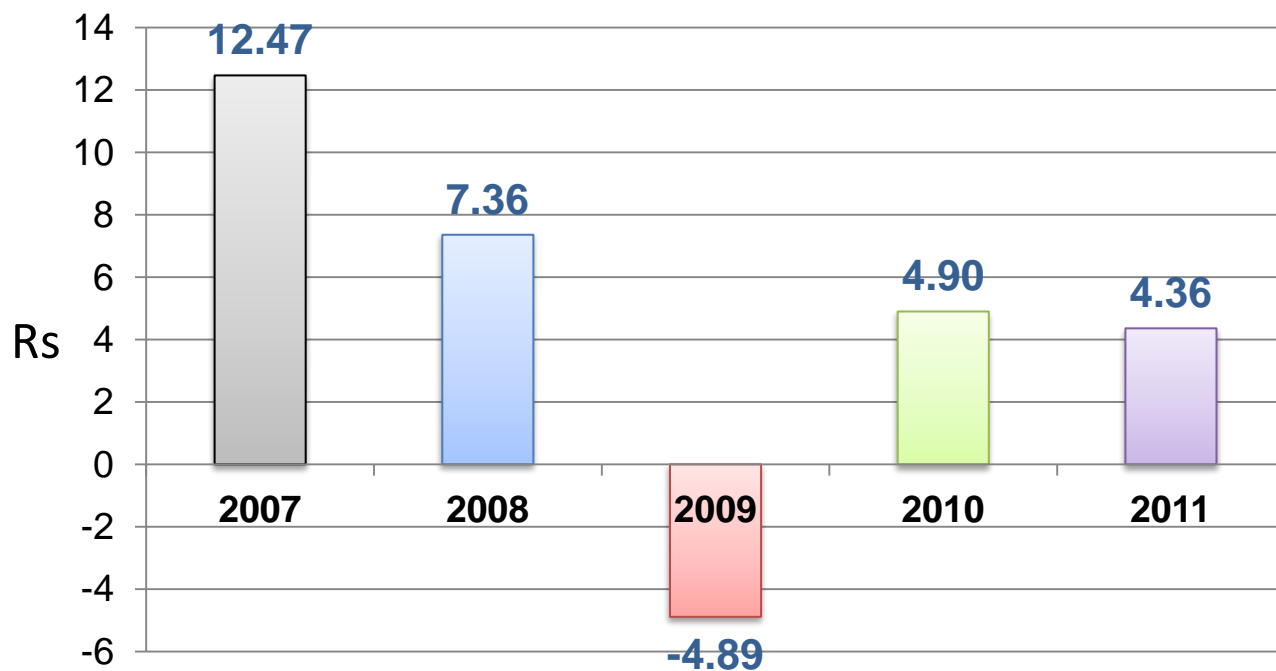




# Balance Sheet

	As at 30 Sep 2011 Rs lakhs	As at 30 Sep 2010 Rs lakhs	As at 31 Dec 2010 Rs lakhs
<b>Liabilities</b>			
Capital & Reserves	12,410	12,733	10,606
Borrowings	9,587	14,039	8,722
	<b>21,997</b>	<b>27,252</b>	<b>19,328</b>
<b>Assets</b>			
Fixed Assets (net)	10,744	17,200	9,953
Investments	1,212	1,212	1,212
Net Current Assets	10,041	8,840	8,163
	<b>20,456</b>	<b>27,252</b>	<b>19,328</b>
Net Worth	12,410	13,213	10,606
Book value (Rs)	28.03	29.85	23.96
Debt / Equity	0.77	1.06	0.82
Current Ratio	4.59	4.29	4.29

# EPS (Rs)



## 2011 –Focus Areas for the remaining year

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- I. MTT-APD – Commercial roll out with two customers and conversion of balance pipeline
- II. Latam Mobile commerce & M-Banking (Govt directive in many countries) – closure of contracts
- III. Commercial roll out of Mobile App Excellence centre in 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 – strong pick up in interest and enquiries
- Some progress (but slow) in Land Allotment by APIIC
- SEZ center for MTT-APD business to be operational by Q1 2012

## Business Risks

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- Growth is dependent on pending closure of a few large deals in the pipeline.
- AP Property Market / Telangana issue
- MTT APD involves Hardware –a new area for the company
- Global Telecom Spend (Esp. in US) un-clear and slow
- US pre-paid market revenues declining for the company quarter on quarter.