



Q1 FY2014 Earnings Presentation

July 31, 2013

Cautionary statement

Forward Looking Statements

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to OnMobile Global Limited’s (OnMobile Global or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

OnMobile Global undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Business highlights

Growth through continued expansion of international businesses

- International business: Recorded a 19.8% y-o-y growth and 6.7% q-o-q growth in revenues during the quarter
 - Latin America:
 - Revenue increased 49.5% y-o-y and 7.9% q-o-q
 - Steady growth in Other Emerging Markets:
 - Africa: Revenue increased by 28.2% y-o-y and 9.0% q-o-q
 - Won a major deal with MTN for provision of RBT services across 21 countries – Likely Revenue: \$80-\$120 million over 5 years; Revenue share model with no up-front fee or minimum guarantee
 - Europe revenues increased by 12.5% y-o-y and 2.9% q-o-q
- India: Revenue declined marginally over previous quarter
 - TRAI mandated double confirmation for activation of VAS services, across channels with the second-confirmation to happen through a consent gateway operated by third parties, since July 11, 2013
 - Moderate impact expected due to user experience and technical challenges related to second confirmation from a third-party consent gateway system
- Closed the acquisition of LiveWire Mobile on July 19, 2013; integration efforts initiated

About MTN

Significant RBT deal representing sizeable revenue potential over 5 years



MTN has GSM licenses in 21 countries across Africa and Middle East

- Head Office : Johannesburg, South Africa
- Annual Revenue : \$15 billion
- Network ARPU : \$3 – \$12

MTN-OnMobile partnership

Significant RBT deal representing sizeable revenue potential over 5 years

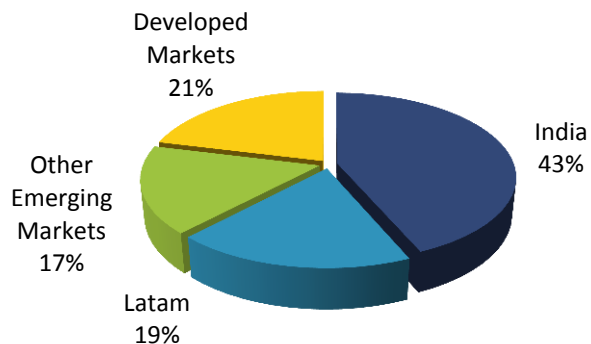
- MTN – RBT: Current Status
 - Live in all 21 countries
 - Penetration ranges from 10% - 25%
 - One of the largest RBT properties in the world
- MTN selected OnMobile, after a rigorous selection process, with stiff competition from all major RBT players around the world
- Summary of Agreement:
 - OnMobile will replace RBT platform across all 21 MTN OpCos in the next 2 years
 - OnMobile is currently present in 7 out of the 21 countries
 - Will establish operations in rest of the 14 MTN countries
 - Deal structure:
 - No up-front fee or minimum guarantee
 - Revenue share model
 - Term: 5 years from the date of launch (per Opco)
- Expected to generate \$80-\$120 million for OnMobile over next 5 years from RBT service

Operational performance

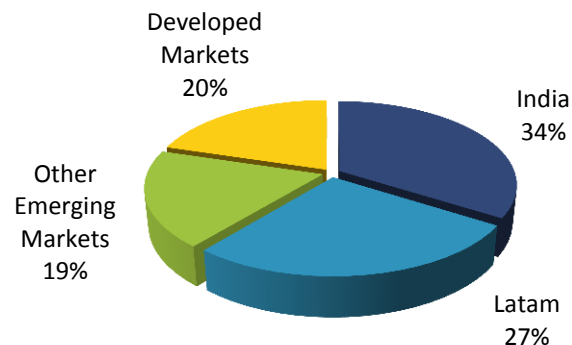
Profitable mix of diversified revenue sources

Revenues by Geography

Q1 FY2013

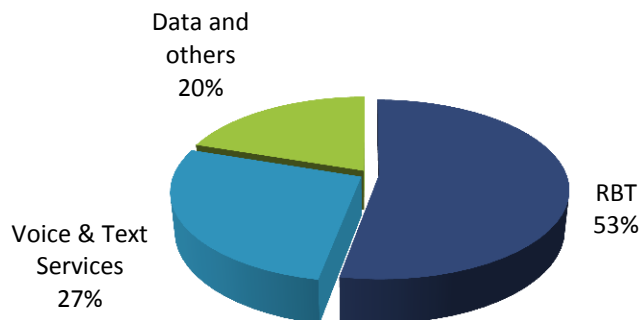


Q1 FY2014

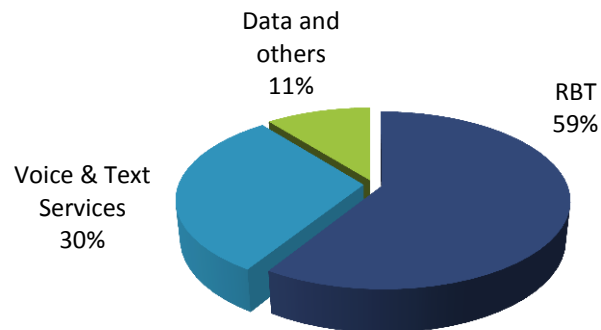


Revenues by Products

Q1 FY2013



Q1 FY2014



Financial snapshot

Consolidated financials

(₹ million)	Q1 FY2014	Q1 FY2013	% Y-o-Y	Q4 FY2013	% Q-o-Q
Net Revenue	1,897	1,852	2.4%	1,841	3.0%
India	644	806	(20.1)%	667	(3.5)%
Latam	513	343	49.5%	476	7.9%
Other Emerging Markets	354	311	13.9%	327	8.5%
Developed Markets	385	392	(1.6)%	372	3.7%
EBITDA¹	518	359	44.4%	350	48.1%
<i>% Margin</i>	27.3%	19.4%		19.0%	
EBITDA (Excl. Forex)²	419	367	14.2%	433	(3.3)%
<i>% Margin</i>	22.1%	19.8%		23.5%	
Net Profit	140	95	47.6%	108	30.0%
<i>% Margin</i>	7.4%	5.1%		5.9%	
Basic EPS (₹)	1.23	0.82	49.3%	0.95	30.0%
Normalized Net Profit²	83	100	(17.0)%	171	(51.7)%
<i>% Margin</i>	4.4%	5.4%		9.3%	
Normalized Basic EPS (₹)	0.72	0.86	(16.2)%	1.50	(51.8)%

Notes:

1 EBITDA: Profit from operations before Other income, Interest and Exceptional items and Depreciation

2 EBITDA and Net Profit normalized for Forex gain / (loss) of ₹99 million, ₹(8) million and ₹ (83) in Q1 FY2014, Q1 FY2013 and Q4 FY2013, respectively; Net Profit adjusted for post-tax impact

Financial performance

Q1 FY2014 consolidated financial highlights

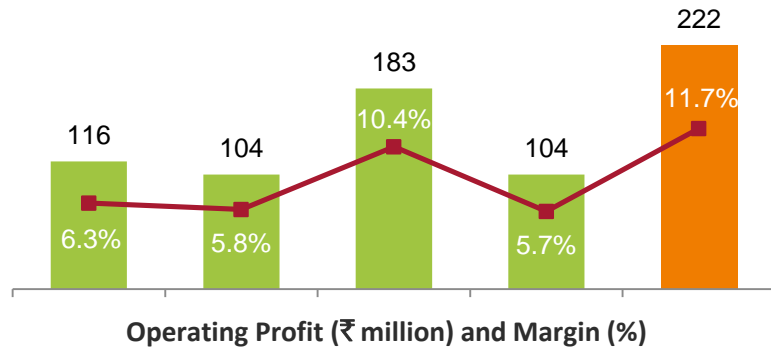
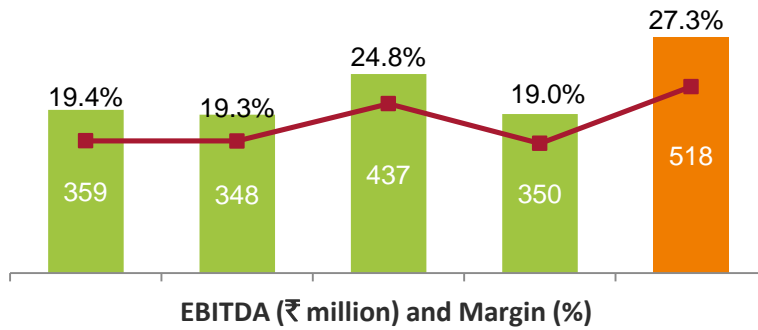
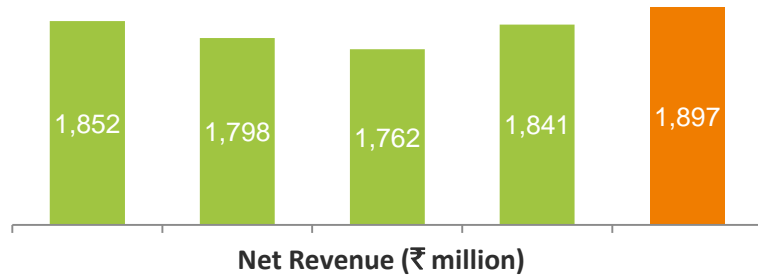
Net Revenue and EBITDA normalized for forex impact increased by 2.4% and 14.2% y-o-y, respectively

- Net Revenue increased 2.4% y-o-y and 3.0% q-o-q to ₹1,897 million
 - India revenues showed a stabilizing trend
 - International revenues increased 19.8% y-o-y with Latam up by 49.5%, Africa by 28.2% and Europe by 12.5%; increased 6.7% q-o-q to ₹1,253 million
- EBITDA increased 44.4% y-o-y and increased 48.1% q-o-q to ₹518 million at 27.3% margin
 - Despite Q4 FY2013 having the benefit of one-time reversals of Rs. 77 million
 - Forex gain of ₹99 million in Q1 FY2014 as compared to a loss of ₹83 million in Q4 FY2013 and a loss of ₹8 million in Q1 FY2013
 - Normalized for forex impact, EBITDA increased 14.2% y-o-y and declined 3.3% q-o-q to ₹419 million at 22.1% margin
- Net Profit increased 47.6% y-o-y and 30.0% q-o-q to ₹140 million at 7.4% margin
 - Excluding forex impact, Net Profit decreased by 17.0% y-o-y and 51.7% q-o-q

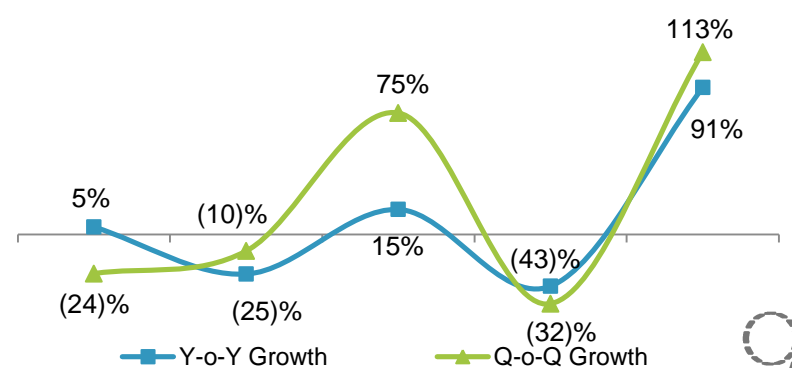
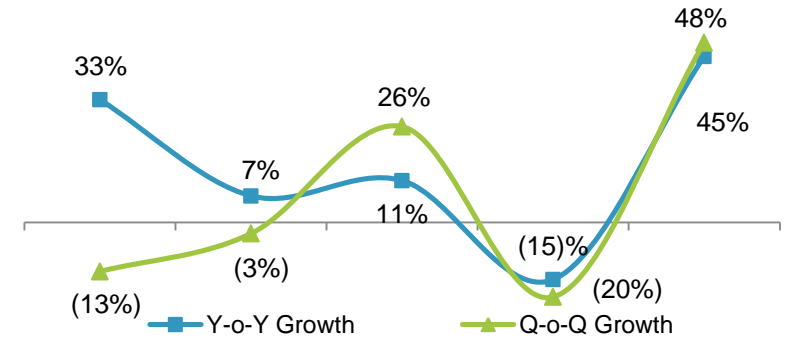
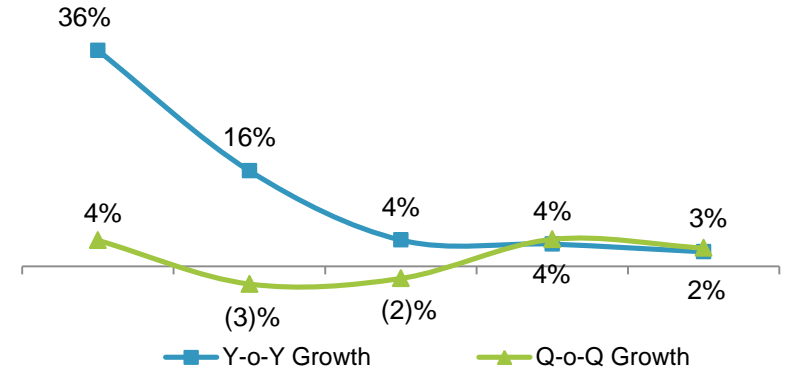


Financial performance

Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	Q1 FY14
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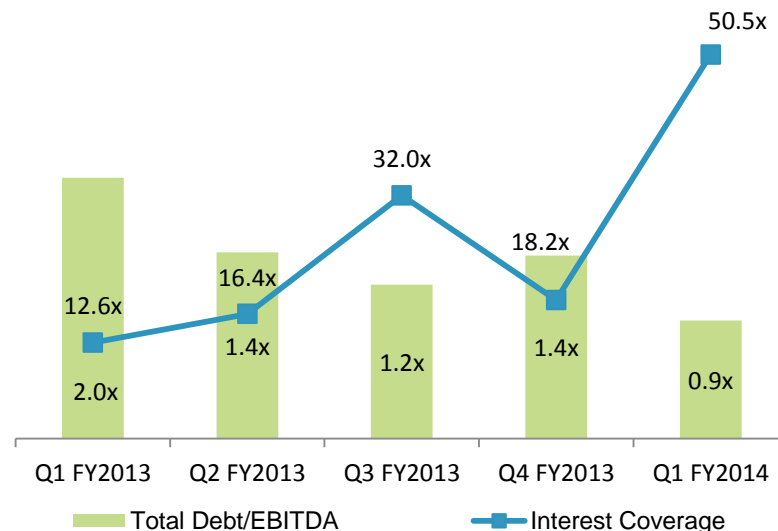
Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	Q1 FY14
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Financial performance

Low leverage and steady cash balance provides operational flexibility

(₹ million)	Consolidated Jun 30, 2013	Consolidated Mar 31, 2013
Long Term Borrowings	2	3
Short Term Borrowings	467	488
Total Debt	469	491
Less: Cash & Cash Equivalents	2,284	2,009
Net Cash / (Net Debt)	1,814	1,518
Net Worth (excluding Goodwill)	7,244	7,044



- Improved profitability and cash generated from operations resulting in enhanced net cash position of the Company

Note:

1 Interest Coverage defined as Operating Profit divided by the Interest Expense

Financial Statements

(₹ million)	Q1 FY14	Q1 FY13	Y-o-Y %	Q4 FY13	Q-o-Q %
Net Revenue	1,897	1,852	2.4%	1,841	3.0%
COGS	253	371	(31.8%)	221	14.4%
Gross Profit	1,644	1,481	11.0%	1,620	1.5%
Margin (%)	86.7%	80.0%	6.7%	88.0%	(1.3%)
Manpower Cost	752	766	(1.8%)	661	13.7%
Other Opex	473	348	35.8%	526	(10.0%)
EBITDA	419	367	14.3%	433	(3.2%)
Margin (%)	22.1%	19.8%	2.3%	23.5%	(1.4%)
Depreciation	296	242	22.1%	245	20.6%
Operating Profit	123	124	(1.1%)	188	(34.5%)
Margin (%)	6.5%	6.7%	(0.2%)	10.2%	(3.7%)
Other Income / (Exp)	19	50	(61.4%)	38	(49.1%)
Forex Gain / (Loss)	99	(8)	nm	(83)	nm
Profit before Tax	241	166	45.1%	142	69.6%
Tax	101	71	41.3%	34	195.0%
Profit After Tax	140	95	47.6%	108	30.0%
Margin (%)	7.4%	5.1%	2.3%	5.9%	1.5%
EPS (Diluted)	1.23	0.79	56.3%	0.94	30.5%

(₹ million)	As at Jun 30, 2013	As at Mar 31, 2013
EQUITY AND LIABILITIES		
Shareholders' Funds	9,290	9,090
Long-term borrowings	2	3
Deferred tax liabilities (net)	9	32
Long-term provisions	249	147
Non-Current Liabilities	260	182
Short-term borrowings	458	478
Trade payables	1,671	1,719
Other current liabilities	1,171	1,008
Short-term provisions	516	541
Current Liabilities	3,816	3,746
Total	13,366	13,018
ASSETS		
Deferred tax assets	59	31
Goodwill on Consolidation	2,046	2,046
Fixed assets	3,393	3,530
Non-current investments	0	0
Long-term loans and advances	1,076	1,072
Non-Current Assets	6,575	6,679
Current investments	366	337
Inventories	0	0
Trade receivables	2,340	1,787
Cash and cash equivalents	1,918	1,671
Short-term loans and advances	968	875
Other current assets	1,199	1,668
Current Assets	6,791	6,339
Total	13,366	13,018

THANKS

for your attention

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