



YBRANT DIGITAL LIMITED
Q3 FY14 RESULTS
CONFERENCE CALL
TRANSCRIPT

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MANAGEMENT

Suresh Reddy - Chairman & Managing Director

Amreek Singh Sandhu - Chief Financial Officer

Rajesh Kavuri - Investor Relations

Operator: Good Afternoon, ladies and gentlemen. My name is Moumita and I will be the operator for this conference. Welcome to the Ybrant Digital's Quarterly Investor Conference Call. The Duration of this call will be 45 Minutes. For the duration of the presentation, all participants' lines will be in the listen mode only. After the presentation, a question and answer session will be conducted for the participants. I would like to hand over to Mr. Rajesh Kavuri who handles the Investor Relations. Thank you and over to you.

Rajesh Kavuri: Thank you Ms. Moumita, Good afternoon everyone and thank you for being with us to discuss Ybrant Digital's financial results for the third quarter ended on December 31st, 2013. Today we have with us Mr. Suresh Reddy our Chairman and Managing Director; and Mr. Amreek Singh Sandhu, our Chief Financial Officer. Mr. Suresh Reddy will give us an update on the business front and Mr. Amreek Singh Sandhu will give us the financial highlights. Before I handover to Mr. Amreek, I would like to mention that during the conference call, except for the historical information and discussions contained herein, statements may constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. The risks and uncertainties relating to these statements include, but not limited to, regarding fluctuations in earnings, the Company's ability to manage growth, competition, government policies, regulations etc. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company. I would now like to introduce Mr. Amreek Singh Sandhu to take this conference forward:

Amreek Sandhu: Good Afternoon and thank you for joining us on this call. We appreciate your continued interest in our company, and I am pleased to announce that we continued to make good progress in executing our strategy in our 3rd fiscal quarter, ended December 31st, 2013.

Overall revenues for the 3rd quarter ended December 31, 2013 were Rs. 462.38 Crores. That is an increase of 14.85% against previous quarter and increase of 9.11% over the corresponding quarter last year. The Operating EBIDTA for Q3 was Rs. 100.47 Crores, an increase of 22.96% against previous quarter and increase of 10.81% over the corresponding quarter last year. The Profit after Tax for Q3 was Rs. 66.29 Crores, an increase of 14.79% Q-o-Q basis and 9.88% Y-o-Y basis. Revenue from Digital Marketing Segment for Q3 was Rs. 355.4 Crores, an increase of 26.09% Q-o-Q and increase of 42.91% Y-o-Y basis. Revenue from Software Development Segment for Q3 was Rs. 106.97 Crores. There was a decrease of 11.40% Q-o-Q basis and decrease of 38.90% Y-o-Y basis. Q3 consolidated earnings per share of Rs 1.39 and for nine months is Rs. 3.90.

Our Chairman and Managing Director Mr. Suresh Reddy will take this conference forward with the company's business update and after that we can have question and answer session. We got few queries on mail which we will answer. Thank You. Over to Mr. Suresh Reddy.

Suresh Reddy: Thank You Amreekji. Good afternoon. It gives me utmost pleasure to welcome you all here today. This is our first call, it's very exciting. So I thought I would take this opportunity to talk to you directly. I have three subjects to cover in this call.

First, I will to give you a quick update on the industry. Second, I want update on business front for the quarter. And third, I will talk little bit about philosophy that will drive the company's growth. I thought will take this as an opportunity to talk little bit about that. So I will start with this and then we will go for Q&A and then talk together.

Talking about Digital media and trends in the industry: You will be amazed to hear that 36% of the world's population in 2013 have accessed internet compared to about 21.7% in 2008, so one thing is for sure, internet usage continuous to grow. Mobile phone users will account for nearly 61% of the population, compared with 40% in 2008. So this is just some background on usage. Coming to our space, Digital Advertising accounted for 22.7% of all worldwide ad investments this year, which is about \$117 billion -- up 13% compared with 2012. North America continuous to be leader in digital ad spend with \$45 billion; Asia-Pacific and Europe follow closely with \$33 billion each. So this gives you some sense on different sub areas within the digital advertising space.

We see that the mobile is making inroads in digital ad spending throughout the world. Reason being that the time spent on mobile devices this year should surpass time spent on desktops and laptops. Just to give you sense, time spent on mobile will reach 2 hours odd on an average this year compared with 24 minutes in 2010, so it's a significant increase. The biggest challenge of mobile continues to be the screen size, because you are talking about smaller real estate for effective advertising.

The next area we are excited about is the Video Advertising, growing phenomenally by leaps and bounds especially this year. Online video ad spending in US will reach about \$4.14 billion, an increase of 41.4% from 2012. Thanks to the improved Internet bandwidths, in the last couple of quarters we at Ybrant have seen phenomenal increase in advertiser's interest towards this form of advertising. It's very interesting and we are really excited about it.

Social media based advertising continues to grow as more time is spent with online communities. From online communication it can go all the way to sophisticated apps that are running with social paradigm and now we are talking about maps and restaurants with social paradigm. So it's very interesting how the whole social paradigm is kicking in. So the social media advertising continues to grow, worldwide spending reached \$6.1 Billion in 2013 up from \$4.7 Billion in 2012, an increase of 30%. This is general sense from the market. Display, search and email based marketing continues to remain the stable forms of digital advertising across the globe.

That's a little sense on the industry, coming to this quarter's Business

I am very pleased with our Q3 performance; we exceeded our expectations both in terms of revenues and EBITDA. We are encouraged to see clear sightlines to growth. Our top solutions in banner, search, video, mobile and social marketing have fetched us stable business and we are focused on growing these franchises in this year as well. Tech platforms and Data Management tools have always given us the differentiated edge in the market place and they continued to do going forward. I will give few basic highlights of this quarter, I think we have already published in the quarter press release, but I thought I will just touch up on it.

Our Performance Marketing activity has increased by 30% from the previous quarter. On video marketing, we tied up with trusted video platform which gave us access to about 200 million unique visitors in more than 80 countries across the world. And it's a very powerful relation in growing on business side.

We have also partnered with a Spanish product group, fundamentally to improve the conversion rate. So we are one of the biggest players in collaborating with this team in terms of performance activity as an advertiser now.

On the mobile-apps front, we have tied-up with taxi facilitation group, basically a free app for iPhone and Android. This allows the user to order a taxi or black car from wherever, directly from one's smart phone. So they have really started to push on the brand front. They have become one of our larger advertisers in brand activity.

For the distribution of premium content on leading publisher sites, monetized by means of programmatically targeted ads, we have partnered with a digital distribution network leveraging its some unique technologies there and to work together on programmatic advertising. So that gives you just a few tidbits on what we are working on. Obviously we are continuing to work on strong partnerships either with AppNexus or Facebook or Yahoo and Google going forward will continue.

Technologies Implemented this quarter which have really taken off this quarter-- We have implemented a Special Technology Tool to manage Facebook campaigns called "**Pangea**" and we also have a Media Management Tool for publishers called OneTag. It actually caught on the imagination of lot of publishers, very interesting product that has taken off. We are also working on Big Data based Campaign optimization and analytics, fundamentally for display optimization on the display side.

So that gives you the general sense on this quarter's business. So with this i would like to go little bit, if I may, with your permission, on philosophy about what we have in mind for the Company.

We have been doing some soul searching, our corporate office is retooling our approach, and we naturally have lot of objectives and ideas that we want to achieve through our organization.

But rather than talk about specific tasks given the time constraint, I want to reflect on what we want this Company to be in 2024. I am talking about future, a decade from today - through two values.

We would like Ybrant to be perceived as an entrepreneurial enterprise in 2024, known around the world for its Innovation and service in the arena of digital media. Two key values being “Innovation” and “Service”.

You will not see slogans and you will not see banners proclaiming our commitment to innovation and service. We want something deeper than that: Innovation as a faithfully held commitment by everyone associated with Ybrant; Service as the dominant aspect of our corporate culture.

To me, Innovation means being creative and thinking out of the box. Its achievement requires an introspective assessment of everything we do, say, or make, and an honest inquiry: “Is it the simplest solution?” which we will ask ourselves so often. If it is not, we will ask ourselves what will it take to make it simple and effective and then rally all the resources behind to get it done.

And then coming to “Service”, to me, means “provide the best experience” be it to customers, shareholders and any stakeholders, who will come in contact with the company. This requires a commitment from us managing the company to invest in building the attitude of service across all parts of the company.

So I am going to ask you as shareholders, I hope you will recognize that this commitment to Innovation and Service is the surest path to success of our business. We seriously believe that, which is what we are going to implement going forward in the coming years.

Service is our best assurance of customer satisfaction, Innovation is our strongest defense against competition and path to sustained growth in earnings which we want to achieve Quarter on Quarter going forward.

I have no doubt that, as the spirit of Innovation and service penetrates to all parts of the Company, it will lift the productivity and the pride that our employees hold about the company.

Ybrant Digital is already a strong Company with good reputation in the business of digital media. That being said I am asking all of my associates - in all the offices, on the ground and labs - to take that reputation up several notches...to a point where, in the world's assessment, our Innovation and Service are not an issue for show and tell, but indisputable facts. So that being said, we intend to make our shareholders, our employees and ourselves prouder than ever before to be associated with Ybrant.

So with that I will open up Q&A. Moumita if you want to take up from here.

Operator: Thank You Sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press '* and 1' on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again.

Our first question comes from Mr. Sanjay Kaul from Delhi, please go-ahead Sir.

Sanjay Kaul: Good Afternoon everybody. Great set of numbers, I want to ask Mr. Sandhu what is the net debt on our books at 31st December, 2013.

Amreek Sandhu: Net debt is Rs160 Crores including working capital Rs.100 Crores.

Sanjay Kaul: Are we cash positive for the quarter?

Amreek Sandhu: Yes we are cash positive for the quarter.

Sanjay Kaul: Mr. Reddy, the software development turnover is going down for every quarter. This quarter it is approximately 100 Crores, when will be bottom formed over here?

Suresh Reddy: That's a really good question sir. The emphasis of the business continues to remain digital marketing, digital media and surrounding services. What we're seeing is that there is a phenomenal growth, like I mentioned in the earlier business and industry update. The opportunity digital media offers continues to grow, so we are pushing all our resources in that direction because the margins are higher and it's something of a global phenomenon in terms of usage and growth. So that's the reason there is the shift from software side towards digital side because that is something that came towards us with the merger with LGS and we are figuring out that we know how to do digital marketing lot better than handle software development. For us to become a leader in the space, it is better option to go in the direction of digital marketing.

Sanjay Kaul: Ok, so this will be Rs 100 Crores, for quarter and 400 Crores for the year. Will it stabilize here or fall further.

Suresh Reddy: We will see how it goes. But the emphasis is on the digital marketing side. The software will stabilize around here, but as we go we have to see. We have to take the call, as of now I don't see that changing.

Sanjay Kaul: Ok. What are your views on dividend payout this year?

Suresh Reddy: There is a lot of opportunity. It is tough to talk about that sir. Given from the fact that the opportunities are so huge and we have to decide on how much we have to put back in the business and how much we should distribute and so that's obviously the call we have to present to the board and see how that comes out.

Sanjay Kaul: What kind of growth are we looking at this year and the guidance of company going forward this year?

Suresh Reddy: I would refrain from that this time sir, maybe from next quarter onwards we will start giving guidance.

Sanjay Kaul: Thank You. That's it from me.

Suresh Reddy: Thank You Sir.

- Operator:** Our next question comes from Mr. Dinesh Lodha from Mumbai. Please go-ahead Sir.
- Dinesh Lodha:** Good Afternoon. Thanks for taking good initiatives like investor communication. My first question is, after merger how much of bad debt is still on our books, which is uncollectable and may come in coming quarters. Basically the LGS bad debts on the books.
- Suresh Reddy:** Good Afternoon sir, how are you. Basically, what we are thinking is that one of the reason not taking up these software development accounts and the drop in Software development revenues is that we are checking the credibility of the parties and making sure that these parties will make us the payments. So at this point I don't foresee any write-offs going forward, so we are fairly happy with what's going on this front.
- Dinesh Lodha:** Ok. How much debtors are still outstanding on the books from that front (Software Development).
- Suresh Reddy:** Now we have combined everything together in terms of all the software we had with Ybrant and LGS. So whatever you see is the combined number.
- Dinesh Lodha:** How much are the total debtors on books as of 31st of December
- Amreek Sandhu:** Total debtors on the books are approximately Rs.700 Crores.
- Dinesh Lodha:** For 9 months what is the breakup of Export and Domestic revenue.
- Amreek Sandhu:** In Digital Marketing Segment, Stand-alone revenues are all exports and in Software Development, the domestic revenues range from 15% to 20%.
- Dinesh Lodha:** Which geography we are getting more revenue.
- Amreek Sandhu:** US is number one, which constitute more than 50% of our revenue. Second is Europe, then Latin America and then rest of the World. . The details of this will be available in our corporate presentation present on our website.
- Dinesh Lodha:** What is the cash balance as of 31st December, 2013?
- Amreek Sandhu:** Consolidated Cash balance of Rs 70 Crores is present with us.

Dinesh Lodha: Any Acquisition in the pipe line?

Suresh Reddy: What has happened Dinesh, is that the company has fundamentally grown through acquisitions and organic growth. We have done about 10 acquisitions in the past eight years. So we are known in the market place for being the destination wherein companies looking to sell continue to come to us. We do get a lot of deals on ongoing basis, we have Mr. Brad Cohen who is in charge of company strategy. He works with all these options that keep flowing and we look at the companies and if it makes sense in terms of our global strategy and whether this group is a fit or not and then we'll look at whether that company's culture and mindset matches with what we are doing and then we start talking going forward. So that is the case and at every point in time we always have this process going on and when something comes close to announcing then we are ready to announce and that process which will continue to go on. While there are few points in mind that we have taken a step back since this last nine months, looking at what is it that we should look forward because we have achieved certain size and certain momentum with the company, what is the next way to take the company from here and taking changing market conditions into account and taking calls. There are some very interesting stuff that's happening in the marketplace. Internet of things is another area which has really taken off, obviously after google acquisition of NEST, everybody's talking about it, but that's something that we're looking at. These are areas that are very intriguing and interesting, but are they right for the company at this point and when do we start going in to those points? Those are the directional things that we have to take a call on. We have to formulate entire plan in terms of what do we do next, taking into account what we will do with Lycos and how we do we put the piece together with it, that's where the acquisitions start flowing into. I hope I answered your question but you know under very large scheme of things in terms of question.

Dinesh Lodha: Mr. Amreek Sandhu, What's the rate of interest we are paying on loans?

Amreek Sandhu: Average costing will come to 14% including working capital.

Dinesh Lodha: Are we rated with any rating agency for loans?

Amreek Sandhu: We had a rating done by CARE before merger. We had “BBB-.” After merger we have to go for rating.

Dinesh Lodha: Ok. Those are the questions from my side. Thank you.

Suresh Reddy: Thank You Dinesh.

Operator: Our next question comes from Mr. Pankaj Agarwal from Agra. Please go-ahead Sir.

Pankaj Agarwal: Mr. Reddy can you provide us with the break-up of the other expenses.

Amreek Sandhu: I will answer this question. Media cost of Lycos, Royalties, License fee and Marketing expenses constitute some of the other expenses. We have huge marketing expenses because we have offices and affiliates in more than 24 countries, so we have rent, utilities’ expenses as such. These are the major items of other expenses.

Pankaj Agarwal: Thank you.

Operator: Thank You Sir, our next question comes from Mr. Ankur Munjul from Delhi. Please go-ahead Sir.

Ankur Munjul: I am calling from New Delhi. First and foremost I would like to congratulate the company for being consistent from past few quarters and good to know that there are no write-offs in the coming quarter. Coming to the questions I would like to ask what management plans to make its name to be counted in India as a leading digital marketing provider. Second question. What are the key differentiator with those companies that are jumping today in digital bandwagon? And coming to Lycos, is company leveraging Lycos enough and the incorporation of more games like massive multiplayer online and make Lycos far more participative? These are the questions I would like to ask. Thank you.

Suresh Reddy: Thank you Mr. Ankur. Thanks for being on the call, these are really interesting and good questions that we talk about internally, so it’s amazing that you pointed out these questions to us. India is very interesting market for us. We have identified India as key market almost 2 years ago. In fact we have partnered with Microsoft to represent them

across their entire media spend in India. We build a team around that and marketed Microsoft media across India. We had offices in Mumbai, Delhi and Bangalore. But, as one year went along, we couldn't do much progress from it for various reasons on the ground. And we're trying to see what happened there and we figured out that depending upon a partner and working through them is not the way to do. There are better and bigger ways to do and obviously brand awareness and ability for the advertisers to recognize us was very difficult in India. We are very well known across the world in lot of the markets. Now in terms of key differentiator, we do have about 30 billion impressions a month out of our networks, so the size itself is very large. We are in this business since 1998, so it's almost one and a half decade in the business and we have built lot of experience, expertise and relationships across the markets. It's not easy for somebody to come into the market and start working with advertisers and publishers in different geographies like Germany, Latin America Australia and other places. We believe in being global player, yes we are an Indian company, but we believe that there is nothing wrong for an Indian company to become a global player. We used to be servicing clients in the US. We took a step back and said some of the companies that we are servicing became very large and very quickly, we said to ourselves why not we do the same, so with that perspective we went ahead and bought few companies that gave us the global footprint and now became effective global player today and present in various markets. So Ybrant comes across in various markets as established player and brand. In Latin America we are one of the top players and in North America we are placed in top 50 ad networks. So in various markets we have established our brands very effectively in the business area itself. We believe we have two key differentiators- one is technology and even within this market with largest players such as Value click or Tribal fusion, all these players have grown through sideways integration, grown from doing media and marketing in the front end and then they added technology to them later. We are the only company in the market who used to be technology provider and platform provider and from there we have graduated to providing End to End Digital Media Marketing and slowly moving towards being Digital Media House. So, key differentiators are technology and our data. So these are two main things that put us way ahead of competition in lot of markets. So our ability to integrate these two into various markets and globally grow is

the challenge we're working on now. For example, we have been in China for a couple of years and are working through that and we are in India for a few years and we are working through that. So we are making few plans and how to attack on this, in these markets and how to come out ahead, these are clearly, you know very challenging areas, but we believe with the right technology initiatives and right front end people, we could make this happen. That is talking about the networks portion. Coming to Lycos, you know till we bought Lycos we were basically an ad network in terms of being digital media marketing house. We were representing third-party media. So what Lycos brought to the table is that we own our own media for the first time. Through Lycos we own Gamesville, Angelfire, Tripod and etc. We own lot of different properties that we have. So with this, our ability to sell across the network has also improved. So this is a happy mix of sales team and content team. So the content part of the portion is what we're trying to integrate into one piece. Yes there has been announcement in the past by our CEO of Lycos saying that we will come out with New Search Engine. We tried few things but as of today, we believe the direction with Lycos needs to be the destination of choice globally and how to achieve it. We have worked with lot of relationships from the past few months and we will be announcing a lot of contracts with major partners that will make Lycos a more powerful play and this will happen over next couple of years. We believe this is a worldwide powerful brand and we just have to revive it with a fresh outlook and with younger mindset to bring that to table. That's something that we are working on and I believe we are making good progress in that direction. So I think I have answered all questions, please let me know if I missed any of parts of your questions.

Ankur Munjul: No Sir, Thank you very much and wish you all the success in future.

Suresh Reddy: Thank You Sir.

Operator: Thank You Sir, our next question comes from Mr. Suman Kawatra from Delhi. Please go-ahead Sir.

Suman Kawatra: Good afternoon. This is a highly complicated and specialized area, is there any way of finding out total market size and that you are catering to X percentage of the market

size and these are your Competitors and benchmark yourselves with them that you would grow X percentage. Is there some way to find out?

Suresh Reddy:

Yes Sir, Market Size is very well known as I spoke to you, last year the market size was about \$ 117 billion globally. It's a very large pie. In fact I got a few questions from people talking about that if we are interested in Commerce as a Service (CaaS). We're not looking at any area other than digital marketing. This is a huge pie; there is a massive opportunity for us to bite into. So that's the first point, the second part is the competition. We compete with various groups in various markets and market share in various markets. It varies in the US, South America, Europe and Asia Pacific. So in these areas we compete with different sects of digital marketing. It is very hard for one to come back and say to bring all the things together. Because players for example such as ValueClick or Specific Media, they are very US centric. They do have a European presence but they do not have global footprint like we do and when you talk about European companies, they are fundamentally European centric and they have expanded little bit to US and some into Africa. So we are in a very unique place. So even if you take Alexa or Comscore ratings, they will rank according to the region rather than a global ranking for this space. But if you have any specific question on this regard, you can send us email and we will make sure we address this question.

Amreek Sandhu:

I want to add to this, we have eMarketer website where we can get reports on digital marketing, we have Comscore as well which give reports on Digital Marketing space. There are many other website where we can get the industry data.

Suman Kawatra:

But I am sure internally you must have planning to grow X percentage compared to the let's say Internet penetration of the growth in the overall market. Do have you have any kind of mechanism for internal targets?

Suresh Reddy:

Internally, what we're doing is we have teams on the ground and it is interesting how our company has captured the market share in the various markets. Our growth is driven by foot soldiers on the ground. Just to give you some sense, when we acquired dream ad, dream ad used to service Microsoft. That was the relationship

they had, we did not have such a premium relationship on the other part. However, we started to expand, Facebook came and we were able to service Facebook across our distribution, so we're more driven by the relationship, we tie up whether it's an agency relationship or publisher relationship and once those are in place then comes the topic of market share. So the market share, like you rightly said, is an area which is changing on a daily basis. About two years ago, display advertising was forefront and search was forefront, today video has taken over and mobile or the tablet has started to come forward. So it doesn't make sense for us to have this plan of five years and say this is where you want to be. Every day there are new things coming up which is why I talked about Internet of things or the IP TV. We're watching these areas very closely and we want to understand how user trends follow and immediately we'll jump on the bandwagon in terms of how we monetize that. So in a very large sense, we are a digital media monetizing company. So it's not saying this percentage of market share needs to be achieved, we move faster than competition in let's say video in few markets- we may well be the leader clearly, so that's how the play works out. Obviously there are big brands like Google or Yahoo who have brand presence, so what we're looking at now is to leverage Lycos brand to put us together with larger brands which will help us capture this market. It's more intrinsic way of approach than number driven in terms of what the market share is and how much more can be said. It is a very dynamic market in short to answer your question.

Amreek Sandhu: I want to add more on that, as you said how we see internal growth, we have business plans subsidiary wise, product wise and team wise. These exercises are done internally, frequently in all subsidiaries to achieve the growth.

Suman Kawatra: Thank You

Suresh Reddy: Thank You Sir.

Operator: Thank You Sir, We will move on to next question, comes from Mr. Shiva Prakash from Delhi. Please go-ahead Sir.

Shiva Prakash: Hi I am Shiva Prakash from Delhi. First of all, I want to congratulate for second consecutive quarter of good numbers. I am a basic investor and my question is a basic one. Ybrant being in business for more than a decade and has presence in more than 24 countries with such market capitalization, while I know that the share prices is more of market-driven, from the current share price what we are having for Ybrant Digital, what you think as a company placed to grow in new heights.

Suresh Reddy: Thank You Sir, I was expecting this question and it's a very good question. Share Price in the market, obviously you pointed out it's not something that we directly control while you have a very valid point, we can influence by talking about company more and I think we should do more and we are to give you some perspective in terms of PR and IR of the business and how we're seeing. I'll talk a little bit about that and second point is to look at the P/E ratio of where we stand today versus what is there in the market and obviously, we in our view, we're very very undervalued, but that being said we continue to focus on growing the business and articulating it to shareholders. One of our shareholders suggested that we should use our marketing technique to market our company by focusing on clients the company has. The main point here is we're a B2B business, we're working with ad agencies and we're working with publishers, we are meeting with them. The people who matter in the business know us very well within this market. Coming to larger consumer base, given the fact we were a private company before the merger, we were focused on building relationship with bankers, with private equity firms, to give you some sense of the way we have raised money from some of the largest private equity firms in the world. So these are all inbound calls at every stage that we were looking for, and so we have established ourselves. We know how to be a private company, we know how to be an end to end digital marketing company and how to help clients and then came the transition of becoming a public company through this merger. So that is the stage where our approach started towards PR. PR isn't one day exercise. In fact, one of the shareholders sent us a question why didn't we do any press release when the share price went down to 2.50. We don't want to do PR just for the sake of it. We want to function from the perspective of building a communication on an ongoing basis. We believe in fundamentals of the communication and talk about the company and build a

reputation in the marketplace and not react to the market ups or market downs. While I do understand from the investor perspective; shareholder who's putting in the money and I'll explain why that happened also. You know we had all these large private equity and institutional investors in the company, and a couple of investors were actually selling, all of which caused the flutter and caused a fall in share price. When we came to know this, we talked to them about it. However it was more of a call on India equity market and less on company front. So there was not much we could do. In fact what we could have done is to find a match and who can digest from the buy side. We did put the effort, but did not happen and usually when the tide is going down, the sentiments doesn't work in your favor. So these were some of the reasons. Like we said, we did introspect things on what we should do going forward and we are beginning to take very positive steps to improve communication and this is one of the efforts from today and try to reach out and have a more closed loop relationship with the investors and we as a group want to build a business and bring the value to the investors going forward. Did that answer your question on large scale or any specific details are needed sir?

- Shiva Prakash:** No, I think it did answer my questions. I hope we're on the right track with this new approach.
- Suresh Reddy:** Thank You Sir.
- Moumita:** Thank You Sir, the last question comes from Mr. Dinesh Lodha from Mumbai. Please go-ahead Sir.
- Dinesh Lodha:** Hi Mr. Sandhu, I have one small follow up question. What is the employee strength in India and outside India.
- Amreek Sandhu:** We have roughly around 250 employees in India and around 750 outside India both permanent and temporary.
- Dinesh Lodha:** So around 1000 employees in total. How much advance tax did we pay till March 15th?

Amreek Sandhu: I have to check how much we paid.... I believe we paid around Rs 4 Crores to Rs 5 Crores in advance taxes on standalone basis.

Dinesh Lodha: Ok, thank you. That's it from me.

Operator: Thank You Sir. Now I would like to hand over the floor to Mr Rajesh for closing comments.

Rajesh Kavuri: Thank You all for participating in this conference call. I do have few emails which are sent to us. If these queries are not answered in this call, then please send us an email to ir@ybrantdigital.com and we will reply to them. Now I would like to ask Mr. Suresh Reddy to give us the closing comments.

Suresh Reddy: Thank You. I would like to thank all the shareholders for continuing to give support and keep having confidence in the company and we are working very hard for you and we will continue to look at ways and means to take advantage of market conditions. I think this is really interesting for us to be directly in touch with shareholders and I thank all of you who were in the call and appreciate your time for us. Thank you all.

Operator: Thank You Sir. Ladies and gentlemen, this concludes your conference for today.

Queries sent to email that did not come up during the call.

1) What is your emphasis on CASS? Do you see yourself focusing as much as Digital river or ValueClick? And do you see pressure mounting from all the consulting companies entering this area?

In our view, CASS is a back end business management system which includes merchandising, pricing, promotions, payment processing, support management, and customer management—as services that can be leveraged by any presentation layer. Which, we believe, is more of a IT centric back end service to support customers who arrive at the virtual store front of the enterprise. That is a different craft when compared to

the finding new customers to get interested in the product the enterprise sells. Digital marketing is the craft of converting people who are users of digital media into customers. From budgets and responsibilities perspective CASS is from the CIO's budget and digital marketing is from the CMO. While there are areas that intersect. Digital media and marketing by itself is fast changing and a rapidly growing market, at this point the company's strategists feel that we should stick to the core focus of 'Digital marketing'. We have not even scraped the huge potential of this market in our view.

Consulting companies entering this area of CASS is a natural progression of what they offer and do not compete with us in pursuing the marketing budgets of the enterprise.

2. How is the new set-up in Singapore performing?

Krishna Srinivas, our Singapore head reports into Asia Pacific group situated in Australia. Things are looking positive and we are yet to gain the desired traction in this market.

3. What is the plan to pay off debt?

We are looking at paying off debt from internal accruals and equity raise in due course.