



## YBRANT DIGITAL AND LGS GLOBAL PROPOSE TO MERGE, CREATING A GLOBAL DIGITAL MARKETING POWERHOUSE

Will Offer Global Digital Marketing services, with the commitment of a strong Cloud computing and Mobile Apps backbone.

Companies Expect significant Cost Synergies; Transaction Expected To Be Substantially Accretive In Year One

HYDERABAD, India, August 1, 2011

[Ybrant Digital](#) Limited (Privately held) and [LGS GLOBAL LIMITED](#) (BSE: 532368) announced today that the two companies propose to merge in order to create a Global Digital Marketing powerhouse. The merger is subject to regulatory approvals from Indian stock exchanges and the high court of Andhra Pradesh, India. The proposed combined entity will be named as Ybrant Digital Limited.

Ybrant has a successful track record of acquiring and integrating businesses from across the world. In the last five years Ybrant has made seven acquisitions on a wholly owned basis, latest being Lycos Inc. from Waltham, Massachusetts.

Ybrant Digital has raised over \$100 million in equity and debt from some of the top PE funds. Ybrant's shareholders include premium institutional investors like Oak Investment Partners, GE Asia Pacific Capital among others.

The new Ybrant will offer the industry's most comprehensive Digital Marketing services for businesses, publishers and agencies, with a commitment to serving customers with best of the breed platforms.

Ybrant Digital services leading global brands including SAP, Porsche, Ford, UPS, Swissair, Chevrolet, 3M, Jeep, US Army, LaSalle and Lufthansa. Besides owning proprietary media such as Lycos, Gamesville, getMedia in Latin America and several travel websites in Australia, Ybrant Digital partners with top global publishers such as Facebook, Google, MSN, Yahoo!, and Viacom, and assists over 140 top Ad Agencies including OMD, Carat, MediaCom, Group M, Quasar, Razorfish, Mindshare, Maxus, OmniCom and Oglivy, spread across Europe, the Americas and Asia.

Suresh Reddy, Chairman and CEO of Ybrant, will be the Chairman and CEO of the new Ybrant. Subba Rao Karusula, Managing Director of LGS, will be the Business Head of the LGS Division of Ybrant.

"This is a decisive move that accelerates our strategy and positions us to win by offering even greater value to our customers and partners," said Suresh Reddy. "In addition to the clear strategic benefits of combining two highly complementary organizations, we can create substantial shareholder value through significant cost structure improvements and access to much larger resource pool."

Rao said, "We are creating a new kind of industry leader -- one founded on customer success, world-class engineering, and best of breed products and services. In sharp contrast to our competitors, we are committed to leading the industry to open, market-unifying architectures and interoperability, which reduce complexity and cost for our customers. With this move, we intend to change the basis of competition in the industry."

The transaction is expected to be substantially accretive to Ybrant's pro forma earnings per share in the first full year of combined operations based on achieving planned cost synergies. These anticipated synergies result from efficiencies in administration, procurement, development and marketing.

It would have operations in more than 20 countries with over 1200 employees.

### **Fact Sheet**

A fact sheet related to the merger is attached to this press release.

### **About Ybrant Digital**

Ybrant Digital offers Digital Marketing solutions to businesses, agencies, and online publishers worldwide. It connects Advertisers with their Audience across any form of digital media, using its massive local presence to deliver appropriate messages to the right audience, through the most relevant digital channels.

Founded in 2000 and headquartered in India, Ybrant Digital holds offices in 16 countries, including US, Argentina, Brazil, Chile, Uruguay, Mexico, UK, France, Germany, Sweden, Ukraine, Serbia, Israel, China, India, and Australia, and with representatives or partners in Spain, Greece and The Netherlands.

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MediaCom, Group M, Quasar, Razorfish, Mindshare, Maxus, OmniCom and Oglivy, spread across Europe, the Americas and Asia.

With enormous reach, cross platform capabilities, and technology, Ybrant Digital can exploit the full capabilities of Digital Media, positioning itself as a leading entity in the new age of digital advertising, and make it the platform of choice for any advertiser looking to connect with its audience across digital media channels.

### **About LGS**

LGS is a Global Information Technology Implementation and Outsourcing Services Provider with an exceptional track record of providing high quality, on-budget, and on-time solutions to demanding clients. Our business knowledge in key verticals helps us provide solutions that are customized to address the specific needs while focusing on maximizing value of Information Technology investments such that clients can achieve their business objectives. We believe in fostering long-term relationships, and partner with our clients in their success. LGS provides End-to-end Enterprise Solution Offerings and Specializing in ERP Solutions, Microsoft and Open Source Systems development.

LGS being one of the leading Software Development Company with offices spread across the globe. LGS has over a decade experience in delivering business values to its customers, with Clientele Including many Fortune 500 companies and Government agencies. We help our clients to maximize their business performance through seamless integration of strategic change, process improvements and technology solutions. LGS differentiates itself on the ability to execute cost effective Onsite-Offshore implementations resulting in low Total Cost of Ownership.

### **YBRANT/LGS FACT SHEET**

Transaction Summary of the proposed combination:

Structure: Stock-for-stock merger

Swap Ratio: Six shares of LGS for every share of Ybrant

Agencies:

Ernst & Young (Transaction Advisory)  
Amarchand Mangaldas (Legal Diligence)  
Stone Media Advisory (Business Diligence)  
Bank of Baroda (Merchant Banker)

## VS Raju (Legal Advisor)

### **Overview:**

- Creates a global digital marketing powerhouse, with the state of art technologies back end using Cloud Computing and Mobile Apps.
- The combination furthers each company's commitment to open, market-unifying systems and architectures and aggressive direct distribution models.
- Combined company can create substantial shareholder value through significant cost structure improvements and access to new growth opportunities.
- Transaction expected to be substantially accretive to pro forma EPS in first full year of combined operations.
- New Ybrant would have operations in more than 20 countries and over 1200 employees.

### **Leadership:**

- Board of Directors: 8 Ybrant directors to form the board of the combined entity
- Chairman and Chief Executive Officer: Suresh Reddy
- President: Jacob Nizri
- Chief Strategy Officer: Brad Cohen
- Chief Financial Officer: Amreek Sandhu
- Chief Innovation Officer: Vijay Kancharla
- Business Head of LGS: Subba Rao Karusula

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