



## Q3 FY 2015 QUARTERLY INVESTOR UPDATE

FEBRUARY 03, 2015



## DISCLAIMER

---

Certain Statements in this release reflecting our future growth prospects are forward – looking statements which involve a number of risks and uncertainties that could cause result to differ materially from those in such forwarding looking statements. The risks and uncertainties relating to these statements include but are not limited to risks and uncertainties with respect to fluctuation in earnings, our ability to manage growth, intense competition in online advertising including these factors which may affect our cost advantage, cost of resources and introduction of regulations that might impact the prospects, our ability to successfully complete the planned projects, general economic conditions affecting our industry. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

## Q3 FINANCIAL HIGHLIGHTS:

- ✓ Revenue for Q3 FY2014-15 was Rs. 595.67 Crores, an increase of 29.44% Q-o-Q and 28.83% Y-o-Y.
- ✓ EBIDTA for Q3 FY2014-15 was Rs. 163.42 Crores, an increase of 16.27% Q-o-Q and increase of 66.72% Y-o-Y.
- ✓ PAT for Q3 FY2014-15 was Rs. 98.87 Crores, an increase of 19.88% Q-o-Q and increase of 49.14% Y-o-Y.
- ✓ Q3 consolidated earnings per share (EPS) of Rs 2.08.
- ✓ Revenue from Digital Marketing Segment for Q3 FY2014-15 was Rs. 493.09 crores, an increase of 43.12% Q-o-Q and an increase of 38.74% Y-o-Y.
- ✓ PBT from Digital Marketing Segment for Q3 FY2014-15 was Rs. 142.02 crores, an increase of 10.38% Q-o-Q and an increase of 90.91% Y-o-Y.
- ✓ Revenue from Software Development Segment for Q3 FY2014-15 was Rs.102.58 crores, a decrease of 11.31% Q-o-Q and a decrease of 4.11% Y-o-Y.

# CONSOLIDATED FINANCIAL DATA

Particulars	IN INR LAKHS				
	3 Months ended 31st Dec 2014	3 Months ended 30th Sept 2014	3 Months ended 31st Dec 2013	Year to Date 31-Dec-14	Year Ended 31-Mar-14
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Income from Operations</b>					
Income from Operations	59,566.78	46,019.03	46,238.42	151,212.08	167,337.38
<b>Expenditure</b>					
Cost of Goods/Services	35,385.76	26,963.27	28,376.29	89,098.55	99,704.45
Employee benefit expenses	2,887.77	2,181.78	3,557.08	7,256.12	12,775.47
Depreciation & Amortization Expense	918.88	977.54	845.33	2,671.60	6,883.36
Other expenses	4,876.26	3,186.96	4,257.58	11,245.90	18,142.37
<b>Total Expenses</b>	<b>44,068.67</b>	<b>33,309.55</b>	<b>37,036.28</b>	<b>110,272.17</b>	<b>137,505.65</b>
<b>Other Income</b>	-	-	-	35.79	612.95
FX Gain/ (Loss)	(75.13)	368.30	(245.37)	370.80	(463.05)
<b>PBIT</b>	<b>15,422.98</b>	<b>13,077.78</b>	<b>8,956.77</b>	<b>41,346.50</b>	<b>29,981.63</b>
Finance Costs	541.93	839.15	638.92	1,957.02	2,694.40
<b>PBT</b>	<b>14,881.05</b>	<b>12,238.64</b>	<b>8,317.85</b>	<b>39,389.49</b>	<b>27,287.23</b>
Tax Expense	4,994.41	3,990.89	1,688.59	12,901.21	5,190.95
<b>PAT</b>	<b>9,886.64</b>	<b>8,247.75</b>	<b>6,629.26</b>	<b>26,488.28</b>	<b>22,096.28</b>
<b>EPS</b>	<b>2.08</b>	<b>1.73</b>	<b>1.39</b>	<b>5.56</b>	<b>4.64</b>

## SEGMENT WISE FINANCIAL DATA

Particulars	IN INR LAKHS					
	3 Months ended 31st Dec 2014	3 Months ended 30th Sept 2014	3 Months ended 31st Dec 2013	Year to Date		Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	31-Dec-14	31-Dec-13	31-Mar-14
				(Unaudited)	(Unaudited)	(Audited)
<b>Segment Revenue</b>						
(a) Digital Marketing Segment	49,308.52	34,452.80	35,540.49	117,873.88	91,773.50	121,571.97
(b) Software Development Segment	10,258.26	11,566.23	10,697.93	33,338.21	34,762.31	45,765.41
<b>Total Income from Operations</b>	<b>59,566.78</b>	<b>46,019.03</b>	<b>46,238.42</b>	<b>151,212.09</b>	<b>126,535.81</b>	<b>167,337.38</b>
<b>Segment Results - Profit (+) / Loss (-) before tax and interest</b>						
(a) Digital Marketing Segment	14,246.95	13,086.50	7,563.92	39,315.25	20,039.92	27,692.14
(b) Software Development Segment	1,176.03	(8.71)	1,392.85	2,031.26	5,055.29	2,289.48
<b>Total Segment Results - Profit (+) / Loss (-) before tax and interest</b>	<b>15,422.98</b>	<b>13,077.78</b>	<b>8,956.77</b>	<b>41,346.51</b>	<b>25,095.21</b>	<b>29,981.62</b>
Less: Interest	541.93	839.15	638.92	1,957.02	2,519.82	2,694.40
<b>Total Profit (+) / Loss (-) before tax</b>	<b>14,881.05</b>	<b>12,238.64</b>	<b>8,317.85</b>	<b>39,389.50</b>	<b>22,575.39</b>	<b>27,287.23</b>

# BUSINESS UPDATE

## LYCOS MEDIA:

**Local Services** - We have signed a deal with Goodzer – The leader in hyper-local service and retail content. The agreement is twofold: First, Lycos will utilize Goodzer's enhanced local services data across thousands of business categories on its wholly owned local search property [www.whowhere.com](http://www.whowhere.com). Second, Lycos has partnered with Goodzer to build out and enhance Lycos's local product search functionality on [www.lycos.com](http://www.lycos.com). This deal will help generate more traffic to Lycos's owned and operated properties by providing users granular detail on local business that helps them make informed decisions.

**Automotive Listings** - Also during Q3, we have signed a deal with “Autoweb, Inc.” – the first vertical search engine which combines engaging and informative content with social sharing features . This enhanced functionality will help car shoppers make informed decisions with access to granular search criteria such as monthly payment, vehicle type, make and model, MSRP and even MPG range. More than 64% of consumers use online search engines to find a car and this experience needs to be as convenient and intuitive as possible.

Both of the above deals will help generate more traffic to Lycos's owned and operated properties by providing users granular detail and functionality which helps them make informed decisions. Both these will be launched in Q4.

## PRODUCTS & DEALS ON THE PIPELINE:

- ✓ Lycos Messenger iOS development is in progress.
- ✓ Also talks are in progress towards closing deals with some of the top search engines of the world for enhanced search advertising.

## YBRANT DIGITAL:

During Q3 Ybrant Digital's Advertising Division continued to add new Demand and Media partners to its customer base, while continuing the development of advanced technology tools to support all business units and moving to the programmatic media buy & sell arena. This included strong presence in the 'Private Market Place' arena.

**Video Advertising** - We signed deals with new Video Ad Network partners and kept our successful cooperation with top North American video advertisers. Main players include BrightRoll, Tremor Video, SpotXchange, AOL and LiveRail (acquired by Facebook). In addition, our mobile video activity generated more scale and we will keep developing our efforts on this growing segment according to market trends.

**Media Buying (Publishers)** - The Media Buy division continued to add publishers, including premium publishers such as 'Hearst' which is one of the biggest magazines and newspaper group in the US and 'Hearst Core Audience' - a division of Hearst focusing on reaching the right audience while accessing premium inventory, 'Detroit Media Partnership' (Michigan.com since Oct 2014) - Michigan's largest local media company, 'The Inquisitor' which is one of the top news websites in the US and Nextstep - a big media house that manages traffic for big portals with Spanish content. In addition to the new partners we kept the development and successful cooperation with our main publishers.

# TECHNOLOGY UPDATE

---

**Compass Technology** - Development is ongoing for our in-house solution for managing publishers on one central platform. New features and functionalities have been added to simplify integration and monetization tracking of publishers. During the quarter we finalized the specifications of Real Time Bidding integration, new automated optimization techniques and the ability to generate deeper and smarter reports.

**Business Intelligence & Big Data** - During the quarter we successfully integrated our BI platform for Display activity enabling in depth analyses and pulling data from multiple tech platforms. We keep developing our ability to work with big data for optimal optimization and insights on all of our Programmatic activities.



## Investor Contact

Rajesh K  
Investor Relations  
[rajeshk@ybranddigital.com](mailto:rajeshk@ybranddigital.com) or [rajeshk@lycoscorp.com](mailto:rajeshk@lycoscorp.com)  
Phone: 040 45678999



### **LYCOS INTERNET LIMITED**

Plot # 7A, MLA Colony,  
Road # 12, Banjara Hills,  
Hyderabad, Telangna.  
India – 500 034