LYCOS Announces Quarter One Results

KPMG to Advise on Strategic Audit Items

Hyderabad, September 12, 2016

LYCOS (NSE: LYCOS I BSE: 532368), the global Internet brand, today announced its unaudited financial results for the quarter ended 30th June, 2016.

The company has also announced the appointment of KPMG to advice on the transition phase. The transition phase includes a few strategic audit items primarily centered around the first year (FY 2016-17) of Ind-AS (Indian Accounting Standards) implementation and change of auditor for the next financial year.

The Financial Highlights:

- Q1 consolidated revenue of Rs. 531.83 Crores, up 6.67% Y-o-Y.
- Q1 consolidated EBITDA of Rs. 160.86 Crores and PAT of Rs. 94.34 Crores.
- Q1 consolidated earnings per share (EPS) of Rs.1.98.

Revenue for Q1 FY2016-17 was Rs. 531.83 Crores, an increase of 12.22% Q-o-Q and 6.67% Y-o-Y. EBIDTA for Q1 FY2016-17 was Rs.160.86 Crores, an increase of 12.61% Q- o-Q and 4.35% Y-o-Y. PAT for Q1 FY2016-17 was Rs. 94.34 Crores, an increase of 12.27% Q-o-Q and 4.03% Y-o-Y.

Revenue from Digital Marketing Segment for Q1 FY2016-17 was Rs. 422.85 Crores, an increase of 16.63% Q-o-Q and an increase of 8.78% Y-o-Y. PBT from Digital Marketing Segment for Q1 FY2016-17 was Rs. 139.48 Crores, an increase of 15.52% Q-o-Q and a decrease of 4.27% Y-o-Y.

"We are happy with the performance of the teams this quarter. Benefits of the formation of Brightcom and other strategic moves are trickling in. We expect this to pick steam in the coming quarters. The ducks are lined up."said Suresh Reddy, Chairman of LYCOS.

Financial Highlights

	Quarter Ended	Quarter Ended	Quarter Ended	QOQ	YOY	Year Ended	Year ended
	30-Jun-2016	31-Mar-2016	30-Jun-2015			31st March 2016	31st March 2015
Sales	531.83	473.91	498.64	12.22%	6.66%	2,255.90	1,957.00
EBITDA	160.86	142.85	154.15	12.61%	4.35%	679.67	585.89
PAT	94.34	84.03	90.69	12.27%	4.03%	405.05	342.22

All in Rupees Crores

Business highlights

Brightcom, Powered by LYCOS

- **Partnership**

Recent Census bureau data in the U.S. shows that the US-Hispanic population will make up 21% of the country's population by 2030, and advertisers are racing to acquire the best set of tools to reach these powerful consumers.

As a part of that effort, **Medula** is now teaming up with **Brightcom** to capitalize on our multi-channel programmatic products, in order to optimize monetization of its digital inventory for online Hispanics on all devices and levels, including display, video, mobile and social media advertising. Medula's properties include more than 300 top tier sites including Clarín, La República and La Tercera among others, as well as substantial U.S. Hispanic traffic.

- **APAC**

Expanded into Singapore and the Philippines.

Video Advertising

On June 15, 2016, we held a **roundtable event in NYC** for discussion on video ad spending in the upcoming election cycle. The industry event was overflowing with insights of top executives from companies such as *Spotx, AOL, Vox, The Trade Desk, NY Daily News* and others. The roundtable was moderated by Philip Rosenstein, a leading writer and editor covering politics at MediaPost.

- **Product Portfolio**

In expanding our product portfolio, we introduced:

- Header Bidding: The new header bidding solution helps publishers optimize their entire inventory by enabling all their demand partners to bid based on the real market value of each single impression.
- In-View: It is a highly viewable out-stream video format which generates additional video inventory on a website, allowing publishers to monetize non-video content with video ads. The In-View player expands and begins to play only when the player is more than 50% in view, giving users a non-intrusive viewing experience.

Technology

- Announced new integrations with GeoEdge and Forensiq to enhance viewability measurement and improve fraud detection capabilities for clients.
- Working with Forensiq, a fraud detection company, we will channel all ad traffic through a fraud evaluation program to offer real-time detection for clients.
- GeoEdge, an ad-verification provider, has a similar role, but from a publisher perspective. It checks for malicious creatives, improving transparency between the advertiser and publisher.

LYCOS Media

- Announced signing up with ADX, leads to improved fill rates for the network.

LYCOS Life

- On branding, a new Facebook likes campaign is live.
- And Facebook sponsored posts are live for India on varied advertising concepts.

Apollo Lycos Netcommerce

- A client from the textiles business has been signed up for the development of end-to-end ecommerce portal. Development work is in progress.
- Apollo Leathers – Corporate website has been deployed.
- Apart from key Fashions client, we are in the process of closing 4 LOIs pertaining to clothing, personal care & beauty, and the fashion wear categories.
- A Kids wear brand has signed up with APLY for the Omni channel execution where we will be targeting 100 odd locations pan-India.

Conference Call Details:

LYCOS will host a conference call on Thursday, September 15, 2016, at 4:00 pm Indian Standard Time to discuss the financial results. Call-in details will be available from the Investor Relations page of the company's website at: http://corp.lycos.com/investors/

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About LYCOS:

LYCOS is one of the original and most widely known Internet brands in the world, evolving from pioneering search on the web, into a family of three business units covering digital media, marketing, and Internet of Things (IoT).

LYCOS Media is a network of easy-to-use community and social sites in 120 languages across 177 countries. LYCOS' award-winning products and services include tools for blogging, web publishing and hosting, online games, e-mail, and search. The LYCOS Network of sites and services include Lycos.com, Tripod, Angelfire, HotBot, Gamesville, WhoWhere, and LYCOS Mail.

'Brightcom powered by LYCOS', enables businesses, agencies, and online publishers worldwide in meeting their digital marketing needs, serving 40 billion impressions every month. Clients include leading blue chip advertisers like Airtel, British Airways, Coca-Cola, Hyundai Motors, ICICI Bank, ITC, ING, Lenovo, LIC, Maruti Suzuki, MTV, P&G, Qatar Airways, Samsung, Viacom, Sony, Star India, Vodafone, Titan, and Unilever. Publishers include Facebook, LinkedIn, MSN, Twitter, and Yahoo! LYCOS works with agencies like Havas Digital, JWT, Mediacom, Mindshare, Neo@Ogilvy, OgilvyOne, OMD, Satchi&Satchi, TBWA, and ZenithOptiMedia, to name a few.

LYCOS Life is the new consumer products division focused on IoT. LYCOS Life is dedicated to the future of communication and information management in which everyday objects will be connected to the internet, also known as the "Internet of Things" (IoT).

LYCOS employs around 450 people working out of 24 offices worldwide, across the US, Israel, India, Western Europe, Australia and Latin America. For more information please visit www.lycos.com

Disclaimer

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words

such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “should” or “will.” Forward–looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behavior of financial and digital marketing industry, and fluctuations in exchange rates; from future integration of businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different from those expressed in our forward-looking statements. We do not undertake to update our forward- looking statements.