



**SECOND QUARTERLY FY 2015 – 2016
BUSINESS & FINANCIAL INVESTOR
UPDATE**

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.

FINANCIAL HIGHLIGHTS

- Revenue for Q2 FY2015-16 was Rs 565.08 Crores, an increase of 13.33% Q-o-Q and 22.79% Y-o-Y.
- EBIDTA for Q2 FY2015-16 was Rs 182.72 Crores, an increase of 18.53% Q-o-Q and increase of 30% Y-o-Y.
- PAT for Q2 FY2015-16 was Rs 105.16 Crores, an increase of 15.96% Q-o-Q and increase of 27.50% Y-o-Y.
- Revenue from Digital Marketing Segment for Q2 FY2015-16 was Rs 458.38 Crores, an increase of 17.92 % Q-o-Q and an increase of 33.04% Y-o-Y.
- Revenue from Software Development Segment for Q2 FY2015-16 was Rs 106.70 Crores, a decrease of 2.93% Q-o-Q and a decrease of 7.74% Y-o-Y.
- Q2 consolidated earnings per share (EPS) of Rs 2.21.

FINANCIAL HIGHLIGHTS

In INR LAKHS

Particulars	3 Months ended 30th Sept 2015	3 Months ended 30th June 2015	3 Months ended 30th Sept 2014	Year to Date 30th Sept 2015	Year Ended 31st March 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Income	56,508.42	49,863.62	46,019.03	1,06,372.04	1,95,700.36
Expenditure					
Cost of Goods/Services	32,185.37	28,385.05	26,963.27	60,570.42	1,10,656.86
Employee benefit expenses	2,564.33	3,021.50	2,181.78	5,585.83	9,942.13
Depreciation & Amortization Expense	1,814.50	960.58	977.54	2,775.08	4,137.70
Other expenses	3,793.02	3,346.57	3,186.96	7,139.59	17,929.34
Total Expenses	40,357.22	35,713.70	33,309.55	76,070.92	1,42,666.03
Profit from Operations before Other Income, Finance costs and Exceptional	16,151.20	14,149.92	12,709.48	30,301.12	53,034.33
Other Income	306.48	304.91	368.30	611.39	1,416.96
Profit from ordinary activities before Finance Costs and Exceptional Items	16,457.68	14,454.83	13,077.78	30,912.51	54,451.29
Finance Costs	408.53	394.80	839.15	803.33	2,252.30
Profit (+)/Loss(-) from Ordinary Activities before tax(16,049.15	14,060.03	12,238.64	30,109.18	52,198.99
Tax Expense (Included Deferred Tax)	5,532.97	4,991.24	3,990.89	10,524.21	17,977.22
Net Profit (+) /Loss(-)	10,516.18	9,068.79	8,247.75	19,584.97	34,221.77

FINANCIAL HIGHLIGHTS

Utilization of EBITDA Six Months FY2015-16

EBITDA		336.88
Utilization of Funds		
Product development	45.85	
Capital Work in Progress	33.68	
Fixed Assets	03.07	
Increase in current assets	48.32	
Tax Payments	95.22	
Payment to vendors	58.96	
Repayment of Loans	19.18	
Increase in bank Balance	32.60	
Total	336.88	

Net Debt	Rs 87.22 Crs	
EPS (TTM)	7.81	
P/E (as on 20th Nov)	4.15	
Trade Receivable Days	Digital Business	100 days
	Consolidated	151 days

BUSINESS HIGHLIGHTS

LYCOS Advertising

- A new product, 'Vid-In' was launched that helps publishers monetize their inventory in unique ways by providing them a customizable large video player and tailor-made content.
- Recruited new publishers in the News and Travel verticals.
- A significant delegation participated in Dmexco, the biggest event in the ad-tech industry, This generated substantial new business opportunities and revitalized existing partnerships.

Technology

- Compass: This quarter we focused on enhancing the system's key features by adding new UI functionalities, we developed API integrations to key demand partners in order to increase operational and yield efficiency. We also added 2 new RTB demand partners and enhanced with new reporting capabilities.
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- Business Intelligence: We completed the development and QA of 2 essential data platforms for the small player and Media Buyers dashboards.
- Auto-tools development: particularly for mobile and programmatic buying.

Video Advertising

- Started working together with a European SSP (Sell Side Platform) for European demand. In addition, one of our main and well-known demand partners approved our mobile supply.
- We integrated a new video player to our activity.
- The mobile apps video activity increased a lot this quarter. We believe it is only the beginning since In-app video advertising is growing exponentially.
- We had a roadshow in which we met all our main programmatic partners, following that trip we scaled our activity with those partners.

LYCOS Advertising

- Rebranded and launched 10 new Search verticals including : Business, Economy, Money Matters, Show Biz, Entertainment, Health, Money, Sports, Technology and Travel. Users can now select Lycos and these verticals as there start pages which result in increased search traffic.
- Signed up with Indeed.com to build a job search vertical at www.jobs.lycos.com, looking to launch the site before the end of Q4.
- Launched a new deal with Dex Online with a new Supermedia (local) feed. It is live on whowhere.com.
- Renewed the deal with Google for contextual advertising which increases our revenue share with them.
- The Boston team attended the 'Yahoo Partner Day' at Levis Stadium in San Jose, CA. The team is working on several new initiatives resulting from those meeting including LYCOS email platform and domain monetization ideas.

- Signed a deal with a content provider (Tinbu) whereby we will be launching 8 additional verticals of various topics including : lottery, horoscopes, celebrity, gas prices, weather, daily comics, ‘today in history’ and suduko.

LYCOS Life

- The team is developing a marketing strategy via a test market in one of the major metropolitan cities.
- There has been excellent response on the Smart Band, especially its ‘tap to transfer’ and sleep alert features.

Thank You

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