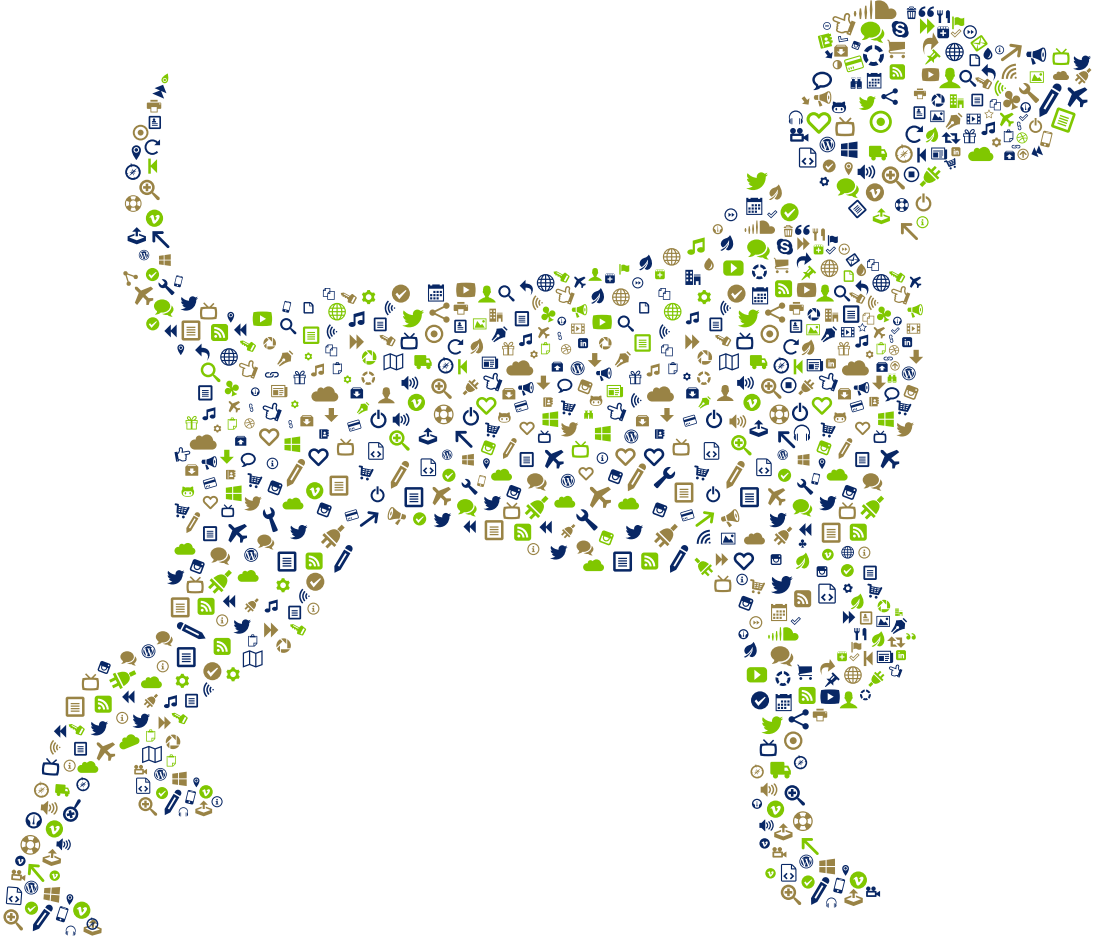


**LYCOS**  
INTERNET LIMITED



SIMPLIFY YOUR  
DIGITAL LIFE

16<sup>th</sup> ANNUAL  
REPORT  
FINANCIAL YEAR 2014-15

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**Forward looking statement**

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# INNOVATION

## DETERMINED GROWTH

### LYCOS Emphasizes INNOVATION

WE ENABLE  
INNOVATION FOR .....  
OUR  
LONG TERM FUTURE



- ▶ Ybrant Digital was officially renamed to Lycos Internet Limited.
- ▶ LYCOS Gets Listed on the National Stock Exchange of India
- ▶ EdNoel appointed as new GM of Lycos Media (US)
- ▶ Lycos TV–With Lycos TV implementation, we have added new channel for gaming using Social tron feed.

### LYCOS ADVERTISING

- ▶ **Compass (OneTag)** - Compass is the new name of One Tag, our in-house solution for managing publishers using a new-generation system, providing a turn-key solution that simplifies the publisher's integration and monetization tracking through a single platform and single tag. The Compass solution enables traffic monetization through different platforms on a single click. Our Account managers are now able to manage all their publishers' traffic in one place instead of managing their activity on multiple platforms, such as different ad servers and trading exchanges. The platform also has advanced automatic capabilities to handle technical and optimization related tasks.
- ▶ **Video**-During Q2, we have signed a deal with "Yashi" – A platform focused on programmatic video advertising on large players, targeting the geographies US, UK, CA, AU. The activity with Yashi is expected to expand significantly in Q3 and Q4. We are also co operating with most of the leading Video Advertisers and Video Ad Networks (Including: Tremor, Bright Roll, Spot X change, Ad ap. Tv and Live Rail).
- ▶ **Bright Roll Video Summit**-The participation and sponsorship of this event has enabled the company to get the latest in sights from advertisers when it comes to implementing programmatic buying and view ability .With a strong and growing relationship with Bright Roll which is a major player on the Online Video Advertising industry, Ybrant present edits latest developments on the video advertising arena for a large audience comprising of brand marketers, top agency executives and top quality publishers and technology providers.
- ▶ **Sequential Targeting**-We have implemented Sequential Targeting ability to match the one announced by Facebook last quarter. The next leap in advertising is literally the ability to leap across screens. Picture a brand's multi part marketing story that begins on your tablet and ends on your smart phone.
- ▶ **Business Intelligence**-This integration allows pulling and presenting important data that could be analyzed in one place. Then ew BI solution saves crucial time on manual work mainly when it comes to analysis and optimization of multiple data sources. We competed our first Bi integration platform for its Display and Video divisions using cutting edge technology and end-to-end solution on Google eco system. The platform includes advanced DB technology (using Google Big Quarry) and is integrated with multiple tech platforms. Ybrant division is expected to release several more BI solutions during Q3 and during 2015.
- ▶ **Yield optimization platform (Waterfall)** – A new - generation platform that open the doors to premium market places (including tier 1& tier 2 world wide publishers). This new solution will enable Ybrant and its publishers to increase their profit ability and to get higher results.





## M Suresh Kumar Reddy

Chairman and Managing Director



### Dear Shareholders,

It gives me immense pleasure to update you on your company's progress for the year 2014-15. We had a fantastic year and I am very happy with the overall performance of the company. We have achieved over 22% growth in revenues from Digital marketing and media division. All of our businesses have delivered on the promise of strong revenues for the quarters gone by.

### Business Review:

During the year your company achieved a turnover of Rs.1957 crores as against Rs.1673 crores in the last year. This is an increase of 16.95% against last year. The profit after tax for the year was Rs.342.22 crores as against Rs. 262 crores (excluding extraordinary items) last year; an increase of over 30.6% year-on-year. The earnings per share for the year were Rs. 7.19 as against Rs.4.64 last year. We had free cash flow of Rs. 81 crores this year. We've used about Rs. 68 crores of that money to pay banks. We paid off a sizeable portion of the long term and short term bank loans.

As you observe, the results for this financial year were very strong. Growth is never by mere chance; it is the result of forces working together. Our teams executed well in building solid revenue streams by aligning relevant technologies around best growth opportunities. We continue to focus on providing a simple yet powerful Internet experience to our users and clients. With the launch of LYCOS Life division, our entry into IoT space has opened up additional avenues.

The name change of your company from Ybrant Digital to LYCOS Internet Limited is helping us capitalize on the popularity of the name 'LYCOS' in the global marketplace and the recognition we are getting among the media and marketers especially in the US is exciting.

The Internet of Things (IoT) is the next mega-trend. IoT is emerging as the third wave in the development of the Internet. The 1990's fixed Internet wave connected 1 billion users while the 2000's mobile wave connected another 2 billion. The IoT has the potential to connect 10X as many (28 billion) 'things' to the Internet by 2020, ranging from bracelets to cars.

Gartner Inc., predicts today's 4.9 billion connected devices will grow five-fold to 25-28 billion by 2020. 'IoT services' spending is set to increase to \$263 billion over the next five years from \$69.5 billion in 2015. We are upbeat on IoT as a market and looking to capitalize on this growth opportunity.

With regards to digital media, around the world, advertisers will spend \$592.43 billion in 2015, according to new figures from eMarketer, an increase of 6.0% over 2014.

Currently, the top five spenders in each advertising category -- total paid media, digital and mobile, are the US, China, Japan, Germany and the UK. While the UK lags Japan and Germany in total media spending, its digital ad market outpaces both, with digital and mobile ads representing significantly higher shares of overall advertising than its two predecessors in the overall market. Otherwise, the rankings are consistent across all media markets.

The US remains the dominant advertising market worldwide. Next year, marketers will spend \$189.06 billion on ads in the US, an amount that represents 31.9% of the global ad market. That figure is also higher than the aggregated total for China, Japan, Germany and the UK. Through 2018, the US will essentially maintain that share, dipping to only 31.1%, and will continue to account for more in total media ad spending than the rest of the top five combined.

Mobile advertising is the key driver of growth around the world, and advertisers will spend \$64.25 billion worldwide on mobile in 2015, an increase of nearly 60% over 2014. That figure will reach \$158.55 billion by 2018, when mobile ads will account for 22.3% of all advertising spending worldwide.

The way the industry is progressing and the way the industry is changing, we believe that there is a paradigm shift. Our company being an Internet company, we have a clear sense of the direction the whole space is evolving into...







### **Mr. M Suresh Kumar Reddy** **Chairman & Managing Director**

Suresh is the Chairman & MD of Lycos. An entrepreneur with a commitment to building high value businesses, Suresh is responsible for promoting the success of the group and its worldwide functions and sustainability. With over a decade of online marketing and advertising experience, he has a strong understanding of building effective cross-country and cross-cultural business operations. He directs and supervises the group's strategy and its implementation globally.

Suresh founded two successful companies USAGreetings and Ybrant Technologies. He maintains a global network of trusted relationships with peer entrepreneurs, corporates, partners, institutions and the media. He has consummated, completed and integrated 10 major acquisitions for Ybrant Digital (presently Lycos), coupled with fund raising. The group under his leadership has raised \$100 million in equity and debt over a period of 7 years. Prior to co-founding two successful companies USAGreetings and Ybrant Technologies, he worked in various roles across different industries in Fortune 500 companies, such as Caterpillar, Chrysler, SBC(PacBell) and Charles Schwab. Suresh holds an M. S. in Engineering from the Iowa State University and a B. Tech. in Mechanical Engineering from the Indian Institute of Technology, Kharagpur, India.



### **Mr. Vijay Kancharla** **Director**

Vijay leads the innovations at Lycos. He is responsible for the company's worldwide technology enhancements and innovations. Vijay has been at the forefront of the internet revolution and has vast experience in building innovative solutions for the online market.

Prior to co-founding USAGreetings and Ybrant Technologies, he worked with some of the Fortune 500 companies, such as Hewlett Packard and Pacific Bell.

Vijay holds an M. S. in Computer Science from the University of Louisville and a B. Tech. from the Jawaharlal Nehru Technological University, Hyderabad, India.