



annual report
2012



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ONMOBILE GLOBAL: NEW HORIZONS

OnMobile Global Limited has been a pioneer in the Mobile Value Added Services (MVAS) industry and a market leader in the space ever since its inception 12 years ago. With services in 55 countries and 1634 employees around the world, OnMobile has created a niche for itself in the Mobile VAS realm and is highly regarded as the 'Partner of Choice' by telecom operators around the world. The company was publicly listed in 2008 and has acquired Voxmobili (2007), Telisma (2008), and Dilithium Networks (2010) over the last few years.

From the consumers' standpoint, there are significant opportunities in the VAS industry. However, the pressures faced by the telecom sector due to margins is a major challenge for the Indian VAS industry. While there are opportunities in addressing these challenges, OnMobile is also actively de-risking by expanding geographically and developing new products. Where many mobile VAS companies are beginning to make increasing efforts to expand into international markets to boost revenue growth, OnMobile's revenue is already growing at a healthy pace, driven by our international operations off-setting the sluggish domestic business. Our business in emerging markets, notably Africa and in developed markets like Europe and North America, has also showed impressive gains with new customer deployments and product launches. OnMobile is live in 12 Latin American countries with Telefonica, covering 99% of the total subscriber base in the region. From one African country last year, we have grown to 15 deployments across the continent within a

short time. From Europe to the US, our success stories of new deployments and new product offerings continue to make news.

Over the coming year, we are confident that our growing portfolio of international clients and new offerings for the Indian market will continue to expand our base of satisfied customers, challenge our competitors with our technical innovation, and bring us impressive returns on our investments.

In this section, we focus on OnMobile's success stories from around the globe, on how our commitment and focus has made a difference in people's lives through our services while simultaneously nurturing and growing our core asset – our employees.



LATIN AMERICA



Yxito in Latin America!

Yxito (or success) could well be a one-word summary of the year OnMobile has had in Latin America (LATAM). As we tapped into the region's love for music with our avant-garde solutions and expertise in the Ring Back Tone (RBT) business, our services became an instant hit in the continent.

Chartered New Territories

RBT services have currently been launched in 12 countries of LATAM, generating over \$10M in topline revenue per month for our client Telefonica LATAM. OnMobile now has over 10M RBT subscribers, which translates into an overall penetration of over 6% across LATAM with a user base as large as 15% in some countries.

The Secret of our Success

Speed-to-market has become our trademark in the region with a new deployment every few weeks. The rapid deployment and roll-out across most countries has contributed to our success. The OnMobile team ensures that service performance and charging systems are constantly monitored, which helps us guarantee uninterrupted functioning and rapid addressal of any issues. Simultaneously, we maintain a strong focus on understanding our consumers and customizing our services according to the local flavour.

'Localising' was one of our biggest takeaways from this region. Whether it is service deployment or revenue build-up, customising to the local market has worked wonders for our business. OnMobile's business strategy lays great emphasis on the local team, culture, customs and behaviour. We recognise that hurdles and challenges are part of the game, but our experience and cultural immersion has helped us improvise and carry our learning into every new deployment. The feeling of

ownership amongst our team members and the prioritising of multiple stakeholders have brought us immense success.

OnMobile Competitive Advantage

OnMobile has proven expertise in deploying and managing mobile value added services across geographies, cultures and teams. Our competitive advantage comes from our ability to be an end-to-end business solution provider rather than just a platform provider like other companies in the same space. OnMobile believes in sharing knowledge of best business practices from diverse markets across the world. We remain fully aligned with the telecom operators, to help them achieve goals and strategies around the RBT business.





Our African Odyssey

Did you know that more than half of Africa's population own mobile phones and their usage patterns are not merely for calling? It has been a year of learning for OnMobile in Africa. As we learn about the rich musical traditions of this continent, we are also bringing thousands of songs to fans on their mobiles. We bring you some highlights from this journey.



New Milestones Everyday

Within 12 months, OnMobile has expanded its operations from one country to 15 countries across East, West and South Africa. We have built an entire eco-system of content operations from planning, sourcing and reporting to payouts for local content providers: all this across 15 countries in just one year. To support these operations, the OnMobile Africa team has grown from two pioneers last year to 40 VAS champions across ten countries in 12 months. Plans are in place to hire talent in five more countries. Our product offerings include Ring Back Tones, Music on Demand, OnSong, Chat Services across IVR, SMS, WAP, Voice Portal Services deployed in multiple languages with localised content offerings across the continent.

The Secret of our Success

We have repeated and improved upon our Latin American experience of large scale deployment in Africa. OnMobile's ability to scale up product deployment, teams and operations quickly is one of the factors that contributed to our success in this region. In Africa, we were able to drive projects faster, with fewer roadblocks and at lower expenses than in the past.

Always Learning

We have learnt that Africa is home to diversity, rich musical and cultural traditions, and in order to reach our end users, we need a fundamental understanding and great technology that speaks to them in words close to their hearts.

And helping us in this task is our talented team of local African employees, who make everything from understanding local culture to building bonds with clients easier and enriching. We have faced unique challenges while dealing with different countries in this region: each one has its own regulations, and we need to ensure total compliance with each in order to do long term business successfully.





Hola España!

Building upon OnMobile's LATAM deployments and taking the relation forward, the OnMobile Ring Back Tone service was launched in Spain in the middle of 2011. Working closely as a team and offering localised solutions has been key to our growth in this challenging market.

Our Spanish Challenge

With a high ARPU and primarily post-paid subscriber base, Spain is the 12th largest economy of the world. A developed mobile market with 120% mobile penetration, it is also very well regulated. OnMobile was entrusted with the responsibility to migrate and turn around the RBT service for a leading Spanish telecom operator, and enhance their offerings with the launch of new comprehensive features and services like Press * to Copy.

Transforming the RBT Experience

Today, OnMobile has a multi-site deployment across Spain that is distributed across four locations. RBTs have had a resounding success among the music-loving and friendly people of Spain, with the subscriber base showing a growth of almost 50% within twelve months of deployment, and a five-fold increase in content consumption. Our presence on all access mediums such as Voice, SMS, WAP and Web, along with ease of purchase, has increased the customer engagement and new song selection manifold.

Learning and Adapting

Our Latin American experience had exposed us to the language and a similar music market, but adopting and managing the finer nuances of a new culture is always a challenge. This was overcome effectively by teams working together as a single

unit. Our stress on making a sincere and dedicated effort to understand the end consumers and adapt our offerings to the local taste and market has helped us overcome many challenges in the past, and served us well on our Spanish mission too.

Determined To Succeed

OnMobile spares no effort to make the Spanish user's RBT experience a pleasant one. A focused and dedicated team is on the job 24x7 to provide the best customer experience and user interface, the best local content and localised customer-friendly features and enhancements. The deployment and subsequent implementation has been conducted in total compliance with the stringent local requirements. This has won us the client's confidence and trust, and today their team and ours work as one – bearing testimony to the success of our endeavor.





The Cloud is the Future

A new world order is being set – that of Mobile Data – driven primarily by proliferation of affordable smart mobile devices and readily-available connectivity. The Internet revolution drove availability of data and commoditization of data services, making them available anywhere, anytime and on any connected device.



The era of Mobile Data makes connectivity available on the move, so that the consumer does not need to go to the Internet; rather, the Internet comes to the consumer. Global consumers are demanding that services be made available on mobile devices at an optimal price point with the highest quality – and the Mobile Cloud is addressing this need. In this age, consumers can access, store, share and sync their data from all their devices – be it smartphone, tablet or PC – ubiquitously and in a secure manner.

Addressing Opportunities in the New Era

OnMobile brings to market a host of personal cloud services under the product line, OnCloud. We have tapped into this market trend at the right time and introduced cutting-edge products to address the evolving needs – the OnCloud suite of applications that will enable consumers to access, store, sync, share and stream their personalised content without the restrictions of device, OS or platform. OnCloud has piqued the interest of mobile operators in advanced markets who wish to leverage the Personal Cloud solutions space, and we are partnering with them in bringing this revolution to their end users. The emerging markets are also catching up with this trend while challenges still remain with a more price sensitive consumer for better affordability of smartphones and mobile data access.

Our Bouquet of Offerings

Our consumers not only have a need for instant &

ubiquitous access to their data, but are also concerned about the privacy and security aspects. To this end, our bouquet of OnCloud products – Network Address Book, Phone Backup, Social Networking Gateway, Digital Locker and Family Portal – offer a great combination of easy accessibility and assured privacy and security. Our offerings provide an elegant amalgamation of features with a user experience that masks the technical complications and sophistications of the product, providing the user with a personalised and easy-to-use experience.

The OnMobile Edge

OnMobile sees a clear advantage given our stature in the industry as a global value added services company, taking services to markets across continents – emerging and advanced markets.

The OnMobile advantage is our ability to bring learnings from around the globe to every service we take to market, thus offering a blend of cutting-edge technology, an understanding of local tastes and preferences, and budget-efficient deployments.





From the Human Resources Desk

As OnMobile continues to grow, it needs the support and contribution of a diverse team that brings an array of cultural, business, customer relationships and technical experience to enrich our product and service offerings and customise them for our varied client base across the globe.

The challenging task of recruiting, training, motivating, integrating and retaining this talent pool falls upon our dynamic Human Resources team, which has had one of its most adventurous years so far.

The OnMobile Family

With 241 new members recruited across the world, the OnMobile team has grown to 1634 talented professionals. We believe in hiring Individuals with vision, creativity and the energy to lead the changes that take place in the telecommunications industry each day, and carefully customise our recruitment message to diverse markets in order to attract top talent. From bright college graduates recruited on campuses to senior management bringing invaluable experience and insight: we ensure that the best minds thinking about VAS are thinking with us. A dedicated team focusing on immigration and compliance ensures that our employees can perform efficiently across the globe and can be truly mobile even at short notice.

Staying Connected

With team members spread from Africa to Australia, Paris to Bangalore, it is a challenge to build and sustain the 'one company' culture, and we have spared no effort in ensuring that all OnMobile employees feel part of the family, and are connected to each other. Our 'e-connect' programme brings all India employees together through participative activities every year, and regular online and offline events are organized at all locations to aid in team building, and forging bonds between senior management and the employees. The first ever 'OnMobile Talent Hunt' was conducted, last year, across various locations in India where employees showcased their talent. OnMobilians had a fun filled evening watching outstanding performances by the finalists and a dance performance by an external troupe.

Learning New Things Every Day

Training at OnMobile is an important means to continuously enhance the skills, knowledge and attitude of our employees and make them more effective in their current and future roles. We have made significant investments especially in technical and product training for our employees. In the year 2011-2012, we conducted 31 training programs across the organization for over 775 employees.



Our Social Responsibility

As a responsible organization, OnMobile is committed to contributing to the society, environment and community. The focus area for OnMobile this year was Education. Apart from this, we participated in the 'Joy Of Giving Week' challenge by Give India, and employees contributed in cash and kind to three major social service organizations across the country. As part of our 'green' campaign, we observed World Environment day, contributed to the 'Cycle to Work' global initiative, and facilitated a car pool information service for our employees.





CHAIRMAN'S MESSAGE



Dear Shareholders,

The twelfth year of OnMobile has been a year of new beginnings, new challenges, and forays into new territories. As we continue to maintain and consolidate our leadership position in the world of mobile Value Added Services, we take a moment here to analyse, introspect, and share our vision for the future with our partners on this journey.

As phones become the ubiquitous devices worldwide not just for communication but also entertainment and social connectivity, mobile VAS continues to grow from strength to strength. With our years of experience and internationally proven expertise in delivering innovative and scalable VAS solutions, we continue to ride the wave of success as we enter a new year.

The past year has been a dramatic one for VAS in India. While 3G brought with it a world of opportunity for everyone from the consumer to the operator to the VAS community, it also created new challenges in terms of regulations, policy and the finances associated with the procurement of spectrum rights. As operators navigated these choppy waters through most of last year, their focus on technology and budgets for VAS took a backseat. Despite these setbacks, we managed to break new ground in the Indian market this year with our data services such as USSD and rich alerts, which have shown great promise and will continue to grow in the future. To boost our data campaign, we plan to implement technology from our research and development hub in France and US, thereby consolidating our position as data experts in India and other emerging markets.

Our mission to be a truly international company has shown tremendous success this year. Let me share a few highlights:

Our revenues from international deployments have doubled compared to last year, which is a remarkable achievement in a time when the economic climate of much of the developing world (which comprises a large proportion of our market) is uncertain and spending is highly conservative.

The OnMobile flag is now flying high in 12 Latin American countries, and with our new deployments this year, we have forged a relationship of deep trust and synergy with Telefonica. Our investment in transforming the mobile VAS landscape of Latin America is bearing fruit, with over 10 million subscribers enjoying the OnMobile Ring Back Tone experience.