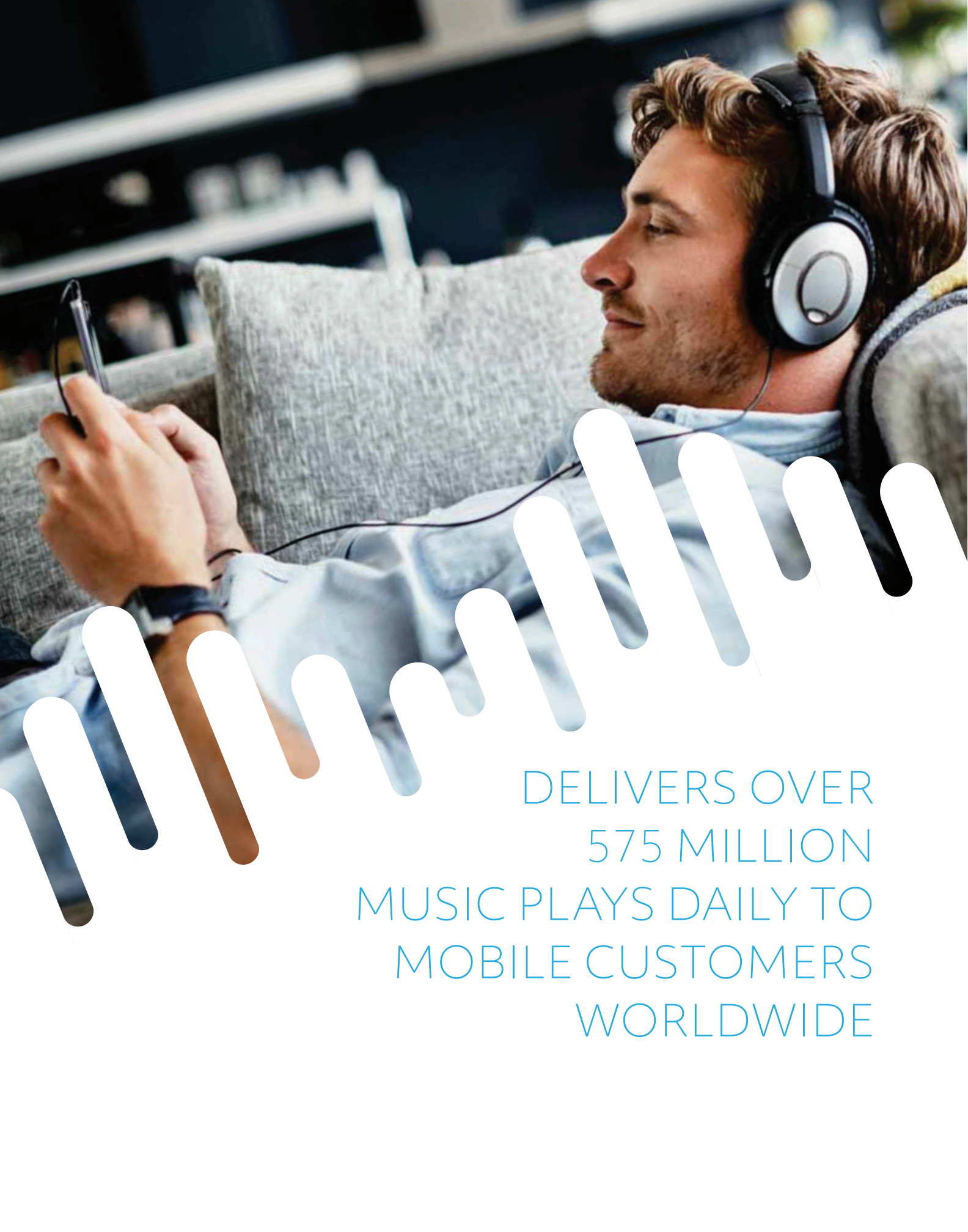


**onmobile**



# 2017 ANNUAL REPORT





DELIVERS OVER  
575 MILLION  
MUSIC PLAYS DAILY TO  
MOBILE CUSTOMERS  
WORLDWIDE

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## Product KPIs



**1**  
BILLION  
RBT  
Listeners



**21**  
MILLION  
Mobile  
Entertainment  
Subscribers



**214**  
BILLION  
RBTs  
Played



**73**  
MILLION  
RBT  
Users



**₹30**  
Mobile  
Entertainment  
ARPU

# Financial KPIs



**Zero Debt**



**PAT at ₹141Mn**  
(FY16 loss at ₹277Mn)



**Net cash from  
operations ₹902 Mn**





# Chairman & CEO's Message

Dear Shareholders,

2016-17 was an eventful year for OnMobile. We consolidated our leadership position in Mobile Entertainment and launched ONMO, our direct to consumer brand. The year ended with revenue of ₹7202 million, EBITDA of ₹1001 million and a cash position of ₹3061 million. The subscriber base for Ringback Tones now stands at 73 million.

As 2017-18 unfolds we are well positioned as a global leader in Mobile Entertainment and Sound. With half of our revenue coming from Mobile Entertainment & Lifestyle and the other half from RBT and Sound, we believe the company has a well-balanced portfolio with a clear focus and strategy in each sector.

Offering compelling services to mobile operators since 2000, our sales effort remains carrier driven with 86 mobile operators across 55 countries. Over the next three years, we should expect new sales related to Mobile Entertainment and

traditional RBT to grow by double digits. Additionally, the launch of ONMO suite of products in the USA and India will make an immense revenue contribution. To deliver on that growth and address the specific needs of each market, Ignacio Martin Velasco was named President & COO Europe and Americas and Sanjay Bhambri was named President & COO India, Asia, Middle East and Africa. Despite the two regions, global objectives are clear across the company to ensure that our 1037 employees work together as one group.

Lastly, I want to reiterate that I am very optimistic about our short and long term plans. Although in the last year there were many local challenges in the industry, I strongly believe in the global Mobile Entertainment market. We are at the center of it, well equipped and poised for growth.

**François-Charles Sirois**  
Executive Chairman & Chief Executive Officer

# President & COO's Message



Dear Shareholders,

The year gone by has been an exciting one for us at OnMobile. Our focus was on building our capabilities to reach out to consumers directly and truly become global leaders in Mobile Entertainment and Sound. We also did extensive work on rejuvenating the existing carrier services business.

However, the year was not without challenges. Demonetization of the Indian currency, impending mergers in the industry, the disruption caused by new entrant offering free services in India and unstable political and economic conditions in several markets of ours, were some

of the key challenges the region had to contend with.

I'm glad that we not only navigated through these challenging times but also made rapid strides in growing our consumer base. Our flagship product Ringback Tones grew its consumer base by 9% over last year to 62 million in the region. OnMobile had significant new business wins for Ringback Tones in the region, which included leading mobile operators in Nigeria and India.

Some of the key trends observed in the region include improved affordability of data, availability of low-cost devices and better network coverage, which has aided better mobile data growth. This augurs well for the launch of our direct to consumer apps.

I am eagerly looking forward to the launch of our new consumer apps under our consumer brand ONMO. This new product offering has been designed keeping the emerging consumer expectations in mind. I am confident that this initiative would help us revive the existing business and create new categories.

As I look back, I would like to extend my gratitude to our customers, partners, shareholders and colleagues for their unshakable faith in OnMobile. I strongly believe they are our greatest strength and I look forward to their continued support for an eventful year ahead.

**Sanjay Bhambri**  
**President & Chief Operating Officer - India, Asia, Middle East & Africa**



# President & COO's Message

Dear Shareholders,

In 2016-17 we have completed a successful year for our business operations and, even more importantly, set the foundation for new exciting times in our Western Markets.

In Europe, we have significantly increased our revenues and margins for the fourth consecutive year, mainly driven by the Mobile Entertainment business in Spain. New technology implementation such as NBS (New Billing System) and tactical solutions for Wi-Fi traffic monetization have boosted our traffic and conversions. An enhanced content strategy based on a new variety of categories, exclusivity and an outstanding user experience will further improve the service to even higher standards.

New Customer Wins in Italy (RBT and Mobile Entertainment in a top operator) and Greece (RBT) will extend our leadership position in South Europe.

In Americas, OnMobile has taken a definitive step towards the direct to consumer market by launching our first branded mobile app in the United States. Our exclusive deal with one of the top four telecom operators in the country, marks a new phase in the evolution of our company. In addition to offering a refreshing user interface for our app, we have provided features that are in line with the evolving trends in the market such as unlimited access to content at a single subscription price, own content creation from available music tones, and non-music content, offering a wide variety of choices for subscribers to personalize.

The increase in smartphone share, mobile internet penetration and Data plan subscribers in Latin



America will lead to interesting opportunities for our company. This region showed a strong performance in Central America in RBT and Oi Brazil, where OnMobile more than doubled the RBT base. Also, our B2B App was launched successfully across all markets in Latin America.

OnMobile's new exciting play on D2C business and strong partnerships with carriers across the region will enable development of more innovative solutions for our consumers and become the right ingredients for a promising road ahead.

**Ignacio Martin Velasco**  
**President & Chief Operating Officer - Americas & Europe**

# Corporate Information and Board of Directors

## Board of Directors

François-Charles Sirois	Executive Chairman and CEO
Rajiv Khaitan	Independent Director
Nancy Cruickshank	Independent Director
Sanjay Baweja	Independent Director
Chris Arsenault	Independent Director
Sanjay Kapoor	Independent Director

## Board Committees

### Audit Committee

Sanjay Baweja	Chair
Rajiv Khaitan	Member
Chris Arsenault	Member

### Nomination and Compensation Committee

Nancy Cruickshank	Chair
Sanjay Kapoor	Member
Chris Arsenault	Member

### Stakeholders Relationship Committee

Rajiv Khaitan	Chair
Sanjay Baweja	Member
Sanjay Kapoor	Member

### Corporate Social Responsibility Committee

Chris Arsenault	Chair
Rajiv Khaitan	Member
Nancy Cruickshank	Member

### Risk Management Committee

Sanjay Kapoor	Chair
François-Charles Sirois	Member
Nancy Cruickshank	Member
Sanjay Baweja	Member

\* The constitution of the Board and Committees is as on July 27, 2017

## Company Secretary

P V Varaprasad

## Statutory Auditors

Deloitte Haskins & Sells (Retiring)  
B S R & Co. LLP

## Internal Auditors

Grant Thornton India LLP

## Bankers

Kotak Mahindra Bank Limited  
HSBC  
Citibank N A  
ICICI Bank Limited  
State Bank of India  
IDBI Bank Limited  
Punjab National Bank  
Axis Bank Limited  
HDFC Bank Limited  
Banco Santander, S.A  
BBVA Banco Continental, Peru  
Bank of Cyprus  
Banco de Chile  
Banca Popolare Di Milano  
Eco Bank  
Banco De America Central  
Banco De La Produccion Produbanco SA  
RBL Bank Ltd

## Registered Office

Tower#1, 94/1C & 94/2,  
Veerasandra Village, Attibele Hobli,  
Anekal Taluk, Electronic City Phase-1,  
Bangalore-560100, Karnataka, India  
T +91 80 4009 6000; F + 91 80 4009 6009  
CIN: L64202KA2000PLC027860  
E: [investors@onmobile.com](mailto:investors@onmobile.com)  
[www.onmobile.com](http://www.onmobile.com)

## Registrar and Share Transfer Agent

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli Financial  
District, Nanakramguda, Serilingampally Mandal  
Hyderabad – 500 032  
T +91 40 6716 2222; F +91 40 2342 0814  
E: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)