

SITI Networks Limited

Consolidated Financial Results Q1 FY17

Investor Release

6th September, 2016

New Delhi, India; 6th Sep., 2016: The Board of Directors of SITI Networks Limited (SITINET) (BSE: 532795, NSE: SITINET) in its meeting held today, has taken on record the Unaudited Consolidated Financial Results of the company for the First Quarter ended June 30, 2016.

Q1 FY17 Highlights

- EBITDA at INR47 Crores; up 29% YoY
- Revenue at INR287 Crores; up 24% YoY
- Subscription Income at INR139 Crores ; up 8% YoY
- Broadband Income at INR20 Crores ; up 118% YoY
- Customer acquisition at 4 lakhs with a Total Digital Subscriber Base of 8.3 Mn; *Largest presence in the country at ~387 cities*
- Added ~34,500 Broadband subscribers; Total Broadband Subscriber Base at 1.67 Lakh

| Income Statement | (INR Million) | |
|----------------------|---------------|--------------|
| | Quarter Ended | |
| | Q1 FY 2017 | Q1 FY 2016 |
| Revenues | 2,821 | 2,297 |
| Other Income | 48 | 24 |
| Total Revenue | 2,869 | 2,321 |
| Total Expenditure | 2,395 | 1,953 |
| EBITDA | 474 | 368 |
| Finance cost | 297 | 344 |
| Depreciation | 547 | 358 |
| PBT | (370) | (335) |
| Tax | 65 | 5 |
| PAT | (435) | (340) |

| Revenue Streams (INR Million) | Quarter Ended | |
|----------------------------------|---------------|------------|
| | Q1 FY 2017 | Q1 FY 2016 |
| Subscription | 1393 | 1290 |
| Carriage | 720 | 729 |
| Activation | 366 | 125 |
| Broadband | 195 | 90 |

| Operational Metrics | Quarter Ended | |
|--------------------------------|---------------|------------|
| | Q1 FY 2017 | Q4 FY 2016 |
| Cable Universe (Mn) | 12.2 | 12.2 |
| Digital Subscribers (Mn) | 8.3 | 7.9 |
| Digital Subscribers added (Mn) | 0.4 | 1.1 |
| HD Subscribers | 65,140 | 50,170 |
| Broadband Home Passess (Lakhs) | 11.9 | 8.9 |
| Broadband Subscribers | 1,67,000 | 1,32,500 |

Operational Highlights

- **Video**

- SITI Networks is making good progress in signing of Standard Interconnect Agreement (SIA)/ Model Interconnect Agreement (MIA) with LCOS; Shifted to Net Billing in Kokata from April 2016 onwards, as per provisions of MIA
- Rolled out new packages in the cities of Delhi, Mumbai, Bangalore and others. The new packages, namely Basic, Royal & Magnum as well as add-on, regional packs & a-la-carte options will provide customers with a more bespoke entertainment experience
- Launched a new proprietary Multi Genre channel in MP & Chattisgarh and looking to roll out more local channels subsequently
- We forayed into the domain of OTT services by collaborating with Zee Digital Convergence Limited and launched OTT platform “Ditto TV” for SITI Networks subscribers. Ditto TV services have been bundled with SITI Broadband packages along with being offered on a standalone basis as well to video subscribers

- **Broadband**

- Established Broadband presence in 4 cities of Haryana namely Hissar, Karnal, Rohtak, and Panipat
- Introduced new packages in Delhi, with speeds varying from 5 Mbps to 100 Mbps & unlimited data. The response to these plans has been tremendous

- **Awards & Recognitions**

- SITI Networks’ Executive Director & CEO Mr. VD Wadhwa was the first runner up in the Best CEO Category for Asia Communication Awards 2016, among 10 other Asian CEOs

- **Others**

- In line with our ideology & vision of being an integrated service provider in a platform neutral environment, the company name has been changed to SITI Networks Limited

- Credit Rating Upgraded: Credit Analysis & Research Limited (CARE) has upgraded the long term rating for SITI Networks to [CARE]A- (Single A Minus). Earlier during the year, credit rating agency ICRA had also upgraded the long-term rating of SITI Networks to [ICRA]A- from [ICRA]BBB+. The outlook on the ratings is 'stable'.
- Consolidated Gross Debt at INR1,126 Crores & Net Debt at INR1,002 Crores

While commenting on the results, **Mr. V D Wadhwa, Executive Director & CEO, SITI Networks** mentioned that

“We expanded our reach further by branching out to 387 cities in line with our strategy of select market expansion. We have established our broadband presence in Haryana and expect to significantly expand our subscriber base this year.

Recurring cash flows were sluggish due to delays in Phase 3 monetization on account of legal bottlenecks. However, we expect a time bound resolution by the second half of the year and limited long term impact of this issue. We are well prepared for improved monetization of our subscriber base”

About SITI Networks Limited

SITI Networks Limited (Formerly known as “SITI Cable Network Limited”) is a part of the EsseL Group, which is one of India's leading business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

SITI Networks Limited is one of India's largest Multi System Operator (MSO). With 20 analogue and 17 digital head ends and a network of more than 30,000 Kms of optical fibre and coaxial cable, it provides its cable services in India's ~387 cities and the adjoining areas, reaching out to over 12.2 million viewers.

SITI Networks deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience. Its product range includes Digital & Analogue Cable Television, Broadband and Local Television Channels. SITI Networks has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Over-The-Top content (OTT), Electronic Programming Guide (EPG) and Gaming through a Set Top Box (STB). All products are marketed under SITI brand name.

Note: This earnings release contains consolidated results that are unaudited and prepared as per Indian Accounting Standards (Ind-AS).

Caution Concerning Forward-Looking Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. SITI Networks Limited is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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