



## **WIRE AND WIRELESS (INDIA) LIMITED**

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**EARNINGS RELEASE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2010**

**CONSOLIDATED OPERATING REVENUES OF RS. 744.4 MILLION, UP 3.1% Y-o-Y**

**CONSOLIDATED OPERATING PROFITS (EBITDA) OF RS. 43.7 MILLION, AS AGAINST LOSS OF RS. 43.7 MILLION IN THE CORRESPONDING QUARTER LAST YEAR**

**WWIL CONSOLIDATES ITS PAN-INDIA PRESENCE THROUGH STRATEGIC EXPANSIONS.**

### **3Q FY2011 - Highlights**

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- ❖ Total consolidated operating revenues for the third quarter ended December 31, 2010 was Rs. 744.4 million as compared to Rs. 722.2 million during the corresponding quarter last fiscal showing a growth of 3.1%
- ❖ The consolidated operating profits for the third quarter ended December 31, 2010 was Rs. 43.7 million as compared to the loss of Rs. 43.7 million during the corresponding quarter last fiscal
- ❖ WWIL consolidated its presence in Eastern UP by launching its operations in key towns of Eastern UP.
- ❖ WWIL re-launched SITI Digital Cable television services in Hyderabad, inaugurated by the then Chief Minister of Andhra Pradesh Sh. K. Rosaiah.
- ❖ WWIL is running dunning process for Digital cable TV Subscribers successfully to bring greater transparency in the system; to monitor the monthly subscription credit risk, keep track of subscriber's payments and to adhere to the TRAI dunning norms for CAS.

**Noida, India; January 25, 2011** – The Board of Directors of Wire and Wireless (India) Limited (WWIL) (BSE: 532795, NSE: WWIL EQ) in its meeting held today, has taken on record the unaudited consolidated financial results of the Company and its subsidiaries for the third quarter ended December 31, 2010. WWIL today reported third quarter consolidated revenues of Rs 744.4 million. The operating profit (EBITDA) for the quarter was Rs 43.7 million as compared to the loss of Rs 43.7 million during the corresponding quarter last fiscal.

Mr. Subhash Chandra, Chairman, stated, "WWIL continues to focus on its analogue business and is looking at every viable digitization & growth opportunity. WWIL has effectively managed analogue and digital expansions by putting up digital head ends in new geographies. As the market gets ready for the next wave of growth, we are committed to expanding our cable TV networks wider and deeper across the country. The initiatives taken by the company of implementing new systems & processes have started yielding results with continued positive EBIDTA during this quarter as well.



## EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2010

The Company is progressing well and has effective plans for business expansion which gives me hope of continued improvement in business performance."

Mr. Sudhir Agarwal, CEO of WWIL commented, "Continuing the progress made in the three quarters of this fiscal, WWIL has consolidated its operation in existing geographies & continues to expand in newer market. It has also strengthened its UGF network quarter on quarter. WWIL is providing more than 100+ channels to consumer at very competitive price with the prime focus on region specific content and popular local channels. WWIL has recently re- launched SITI Digital Cable Television services in Hyderabad & offers superior picture and sound quality as compared to the conventional mediums."

He further said that "the dunning process implemented in CAS areas will bring transparency as the subscribers are informed about their overdue invoices of monthly subscriptions. We firmly believe that the company is well-placed in terms of its reach and capabilities and this adopted strategy shall reap benefits for all its consumers and stakeholders."

### Condensed consolidated statement of operations – 3Q FY2011

The table below presents the condensed statement of consolidated operations for Wire and Wireless (India) Limited and its subsidiaries for the third quarter of FY2011, as published:

| <b>WWIL – Consolidated</b>   |                      |                      |                     |
|--|----------------------|----------------------|---------------------|
| (Rs Million)^  | <b>3Q<br/>FY2011</b> | <b>3Q<br/>FY2010</b> | <b>%<br/>Growth</b> |
| Operating Revenues   | 744.4                | 722.2                | 3.1%                |
| Operating Expenditure  | 710.2                | 793.6                | (10.5)%             |
| <b>Operating Profit/(Loss) before depreciation</b>                       | <b>34.2</b>          | <b>(71.4)</b>        | -                   |
| Finance cost   | 134.7                | 174.0                | (22.6)%             |
| Depreciation   | 15.8                 | 116.2                | (86.4)%             |
| Exceptional Item   | 5.6                  | 5.6                  | 0.0%                |
| <b>Operating Profit/(Loss) after interest, depreciation and ex. Item</b> | <b>(121.9)</b>       | <b>(367.2)</b>       | <b>(66.8)%</b>      |
| Other Income   | 9.5                  | 27.7                 | (65.6)%             |
| <b>Profit/(Loss) Before Tax</b>  | <b>(112.4)</b>       | <b>(339.6)</b>       | <b>(66.9)%</b>      |
| Provision for tax  | (8.5)                | 5.0                  | -                   |
| <b>Profit/(Loss) After Tax</b>   | <b>(103.9)</b>       | <b>(344.6)</b>       | <b>(69.8)%</b>      |
| Minority interest  | (1.3)                | 6.1                  | -                   |



## EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2010

### Consolidated operating revenue:

The Company's operating revenue for the quarter stood at Rs. 744.4 million as compared to Rs. 722.2 million during the corresponding quarter last fiscal indicating a y-o-y growth of 3.1%. Operating revenue is primarily generated from subscriber related income, income from bandwidth charges, income from advertisements and other operating revenues.

### Consolidated operating expenditure:

The Company's main operating expenses include cost of services, employees' cost, selling & distribution expenses and admin and other expenditure. Total consolidated operating expenses stood at Rs. 710.2 million for the third quarter ended December 31, 2010 as against to Rs. 793.6 million during the corresponding quarter last fiscal. Major cost item was cost of goods & services recorded as Rs. 518.3 million during the quarter representing 73% of the of the total operating expenses in comparison to Rs. 596.1 million in the corresponding quarter of the last fiscal, a 75.1% share of the total operating cost.

While the decrease in cost of goods and services was mainly due to the cut-off of transponder lease rentals, the decrease in administrative expenses is reflective of the managements' efforts to drive efficiencies across the departments.

The table below will enable a better understanding of the operation cost:

| Expenditure<br>(Rs in Millions) |           |           | % of Total Operating Expenses |           | % Growth <sup>^</sup> |
|---------------------------------|-----------|-----------|-------------------------------|-----------|-----------------------|
|                                 | 3Q FY2011 | 3Q FY2010 | 3Q FY2011                     | 3Q FY2010 |                       |
| Cost of Goods & Services        | 518.3     | 596.1     | 73.0%                         | 75.1%     | (13.0)%               |
| Staff Costs                     | 59.9      | 57.6      | 8.4%                          | 7.3%      | 3.9%                  |
| Administrative Expenses         | 112.7     | 130.5     | 15.9%                         | 16.4%     | (13.7)%               |
| Selling & Distribution Expenses | 19.3      | 9.4       | 2.7%                          | 1.2%      | 105.8%                |
| Total Operational Cost          | 710.2     | 793.6     | 100.0%                        | 100.0%    | (10.5)%               |

<sup>^</sup>brackets are used to indicate negative figure

### About Wire and Wireless (India) Limited

Wire and Wireless (India) Limited is one of the India's largest Multi System Operator (MSO). With 50 analogue and 8 digital headends, it provides cable services in 54 cities of India. Wire and Wireless (India) Limited is a part of the Essel Group, which is amongst India's most prominent business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

Wire and Wireless product offers include, Analogue Cable, Digital Cable Television, Broadband and Local Television Channels. Wire and Wireless has been providing services in analogue and digital mode, having technical capability to provide features like Video on Demand, Pay per View, Electronic



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programming Guide (EPG), gaming through a Set Top Box (STB) and IPTV. All products are marketed under SITI brand Umbrella.

For More information about WWIL and its businesses, please log on to [www.wwil.net](http://www.wwil.net).



**Note: This earnings release contains consolidated results that are un-audited and prepared as per Indian Generally Accepted Accounting Principles (GAAP).**

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### 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. Wire and Wireless (India) 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.