



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

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**EARNINGS RELEASE FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2011**

**CONSOLIDATED OPERATING REVENUES OF RS. 893 MILLION, UP 21% Y-o-Y**

**CONSOLIDATED OPERATING PROFITS (EBITDA) OF RS. 72 MILLION, UP 135% Y-o-Y**

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

### **2Q FY2012 - Highlights**

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- ❖ Total consolidated operating revenues for the second quarter ended September 30, 2011 was Rs. 893 million as compared to Rs. 738 million during the corresponding quarter last fiscal recording a growth of 21%
- ❖ The consolidated operating profits for the second quarter ended September 30, 2011 was Rs. 72 million as compared to Rs. 31 million during the corresponding quarter last fiscal recording a growth of 135%
- ❖ WWIL continues to expand its business operations in new strategic towns.

**Noida, India; October 19, 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 second quarter ended September 30, 2011. WWIL today reported second quarter consolidated revenues of Rs 962 million. The operating profit (EBITDA) for the quarter was Rs 72 million as compared to Rs 31 million during the corresponding quarter last fiscal.

Mr. Subhash Chandra, Chairman, stated, "Indian economy continues to grow at a good pace amidst highly inflation and tight monetary policy regime. With the union cabinet clearing the ordinance on digitization - a very positive move – the cable industry will get a much required boost and help create a more sustainable business model. If implemented well, over the next 4-5 years, the industry can completely transform itself from a fragmented unorganized setup to a more transparent, organized and service oriented industry. With WWIL showing consistently improved operational performance quarter-on-quarter, and with all its infrastructure and systems in place, the company is set to benefit immensely with the onset of digitization."

Mr. Sudhir Agarwal, CEO of WWIL commented, "WWIL gained further momentum in the second quarter of fiscal 2012. Our consolidated revenue and EBITDA grew to Rs 962 million and Rs. 72 million respectively, a healthy growth of 27% and 135% over corresponding quarter of last fiscal. We will continue to work towards making the existing business self-sustainable as well as expand our footprint to new strategically important geographies. With Government clearing the ordinance on



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digitization, we are truly on the cusp of a huge transformation and ready to move to the next level and capitalize on our investments in infrastructure, systems, processes and people. Digitization of existing cable infrastructure will augment the channel carrying capacity, offer better quality & will provide opportunities for delivering various value added services such as movies-on-demand, broadband, etc for consumers. A multi-fold increase in subscriber numbers is expected. Such exponential growth in subscriber numbers requires huge infrastructure to serve them as well, for which WWIL is well positioned"

### Condensed consolidated statement of operations – 2Q FY2012

The table below presents the condensed statement of consolidated operations for Wire and Wireless (India) Limited and its subsidiaries for the second quarter of FY2012, as published:

WWIL – Consolidated (Rs Million)	2Q FY2012	2Q FY2011	% of Total Revenue		% Growth
			2Q FY2012	2Q FY2011	
Operating Revenues	893.0	737.7	92.9%	97.4%	21.1%
Operating Expenditure	889.3	726.4	92.5%	95.9%	22.4%
<b>Operating Profit/(Loss) before depreciation</b>	<b>3.6</b>	<b>11.2</b>	<b>0.4%</b>	<b>1.5%</b>	<b>-67.8%</b>
Finance cost	144.2	133.3	15.0%	17.6%	8.2%
Depreciation	77.3	90.4	8.0%	11.9%	-14.5%
Exceptional Item	4.0	5.6	0.4%	0.7%	-28.1%
<b>Operating Profit/(Loss) after interest, depreciation and ex. Item</b>	<b>(222.0)</b>	<b>(218.1)</b>	<b>-23.1%</b>	<b>-28.8%</b>	<b>-1.8%</b>
Other Income	68.6	19.5	7.1%	2.6%	251.8%
<b>Profit/(Loss) Before Tax</b>	<b>(153.4)</b>	<b>(198.6)</b>	<b>-16.0%</b>	<b>-26.2%</b>	<b>22.8%</b>
Provision for tax	(11.6)	4.6	-1.2%	0.6%	
<b>Profit/(Loss) After Tax</b>	<b>(141.8)</b>	<b>(203.2)</b>	<b>-14.7%</b>	<b>-26.8%</b>	<b>30.2%</b>
Minority interest	(18.2)	1.4	-1.9%	0.2%	

### Consolidated operating revenue:

The Company's operating revenue for the quarter stood at Rs. 893 million as compared to Rs. 738 million during the corresponding quarter last fiscal indicating a y-o-y growth of 21%. 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 goods and services, employees' cost, selling & distribution expenses and other expenditure. Total consolidated operating expenses stood at Rs. 889 million for the second quarter ended September 30, 2011 as against to Rs. 726 million during the corresponding quarter last fiscal, recording an increase of 22%. Major cost item was cost of goods & services recorded as Rs. 637 million during the quarter representing 66% of the of the total revenue



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in comparison to Rs. 549 million in the second quarter of the last fiscal, representing 73% of the total revenue.

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

Expenditure (Rs in Millions)	2Q FY2012	2Q FY2011	% of Total Revenue		% Growth
			2Q FY2012	2Q FY2011	
Cost of Goods & Services	637.4	549.1	66.3%	72.5%	16.1%
Staff Costs	68.6	59.8	7.1%	7.9%	14.7%
Administrative Expenses	145.0	104.2	15.1%	13.8%	39.1%
Selling & Distribution Expenses	38.3	13.3	4.0%	1.8%	187.6%
<b>Total Operational Cost</b>	<b>889.3</b>	<b>726.4</b>	<b>92.5%</b>	<b>95.9%</b>	<b>22.4%</b>

### About Wire and Wireless (India) Limited

Wire and Wireless (India) Limited is one of the India's largest Multi System Operator (MSO). With 53 analogue and 11 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, Analog Cable, Digital Cable Television, Broadband and Local Television Channels. Wire and Wireless has been providing services in analog and digital mode, having technical capability to provide features like Video on Demand, Pay per View, Electronic 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).**

### 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.