



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

EARNINGS RELEASE FOR THE FOURTH QUARTER & YEAR ENDED MARCH 31, 2009

**CONSOLIDATED ANNUAL OPERATING REVENUES OF RS. 3082.6 MILLION, UP 13.7%**

**CONSOLIDATED ANNUAL OPERATING PROFIT OF RS. 24.50 MILLION, AS AGAINST LOSSES OF RS. 183.50 MILLION IN THE LAST YEAR**

**COUNTRYWIDE DIGITAL ROLLOUT PLANS UNDERWAY THROUGH HITS**

### **4Q FY2009 - Highlights**

- ❖ Total consolidated operating revenues for the fourth quarter ended March 31, 2009 was Rs. 710.9 million as compared to Rs. 755.5 million during corresponding quarter last fiscal 2008.
- ❖ The consolidated operating profit for the fourth quarter ended March 31, 2009 was Rs. 11.5 million as compared to operating loss of Rs. 25.8 million during corresponding quarter last fiscal 2008.
- ❖ The consolidated operating profit of Rs. 11.5 million for the fourth quarter ended March 31, 2009 has grown by 52.0% as compared to operating profit of Rs. 7.7 million of third quarter ended December 31, 2008 of the current financial year.

### **ANNUAL FY2009 - Highlights**

- ❖ The consolidated operating revenues of WWIL for the financial year ended March 31, 2009 was Rs. 3082.6 million as compared to Rs. 2710.1 million during the last fiscal FY2008, recording a growth of 14%.
- ❖ Income from Bandwidth Charges was Rs. 1727.6 million for the year ended March 31, 2008 as compared to Rs. 937.3 million during the last fiscal 2008, recording a growth of 84%.
- ❖ The consolidated operating profit of WWIL for the financial year ended March 31, 2009 was Rs. 24.5 million as compared to Rs. 183.5 million during the last fiscal FY2008.

**Mumbai, India; June 17, 2009** – The Board of Directors in its meeting held today, has taken on record the unaudited consolidated financial results of Wire and Wireless (India) Limited (WWIL) and its subsidiaries for the fourth quarter ended March 31, 2009 and audited consolidated annual financial results for the financial year 2008-09. WWIL today reported fourth quarter consolidated revenues of Rs 710.9 million. Profit after Tax for the fourth quarter of the fiscal 2009 was a loss of Rs 312.0 million as compared to Rs. 814.4 million during the corresponding quarter of last fiscal 2008.

**Mr. Subhash Chandra, Chairman**, said, “WWIL has shown better operating performance during the year under review when the economic situation though dismal in other countries of the world is comparatively better in India. .HITS is the latest offering from the Essel Group, which has always been in the forefront of innovation. This technology which promises high quality digital signal through the cable, will revolutionise media distribution in the country, will generate huge employment. WWIL to focus on those components of business which they perceive to be the most promising as the market has taken the recovery path.

**Mr. Sudhir Agarwal, CEO of WWIL** commented,” We are pleased to report that despite the economic recession being faced by the economy ,the bottomline improved as compared to the last year. We focused at each and every revenue and cost centre and adopted aggressive but judicious approach to business.. The current focus of WWIL is to build strong business capabilities across four distinct customer segments that we operate in – Analogue, Digital, Broadband, Customer Service and Processes. These capabilities will help us in providing the best value to all our customers across the entire product segment.

In digital segment we are investing aggressively to expand our network footprint across the length and breadth of India. Along with HITS we will offer value-added services that would enhance TV viewing experience for our consumers. With the economy on the recovery track we hope to be better placed going forward.”

#### **Condensed consolidated statement of operations – 4Q FY2009**

The table below presents the condensed statement of consolidated operations for Wire and Wireless (India) Limited and its subsidiaries for the third quarter of FY2009, as published:

<b>WWIL - Consolidated</b>	<b>% of Total Revenue</b>				<b>%</b>
(Rs Million)	<b>Q4</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4 FY2008</b>	<b>Growth</b>
	<b>FY2009</b>	<b>FY2008</b>	<b>FY2009</b>		<b>Y o Y</b>
Operating Revenues	710.9	755.5	100%	100%	(6)%
Operating Expenditure	699.3	781.2	98%	103%	(10)%
<b>Operating Profit/(Loss) before depreciation</b>	<b>11.5</b>	<b>(25.8)</b>	<b>2%</b>	<b>(3)%</b>	<b>~%</b>
Finance cost			26%	13%	87%
	187.9	100.3			
Depreciation			12%	11%	1%
	85.6	84.4			
Exceptional Item			3%	85%	(96)%
	23.3	641.4			

<b>Operating Profit/(Loss) after interest, depreciation and ex. item</b>			(40)%	(113)%	~%
	(285.4)	(851.8)			
Other Income			1%	5%	(90)%
	3.8	38.9			
<b>PBT</b>	<b>(281.5)</b>	<b>(813.0)</b>			
Provision for tax					
	30.5	1.4			
<b>PAT</b>	<b>(312.0)</b>	<b>(814.4)</b>			
Minority interest			(3)%	(1)%	~%
	(20.3)	(6.3)			

#### Consolidated operating revenue:

The Company has registered an operating revenue of Rs. 710.9 million as compared to Rs. 755.5 million during corresponding quarter last fiscal 2008. Operating revenue is primarily generated from subscriber related income, sale of Set Top Boxes and other operating revenues.

#### Consolidated operating expenditure:

The Company's main operating expenses include cost of services, employees' cost, selling & distribution expenses and other expenditure. Total consolidated operating expenses stood at Rs. 699.3 million for the fourth quarter ended March 31, 2009 as against to Rs. 781.2 million during the corresponding quarter last fiscal. Major cost item was cost of goods & services recorded as Rs. 424.5 million during the quarter representing 60.7% of the of the total operating expenses in comparison to Rs. 589.1 million in the corresponding quarter of the last fiscal, a 75.4% share of the total operating cost.

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

WWIL - Consolidated (Rs Million)	% of Total Operating Expenses				
	Q4 FY2009	Q4 FY2008	Q4 FY2009	Q4 FY2008	% Growth
Cost of Goods and Services	424.5	589.1	61%	75%	(28)%
Employees cost	75.1	44.8	11%	6%	68%
Selling & Distribution Expenses	22.1	13.3	3%	2%	66%
Other expenditure	177.8	134.0	25%	17%	33%
<b>Total Operational Cost</b>			<b>100%</b>	<b>100%</b>	<b>(10)%</b>
	<b>699.3</b>	<b>781.2</b>			

## Condensed consolidated statement of operations – Financial Result

The table below presents the condensed statement of consolidated operations for Wire and Wireless (India) Limited and its subsidiaries for the financial year ended March 31, 2009, as published:

WWIL - Consolidated (Rs Million)			% of Total Revenue		% Growth Y o Y
	FY2009	FY2008	FY2009	FY2008	
Operating Revenues	3,082.6	2,710.1	100%	100%	14%
Operating Expenditure	3,058.1	2,893.6	99%	107%	6%
<b>Operating Profit/(Loss) before depreciation</b>	<b>24.5</b>	<b>(183.5)</b>	<b>1%</b>	<b>(7)%</b>	<b>~%</b>
Finance cost			20%	14%	62%
	602.6	371.8			
Depreciation			10%	11%	4%
	321.6	309.5			
Exceptional Item			1%	29%	(97)%
	23.3	795.7			
<b>Operating Profit/(Loss) after interest, depreciation and ex. item</b>	<b>(923.0)</b>	<b>(1,660.5)</b>	<b>(30)%</b>	<b>(61)%</b>	<b>~%</b>
Other Income			1%	5%	(85)%
	22.1	145.0			
<b>PBT</b>	<b>(901.0)</b>	<b>(1,515.5)</b>			
Provision for tax					
	40.6	13.5			
<b>PAT</b>	<b>(941.6)</b>	<b>(1,529.0)</b>			
Minority interest			1%	1%	5%
	21.7	20.7			

### About SITI Satellite HITS

Headend-in-the-Sky (HITS) is a satellite based platform which delivers multi channel television signals to customers and LCOs. HITS would be launched in a phase wise manner across the country which would provide a complete array of digital video and audio programming needed for a comprehensive bouquet of broadcast channels. HITS would enable a pan India digital roll-out in a fastest way by providing digital signals to local cable operators, large housing projects, townships. LCOs do not need additional investments on a local digital head-end, separate subscriber management system (SMS) and conditional access arrangement. HITS would also give superior customer experience since the transmission would be centralized which would enable operator to maintain signal quality and content standard.

## **About Wire and Wireless (WWIL)**

Wire and Wireless, India's leading Cable Television Company has presence in 109 cities in India with over 6.7 million customer reach, 400 centers, 4000 LCO partners, 73 analog headends and 7 digital headends. Wire and Wireless (India) is a part of the Essel Group, which has diverse National and Global business interest encompassing media programming, broadcast and distributions, specially packaging, entertainment, telecom and trading with a market capitalization of over 1.7 billion dollars. Wire and Wireless product offers are Analog Cable, Digital Cable Television, Broadband, HITS Satellite Television, and Local Television Channels. All products are marketed under SITI brand Umbrella.

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 is in the process of being the first company in Asia to launch Headend-in-the-Sky (HITS) Technology. It is also the first company in India to provide TRIPLE play technology, which enables subscribers to get access to television channels, Internet, and Voice over Internet Protocol (VoIP) services.