



## WIRE AND WIRELESS (INDIA) LIMITED

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EARNINGS RELEASE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2009

**CONSOLIDATED OPERATING REVENUES OF RS. 722 MILLION**

**ANALOGUE BUSINESS OPERATING PROFIT OF 61 MILLION**

**CONSOLIDATED OPERATING LOSS OF RS. 71 MILLION**

### 3Q FY2010 - Highlights

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- ❖ Total consolidated operating revenues for the third quarter ended December 31, 2009 were Rs. 722 million, as compared to Rs. 818 million in corresponding period last fiscal.
- ❖ The operating profit for analogue business for the third quarter FY2010 was Rs. 61 million, as compared to operating profit of Rs. 8 million during corresponding quarter last fiscal.
- ❖ The consolidated operating loss for the third quarter ended December 31, 2009 was Rs. 71 million
- ❖ First Tranche of Rights issue of Rs. 4,500 million successfully completed

**New Delhi, India; January 21, 2010** – 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 quarter ended December 31, 2009. The consolidated revenues for the quarter were Rs. 722 million, operating loss was Rs. 71 million and profit after tax was negative Rs. 345 million. The operating profit for Analogue Business for the Q3 was Rs 61 mn as compared to operating profit of Rs 8 mn during Q3 last fiscal.

**Mr. Subhash Chandra, Chairman, stated,** “The television distribution market in India is fast changing, with visible signs of progression towards a digital environment. The HITS policy announcement this quarter is a positive indication and I am confident that digital cable will also start playing an important role in the digitization of television. I am hopeful that cable would be able to better organize itself in the coming years and provide a compelling service to its consumers and a good value proposition to broadcasters.”

**Mr. Sudhir Agarwal, CEO, WWIL commented,** “WWIL performance is improving quarter-on-quarter with positive operating profits in analogue operations and overall growth in revenues over the last quarter. We will continue to work towards making the existing analogue business more stable and profitable. The initial rollout of HITS has focused on tapping critical tier-II and tier-III cities and we



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are scaling up at decent pace. I am confident that going forward, HITS shall be a win-win proposition for WWIL, its consumers and stakeholders.”

**Condensed consolidated statement of operations – 3Q FY2010**

The table below presents the condensed statement of consolidated operations for Wire and Wireless (India) Limited and its subsidiaries for the third quarter of FY2010, as published:

<b>WWIL - Consolidated</b>			
(Rs Million)	<b>3Q FY2010</b>	<b>3Q FY2009</b>	<b>% Growth</b>
Operating Revenues	722.2	817.9	-12%
Operating Expenditure	793.6	810.3	-2%
<b>Operating Profit/(Loss) before depreciation</b>	<b>(71.3)</b>	<b>7.7</b>	<b>-</b>
Finance cost	174.0	160.8	8%
Depreciation	116.2	79.1	47%
Exceptional Item	5.6	-	-
<b>Operating Profit/(Loss) after interest, depreciation and ex. Item</b>	<b>(367.2)</b>	<b>(232.2)</b>	<b>(58%)</b>
Other Income	27.7	8.0	246%
<b>PBT</b>	<b>(339.5)</b>	<b>(224.2)</b>	<b>(51%)</b>
Provision for tax	5.0	2.5	98%
<b>PAT</b>	<b>(344.6)</b>	<b>(226.8)</b>	<b>(52%)</b>
Minority interest	6.0	23.2	-74%

**Consolidated operating revenue:**

The Company's operating revenue for the quarter is Rs. 722.2 million as compared to Rs. 698.0 million during last quarter this fiscal. Operating revenue is primarily generated from subscriber related income, income from bandwidth charges, 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. 793.6 million for the third quarter ended December 31, 2009 as against to Rs. 810.3 million during the corresponding quarter last fiscal. Major cost item was cost of goods & services recorded as Rs. 596.1 million during the quarter representing 75% of the of the total operating expenses in comparison to Rs. 549.9 million in the third quarter of the last fiscal, a 68% share of the total operating cost.



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

(Rs in Millions)	3Q FY2010	3Q FY2009	% of Total Operating Expenses		
			3Q FY2010	3Q FY2009	% Growth
Cost of Goods & Services	596.1	549.9	75%	68%	8%
Staff Costs	57.6	74.9	7%	9%	-23%
Administrative Expenses	130.5	165.4	16%	20%	-21%
Selling & Distribution Expenses	9.4	20.0	1%	2%	-53%
Total Operational Cost	793.6	810.3	100%	100%	-2%

**About SITI Satellite HITS**

Headend-in-the-Sky (HITS) is a satellite based DISH TV platform which delivers multi channel television signals to customers and LCOs. HITS, our latest offering in digital cable space shall provide a complete array of digital video and audio programming needed for a comprehensive bouquet of broadcast channels. HITS shall 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 shall also give superior customer experience since the transmission would be centralized which would enable operator to maintain signal quality and content standard.



**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.



## EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2009

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### **About Wire and Wireless (India) Limited**

Wire and Wireless (India) Limited is one of the India's largest Multi System Operator (MSO) and first company in India to launch Headend-in-the-Sky (HITS). With 73 analogue and 5 digital headends, it provides network to 10 million cable and satellite homes in 189 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, SITI Satellite HITS, 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 Show 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).

