



## WIRE AND WIRELESS (INDIA) LIMITED

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EARNINGS RELEASE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2011

**CONSOLIDATED OPERATING REVENUES OF RS. 871.7 MILLION, UP 17.1% Y-o-Y**

**CONSOLIDATED OPERATING PROFITS (EBITDA) OF RS. 46.0 MILLION, UP 5.2% Y-o-Y**

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

### 3Q FY2012 - Highlights

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- ❖ Total consolidated operating revenues for the third quarter ended December 31, 2011 was Rs. 871.7 million as compared to Rs. 744.4 million during the corresponding quarter last fiscal showing a growth of 17.1%
- ❖ The consolidated operating profits for the third quarter ended December 31, 2011 was Rs. 46.0 million as compared Rs. 43.7 million during the corresponding quarter last fiscal showing a growth of 5.2%
- ❖ WWIL continues to expand its business operations in new strategic towns.

**Noida, India; January 20, 2012** – 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, 2011. WWIL today reported third quarter consolidated revenues of Rs 871.7 million. The operating profit (EBITDA) for the quarter was Rs 46.0 million as compared to Rs 43.7 million during the corresponding quarter last fiscal.

Mr. Subhash Chandra, Chairman, stated, "Indian economy has been facing headwinds of increased inflation, interest rate hikes and policy stand-offs; forcing to cut the GDP growth forecast to around 7%. However, my faith in the Indian economy for the long term remains intact. With the passage of cable digitization bill, the cable industry has got much required boost that will help create a more sustainable business model. If implemented well, over the next 4-5 years, the industry can completely transform itself 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 from digitization."

Mr. Anil Malhotra, COO of WWIL commented, "Amid stressed economic environment, WWIL maintained its momentum in the third quarter. Our consolidated revenue and EBITDA grew to Rs 957.1 million and Rs. 46.0 million respectively, a healthy growth of 26.9% and 5.2% over



## EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2011

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. Digitization of existing cable infrastructure will augment the channel carrying capacity, offer better quality & will provide opportunities to monetize through different value added services like movies-on-demand, broadband, gaming, etc. We take this as a very positive development which holds lots of promise for WWIL.”

### Condensed consolidated statement of operations – 3Q FY2012

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

WWIL – Consolidated (Rs Million)	3Q FY2012	3Q FY2011	% of Total Revenue		% Growth
			3Q FY2012	3Q FY2011	
Operating Revenues	871.7	744.4	91.1%	98.7%	17.1%
Other Income	85.4	9.5	8.9%	1.3%	798.3%
Total Revenues	957.1	753.9	100.0%	100.0%	26.9%
Operating Expenditure	911.2	710.2	95.2%	94.2%	28.3%
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>46.0</b>	<b>43.7</b>	<b>4.8%</b>	<b>5.8%</b>	<b>5.2%</b>
Finance cost	128.8	134.7	13.5%	17.9%	(4.4)%
Depreciation	72.6	15.8	7.6%	2.1%	358.7%
Exceptional Item	3.0	5.6	0.3%	0.7%	(46.7)%
<b>Profit/(Loss) Before Tax</b>	<b>(158.5)</b>	<b>(112.4)</b>	<b>(16.6)%</b>	<b>(14.9)%</b>	<b>(40.9)%</b>
Provision for tax	(11.2)	(8.5)	(1.2)%	(1.1)%	(31.1)%
<b>Profit/(Loss) After Tax</b>	<b>(147.3)</b>	<b>(103.9)</b>	<b>(15.4)%</b>	<b>(13.8)%</b>	<b>(41.7)%</b>
Minority interest	(7.1)	(12.7)	(0.7)%	(1.7)%	43.9%

### Consolidated operating revenue:

The Company’s operating revenue for the quarter stood at Rs. 871.7 million as compared to Rs. 744.4 million during the corresponding quarter last fiscal indicating a y-o-y growth of 17.1%. Operating revenue is primarily generated from subscriber related income, income from bandwidth charges, income from advertisements and other operating revenues.



## EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2011

### 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. 911.2 million for the third quarter ended December 31, 2011 as against to Rs. 710.2 million during the corresponding quarter last fiscal. Major cost item was cost of goods & services recorded as Rs. 639.2 million during the quarter representing 66.8% of the total revenue in comparison to Rs. 518.3 million in the corresponding quarter of the last fiscal, a 68.8% share of the total revenue.

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

Expenditure (Rs in Millions)	3Q FY2012	3Q FY2011	% of Total Revenue		% Growth
			3Q FY2012	3Q FY2011	
Cost of Goods & Services	639.2	518.3	66.8%	68.8%	23.3%
Staff Costs	70.2	59.9	7.3%	7.9%	17.4%
Administrative Expenses	159.7	112.7	16.7%	14.9%	41.7%
Selling & Distribution Expenses	42.1	19.3	4.4%	2.6%	117.4%
<b>Total Operational Cost</b>	<b>911.2</b>	<b>710.2</b>	<b>95.2%</b>	<b>94.2%</b>	<b>28.3%</b>

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

### About Wire and Wireless (India) Limited

Wire and Wireless (India) Limited is one of India's largest Multi System Operator (MSO). With 53 analogue and 11 digital head ends and a network of more than 12000 Kms of optical fibre and coaxial cable, it provides its cable services in India's 57 key cities and the adjoining areas, reaching out to over 10 million households.

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

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





## **EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2011**

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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.