



WIRE AND WIRELESS (INDIA) LIMITED

EARNINGS RELEASE FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2009

CONSOLIDATED OPERATING REVENUES OF RS. 698.0 MILLION, UP 11% Q-o-Q

ANALOGUE OPERATING PROFIT OF 52.4 MILLION, AS AGAINST 4.4 MILLION IN THE CORRESPONDING QUARTER LAST YEAR

HITS ROLL OUT PROGRESSING WELL WITH BACK-END PROCESSES IN PLACE.

CONSOLIDATED OPERATING LOSS OF RS. 96.6 MILLION (LOSSES ON ACCOUNT OF HITS Rs 149.1 MILLION LAST YEAR RS NIL), AS AGAINST PROFIT OF RS. 4.4 MILLION IN THE CORRESPONDING QUARTER LAST YEAR

2Q FY2010 - Highlights

- ❖ Total consolidated operating revenues for the second quarter ended September 30, 2009 was Rs. 698.0 million as compared to Rs.630.1 million during preceding quarter showing a growth of 11%.
- ❖ The operating profit for Analogue Business for the second quarter ended September 30, 2009 was Rs. 52.4 million as compared to operating profit of Rs. 4.4 million during corresponding quarter last fiscal.
- ❖ The consolidated operating loss for the second quarter ended September 30, 2009 was Rs. 96.6 million; out of which Losses due to newly launch HITS Digital Platform stood at Rs. 149.1 Million
- ❖ In order to address its Funding needs and digitization through HITS Platform, WWIL came up with a Rights Issue of Rs. 4500 Million.

New Delhi, India; September 22, 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 second quarter ended September 30, 2009. WWIL today reported second quarter consolidated revenues of Rs 698.0 million. The operating profit for Analogue Business for the Q2 was Rs 52.4mn as compared to operating profit of Rs 4.4 mn during Q2 last fiscal.

Mr. Subhash Chandra, Chairman, stated, "WWIL performance during the Quarter has improved further with Positive EBIDTA in Analogue operations and overall growth of 11% in revenue over the last quarter. WWIL has been progressing well with its HITS/Digital services which provides high



EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2009

quality digital signal through cable. To ensure addressability and transparency in the system, WWIL has built up all the critical back-end infrastructure and processes necessary for HITS Operation. The Government is also expected to come up with clear Guidelines on HITS very soon. We are confident that HITS shall be able to generate huge employment, increase the digital-connect between urban and rural population of Cable TV on pan India basis and provide a compelling value proposition for our viewers.”

Mr. Sudhir Agarwal, CEO, WWIL commented, “After launching HITS Digital Services in first quarter, we have ensured to put in place all the critical infrastructure, processes and systems that shall address all the transparency and addressability issues and help to arrest bottle-necks. WWIL has re-aligned customized HITS packages and offerings and is tapping the distribution channel to reach out to tier-II and tier-III cities and is hopeful and confident that non Cable and Satellite homes will bring an important chunk for future growth of HITS.”

Condensed consolidated statement of operations – 2Q FY2010

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

WWIL - Consolidated (Rs Million)			% of Total Revenue		
	2Q FY2010	2Q FY2009	2Q FY2010	2Q FY2009	% Growth
Operating Revenues	698.0	837.5	100%	100%	-17%
Operating Expenditure	794.6	833.2	114%	99%	-5%
Operating Profit/(Loss) before depreciation	(96.6)	4.4	-14%	1%	~%
Finance cost	178.0	144.3	26%	17%	23%
Depreciation	116.5	79.2	17%	9%	47%
Exceptional Item	5.6	-	1%	0%	~%
Operating Profit/(Loss) after interest, depreciation and ex. Item	(396.8)	(219.1)	-57%	-26%	81%
Other Income	2.0	5.8	0%	1%	-66%
PBT	(394.8)	(213.2)	-57%	-25%	85%
Provision for tax	11.2	6.5	2%	1%	73%
PAT	(406.0)	(219.7)	-58%	-26%	85%
Minority interest	5.9	12.8	1%	2%	-54%

Consolidated operating revenue:

The Company’s operating revenue for the quarter is Rs. 698.0 million as compared to Rs. 630.1 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.



EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2009

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. 794.6 million for the second quarter ended September 30, 2009 as against to Rs. 833.2 million during the corresponding quarter last fiscal. Major cost item was cost of goods & services recorded as Rs. 600.7 million during the quarter representing 75% of the of the total operating expenses in comparison to Rs. 608.2 million in the second quarter of the last fiscal, a 73% share of the total operating cost.

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

(Rs in Millions)	% of Total Operating Expenses				
	2Q FY2010	2Q FY2009	2Q FY2010	2Q FY2009	% Growth
Cost of Goods & Services	600.7	608.2	75%	73%	-2%
Staff Costs	62.0	80.9	8%	10%	-23%
Administrative Expenses	123.0	114.4	16%	14%	7%
Selling & Distribution Expenses	8.9	29.6	1%	4%	-70%
Total Operational Cost	794.60	833.2	100%	100%	-5%

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



EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2009

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.

About Wire and Wireless (India) Limited

Wire and Wireless (India) Limited is one of India's largest Multi System Operators (MSO) with connectivity of television cable services network in 189 cities of India. 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. 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 the second company in Asia to launch Headend-in-the-Sky (HITS) Technology. More information about WWIL and its businesses is available at www.wwil.net.

