



WIRE AND WIRELESS (INDIA) LIMITED

EARNINGS RELEASE FOR THE FIRST QUARTER ENDED JUNE 30, 2009

CONSOLIDATED OPERATING REVENUES OF RS. 630.1 MILLION

ANALOGUE OPERATING PROFIT* OF 37.12 MILLION, AS AGAINST 28.10 MILLION IN THE CORRESPONDING QUARTER LAST YEAR, AN INCREASE OF 32%

WWIL BECOMES THE FIRST IN ASIA TO COMMERCIALY LAUNCH HITS – THE MOST ADVANCED FORM OF DIGITAL CABLE EXPERIENCE

CONSOLIDATED OPERATING LOSS OF RS. 172.4 MILLION, AS AGAINST PROFIT OF RS. 0.9 MILLION IN THE CORRESPONDING QUARTER LAST YEAR

1Q FY2010 - Highlights

- ❖ Total consolidated operating revenues for the first quarter ended June 30, 2009 was Rs. 630.1 million as compared to Rs. 716.3 million during corresponding quarter last fiscal.
- ❖ The operating profit for Analogue Business for the first quarter ended June 30, 2009 was Rs. 37.12 million as compared to operating profit of Rs. 28.10 million during corresponding quarter last fiscal, recording a growth of 32%.
- ❖ The consolidated operating loss for the first quarter ended June 30, 2009 was Rs. 172.4 million as compared to operating profit of Rs. 0.9 million during corresponding quarter last fiscal.

New Delhi, India; July 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 first quarter ended June 30, 2009. WWIL today reported first quarter consolidated revenues of Rs 630.1 million. Profit after Tax for the first quarter of the fiscal 2010 was a loss of Rs 469.3 million as compared to Rs. 189.2 million during the corresponding quarter of last fiscal.

Mr. Subhash Chandra, Chairman, stated, “WWIL has gone ahead with the commercial launch of HITS service which provides high quality digital signal through cable. HITS shall be able to generate huge employment and increase the digital connect between urban and rural population of Cable TV on pan India basis. We believe that our ability to handle large cable network, digital cable services, successful launch of HITS and other value-added services would provide a compelling value proposition for our viewers.”

Mr. Sudhir Agarwal, CEO of WWIL commented, “In a major initiative, that shall change the complete landscape of media distribution in days to come, we have become the first Company in Asia to launch HITS in current first quarter of FY2010. We believe that non Cable and Satellite homes will bring in an



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important chunk for future growth. Through HITS, we would be tapping our distribution channel to reach out to tier-II and tier-III cities. HITS shall be able to provide a complete array of digital video and audio programming needed for a comprehensive bouquet of broadcast channels. Lower packages and differentiated packaging of the content will help us tap this segment quickly. In addition to HITS, we would also offer Digital Cable and Analog Cable services, ISP and other value-added services in the country. WWIL is EBIDTA positive in its analogue business this quarter, which clearly indicates its continuing growth path.”

Condensed consolidated statement of operations – 1Q FY2010

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

WWIL - Consolidated (Rs Million)			% of Total Revenue		% Growth
	1Q FY2010	1Q FY2009	1Q FY2010	1Q FY2009	
Operating Revenues	630.1	716.3	100%	100%	-12%
Operating Expenditure	802.4	715.3	127%	100%	12%
Operating Profit/(Loss) before depreciation	(172.4)	0.9	-27%	0%	~%
Finance cost	185.9	109.6	30%	15%	70%
Depreciation	116.1	77.7	18%	11%	49%
Exceptional Item	5.6	-	1%	0%	~%
Operating Profit/(Loss) after interest, depreciation and ex. Item	(480.0)	(186.4)	-76%	-26%	158%
Other Income	3.2	4.4	1%	1%	-26%
PBT	(476.7)	(182.0)	-76%	-25%	162%
Provision for tax	1.0	1.1	0%	0%	-16%
PAT	(477.7)	(183.1)	-76%	-26%	161%
Minority interest	(8.4)	6.0	-1%	1%	~%

Consolidated operating revenue:

The Company’s operating revenue for the quarter is Rs. 630.1 million as compared to Rs. 716.3 million during corresponding quarter last 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. 802.4 million for the first quarter ended June 30, 2009 as against to Rs. 715.3 million during the



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corresponding quarter last fiscal. Major cost item was cost of goods & services recorded as Rs. 605.8 million during the quarter representing 76% of the of the total operating expenses in comparison to Rs. 526.7 million in the first quarter of the last fiscal, a 74% 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				
	1Q FY2010	1Q FY2009	1Q FY2010	1Q FY2009	% Growth
Cost of Goods & Services	608.4	526.7	76%	74%	16%
Staff Costs	59.0	66.3	7%	9%	-11%
Administrative Expenses	125.9	109.3	16%	15%	15%
Selling & Distribution Expenses	9.1	13.0	1%	2%	-30%
Total Operational Cost	802.4	715.3	100%	100%	12%

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, has been commercially launched in this quarter and 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.

** Analogue Operating Profit excluding provisions for doubtful debtors*



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.



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 107 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 first company in Asia to launch Headend-in-the-Sky (HITS) Technology. More information about WWIL and its businesses is available at www.wwil.net.

