



## **SITI CABLE NETWORK LIMITED**

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**SITI Cable records revenue growth of 57% at Rs.1629.4 million and EBITDA growth of 74% at Rs. 329.8 million for Q2 2014**  
**DAS Subscription revenue grew by 2316% over corresponding quarter.**

### **Q2 FY2014- Highlights**

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- ❖ Total revenues for the second quarter ended September 30, 2013 was Rs. 1629.4 million as compared to Rs. 1039.8 million during corresponding quarter last fiscal, recording a growth of 57%.
- ❖ The consolidated operating profit (EBITDA) for the second quarter ended September 30, 2013 was Rs. 329.8 million as compared to Rs. 189.3 million during corresponding quarter last fiscal.
- ❖ Multi-pronged strategy to engage Cable Operators resulted in superior collection of DAS revenue and subscriber retention amongst its peers.
  - Only MSO in India to provide the Digital Subscriber Management system "Own Your Customer (OYC)" to Cable Operators.
  - Only MSO in India to share 25% Carriage Revenue with Cable Operators

**Noida, India; October 23, 2013** – The Board of Directors of SITI Cable Network Limited (SCNL) (BSE: 532795, NSE: **SITI CABLE** 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 September 30, 2013. The total revenues for the quarter were Rs 1629.4 million and operating profit (EBITDA) was Rs. 329.8 million.

Mr. Subhash Chandra, Chairman, stated, "The industry is at an inflexion point where creating the valuable ecosystem for all stake holders be it consumer, broadcaster or last mile local cable operators will ensure the sustainable growth. We see immense opportunity for digitization in India in the years ahead. At SITI we have been working to strike the balance with all key stakeholders under current circumstances. The signs of such changes are visible in the performance of the company."

Commenting on the performance, Mr. Chandra said, "SITI Cable performance in the quarter reflects the resilience of our business model in a period of volatility and uncertainty. In the current quarter SITI Cable has delivered significant improvement in financial performance through operational excellence."

Mr. V D Wadhwa, CEO of SITI Cable commented, "We are pleased to report a healthy performance in the second quarter of the year, our total revenue and EBITDA in the quarter grew to Rs 1629 million



## EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2013

and Rs. 330 million, a growth of 57% and 74% respectively over last fiscal. Our growth was largely due to greater focus on subscription revenue despite low seeding of STB's during the quarter. We shall continue to focus business expansion and revenue maximization in coming quarter."

### Condensed consolidated statement of operations – Q2 FY2014

The table below presents the condensed statement of consolidated operations for SITI Cable Network Limited and its subsidiaries for the second quarter of FY2014, as published:

Siti Cable - Consolidated (Rs. Million)	Q2 FY2014	Q2 FY2013	% of Total Revenue		% Growth
			Q2 FY2014	Q2 FY2013	
Operating Revenues	1603.1	935.3	98%	90%	71%
Other Income	26.3	104.5	2%	10%	-75%
<b>Total Revenue</b>	<b>1629.4</b>	<b>1039.8</b>	<b>100%</b>	<b>100%</b>	<b>57%</b>
Total Expenditure	1299.6	850.6	80%	82%	53%
<b>Operating Profit/(Loss) = EBITDA</b>	<b>329.8</b>	<b>189.3</b>	<b>20%</b>	<b>18%</b>	<b>74%</b>
Finance cost	305.2	195.0	19%	19%	57%
Depreciation	269.1	117.3	17%	11%	129%
Exceptional Item	0.0	0.0	0%	0%	0%
<b>PBT</b>	<b>-244.6</b>	<b>-123.1</b>	<b>-15%</b>	<b>-12%</b>	<b>-99%</b>
Provision for tax	-26.0	3.4	-2%	0%	870%
<b>PAT</b>	<b>-218.6</b>	<b>-126.5</b>	<b>-13%</b>	<b>-12%</b>	<b>-73%</b>

#### Consolidated revenue:

The Company's total revenue for the quarter is Rs. 1629.4 million as compared to Rs. 1039.8 million during corresponding quarter last fiscal, recording an increase of 57%. Operating revenue is primarily generated from subscriber related income especially from Digitization, income from bandwidth charges, income from advertisements, STB activation charges and other operating revenues.

#### Consolidated expenditure:

The Company's main operating expenses include cost of goods and services, employees' cost, selling & distribution expenses and other expenditure. Total expenses stood at Rs. 1299.6 million for the second quarter ended September 30, 2013 as against to Rs. 850.6 million during the corresponding quarter last fiscal, recording an increase of 53%. Major cost item was cost of goods & services recorded as Rs. 827.0 million during the quarter representing 51% of the total revenue in comparison to Rs. 621.5 million in the first quarter of the last fiscal, representing 60% of the total revenue.



## EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Another major cost item was Foreign Exchange Fluctuation due to Rupee devaluation during the Q2 2014, which has been recorded by Rs. 76.9 million.

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

Siti Cable - Consolidated (Rs. Millions)	Q2 FY2014	Q2 FY2013	% of Total Revenue		% Growth
			Q2 FY2014	Q2 FY2014	
Cost of Goods & Services	827.0	621.5	51%	60%	33%
Staff Costs	93.9	69.4	6%	7%	35%
Administrative Expenses	254.4	130.3	16%	13%	95%
Selling & Distribution Expenses	124.2	29.3	8%	3%	324%
<b>Total Operational Cost</b>	<b>1299.6</b>	<b>850.6</b>	<b>80%</b>	<b>82%</b>	<b>53%</b>

### About SITI Cable Network Limited

SITI Cable Network Limited (erstwhile known as Wire and Wireless (India) Ltd) is a part of the Essel Group, which is one of India's leading business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

SITI Cable Network Limited is one of India's largest Multi System Operator (MSO). With 56 analogue and 14 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 60 key cities and the adjoining areas, reaching out to over 10 million viewers.

SITI Cable 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. SITI Cable 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 SITI CABLE and its businesses, please log on to [www.siticable.com](http://www.siticable.com).





## EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2013

**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. SITI Cable Network 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.