



WIRE AND WIRELESS (INDIA) LIMITED

EARNINGS RELEASE FOR THE THIRD QUARTER ENDED DECEMBER 31, 2008

CONSOLIDATED OPERATING REVENUES OF RS. 817.9 MILLION, UP 16.2%

CONSOLIDATED OPERATING PROFIT OF RS. 7.7 MILLION, AS AGAINST LOSSES OF RS. 31.7 MILLION IN THE CORRESPONDING QUARTER LAST YEAR

COUNTRYWIDE DIGITAL ROLLOUT PLANS UNDERWAY THROUGH HITS

3Q FY2009 - Highlights

- ❖ Total consolidated operating revenues for the third quarter ended December 31, 2008 was Rs. 817.9 million as compared to Rs. 703.6 million during corresponding quarter last fiscal 2008, recording a growth of 16.2%.
- ❖ The consolidated operating profit for the third quarter ended December 31, 2008 was Rs. 7.7 million as compared to operating loss of Rs. 31.7 million during corresponding quarter last fiscal 2008.
- ❖ The consolidated operating profit of Rs. 7.7 million for the third quarter ended December 31, 2008 has grown by 75.0% as compared to operating profit of Rs. 4.4 million of second quarter ended September 30, 2008 of the current financial year.

Mumbai, India; January 21, 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 third quarter ended December 31, 2008. WWIL today reported third quarter consolidated revenues of Rs 817.9 million. Profit after Tax for the third quarter of the fiscal 2009 was a loss of Rs 226.7 million as compared to Rs. 284.9 million during the corresponding quarter of last fiscal 2008.

Mr. Subhash Chandra, Chairman, stated, "After the initial successful launch of HITS on a trial-run basis, WWIL is all set out for the rollout of HITS services which would provide high quality digital signal through cable. HITS would generate huge employment and would increase the digital connect between urban and rural population of Cable TV on pan India basis. The consumer friendly economical packages would also offer more new services, address competition and lay the foundation for lucrative new revenue streams and increased profitability. This would provide the consumer with the best TV viewing experience with Value added Services like broadband internet and movie-on-demand backed by outstanding customer service which would be made available at affordable prices. We believe that our ability to handle large cable network, digital cable services, planned launch of

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HITS and launch of movie-on-demand & other value-added services would provide a compelling value proposition for our viewers and for our shareholders in the days to come.”

Mr. Sudhir Agarwal, CEO of WWIL commented, “In a major initiative, that is going to change the complete landscape of media distribution, we would be the first Company in Asia to launch HITS in current fourth quarter of FY2009. We intend to offer complete array of services - Analog and Digital Cable Television, ISP, value-added services and most advanced satellite based delivery platform Headend-in-the-Sky (HITS), for millions of customers and Local Cable Operators(LCOs). We have tied-up for distribution backbone for our Digital & Analog Cable Television services. HITS would provide a complete array of digital video and audio programming needed for a comprehensive bouquet of broadcast channels. In addition to HITS, we would also offer Digital Cable and Analog Cable services, ISP and other value-added services in the country.”

Mr. Agarwal added, “Digitalisation of cable TV has been one of the key focuses for us. To strengthen this path breaking initiative of digital Cable TV business, we have re-launched our SITI Brand, which continues to be No.1 brand with consumers. As a pioneer in Cable Television space, we strongly believe in introducing new level of products and services that would enhance the TV viewing experience for our consumers. The latest offering is in tune with our commitment to provide a win-win proposition for both the business associates and the stakeholders in the days to come.”

Condensed consolidated statement of operations – 3Q FY2009

The table below presents the condensed statement of consolidated operations for Wire and Wireless (India) Limited and its subsidiaries for the third quarter of FY2009, as published:

WWIL - Consolidated (Rs Million)	% of Total Revenue				
	3Q FY2009	3Q FY2008	3Q FY2009	3Q FY2008	% Growth
Operating Revenues	817.9	703.6	100.0%	100.0%	16.2%
Operating Expenditure	810.2	735.3	99.1%	104.5%	10.2%
Operating Profit/(Loss) before depreciation	7.7	(31.7)	0.9%	-4.5%	~%
Finance cost	160.8	94.1	19.7%	13.4%	70.8%
Depreciation	79.1	75.2	9.7%	10.7%	5.2%
Exceptional Item	-	99.4	0.0%	14.1%	-100.0%
Operating Profit/(Loss) after interest, depreciation and ex. Item	(232.2)	(300.4)	-28.4%	-36.7%	~%
Other Income	8.0	32.4	1.0%	4.6%	-75.4%
PBT	(224.2)	(268.0)	-27.4%	-38.1%	~%
Provision for tax	2.5	16.9	0.3%	2.4%	-84.9%
PAT	(226.7)	(284.9)	-27.7%	-40.5%	~%
Minority interest	23.2	9.5	2.8%	1.4%	144.0%
Prior period adjustment	-	-	0.0%	0.0%	~%



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Consolidated operating revenue:

The Company's operating revenue has grown to Rs. 817.9 million as compared to Rs. 703.6 million during corresponding quarter last fiscal 2008, recording a growth of 16.2%. Operating revenue is primarily generated from subscriber related income, 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. 810.2 million for the third quarter ended December 31, 2008 as against to Rs. 735.3 million during the corresponding quarter last fiscal. Major cost item was cost of goods & services recorded as Rs. 549.9 million during the quarter representing 67.9% of the of the total operating expenses in comparison to Rs. 583.2 million in the third quarter of the last fiscal, a 79.3% share of the total operating cost.

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

(Rs in Millions)	FY 2009 3Q	FY 2008 3Q	% of Total Operating Expenses		% Growth
			FY 2009 3Q	FY 2008 3Q	
Cost of Goods & Services	549.9	583.2	67.9%	79.3%	-5.7%
Staff Costs	74.9	51.1	9.2%	7.0%	46.6%
Administrative Expenses	165.4	78.5	20.4%	10.7%	110.7%
Selling & Distribution Expenses	20.0	22.5	2.5%	3.1%	-11.0%
Total Operational Cost	810.2	735.3	100.0%	100.0%	10.2%

About SITI Satellite HITS

Headend-in-the-Sky (HITS) is a satellite based platform which delivers multi channel television signals to customers and LCOs. HITS would be launched in a phase wise manner across the country which would provide a complete array of digital video and audio programming needed for a comprehensive bouquet of broadcast channels. HITS would 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 would also give superior customer experience since the



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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.

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 45 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 (to be launched soon), 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 would be 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.

