

SITI Cable Network Limited

Consolidated Financial Results Q4 FY16 & FY16

Investor Release

25th May, 2016

New Delhi, India; 25th May, 2016: The Board of Directors of SITI Cable Network Limited (SITI CABLE) (BSE: 532795, NSE: SITI CABLE EQ) in its meeting held today, has taken on record the Audited Consolidated Financial Results of the company for the Fourth Quarter and Full Year ended March 31, 2016.

FY16 Highlights

- *Profitable Turnaround for the first time in Company's history* with PBT at INR22 Crores
- EBITDA at INR323 Crores; up 92% YoY
- Revenue at INR1,213 Crores; up 30% YoY
- Subscription Income at INR561 Crores ; up 6% YoY
- Broadband Income at INR49 Crores ; up 83% YoY
- Highest ever customer acquisition at 2.7 mn with a Total Digital Subscriber Base of 7.9 Mn; *Largest presence in the country at 312 cities*
- Added ~72,000 Broadband subscribers; Total Broadband Subscriber Base at 1.32 Lakh

Income Statement	(INR Million)	
	FY16	FY15
Revenues	11,889	9,059
Other Income	241	311
Total Revenue	12,130	9,370
Total Expenditure	8,900	7,686
EBITDA	3,230	1,684
Finance cost	1,378	1,209
Depreciation	1,632	1,328
PBT	221	(852)
Tax	131	167
PAT	90	(1,019)

Income Statement	(INR Million)		
	Quarter Ended		
	Q4 FY 2016	Q3 FY 2016	Q4 FY 2015
Revenues	3,567	3,699	2,560
Other Income	82	48	227
Total Revenue	3,648	3,748	2,787
Total Expenditure	2,614	2,449	2,466
EBITDA	1,034	1,299	321
Finance cost	351	346	311
Depreciation	515	391	339
PBT	169	562	(328)
Tax	89	2	125
PAT	81	560	(453)

Revenue Streams (INR Million)	Quarter Ended		
	Q4 FY 2016	Q3 FY 2016	Q4 FY 2015
Subscription	1,479	1,458	1,424
Carriage	634	605	735
Activation	782	1,050	211
Broadband	159	139	79

Operational Metrics	Quarter Ended	
	Q4 FY 2016	Q3 FY 2016
Cable Universe (Mn)	12.2	12.2
Digital Subscribers (Mn)	7.9	6.8
Digital Subscribers added (Mn)	1.1	1.1
HD Subscribers	50,170	35,372
Broadband Home Passes (Lakhs)	8.9	6.7
Broadband Subscribers	1,32,500	1,07,000

Operational Highlights

- **Profitable Turnaround** for the first time in Company History; Reported Profit before Tax (PBT) at INR22 Crores in FY16
- **Highest seeding** for a particular year at 2.7 mn. The Company will continue to aggressively digitize its subscriber base
- SITI Cable now has the **largest Pan India presence at 312 cities**, in line with its strategy to expand in Phase 3 areas across different geographies
- SITI Cable is now **offering 45+ HD Channels** with 8 additional channels in the pipeline in the near future
- **Broadband**: Added ~4.5 lakh home passes and ~72,000 customers in FY16; Looking to aggressively roll out broadband in select geographies in the near future

- **Fund infusion by Promoter Group Entities**
 - Encouraged by the improvement in performance in Q4FY16, the promoters infused fresh funding of INR530 Crores. This was the first tranche of the previously announced INR 680 crore funding. The Funding will be utilized primarily for debt reduction
 - **ICRA upgraded the long-term rating of SITI Cable** to A- from BBB+. Further ICRA has a rating of AA (SO) on the term loan facility of SITI Cable. The outlook on the ratings is 'stable'
 - SITI Cable Network Limited has been *chosen to be a constituent of the Morgan Stanley Capital International (MSCI) India Domestic Small Cap Index*, effective 31st May, 2016
- **Awards & Recognitions**
 - The Company was awarded at the 7th Broadcasting, Cable & Satellite (BCS) Ratna Awards
 - *Outstanding MSO Providing Technology & Services*
 - *Best CEO Award*
 - Mr. VD Wadhwa, Executive Director & CEO of SITI Cable received the Best CEO Award for his strategic leadership and profitable turnaround of the company
 - Mr. VD Wadhwa, Executive Director & CEO, has been nominated for the “Best CEO category in Asia” for the Asia Communication Awards (ACA) 2016, along with 11 other leading CEO’s from the Asia-Pacific Region
 - Consolidated Gross Debt at INR1,116 Crores & Net Debt at INR743 Crores

While commenting on the results Mr. V D Wadhwa, Executive Director & CEO, SITI Cable mentioned that

“Our strategy of tighter control on cost lines and improving monetization has started yielding results and the company’s profitable turn-around, first time in 20 years, is a testament to that.

We continue on our journey of being the fastest growing company in Cable and Broadband by expanding the breadth & width of our distribution. As a part of our strategy, we are working on gaining Industry leadership through organic and inorganic growth.

Our growth story was recognized not only by the promoters who increased their stake, but also by independent agencies like ICRA who upgraded the long term rating of SITI Cable to [ICRA]A- from [ICRA]BB+. Morgan Stanley Capital International (MSCI) will also be including SITI Cable as constituent of their India Domestic Small Cap Index with effect from 31st May 2016.

Having expanded in DAS Phase 3, our biggest challenge in FY17 will be monetization. We are well positioned to scale up our Broadband operations aggressively in new geographies in FY17.”

About SITI Cable Network Limited

SITI Cable Network Limited 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 36 analogue and 18 digital head ends and a network of more than 30,000 Kms of optical fibre and coaxial cable, it provides its cable services in India's ~300+ cities and the adjoining areas, reaching out to over 12.2 million viewers.

SITI Cable deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience. Its product range includes Digital & Analogue 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.

Note: This earnings release contains consolidated results that are unaudited 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.

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