

SITI Networks Limited

Consolidated Financial Results Q4 & FY17

Investor Release

26th May 2017

New Delhi, India; 26th May 2017: The Board of Directors of SITI Networks Limited (SITINET) (BSE: 532795, NSE: SITINET) 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, 2017.

SITI delivers strong revenue growth across streams: Subscription up 39%; Broadband revenue up 100%; Carriage up 17%; EBITDA Margins at 19%; Digital Subscriber base crosses 10 mn mark

FY17 Highlights

- Revenue at INR1204 Crores; up 18% YoY
- Broadband Revenue at INR97 Crores ; up 100% YoY
- Subscription Revenue at INR569 Crores; up 39% YoY
- Carriage Revenue at INR300 Crores ; up 17% YoY
- Added 2.1 mn Video customers during the year
- Broadband Subscriber Base at 2.28 Lakh

Q4 FY17 Highlights

- Revenue at INR337 Crores; up 11% QoQ & 9% YoY
- Subscription Revenue at INR160 Crores; up 9% QoQ & 44% YoY
- Broadband Revenue at INR27 Crores ; up 67% YoY
- Carriage Revenue at INR80 Crores ; up 10% QoQ & 26% YoY
- EBITDA at INR69 Crores; up 12% QoQ
- Added 8 lakh Video customers during the quarter

Income Statement *(As per Ind AS)	(INR Million)	
	FY17	FY16
Total Revenue	12,041	1,0182
Total Expenditure	9,754	7,491
EBITDA	2,287	2,691
Finance cost	1,274	1,399
Depreciation	2,412	1,654
PBT	(1,361)	(363)

	Quarter Ended		
	Q4 FY 2017	Q3 FY 2017	Q4 FY 2016
Total Revenue	3,370	3,055	3,089
Total Expenditure	2,683	2,434	2,204
EBITDA	693	621	885
Finance cost	338	360	357
Depreciation	667	625	538
PBT	(310)	(364)	(7)

*On Net Billing Basis

Revenue Streams (INR Million)	FY 2017	FY 2016	% Growth
Subscription	5,690	4,102	39%
Carriage	3,001	2,568	17%
Activation	1,701	1,706	0%
Broadband	970	486	100%

	Q4 FY 2017	Q3 FY 2017	Q4 FY 2016
Subscription	1,600	1,475	1,109
Carriage	798	726	634
Activation	484	468	605
Broadband	266	259	159

Operational Metrics	Quarter Ended	
	Q4 FY 2017	Q3 FY 2017
Cable Universe (Mn)	13.2	12.2
Video Subscribers (Mn)	10.0	9.2
Digital Subscribers added (Mn)	0.8	0.5
HD Subscribers ('000s)	160	120
Broadband Home Passes (Lakhs)	16.1	15.7
Broadband Subscribers (Lakhs)	2.28	2.13

Operational Highlights

- **Video**
 - Delay in implementation of Phase 3 digitization due to litigation has resulted in lower than planned seeding of boxes and monetization, wherever boxes were seeded in phase 3, whereas the costs pertaining to Phase 3 of digitization were incurred throughout the year. As a result, the operating profit declined during the current fiscal, which is likely to improve significantly as the digitization of Phase 3 is now complete. SITI has started the new fiscal on a strong note and has already seeded 1 mn+ Boxes in April and May 2017, expanding footprint across existing markets and contiguous territories

- The New Tariff order has been notified by TRAI. Once the legal hurdles are cleared, the implementation of the Tariff Order is expected to synchronize the value chain to the requirements of the end consumer and provide tangible freedom of choices. This will also lead to rationalization of costs and spur growth in the sector.
- SITI is well prepared for the new GST regime and expects it to bring in more transparency, compliance and further improve revenue growth.
- Prepaid migration on track with 2000 LCOs across 97 locations brought under its ambit
- SITI was conferred with "Most Outstanding MSO with Best Customer (LCO & Consumer) Management Services (National)" and "Emerging National MSO in Broadband Sector" at the 8th BCS Ratna award
- SITI-DITTO OTT services grew strongly with the addition of 29,000 customers during the quarter, taking the total customer base to 60,000
- SITI has bolstered its content with tie-ups with Eros, Ultra, Cineprime, ADB Mobile and Entertainment and now has a portfolio of 130+ local channels on a Pan India basis. This will ensure a rich and bespoke viewing experience for all customers; Looking to add 8 new local channels for our North India viewers across certain genres and languages
- **Broadband**
 - Launched electrifying new plans that surpass 4G limits both in terms of effective cost per GB as well as speeds with the aim of providing more value to the end consumer. SITI Broadband's new plans offer upto 40 GB data everyday @ 50 Mbps
- **Others**
 - Consolidated Gross Debt at INR1,331 Crores & Net Debt at INR1,160 Crores

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

"Our tenacious execution has ensured stellar growth in the video revenue whereas broadband growth is falling short of our expectations. The Management is highly committed towards improving monetization and operating profit across all phases, during the current year.

We are well positioned to reap the benefits of improved monetization across phases as we simultaneously continue to expand our Broadband reach. The implementation of GST is expected to simplify the collection process, bring in greater transparency and will provide a boost to the growth of the sector. "

About SITI Networks Limited

SITI Networks Limited (Formerly known as "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 Networks Limited is one of India's largest Multi System Operator (MSO). With 15 digital head ends and a network of more than 32,500 Kms of optical fibre and coaxial cable, it provides its cable services in India's ~580 Locations and adjoining areas, reaching out to over 13.2 million viewers.

SITI Networks 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 Networks has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Over-The-Top content (OTT), 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 audited and prepared as per Indian Accounting Standards (Ind-AS).

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 Networks 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.

Key Contact - Investor Relations

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Conference Call

On the 30th May 2017 for the Q4FY17 & FY17 Results



SITI Networks Limited

On 26th May, 2017, SITI Networks Limited (BSE: 532795, NSE: SITINET EQ) is due to announce its Audited Financial Results for the Fourth Quarter & Fiscal Year 2017

After the conclusion of the Board Meeting and duly informing the Stock Exchanges the results would be made available on the Company's website: www.sitinetworks.com

To discuss the performance of the Company, a conference call has been scheduled on 30th May 2017

We take pleasure in inviting you to a discussion with Mr. V.D. Wadhwa, Executive Director & CEO, SITI Networks, along with other members of the Senior Management team.

We invite you to join the call and look forward to your participation. Early registration is encouraged. The operator will provide instructions on asking the question before and during the call.

Best Regards,

Ankit Saint

Date: 30th May 2017

Time: 12:00 PM (India Time); 02:30 PM (HK/SG Time)

Call Leader: Ankit Saint

Call in Numbers (India):

Primary Access Toll Number: +91 22 3960 0626

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