

# Hathway Cable & Datacom Limited

## PRESS RELEASE

### STAND ALONE SECOND QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

The Board of Directors of Hathway Cable and Datacom Limited (Hathway) (BSE:533162 NSE: HATHWAY) in its meeting held on 14<sup>th</sup> November 2013, have taken on record the unaudited standalone financials for Q2 FY 14.

The financial statements taken on record by the Board are summarized below:

#### Standalone Statement of Accounts Q2FY14 (Unaudited)

Standalone Financial - INR Million	FY14 Q2	FY14 Q1	FY13 Q2	FY14 H1	FY13 H1	FY13
<b>Income</b>						
Net Sales/Income from Operations	2,193	2,318	1,304	4,512	2,650	6,508
Other Operating Income	10	8	21	18	38	36
<b>Total Income</b>	<b>2,203</b>	<b>2,326</b>	<b>1,325</b>	<b>4,529</b>	<b>2,687</b>	<b>6,543</b>
<b>Expenditure</b>						
Purchase of stock-in-trade	9	7	16	15	50	110
Employee Cost	146	138	107	284	209	422
Pay Channel Cost	683	585	390	1,268	780	1,704
Other Expenses	981	837	603	1,818	1,203	2,622
<b>Total Expenditure</b>	<b>1,819</b>	<b>1,566</b>	<b>1,117</b>	<b>3,384</b>	<b>2,241</b>	<b>4,858</b>
<b>EBITDA before Other Income</b>	<b>384</b>	<b>761</b>	<b>208</b>	<b>1,145</b>	<b>446</b>	<b>1,685</b>
<b>EBITDA before Other Income Margin %</b>	<b>17%</b>	<b>33%</b>	<b>16%</b>	<b>25%</b>	<b>17%</b>	<b>26%</b>
Other Income	17	10	31	27	55	95
<b>EBITDA before Other Income</b>	<b>402</b>	<b>770</b>	<b>238</b>	<b>1,172</b>	<b>501</b>	<b>1,780</b>
<b>EBITDA before Other Income Margin %</b>	<b>18%</b>	<b>33%</b>	<b>18%</b>	<b>26%</b>	<b>18%</b>	<b>27%</b>
Depreciation / Amortization / Impairment	513	415	262	929	499	1,227
Foreign Exchange Loss / (Gain)	75	83	(45)	158	1	(42)
Finance Cost	237	216	73	453	206	461
Exceptional Items	4	-	(40)	4	(34)	93
Prior Period Adjustment	16	2	5	19	5	8
Tax	-	-	-	-	-	-
<b>PAT</b>	<b>(444)</b>	<b>53</b>	<b>(18)</b>	<b>(391)</b>	<b>(177)</b>	<b>32</b>

#### Notes to Financial Statement Q2 FY14 (Unaudited):

Income from operations mainly consists of Subscription Income from Cable TV and Broadband business, Carriage and Placement Income, Advertisement Income, Activation Income from STB's and other operating Income.

#### Stand Alone Q2 FY 14 (Unaudited)

Standalone Operating Revenues for the Quarter ended 30<sup>th</sup> September, 2013 at Rs 2,203 Mn. and the EBITDA at Rs 384 Mn.

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## **Income breakup for the quarter:**

Cable Subscription Income: INR 685 Mn

Placement Income: INR 854 Mn.

Activation Income: INR 256 Mn.

Broadband Income: INR 343 Mn.

Placement revenues as a percentage of total revenues amounts to 41% of total revenues.

## **Economic Interest:**

Due to Hathway's large standalone business, its' economic interest in its' Phase I and Phase II digital subscriber base is significantly ahead of competition. As per management estimates, quarterly EBITDA inclusive of Hathway's economic interest in the EBITDA of its' several Subsidiaries/JVs/Associate companies would aggregate to about Rs. 500 Mn.

## **Update on Cable Television Operation:**

Continuing the aggressive STB deployment trend, Hathway along with its JV partners has deployed 0.4 Mn boxes in the current quarter and as of September, 2013 along with its JV partners had cumulatively deployed over 7.6 Mn STBs all India. The company has deployed ~2.5 Mn STBs in Phase 1 and ~4.3 Mn STBs in Phase 2 areas till Sep-13 making it the biggest MSO in Phase 1 and 2 areas. The total universe all India stood at 11Mn.

With Phase I and II of digitisation nearly completed, Hathway has collected 90% + of CRF's from Phase I areas and is in the process of collecting CRFs from Phase II.

## **Broadband Update**

Gross Additions to the Broadband subscriber base was around 33K for the quarter. The cumulative subscriber base stood at ~436k. The company has successfully launched its DOCSIS 3 technology from Oct-13 for its Broadband subscribers in South Mumbai with very good response. The speeds offered ranges from 15 MBPS to 50 MBPS with very competitive prices, thus making it a very attractive product for the customers. The company is further planning to launch the services in few other cities in the next 6 months.

## **Fund Raising**

During the quarter the company has raised ~ Rs. 2500 millions from its promoters and new shareholders through preferential allotment. The shares of face value Rs.10/- each were issued at a premium of Rs.274/- per share (adding up to Rs.284/- per share).



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## **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

Hathway Cable & Datacom 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 Hathway Cable & Datacom Limited**

Hathway is a leading cable television services provider in India, as well as one of the leading cable broadband services providers. We offer cable television services across 140 cities and towns and high-speed cable broadband services across 20 cities. We have won a number of awards for our cable television services such as being named "Best MSO" by the Indian Telly Awards Eight Times. Our Company has established 20 digital head-ends in the country.

We hold a pan India ISP license and were the first cable television services provider to offer broadband internet services. We are currently India's largest cable broadband services provider, with approximately 1.5 million two-way broadband enabled homes passes, as on March 31, 2013. In addition to our cable television and broadband service offerings, we also generate advertising and airtime revenue from advertisements aired for and on behalf of channels owned by third parties, such as the Hathway music channel.