

Hathway Cable & Datacom Limited

PRESS RELEASE

Audited consolidated financial results for the year ended 31st March, 2015

Hathway grows cable subscription 44% to Rs. 840 Crs from Rs. 583 Crs. Broadband revenues jump 47% to Rs. 248 Crores from Rs. 169 Crs. EBITDA (w/o activation) at Rs 178 Crs compared with Rs 147 Crs (PY) +21%

Financial Highlights

	Standalone (FY15)		Consolidated (FY15)	
	Rs. Crs	Growth over PY	Rs. Crs	Growth over PY
Subscription CATV	441.7	32%	840.3	44%
Subscription Broadband	196.0	37%	247.5	47%
Placement	313.9	0%	626.9	9%
Activation	44.0	-60%	82.4	-50%
Others	28.0	-64%	34.6	-63%
Total Revenue	1,023.5	4%	1,831.6	16%
Total Revenue W/o Activation	979.6	13%	1,749.2	23%
EBITDA	139.4	-27%	259.9	-16%
EBITDA W/o Activation	95.4	17%	177.5	21%

- ✓ Hathway CATV Universe at 11.8 Mn subscribers – digitalized 8.5 Mn subscribers.
- ✓ Excluding Activation Q-o-Q Standalone EBITDA grows by 47% to 25 Crs from 17 Crs
- ✓ Consolidated CATV Revenue driven by growing ARPUs. Exit ARPU in Phase I and Phase II markets averaged at Rs. 100 and Rs. 67 respectively exclusive of taxes.
- ✓ India's Largest Cable Broadband Provider
Broadband Homes passed – 2.3Mn, added ~ 0.55 Mn in FY15
Subscribers – 0.45 Mn (Docsis 3.0 – 0.14 Mn)
- ✓ Broadband ARPUs increased from Rs. 310 to Rs. 530 (exit Q4FY15). (+70%)
- ✓ Consolidated Gross Debt – 1,483.1 Crs Net Debt – 1,256.2 Crs
- ✓ Standalone Gross Debt – 1,084.0 Crs Net Debt – 914.3 Crs

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Consolidated Statement of Accounts FY15 (Audited)

The Board of Directors of Hathway Cable and Datacom Limited (Hathway) (BSE:533162 NSE: HATHWAY) in its meeting held on 29th May 2015, have taken on record the Audited Consolidated financials for FY 15.

The financial statement taken on record by the Board is summarized below:

HCDL- Standalone Financial INR Million	STANDALONE				CONSOLIDATED		
	FY15 Q4	FY15 Q3	FY14 Q4	FY 15	FY14	FY 15	FY14
	Quarterly			YTD		YTD	
Income							
Net Sales/Income from Operations	2,690.8	2,380.2	2,920.4	10,194.4	9,772.8	18,279.5	15,811.2
Other Operating Income	9.5	11.3	6.8	34.7	31.5	36.6	21.3
Total Income	2,700.3	2,391.5	2,927.2	10,229.1	9,804.3	18,316.0	15,832.5
Expenditure							
Purchase of stock-in-trade	0.3	0.0	102.5	1.9	130.1	7.8	138.5
Employee Cost	170.1	139.6	101.2	615.5	522.6	1,522.5	1,228.0
Pay Channel Cost	1,073.4	940.4	1,154.1	3,839.9	3,258.8	8,131.3	6,664.2
Other Expenses	1,146.8	1,065.6	1,162.4	4,377.2	3,973.4	6,055.3	4,703.9
Total Expenditure	2,390.5	2,145.7	2,520.2	8,834.5	7,884.9	15,716.8	12,734.5
EBITDA before Other Income	309.8	245.8	407.0	1,394.6	1,919.4	2,599.3	3,098.0
EBITDA before Other Income Margin %	11%	10%	14%	14%	20%	14%	20%
EBITDA before Other Income and Activation	252.8	173.8	314.0	954.6	817.4	1,775.3	1,465.0
Other Income	45.6	51.3	25.4	139.8	77.0	266.3	105.0
EBITDA After Other Income	355.4	297.1	432.4	1,534.4	1,996.4	2,865.6	3,202.9
EBITDA After Other Income Margin %	13%	12%	15%	15%	20%	15%	20%
Depreciation / Amortization	686.1	598.2	615.0	2,269.7	2,103.5	3,317.0	2,993.0
Foreign Exchange Loss / (Gain)	(5.6)	11.3	(47.1)	(5.1)	83.8	(5.1)	83.8
Finance Cost	193.4	268.6	247.1	1,057.6	925.2	1,535.0	1,345.1
Exceptional Items	250.3	-	101.9	(38.4)	106.0	(506.5)	-
Prior Period Adjustment	1.1	(0.5)	8.2	2.8	30.5	(9.1)	25.7
Tax	-	-	-	-	-	279.7	162.3
Minority Interest	-	-	-	-	-	(139.4)	87.9
Amount transferred on change in stake	-	-	-	-	-	76.2	208.1
Share of Profit/ Loss of Associates	-	-	-	-	-	4.0	(0.1)
PAT	(769.9)	(580.5)	(492.7)	(1,752.2)	(1,252.5)	(1,804.5)	(1,111.1)

Closing Consolidated Subscribers Numbers

Particulars	Subs in Million
Cable Universe	11.8
CATV Digital Subscribers	8.5
CATV Paying Subscribers	6.5
Broadband Home Passed	2.3
Broadband Subscribers	0.4

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OPERATIONAL HIGHLIGHTS

CATV

We have seeded 0.43 Mn boxes in FY15 taking our total STB seeded to 8.5 Mn. With nearly 72% of our subscriber base now digitized we remain the biggest MSO in India as far as digital subscriber base is concerned. With nearly 500k STBs in stock we will continue to seed boxes at a rapid pace in near future as well. Of our digitized subscriber base, nearly 1.8 Mn subscribers fall in Phase III territories. We are among the best positioned in the industry to exploit the Phase III and Phase IV markets.

Our strategy is to roll out a “semi “ prepaid business model which facilitates LCOs to respond more quickly to customer requests for specific packages/ channels on A-la-carte basis. This initiative has been received well by our LCO business partners and will be our model for a national roll out in future. LCOs have been provided a portal and an Android application to help them ensure better customer management. We anticipate that with smarter packaging the company will be able to drive higher ARPUs.

During the year we have reached satisfactory conclusion in our contracts for royalty payments to broadcasters. Where some broadcasters have moved to a RIO structure, the format has worked well for the company. As anticipated placement revenues continue to play an important role at present showing little or no decline.

We are working with the assumption that the Government of India will stick to its deadlines for Phase III and Phase IV digitization; we are planning our investments accordingly. We also believe that value added services and innovative content will give a further fillip to ARPU in the future. We are almost unique in the industry in carrying a lot of original programming put together specifically for our platforms (4-5 channels). The company has tremendous opportunity to monetize these brands via Advertising focused towards communities that we serve.

BROADBAND

With the addition of Delhi and Central Mumbai to Docsis 3.0 and upgradation of Surat Network, Hathway is the only MSO to offer high speed 50 Mbps broadband services in Delhi, Mumbai, Pune, Bangalore, Hyderabad and Surat. Hathway high speed broadband services are potentially now available to 23 lakh homes all across India.

With 140,000 Docsis 3.0 subscribers Hathway has the largest deployment over a Docsis3.0 platform with minimum speeds of 50 Mbps.

We have become more customer centric by upgrading our call centers with more self-help options to provide efficient services to our customers.

Docsis 3 Consumers ARPU has reached Rs. 750/- levels.

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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 160 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 23 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 2 million two-way broadband enabled homes passes, as on December 31st, 2014. In addition to our cable television and broadband service offerings, we also generate advertising and airtime revenue from advertisements aired on our channels, such as the Hathway music channel, Hathway CCC, Hathway Shoppee, H tube, Hathway life, Hathway Movies, & Hathway Entertainment.

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EARNINGS CALL Q4 FY15

Please find below the con call invite for the Q4 FY15 earnings conference call.

4QFY15 Earnings Conference Call Hathway Cable and Datacom Ltd.	
June 01, 2015 at 11:00 am (IST)	
Ambit Capital is pleased to invite you to the 4QFY15 Results Conference Call of Hathway Cable and Datacom Ltd.	
Represented by Jagdish Kumar – MD & CEO Ganapathy Subramaniam – CFO	
The teleconference will be moderated by Sandeep Gupta, Media Analyst , Institutional Equities, Ambit Capital.	
Conference Call Details Time: 11:00 am (IST) Date: 01 June, 2015	
Please dial the below number at least 5-10 minutes prior to the conference schedule to ensure that you are connected to the call in time.	
Primary Number India: +91 22 3938 1078	Toll Free Number: USA: 1 866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448
Secondary Number India: +91 22 6746 5878	
<i>The numbers listed above are universally accessible from all networks and all countries.</i>	
Local Access Number: 6000 1221	
Available in - Delhi, Bangalore, Chennai, Hyderabad, Kolkata	
Accessible from all major carriers except BSNL/MTNL	
Local Access Number: 3940 3977	
Available in - Gurgaon (NCR), Bangalore, Kolkata, Cochin, Pune, Lucknow, Ahmedabad, Chandigarh	
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