

# Hathway Cable & Datacom Limited

## PRESS RELEASE

### UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>th</sup> SEPTEMBER, 2014

#### Standalone Statement of Accounts Q2FY15 (Unaudited)

The Board of Directors of Hathway Cable and Datacom Limited (Hathway) (BSE: 533162 NSE: HATHWAY) in its meeting held on 13<sup>th</sup> November 2014, have taken on record the unaudited standalone financials for Q2 FY 15.

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

HCDL- Standalone Financial	FY15 Q2	FY15 Q1	FY14 Q2	FY15 Q2	FY14 Q2	FY14
INR Million	Quarterly			YTD (6 Mth)		(12 Mth)
<b>Income</b>						
Net Sales/Income from Operations	2,628	2,496	2,193	5,123	4,512	9,773
Other Operating Income	8	6	10	14	18	32
<b>Total Income</b>	<b>2,635</b>	<b>2,502</b>	<b>2,203</b>	<b>5,137</b>	<b>4,529</b>	<b>9,804</b>
<b>Expenditure</b>						
Purchase of stock-in-trade	0	1	9	2	15	130
Employee Cost	160	146	146	306	284	523
Pay Channel Cost	968	858	683	1,826	1,268	3,259
Other Expenses	1,106	1,059	981	2,165	1,818	3,973
<b>Total Expenditure</b>	<b>2,235</b>	<b>2,063</b>	<b>1,819</b>	<b>4,298</b>	<b>3,384</b>	<b>7,885</b>
<b>EBITDA before Other Income</b>	<b>400</b>	<b>439</b>	<b>384</b>	<b>839</b>	<b>1,145</b>	<b>1,919</b>
<b>EBITDA before Other Income Margin %</b>	<b>15%</b>	<b>18%</b>	<b>17%</b>	<b>16%</b>	<b>25%</b>	<b>20%</b>
Other Income	22	20	17	43	27	77
<b>EBITDA After Other Income</b>	<b>423</b>	<b>459</b>	<b>402</b>	<b>882</b>	<b>1,172</b>	<b>1,996</b>
<b>EBITDA After Other Income Margin %</b>	<b>16%</b>	<b>18%</b>	<b>18%</b>	<b>17%</b>	<b>26%</b>	<b>20%</b>
Depreciation / Amortization	508	478	513	985	929	2,103
Foreign Exchange Loss / (Gain)	5	(16)	75	(11)	158	84
Finance Cost	304	292	237	596	453	925
Exceptional Items	-	(289)	4	(289)	4	106
Prior Period Adjustment	(1)	4	16	2	19	30
Tax	-	-	-	-	-	-
<b>PAT</b>	<b>(393)</b>	<b>(9)</b>	<b>(444)</b>	<b>(402)</b>	<b>(391)</b>	<b>(1,253)</b>

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## Performance Highlights for Q2 FY15:

- Revenues at Rs 2,635 Mn compares with Rs 2,202 Mn in Q2 FY14 (+20%)
- EBITDA, Net of Activation Fees, at Rs 179 Mn compares with Rs 129 Mn in Q2 FY14 (+39%)
- Company completed preferential issue of Equity amounting to Rs 1,504 Mn during the quarter from Tybourne Capital. With this raise we have cumulatively raised Rs.4,512 Mn at Rs 320 per share during the current financial year.

## Notes to Financial Statement Q2 FY15 (Unaudited):

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

## Stand Alone Q2 FY 15 (Unaudited)

Standalone Operating Revenues for the Quarter ended 30<sup>th</sup> September, 2014 at Rs.2,502Mn and EBITDA at Rs 439Mn.

## Major Income breakup for the quarter:

Income Head	Rs. In Million
Cable	1,110
Placement	824
Activation	221
Broadband	454

Placement revenues as a percentage of total revenues amount to 31% of total revenues.

## Economic Interest:

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.530Mn. Consequent to Hathway's large standalone business, its' economic interest in its' Phase I and Phase II digital subscriber base is significantly ahead of competition.

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## Closing Consolidated Subscribers Numbers

Particulars	Subs in Million
Cable Universe	11.70
CATV Digital Subscribers	8.40
Cable Paying Subscribers	6.40
Broadband Home Passed	1.95
Broadband Subscribers	0.42

## Operational Highlights

1. Our Broadband division has increased its home passes in the cities of Bengaluru and Hyderabad. The benefit of this increase will come in the following quarters. We will continue to increase our home passes in other cities which have good potential for Broadband services
2. Customers served by Docsis 3.0 technology added up to 84k by end of the second quarter (92k by end October 2014). Consequent to the shift in our subscriber mix in favor of Docsis 3.0 technology we have seen a sharp increase in our ARPU from Rs.405 in the previous quarter to Rs.440 in the current quarter. The Docsis 3.0 offering by Hathway continues to remain the most attractive offering among all Broadband Services providers in the country.
3. Continuing our aggressive plans to digitize our CATV customer base we have further seeded 250k boxes in the current quarter taking our digital subscriber base to 8.4 Mn. With this we have seeded nearly 72% of our subscriber base by far the highest amongst all the major MSO's in the country. With nearly 700k STB's in stock we will continue to seed boxes at a rapid pace in near future as well.
4. Content deals with the major broadcasters is in place now. We will use the stability in our content contracts to push for an increase in the ARPU realized from the markets we serve. While ARPU increase took a pause in current quarter, Phase 1 ARPU remained close to Rs.90, while it was close to Rs.55 in the Phase 2 areas.
5. Hathway has also pioneered the monetization of its various digital properties - ads can now be placed on the EPG, Aston Pop Up, Volume Pop Up etc. Having already launched five nationwide in house channels we will be very shortly launching two more channels which will have full time devotional content and a music on demand channel.
6. Closing Standalone Net Debt as on 30<sup>th</sup> September, 2014 stood at Rs. 8,962 Mn.



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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 1.95 million two-way broadband enabled homes passes, as on September 30, 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 Shopee, H tube, Hathway life, Hathway Movies, & Hathway Entertainment.