

Hathway Cable & Datacom Limited

PRESS RELEASE

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30thJUNE, 2014

Performance Highlights for Q1 FY15:

- Net of Activation Fees, Revenues at Rs 2,413 Mn compares with Rs 1,598 Mn in Q1 FY14 (+51%)
- EBITDA, Net of Activation Fees, at Rs 349 Mn compares with Rs 32 Mn in Q1 FY14
- Company finalizes a preferential issue of Equity amounting to Rs 3,008 Mn to Funds managed by the Capital Group, USA, at Rs 320 per share.

The Board of Directors of Hathway Cable and Datacom Limited (Hathway) (BSE: 533162 NSE: HATHWAY) in its meeting held on 12th August 2014, have taken on record the unaudited standalone financials for Q1 FY 15.

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

Standalone Statement of Accounts Q1FY15 (Unaudited)

HCDL- Standalone Financial Rs. In Million	FY15 Q1	FY14 Q4	FY14 Q1	FY14
	Quarterly			(12 Mths)
Income				
Net Sales/Income from Operations	2,495.8	2,920.4	2,318.3	9,772.8
Other Operating Income	6.4	6.8	8.1	31.5
Total Income	2,502.2	2,927.2	2,326.5	9,804.3
Expenditure				
Purchase of stock-in-trade	1.3	102.5	6.7	130.1
Employee Cost	145.5	101.2	137.7	522.6
Pay Channel Cost	858.1	1,154.1	584.5	3,258.8
Other Expenses	1,058.6	1,162.4	836.7	3,973.4
Total Expenditure	2,063.5	2,520.2	1,565.6	7,884.9
EBITDA before Other Income	438.7	407.0	760.9	1,919.4
EBITDA before Other Income Margin %	18%	14%	33%	20%
Other Income	20.5	25.4	9.5	77.0
EBITDA After Other Income	459.2	432.4	770.4	1,996.4
EBITDA After Other Income Margin %	18%	15%	33%	20%
Depreciation / Amortization	477.5	615.0	415.4	2,103.5
Foreign Exchange Loss / (Gain)	(15.8)	(47.1)	83.2	83.8
Finance Cost	291.7	247.1	216.1	925.2
Exceptional Items	(288.7)	101.9	-	106.0
Prior Period Adjustment	3.7	8.2	2.5	30.5
Tax	-	-	-	-
PAT	(9.2)	(492.7)	53.2	(1,252.5)

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Notes to Financial Statement Q1 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 Q1 FY 15 (Unaudited)

Standalone Operating Revenues for the Quarter ended 30th June, 2014 at Rs.2,502 Mn and EBITDA at Rs 439Mn.

Major Income breakup for the quarter:

Income Head	Rs. In Million
Cable	1,110
Placement	782
Activation	89
Broadband	416

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

Closing Consolidated Subscribers Numbers

Particulars	Subs in Million
Cable Universe	11.70
CATV Digital Subscribers	8.15
Cable Paying Subscribers	6.40
Broadband Home Passed	1.80
Broadband Subscribers	0.42

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Operational Highlights

1. The key highlight for the quarter was the growth trajectory achieved by our Docsis 3.0 Broadband services. Currently, the services are being offered in Mumbai, Pune, Hyderabad and Bangalore with plans to launch it in the near future in Kolkata and Delhi.
 - a. Our high speed broadband service has received tremendous response from our customers. Customers served by Docsis 3.0 technology added up to 47k by the end of the first quarter (60k end July 2014).
 - b. Our customers are offered Docsis 3.0 services at a speed of 50 MBPS with a data plan Policy ranging between 10 GB to 50 GB at competitive price points between Rs.600 going up to Rs.1,500/-. These services offerings are currently the most attractive among all Broadband Services providers in the country.
 - c. Hathway expects to maintain it's leadership position in the Cable Broadband business as it increases Home Passes and it's subscriber base.
 - d. Financial Metrics for Broadband services - Q1 FY15 vs Q1 FY14
 - i. ARPU + 23%
 - ii. Revenue + 26%
 - iii. Broadband Revenue Collection + 33%
 - iv. EBITDA + 71%
2. With a view to providing exclusive and quality rich content we have further launched four in-house channels during the quarter namely:
 - a. Hathway Life (Best of NGC Content)
 - b. Hathway Movies (Regional based movie Channel)
 - c. Hathway Shopee (Exclusive Shopping Channel powered by Naaptol)
 - d. H-Tube (Features Personal Videos sent by Viewers)

Some channels are currently launched in certain cities and as we progress we will be showcasing them in entire Hathway universe. The company continues to build its operational strength in cable television.

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3. Continuing to build upon our early mover advantage (Hathway has achieved a market share of 30% in Phase 1 and Phase 2 DAS markets) the Company has expanded its subscriber universe by 200,000 mainly due to additions in Eastern India. The aggregate universe of the Company is now about 11.7 Mn subscribers.
4. Hathway has in the current quarter successfully migrated its Subscribers Management System to a state of the art OBRM (Oracle Billing and Revenue Management) System.
5. Closing Standalone Net Debt as on 30th June, 2014 stood at Rs. 10,845 Mn.

Fund Raise

The Company is in the process of raising funds to the tune of Rs.3,008 million by way of preferential allotment of shares to funds managed by Capital Group, USA. The shares of face value of Rs.10/- each are to be issued at a premium of Rs.310/- per share (adding up to Rs.320/- per share). The EGM for approving the said preferential issue will be held on Friday, 5th September 2014.

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 1.8 million two-way broadband enabled homes passes, as on June 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 Shoppee, H tube, Hathway life, Hathway Movies, & Hathway Entertainment.