



## Ortel Communications Ltd.

www.ortelcom.com

Bringing Convergence to India

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Date: 30 April, 2016

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Exchange Plaza  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400051

&

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Dear Sir/Madam;

**Sub: Press release and presentation on audited financial result of the company for fourth quarter and year ended on 31 March, 2016 - Scrip Code: ORTEL (NSE), 539015 (BSE)**

We are enclosing here with Press release and Presentation on the audited financial result of the company for fourth quarter and year ended on 31 March, 2016

This is for your information and record.

For Ortel Communications Ltd

(Lalit Kr. Mohanty)

Company Secretary & Compliance Officer

**Encl: as above**



## **Ortel Communications announces Q4 & FY2016 Results**

### **FY2016**

**Total Income higher by 22% to Rs. 1,963 million**

**EBITDA improved by 18% to Rs. 703 million**

**PAT increased by 113% to Rs. 119 million Vs. Rs. 56 million in FY2015**

**Added 171,081 RGUs in FY2016; Total RGUs at 701,192**

**~65% of new RGUs added in Non-Odisha States**

**Bhubaneshwar, April 30, 2016:** Ortel Communications Limited (Ortel), one of the leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana and West Bengal, announced its financial results for the quarter and year ended March 31, 2016.

### **FY2016 performance overview compared with FY2015**

- Total Income increased to Rs. 1,963 million from Rs. 1,611 million, up by 21.8%
- EBITDA grew by 18.0% to Rs. 703 million from Rs. 597 million
  - EBITDA margin stood at 35.8%
- Profit After Tax came in at Rs. 119 million, higher by 113.0% compared to Rs. 56 million
- EPS amounted to Rs. 3.93 per share

### **Q4 FY2016 performance overview compared with Q4 FY2015**

- Total Income increased to Rs. 533 million from Rs. 449 million, up by 18.6%
- EBITDA stood at Rs. 184 million compared to Rs. 208 million
  - EBITDA margin stood at 33.6%
- Profit After Tax came in at Rs. 28 million
- EPS amounted to Rs. 0.91 per share

**Commenting on the performance, Mr. Bibhu Prasad Rath, President & CEO at Ortel Communications said:**

*“Ortel Communications reported healthy financial and operational performance during the year led by robust RGU additions of 1.71 lakh subscribers. Growth in our core businesses have primarily enabled us to double our PAT to Rs. 119 million in FY16. I am also pleased to state that 65% of new RGUs have come from Non-Odisha states of Andhra Pradesh, Telangana, Chhattisgarh and Madhya Pradesh. This reinforces our vision that the ‘last mile’ model can be successfully implemented in many states across India apart from our home market of Odisha.*

*Overall, we have ended the year on a strong note and are geared up to build on this momentum in the coming year. We remain focused towards achieving our stated target of 1 million subscribers by March 2017, which should make us the largest ‘last mile’ player in the country. We believe this model will make us one of the first few players in the sector to create sustainable value for all our stakeholders.”*

**Key Developments**

- **Robust RGU Additions:** During the year, the total RGU additions stood at 171,081 subscribers, taking the total RGUs to 701,192
  - Net addition in Q4 FY16 stood strong at 74,717 subscribers – on-track to achieve 1 million subscribers by March 2017
  - 86,797 RGUs in the pipeline – to be integrated into the Company’s last mile network in the coming months
- **Healthy Traction in States outside Odisha:** About 65% of the RGUs were added in the States of Andhra Pradesh, Telangana, Chhattisgarh, & Madhya Pradesh
  - Close to 70% of the new signings have been reported in these states
- **Improved Digital Penetration:** Seeded 107,175 Set Top Boxes (STB) during the year, thereby improving the digital penetration ratio to 37.1% from 22.7% in FY15
  - ARPU for subscribers converted from Analog to Digital witnesses improvement – Analog and Digital ARPU stood as Rs. 141 per month and Rs. 178 per month respectively
  - Hold over 3 lakh STBs in inventory with digital signals in place – sufficient stock for implementation of Digitization under Phase-III
- **Steady momentum in Broadband Business:** Net addition of 13,963 subscribers in FY2016 compared to 4,092 subscribers in FY2015; Total Broadband RGUs at 72,482
  - Expect significant growth in broadband subscribers in FY17 on the back of new network rollout, a strong team, solid back-end operations, attractive broadband packages and various other value-added services & initiatives

## About Ortel Communications Limited (ORTEL)

Ortel Communications (NSE Code: ORTEL; BSE Code: 539015) is a leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana & West Bengal. The Company has built a two-way communication network for 'Triple Play' services (video, data and voice capabilities) with control and focus over the 'Last Mile' network. Ortel has pioneered the primary point cable business model in India by offering digital and analog cable television, broadband and VAS services. The Company has a dominant position in Orissa, with emerging presence in Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana & West Bengal, covering an addressable market of close to 5 million homes. The business is broadly divided into cable television services comprising of analog cable television services, digital cable television services including other value added services such as HD services, near video on demand (NVoD), gaming and local content. Other focused business segments include broadband services, leasing of fibre infrastructure and signal uplinking services.

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## Disclaimer:

*Certain statements made in this release may not be based on historical information or facts and may be "forward looking statements", including those relating to the business, financial performance, strategy and results of the Company and/or the industry in which it operates. The forward-looking statements contained in this release are based on numerous assumptions and are uncertain and subject to risks. A multitude of factors including, but not limited to, changes in demand and competition, can cause actual events, performance or results to differ significantly from any anticipated development. The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors and do not accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this presentation. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.*

Presentation....



# ***Presentation Follows.....***



**Ortel**

communications

An ISO 9001 2008 COMPANY

**'BRINGING CONVERGENCE TO INDIA'**

**Ortel Communications Ltd.**

Q4 & FY2016 Earnings Presentation – April 30, 2016

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# At a Glance



## LAST MILE

Owns & operates its network

27,768

Kilometers of cable network

## RIGHT OF WAY

Legal 'rights of way' for entire network

1,182,132

Estimated homes reached

## B2C

Direct customer access leads to greater control

701,192

Revenue Generating Units (RGUs)

## TWO-WAY

Network enabled for 'Triple Play' (video, data and voice)

92%

Subscriber base on 'last mile' network

36%

EBITDA margin

10%

Total broadband subscribers

17%

Revenue contribution from broadband

37%

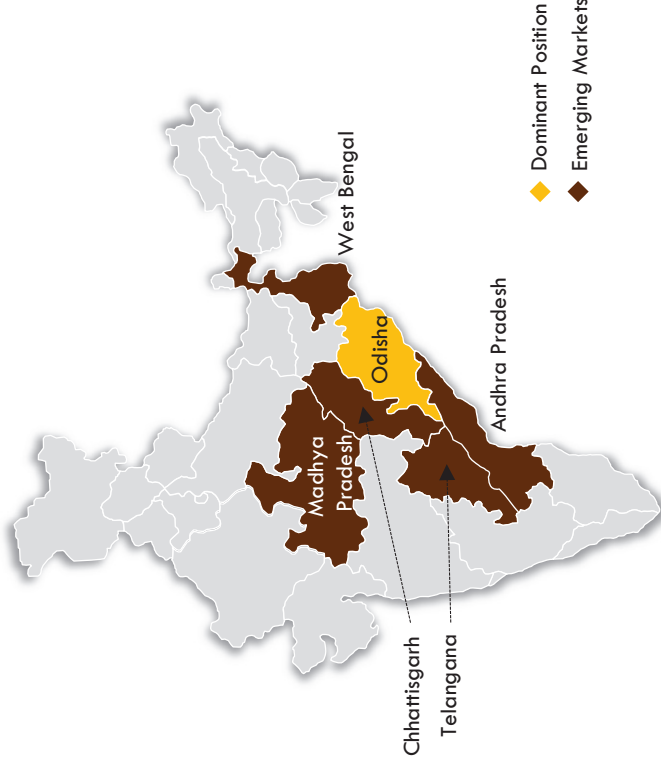
Digital cable TV Penetration

Note: Figures highlighted above are as on March 31, 2016

# Ortel: Dominant Regional Player with Direct to Consumer Offering



- Regional cable television and broadband provider focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana & West Bengal
  - Addressable market of ~5 mn homes; 701k RGUs covered
  - Rapidly growing markets with maximum headroom for growth in the cable TV and broadband industry
- Direct to consumer business model with full control over the 'last mile'
  - 92% of the subscriber base under own network
- Two-way communication network for 'Triple Play' service delivery (video/ TV, data/ broadband and voice capabilities)
  - HFC network (combination of optic fibre in the backbone and coaxial cable in the downstream) with legal 'rights of way' for laying network
  - Capable of providing broadband at speed of up to 50 mbps through use of cable modem with DOCSIS 3.0 technology
- Grown both organically and inorganically – through buyout of network equipment, infrastructure and subscribers of other MSOs and LCOs



Estimated Homes Reached	1,182,132
RGUs	701,192
Cable television subscribers	628,710
Digital subscribers as a % of cable TV subscribers	37.10%
Broadband subscribers	72,482
Broadband subscribers as a % of total RGUs	10.30%

Note: Data above is as on March 31, 2016

**Growth through increased penetration, digitization, inorganic acquisition and increased broadband penetration**

# Differentiated Play As Compared To Peers

Operating model in-line with Global Players i.e. B2C, unlike the more prevalent B2B business model in India



## B2B business model faces several challenges

- Current business model of most MSOs in India besides Ortel, is largely based on the B2B platform whereby they operate through franchisees / LCOs and they do not deal with customers directly
- Dependence on LCOs makes MSOs vulnerable to large scale customer churn (essentially LCO churn)
- MSOs and broadcasters get less than their fair share of revenues due to under-reporting by LCOs
- With no access to end-customers, no possibilities of offering additional higher-margin services like broadband
- Over-dependence on placement fees is one of the biggest risks in the B2B business model
- Even in a digitized market (Phase I and II), B2B players continue to face challenges on billing, collections and recoveries on investment made in placing STBs in LCO networks and head ends since the point of contact with consumers continues to be the LCO

## Ortel owns & controls the 'last mile'

- Ortel owns / operates its own network and owns 92% of its subscribers
- Ensures legally approved rights of way, superior service, minimal leakages and that the quality of network is uniformly maintained
- Control on billing of subscribers and collections
- Direct collections from customers help in controlling trade receivables and reduce bad debts resulting in better margins and cash flows
- Direct access to consumers limits large scale subscriber churn
- Tripe play network allows the Company to offer full range of services across video, data, voice and network infrastructure leasing for customer's benefit
- Ensure 100% of economics on above services accrues to the Company, thereby enabling efficient capital deployment and maximising the ROI objective

# High Quality Network Infrastructure With Legal 'Rights of Way'



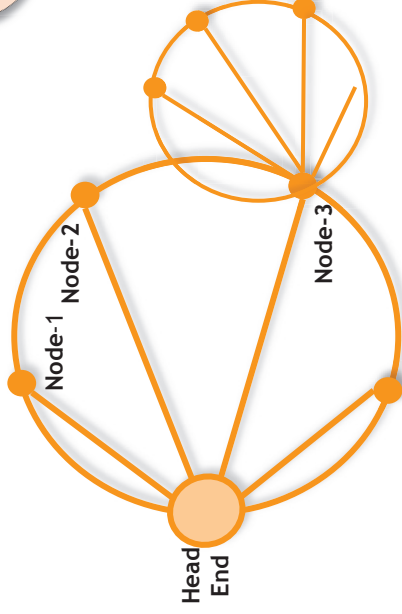
Technology & Network

Across **27,768** Kms of cable  
 Head end **70** towns **52** Analog **10** Digital

- Two-way enabled communication network that can provide triple play services of video, data and voice
- Network ready for deployment of digital services without further up gradation
- Legal 'rights of way' for entire network
- Stringent network design parameters and constant upgradation of technology to maintain a high quality of service

Network as on March 31, 2016

Strong Infrastructure in place...



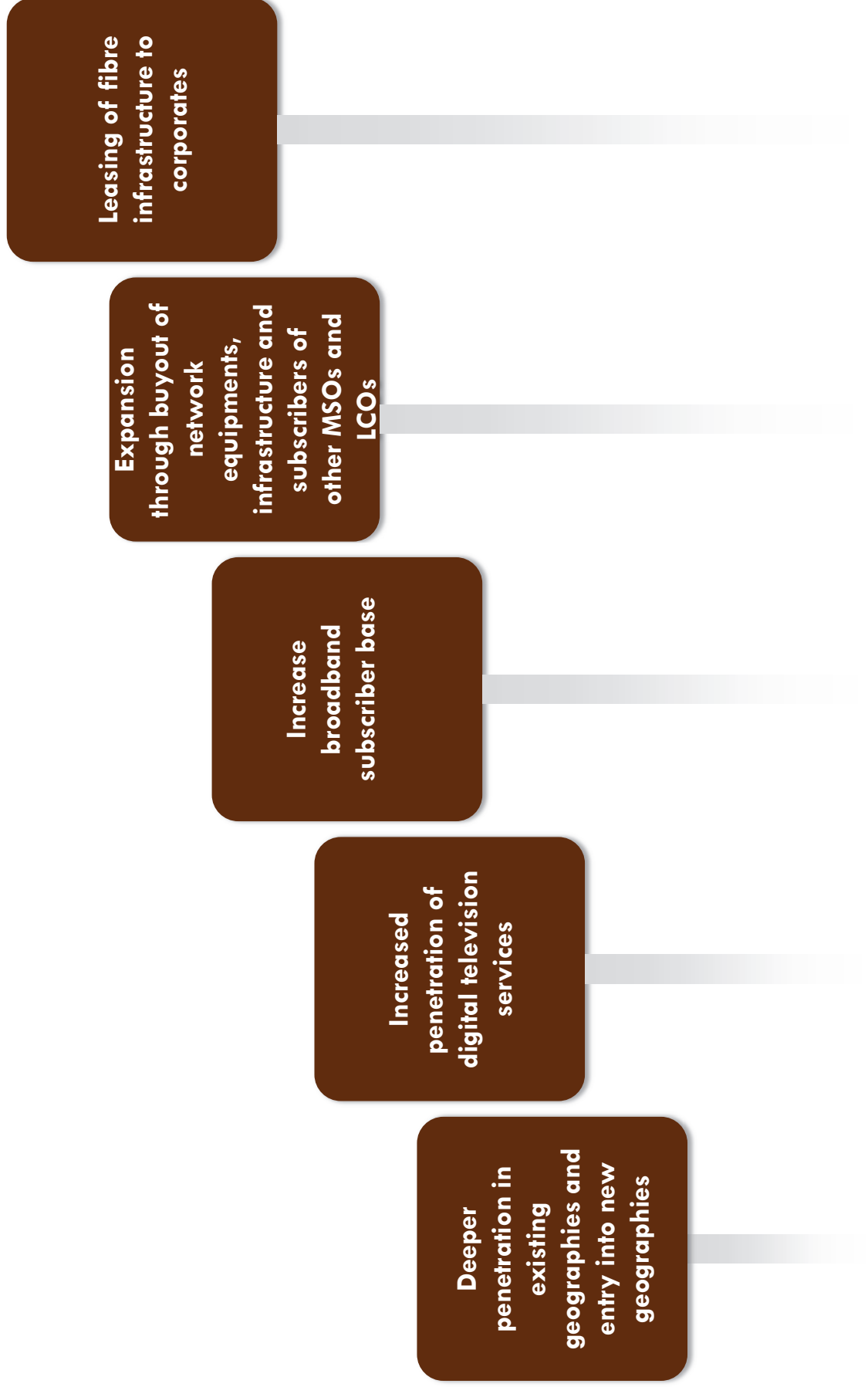
Fibre optic cable used as a network backbone

Coaxial cable is used downstream for broadband data and cable systems

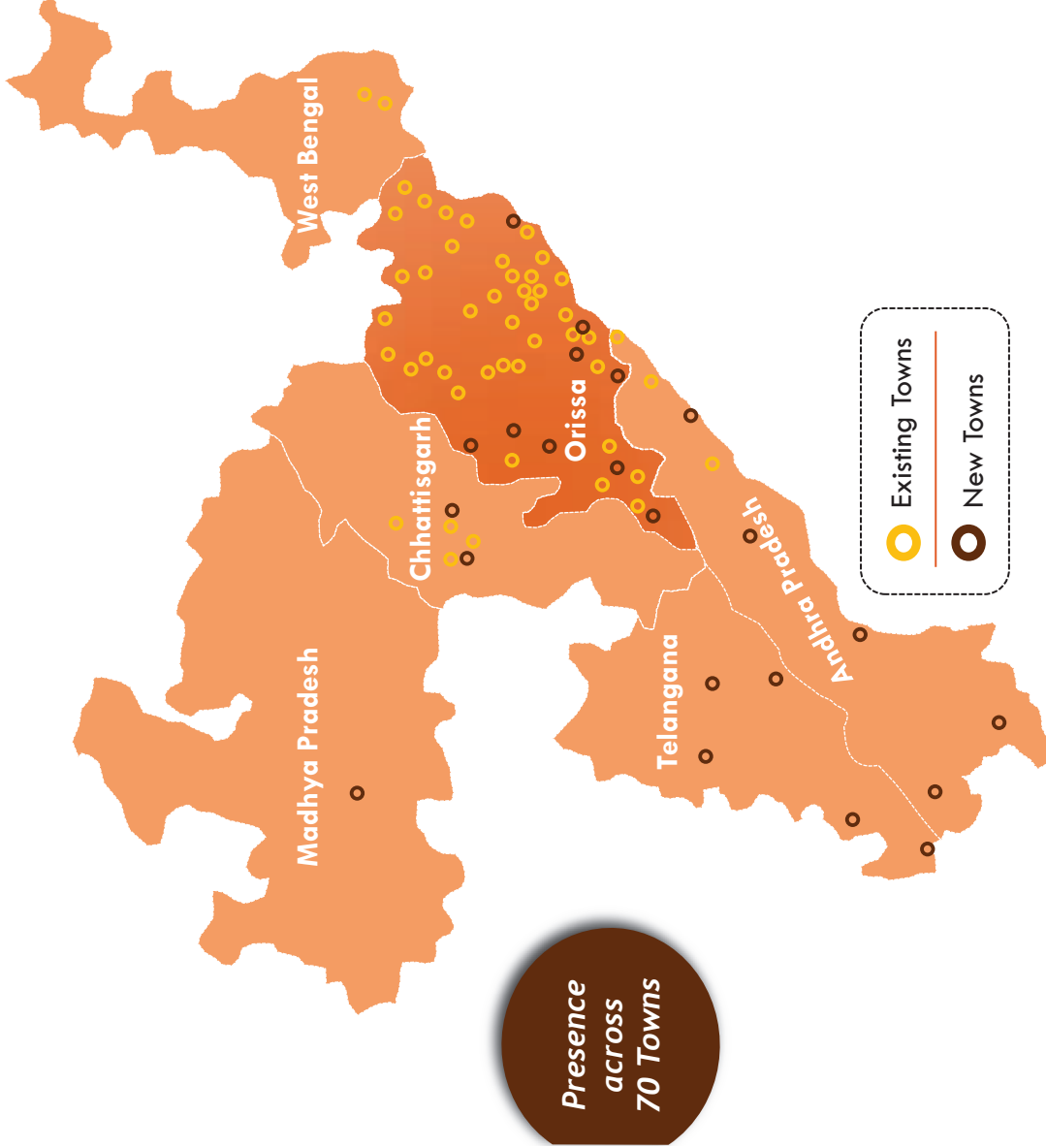
...multiple streams of revenues with marginal additional capex

- Analog Cable TV
- Broadband
- Video on Demand (NVOD)
- HD TV
- Digital Cable TV
- Signal Uplinking Services
- Gaming
- Fibre Leasing

# Growth Strategy



# Strong Traction in Markets outside Odisha



Total RGUs	701,192
- Odisha	535,126
- Outside Odisha	166,066
- Ratio	76 : 24
RGU addition in FY16	
- Odisha	60,160
- Outside Odisha	110,921
- Ratio	35 : 65

Note: As on March 31, 2016

- The Company's Local Cable Operator (LCO) buy-out strategy receiving strong response in states of Andhra Pradesh, Telangana, Chhattisgarh and Madhya Pradesh
  - 65% of new RGU addition in FY16 outside Odisha
- Robust growth outside Odisha to continue in FY17 taking the RGU contribution to ~35-40% from 24% in FY16

**Establishing strong Multi-State presence**

# Key Operating Highlights



Particulars	Unit	FY14	FY15	FY16	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16
Total Homes Passed	Nos.	805,389	810,414	1,182,132	810,414	838,437	925,537	1,034,972	1,182,132
Total RGUs	Nos.	515,835	530,111	701,192	530,111	542,217	571,834	626,475	701,192
RGU Penetration Ratio	%	64.00%	65.40%	59.30%	65.40%	64.70%	61.80%	60.50%	59.30%
Inactive RGUs as a % of Total RGUs	Nos.	1.30%	1.70%	1.90%	1.70%	1.90%	1.80%	1.90%	1.90%
Churn (Only Primary Not Annualised)	%	13.50%	17.70%	19.30%	5.00%	4.80%	5.10%	4.70%	5.50%
Digital Cable TV RGUs (Primary)	Nos.	69,873	106,259	212,015	106,259	112,296	117,401	127,098	212,015
Digital Cable TV RGUs (Secondary)	Nos.	-	916	20,997	916	1,357	2,924	5,241	20,997
Analog Cable TV RGUs (Primary)	Nos.	336,263	302,647	357,269	302,647	307,923	330,739	376,910	357,269
Analog Cable TV RGUs (Secondary)	Nos.	55,272	61,770	38,429	61,770	59,741	57,107	49,517	38,429
<b>Total Cable TV RGUs</b>	<b>Nos.</b>	<b>461,408</b>	<b>471,592</b>	<b>628,710</b>	<b>471,592</b>	<b>481,317</b>	<b>508,171</b>	<b>558,766</b>	<b>628,710</b>
Broadband RGUs (Primary)	Nos.	54,427	58,519	72,482	58,519	60,900	63,663	67,709	72,482
Primary RGUs (as a% of total RGUs)	%	89.30%	88.20%	91.50%	88.20%	88.70%	89.50%	91.30%	91.50%
Broadband RGUs (as a % of total RGUs)	%	10.60%	11.00%	10.30%	11.00%	11.20%	11.10%	10.80%	10.30%
Digital Cable TV RGUs as a % of Total Cable RGUs	%	15.10%	22.70%	37.10%	22.70%	23.60%	23.70%	23.70%	37.10%

# Key Operating Highlights (Cont'd.)



Particulars	Unit	FY2014	FY2015	FY2016	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16
Total owned network length	Kms	21,614	22,629	27,768	22,629	23,345	24,621	26,204	27,768
Towns covered	Nos.	48	48	70	48	52	59	67	70
Analog Cable TV ARPU (Primary)	INR/ Sub/ Month	147	145	141	145	144	143	141	141
Digital Cable TV ARPU (Primary)	INR/ Sub/ Month	177	186	178	186	185	183	181	178
Broadband ARPU	INR/ Sub/ Month	412	394	398	394	393	395	396	398
Average employees	Nos.	981	1,075	1,698	1,132	1,286	1,488	1,743	2,062
Average RGUs per employee	Nos.	526	493	413	469	422	384	359	340
Net personnel cost per employee per month	INR	12069	12922	11044	12920	12662	12638	10853	10180
Revenue per employee per month	INR	112,720	124,900	96,363	133,660	111,666	108,104	96,075	88,477
Per user per month data usage	MB	3,126	3,143	3,915	2,979	2,967	3,433	4,606	4,653
Pay Channel cost per cable TV customer	INR/ Sub/ Month	58.88	61.14	56.82	60.25	62.35	63.63	57.05	56.29
Pay Channel cost as a % of cable TV subscription	%	41.9%	43.3%	43.3%	43.3%	44.7%	45.9%	43.0%	40.4%





# Consolidated Summarized Profit & Loss Statement

Particulars (Rs. million)	FY2016	FY2015	Y-o-Y Growth	Q4 FY16	Q4 FY15	Y-o-Y Growth	Q3 FY16	Q-o-Q Growth
<b>Revenues from operations</b>	<b>1,877</b>	<b>1,548</b>	<b>21.3%</b>	<b>533</b>	<b>449</b>	<b>18.6%</b>	<b>480</b>	<b>10.9%</b>
Other Income	86	63	35.8%	15	5	217.1%	22	-34.2%
<b>Total Revenue</b>	<b>1,963</b>	<b>1,611</b>	<b>21.8%</b>	<b>547</b>	<b>454</b>	<b>20.6%</b>	<b>502</b>	<b>8.9%</b>
Total Expenditure	1,260	1,014	24.2%	364	245	48.1%	315	15.4%
- Programming Cost	375	342	9.6%	100	85	18.2%	91	10.0%
- Bandwidth Cost	83	67	24.4%	25	17	44.7%	21	20.1%
- Employee Benefit Expenses	225	167	35.0%	63	44	43.6%	57	11.0%
- Other Expenses	577	439	31.5%	175	99	76.5%	146	20.0%
EBITDA (Excluding Other Income)	617	533	15.7%	169	204	-16.9%	165	2.4%
EBITDA (Including Other Income)	703	597	17.8%	184	208	-11.8%	187	-1.9%
EBITDA margin (Excluding Other Income)	32.9%	34.5%	-160 bps	31.8%	45.4%	-1360 bps	34.4%	-260 bps
EBITDA margin (Including Other Income)	35.8%	37.0%	-120 bps	33.6%	45.9%	-1230 bps	37.3%	-370 bps
Finance Costs	236	226	4.3%	62	56	9.3%	58	5.5%
Depreciation & Fixed Assets written off	282	241	16.9%	77	71	9.2%	74	4.1%
Amortization Expense	35	59	-40.0%	7	15	-49.1%	9	-13.9%
<b>PBT</b>	<b>150</b>	<b>71</b>	<b>112.4%</b>	<b>37</b>	<b>67</b>	<b>-43.7%</b>	<b>46</b>	<b>-18.9%</b>
<b>PAT</b>	<b>119</b>	<b>56</b>	<b>113.0%</b>	<b>28</b>	<b>56</b>	<b>-51.1%</b>	<b>39</b>	<b>-29.0%</b>
<b>PAT Margin</b>	<b>6.1%</b>	<b>3.5%</b>	<b>+260 bps</b>	<b>5.0%</b>	<b>12.5%</b>	<b>-750 bps</b>	<b>7.7%</b>	<b>-270 bps</b>

# Balance Sheet and Cash Flow Snapshot



Particulars (Rs. million)	As on March 31, 2016	As on December 31, 2015	As on September 30, 2015
<b>Assets</b>			
Non-current assets	3,361	2,914	2,562
Current assets	1,142	1,128	1,370
<b>Total assets</b>	<b>4,503</b>	<b>4,042</b>	<b>3,932</b>
<b>Liabilities</b>			
Shareholders' Funds	1,395	1,366	1,326
Non-current liabilities	1,236	1,101	1,081
Current liabilities	1,872	1,575	1,525
<b>Total Liabilities</b>	<b>4,503</b>	<b>4,042</b>	<b>3,932</b>
CAPEX*	297	500	239
Gross Debt	1,719	1,628	1,571
Net Debt	1,430	1,096	631
Networth	1,395	1,366	1,326

\*Figures for the quarter

# Key Financial Ratios



Particulars	FY2014	FY2015	FY2016	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16
Cable TV gross margin	67%	68%	71%	70%	69%	69%	71%	74%
Broadband gross margin	84%	83%	82%	83%	82%	82%	80%	84%
EBITDA margin (Excluding Other Income)	29.1%	34.5%	32.9%	45.4%	33.0%	32.4%	34.4%	31.8%
EBITDA margin (Including Other Income)	31.3%	37.0%	35.8%	45.9%	36.9%	35.8%	37.3%	33.6%
PAT Margin	-10.4%	3.5%	6.1%	12.5%	5.7%	5.9%	7.7%	5.0%
Net debt to Equity	6.7	0.2	1.0	0.2	0.3	0.5	0.8	1.0
Net Debt to EBITDA (LTM)	3.3	0.4	2.0	0.4	0.7	0.9	1.5	2.0
Return on shareholder's equity	NM	7.6%	8.9%	30.5%	7.6%	8.6%	11.6%	8.0%
Return on Capital Employed (Pre-tax)	8.3%	13.6%	13.2%	22.6%	12.7%	13.6%	14.6%	13.6%
Receivable days	51	43	61	43	38	44	49	61

**Notes:**

1. Return on Shareholder's Equity is calculated as: PAT/ Average Networth. PAT annualized for quarterly calculation.
2. Return on Capital Employed is calculated as: EBIT/ Average Capital Employed. EBIT annualized for quarterly calculation.
3. "NM" denotes Not Measurable
4. "LTM" denotes Last Twelve Months

## Segment-wise Revenue break-up



Particulars (Rs. million)	FY2016	FY2015	Y-o-Y Growth	Q4 FY16	Q4 FY15	Y-o-Y Growth	Q3 FY16	Q-o-Q Growth
Connection Fees – Cable TV	84	31	165.8%	60	8	665.1%	10	534.8%
Cable Subscription Fees	866	790	9.6%	248	196	26.5%	212	16.9%
Channel Carriage Fees	356	264	34.9%	83	74	11.2%	98	-15.5%
<b>Total Cable TV Services Revenue</b>	<b>1,305</b>	<b>1,085</b>	<b>20.3%</b>	<b>391</b>	<b>279</b>	<b>40.5%</b>	<b>320</b>	<b>22.3%</b>
Connection Fees – Internet	26	19	35.0%	7	5	36.1%	6	5.0%
Internet Subscription Fees	303	270	12.4%	83	70	19.2%	77	8.3%
<b>Total Broadband Services Revenue</b>	<b>329</b>	<b>289</b>	<b>13.9%</b>	<b>89</b>	<b>74</b>	<b>20.3%</b>	<b>83</b>	<b>8.1%</b>
Income from Infrastructure Leasing	213	145	47.0%	44	89	-50.0%	70	-36.4%
Other operating income	30	29	3.2%	8	7	4.1%	8	-3.2%
<b>Total Revenue from Operations</b>	<b>1,877</b>	<b>1,548</b>	<b>21.3%</b>	<b>533</b>	<b>449</b>	<b>18.6%</b>	<b>480</b>	<b>10.9%</b>

# Region-wise Summarized Statement of Operations



## Core Market (Odisha)

Particulars	FY2016	FY2015	Y-o-Y Growth	Q4 FY16	Q4 FY15	Y-o-Y Growth	Q3 FY16	Q-o-Q Growth
Total revenues	1,676	1,446	15.9%	446	418	6.7%	437	2.0%
EBITDA	779	673	15.7%	201	219	-8.3%	218	-7.6%
EBITDA margin	46.5%	46.6%	-10 bps	45.1%	52.5%	-740 bps	49.8%	-470 bps
Closing Homes Passed	803,568	641,053	162,515	803,568	641,053	162,515	761,086	42,482
Closing RGUs	535,126	474,966	60,160	535,126	474,966	60,160	506,513	28,613
RGUs in pipeline	26,816	0		26,816	0		27,452	-636

## Emerging Markets (Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana & West Bengal)

Particulars	FY2016	FY2015	Y-o-Y Growth	Q4 FY16	Q4 FY15	Y-o-Y Growth	Q3 FY16	Q-o-Q Growth
Total revenues	190	119	60.1%	84	24	247.7%	43	97.2%
EBITDA	-57	-41	37.3%	-7	-9	-20.6%	-22	-69.1%
EBITDA margin	-29.9%	-34.9%	5.0%	-8.2%	-36.0%	27.8%	-52.5%	44.3%
Closing Homes Passed	378,564	169,361	209,203	378,564	169,361	209,203	273,886	104,678
Closing RGUs	166,066	55,145	110,921	166,066	55,145	110,921	119,962	46,104
RGUs in pipeline	59,981	0		59,981	0		63,833	-3,852

## FY2016 Financial and Operational Discussions



- Total revenues improved by 22% to Rs. 1,963 million
  - Growth was led by healthy RGU additions during the year leading to higher contribution from Cable TV segment
  - The Company anticipates strong momentum in the coming quarters owing to robust trend in RGU additions
- Total expenditure stood at Rs. 1,260 million, higher by 24%
  - Programming cost came in higher at Rs. 375 million – in-line with RGU growth
  - Employee expenses during the year stood higher at Rs. 225 million
    - Employee base significantly strengthened to support a robust last mile network
  - Other expenses increased to Rs. 577 million
- EBITDA (including other income) came in at Rs. 703 million, representing an increase of 18%
  - EBITDA Margin stood at 35.8%; performance from Non-Odisha states improve notably and the Company expects these markets to turn positive during FY17
  - Gross Margin for Cable and Broadband segments stood at 71% & 82% respectively
- Profit After Tax came in at Rs. 119 million Vs Rs. 56 million in the last year, an increase of 113%

# Key Developments in Financial Year 2016



- **Robust RGU Additions:** During the year, the total RGU additions stood at 171,081 subscribers, taking the total RGUs to 701,192
  - Net addition in Q4 FY16 stood strong at 74,717 subscribers – on-track to achieve 1 million subscribers by March 2017
  - 86,797 RGUs in the pipeline – to be integrated into the Company's last mile network in the coming months
- **Healthy Traction in States outside Odisha:** About 65% of the RGUs were added in the States of Andhra Pradesh, Telangana, Chhattisgarh, & Madhya Pradesh
  - Close to 70% of the new signings have been reported in these states
- **Improved Digital Penetration:** Seeded 107,175 Set Top Boxes (STB) during the year, thereby improving the digital penetration ratio to 37.1% from 22.7% in FY15
  - ARPU for subscribers converted from Analog to Digital witnesses improvement – Analog and Digital ARPU stood as Rs. 141 per month and Rs. 178 per month respectively
  - Hold over 3 lakh STBs in inventory with digital signals in place – sufficient stock for implementation of Digitization under Phase-III
- **Steady momentum in Broadband Business:** Net addition of 13,963 subscribers in FY2016 compared to 4,092 subscribers in FY2015; Total Broadband RGUs at 72,482
  - Expect significant growth in broadband subscribers in FY17 on the back of new network rollout, a strong team, solid back-end operations, attractive broadband packages and various other value-added services & initiatives

## Management Comment



### **Commenting on the performance, Mr. Bibhu Prasad Rath, President & CEO at Ortel Communications said:**



*“Ortel Communications reported healthy financial and operational performance during the year led by robust RGU additions of 1.71 lakh subscribers. Growth in our core businesses have primarily enabled us to double our PAT to Rs. 119 million in FY16. I am also pleased to state that 65% of new RGUs have come from Non-Odisha states of Andhra Pradesh, Telangana, Chhattisgarh and Madhya Pradesh. This reinforces our vision that the ‘last mile’ model can be successfully implemented in many states across India apart from our home market of Odisha.*”

*Overall, we have ended the year on a strong note and are geared up to build on this momentum in the coming year. We remain focused towards achieving our stated target of 1 million subscribers by March 2017, which should make us the largest ‘last mile’ player in the country. We believe this model will make us one of the first few players in the sector to create sustainable value for all our stakeholders.”*



# Glossary



<b>ARPU</b>	Average Revenue Per User Per Month
<b>B2B</b>	Business to Business
<b>B2C</b>	Business to Consumer
<b>CAGR</b>	Compounded Annual Growth Rate
<b>DOCSIS</b>	Data Over Cable Service Interface Specification
<b>DTH</b>	Direct-to-Home
<b>HFC</b>	Hybrid Fibre Coaxial
<b>LCOs</b>	Local Cable Operator
<b>MSOs</b>	Multi System Operators
<b>NVoD</b>	Near Video on Demand
<b>RGUs</b>	Revenue Generating Units (Analog + Digital + Broadband)
<b>VoD</b>	Video on Demand denotes Not Meaningful
<b>NM</b>	Not Measurable

## Conference Call Details



### Ortel Communications' Q4 FY2016 Earnings Conference Call

Time	<ul style="list-style-type: none"><li>• 02.00 pm IST on Monday, May 02, 2016</li></ul>
Conference dial-in	<ul style="list-style-type: none"><li>• Primary number: +91 22 3938 1071</li><li>• Secondary number: +91 22 6746 8354</li></ul>
Toll Free Number	<ul style="list-style-type: none"><li>• Hong Kong: 800 964 448</li><li>• Singapore: 800 101 2045</li><li>• UK: 0 808 101 1573</li><li>• UK – London: 4420 3478 5524</li><li>• USA: 1 866 746 2133</li><li>• USA – Los Angeles: 1 323 386 8721</li></ul>

## About Us



### **Ortel Communications Limited (ORTEL)**

Ortel Communications (NSE Code: ORTEL; BSE Code: 539015) is a leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana & West Bengal. The Company has built a two-way communication network for 'Triple Play' services (video, data and voice capabilities) with control and focus over the 'last mile' network. Ortel has pioneered the primary point cable business model in India by offering digital and analog cable television, broadband and VAS services. The Company has a dominant position in Orissa, with emerging presence in Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana and West Bengal, covering an addressable market of close to 5 million homes. The business is broadly divided into cable television services comprising of analog cable television services, digital cable television services including other value added services such as HD services, near video on demand (NVOD), gaming and local content. Other focused business segments include broadband services, leasing of fibre infrastructure and signal uplinking services.

### **For further information, please contact:**

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