



## Ortel Communications Ltd.

www.ortelcom.com

Bringing Convergence to India

Corporate office :  
C-1, Chandrasekharpur  
Behind R.M.R.C., Near BDA Colony  
BBSR- 751016, Odisha, India  
Ph.: (0674) 3983200  
Fax: (0674) 2303448  
email - nodal@ortelgroup.com  
CIN: L74899DL1996PLC059353

Date: 28 July, 2016

### National Stock Exchange of India Limited

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

### BSE Limited

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001  
Scrip Code-539015

Dear Sir/Madam;

**Sub: Un-audited financial results of the Company for the first quarter ended 30 June, 2016 of FY.2016-17.**

We are enclosing herewith the Un-audited financial results of the Company along with Limited Review Report given by Statutory Auditor for the first quarter ended 30 June, 2016 of FY.2016-17 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 as considered and approved by the Board of Directors of the Company in its meeting held on today 28 July, 2016.

This is for your information and record.

For Ortel Communications Limited

  
(Lalit Kumar Mohanty)



Company Secretary and Compliance Officer

**Encl: as above**

PART I: STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016				(Rs. in Lakh)	
Particulars	Quarter Ended			Year Ended	
	30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16	
	(Unaudited)	(Audited) (refer Note 3)	(Unaudited)	(Audited)	
<b>1. Income from Operations</b>					
(a) Income from Operations	5,241.67	5,328.04	4,059.56	18,769.50	
(b) Other Operating Income	-	-	-	-	
<b>Total Income from Operations</b>	<b>5,241.67</b>	<b>5,328.04</b>	<b>4,059.56</b>	<b>18,769.50</b>	
<b>2. Expenses</b>					
(a) Programming Cost	997.10	1,002.65	891.24	3,751.38	
(b) Bandwidth Cost	392.80	251.92	178.00	831.91	
(c) Employee Benefits Expense	621.86	629.72	488.52	2,249.70	
(d) Depreciation and Amortisation	542.40	495.02	465.90	1,857.27	
(e) Bad Debts Written Off	666.33	503.35	409.98	1,661.82	
(f) Fixed Assets Written Off	140.55	351.68	256.72	1,316.48	
(g) Other Expenses	1,224.51	1,248.10	751.56	4,105.42	
<b>Total Expenses</b>	<b>4,585.55</b>	<b>4,482.44</b>	<b>3,441.92</b>	<b>15,773.98</b>	
<b>3. Profit/(Loss) from operations before other income, finance costs &amp; exceptional items (1-2)</b>	<b>656.12</b>	<b>845.60</b>	<b>617.64</b>	<b>2,995.52</b>	
4. Other Income	52.76	145.17	248.50	859.65	
<b>5. Profit/(Loss) from ordinary activities before finance costs &amp; exceptional items (3+4)</b>	<b>708.88</b>	<b>990.77</b>	<b>866.14</b>	<b>3,855.17</b>	
6. Finance Costs	622.95	616.16	560.74	2,356.41	
<b>7. Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>85.93</b>	<b>374.61</b>	<b>305.40</b>	<b>1,498.76</b>	
8. Exceptional items	-	-	-	-	
<b>9. Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>85.93</b>	<b>374.61</b>	<b>305.40</b>	<b>1,498.76</b>	
10. Tax Expenses	-	98.43	61.10	305.92	
<b>11. Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>85.93</b>	<b>276.18</b>	<b>244.30</b>	<b>1,192.84</b>	
12. Extraordinary Items	-	-	-	-	
<b>13. Net Profit/(Loss) for the Period/Year (11-12)</b>	<b>85.93</b>	<b>276.18</b>	<b>244.30</b>	<b>1,192.84</b>	
14. Paid-up Equity Share Capital (Face Value Rs.10/- each)	3036.54	3036.54	3036.54	3036.54	
15. Reserves excluding Revaluation Reserves				10,912.13	
<b>16. Earnings Per Share (In Rs.)</b>					
a) Basic	*0.28	*0.91	*0.80	3.93	
b) Diluted	*0.28	*0.91	*0.80	3.91	

\* Not annualised



**SEGMENT WISE REVENUE, RESULTS, ASSETS and LIABILITIES**

Particulars	Quarter Ended			Year Ended
	30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
	(Unaudited)	(Audited) (refer Note 3)	(Unaudited)	(Audited)
<b>1. Segment Revenue</b>				
a) Cable TV	4,120.14	3,914.22	2842.83	13050.00
b) Broadband	950.42	894.51	754.37	3290.55
c) Infrastructure Leasing	95.89	444.09	390.13	2131.33
d) Unallocated	75.22	75.22	72.23	297.62
<b>Net Income from Operations</b>	<b>5,241.67</b>	<b>5,328.04</b>	<b>4059.56</b>	<b>18,769.50</b>
<b>2. Segment Results</b>				
a) Cable TV	1,825.30	1754.29	1170.20	5598.43
b) Broadband	571.57	508.64	469.95	1994.45
c) Infrastructure Leasing	132.71	398.14	357.87	1991.39
d) Unallocated	29.07	29.08	26.31	113.70
<b>Total</b>	<b>2558.65</b>	<b>2690.15</b>	<b>2024.33</b>	<b>9697.97</b>
Less: i) Finance Costs	622.95	616.16	560.74	2,356.41
ii) Other Un-allocable expenditure (net)	1,849.77	1,699.37	1158.19	5,842.80
iii) Un-allocable Income	-	-	-	-
<b>Total Profit/(Loss) Before Tax</b>	<b>85.93</b>	<b>374.62</b>	<b>305.40</b>	<b>1498.76</b>
<b>3. Segment Assets</b>				
a) Cable TV	15746.06	11138.57	6168.15	11138.57
b) Broadband	2678.75	1808.42	1492.91	1808.42
c) Infrastructure Leasing	2157.43	2207.16	1800.08	2207.16
d) Unallocated	26320.61	29877.37	27536.36	29877.37
<b>Total Segment Assets</b>	<b>46902.85</b>	<b>45031.52</b>	<b>36997.50</b>	<b>45031.52</b>
<b>4. Segment Liabilities</b>				
a) Cable TV	7168.20	5900.39	4763.13	5900.39
b) Broadband	207.83	147.88	169.31	147.88
c) Infrastructure Leasing	1.35	1.35	752.94	1.35
d) Unallocated	25478.84	25033.24	18346.47	25033.24
<b>Total Segment Liabilities</b>	<b>32856.22</b>	<b>31082.86</b>	<b>24031.85</b>	<b>31082.86</b>



**Notes :**

- 1 The above unaudited financial results for the quarter ended June 30, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors of the company at their respective meetings held on July 28, 2016. The Statutory Auditors of the Company have reviewed the said results.
- 2 During the financial year 2014-15, funds were raised through IPO for, interalia, expansion of network/capital expenditure on development of digital cable services and broadband services/general corporate purposes. The amount remaining unutilised as at June 30, 2016 is as follows:

Particulars	Rs. in Lakh
Issue Proceeds	10,860.00
Less: Issue Expenses accounted upto June 30, 2016 *	780.58
<b>Net proceeds from IPO (A)</b>	<b>10,079.42</b>
<b>Amount utilised upto June 30, 2016 :</b>	
- Expansion of network for providing video, data and telephony services	6,350.05
- Capital expenditure on development of digital cable services	1,526.80
- Capital expenditure on development of broadband services	846.48
- General corporate purposes	556.82
<b>Total (B)</b>	<b>9,280.15</b>
<b>Amount unutilised as at June 30, 2016 # (A-B)</b>	<b>799.27</b>

\* excluding the share of expenses pertaining to the selling shareholder

# remains invested in Bank Fixed Deposits and Current Accounts

3. The figures for the quarter ended March 31,2016 are the balancing figures between audited figures in respect of the full financial year ended March 31,2016 and year to date limited reviewed figures for the nine months ended December 31,2015.
- 4 Figures relating to the previous year/period have been rearranged/rearranged, wherever necessary, to make them comparable with those of the current period.

For and on behalf of the Board of Directors



Managing Director

Place: New Delhi

Date: July 28, 2016

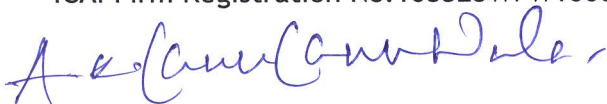


## Limited Review Report

Review Report to  
The Board of Directors  
Ortel Communications Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Ortel Communications Limited** (the "Company") for the quarter ended June 30, 2016 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Sec 133 of Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W/W100048



Anand Kumar Jhunjunwala  
Partner  
Membership No.056613



New Delhi  
July 28, 2016

## Limited Review Report

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The Board of Directors  
Ortel Communications Limited**

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**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.103523W/W100048

*Anand Kumar Jhunjunwala*

Anand Kumar Jhunjunwala  
Partner  
Membership No.056613



New Delhi  
July 28, 2016



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Date: 28 July, 2016

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**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
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Scrip Code-539015

Dear Sir/Madam;

**Sub: Press Release and Presentation on un-audited financial result of the Company for the first quarter ended 30<sup>th</sup> June, 2016 of FY.2016-17.**

We are enclosing herewith Press Release and Presentation on un-audited financial result of the Company for the first quarter ended 30<sup>th</sup> June, 2016 of FY. 2016-17 for your information and record.

For Ortel Communications Limited

(Lalit Kumar Mohanty)



Company Secretary and Compliance Officer

**Encl: as above**

### Ortel Communications announces Q1 FY2017 Results

**Total Income increases by 23% to Rs. 529 million**

**EBITDA stood at Rs. 139 million; PAT came in at Rs. 9 million**

**Added 68,949 subscribers in Q1 FY2017; Total Subscribers at 770,141**

**83% of new subscribers added in Non-Odisha States**

**72% of new signings recorded in Non-Odisha States**

**Bhubaneswar, July 28, 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, Telangana and West Bengal, announced its financial results for the quarter ended June 30, 2016.

#### Q1 FY2017 performance overview compared with Q1 FY2016

- Total Income increased to Rs. 529 million from Rs. 431 million, up by 22.9%
- EBITDA stood at Rs. 139 million compared to Rs. 159 million
  - EBITDA margin stood at 26.3%
- Profit After Tax came in at Rs. 9 million
- EPS amounted to Rs. 0.28 per share

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

*"We have begun the year on a positive note with healthy results in our Cable Television and Broadband segments. This is reflected in the revenues which grew y-o-y by 45% and 26% respectively in Q1FY17. I am also pleased to highlight that the total subscriber addition stood strong at 68,949 during the quarter taking our total subscriber base to 770,141. Our profitability however was impacted during the period under review primarily due to lower quarterly execution in the Infrastructure Leasing business. Going forward I expect Infrastructure Leasing business to return back to normalcy in the coming quarters as execution picks up."*



*The roadmap for FY2017 appears promising as we are geared up to demonstrate better operational and financial performance on the back of higher subscriber base. We firmly believe our last mile B2C model is sustainable and will create notable value for all the stakeholders.”*

## Key Developments

- **Healthy Subscriber Momentum:** During the quarter, the total subscriber additions stood at 68,949, taking the total subscriber base to 770,141 as on June 30, 2016
  - 65,782 Subscribers in the pipeline – to be integrated into the Company’s last mile network in the coming months
- **Strong Traction in States outside Odisha:** Out of 68,949 subscribers added in Q1 FY17, close to 83% were added in the States of Andhra Pradesh, Telangana, Chhattisgarh, & Madhya Pradesh
  - About 72% of the new signings have been recorded in the Non-Odisha states
- **Higher Digital Penetration:** During the quarter, 69,269 Set Top Boxes (STB) were seeded, thus improving the digital penetration ratio significantly to 43.6% in Q1 FY17 against 23.6% in Q1 FY16
  - Adequate STBs in place to implement Digitization under Phase-III
- **Developments in Broadband Business:** Net addition of 5,127 subscribers in Q1 FY2017 compared to 2,381 subscribers in Q1 FY2016; Total Broadband subscribers stood at 77,609
  - Broadband ARPU increases to Rs. 401 per month
  - Introduced a wide range of plans including 100 Mbps Mega Speed DOCSIS 3.0 Broadband Internet in Odisha; becomes the first MSO to offer 100 Mbps Broadband in the state of Odisha
  - Solid Broadband Infrastructure set-up combined with strong team and attractive broadband packages should result in significantly higher growth in Broadband Business in the coming years
- **Sealed a RIO-based deal with Star India and IndiaCast:** Signed a deal on the basis of reference interconnection offer (RIO) for digital addressable system (DAS) areas with Star India and IndiaCast
  - Would help provide Digital services in true spirit by giving the ultimate choice to customers
  - Ortel’s differentiated B2C last mile model enables it to provide à la carte and tier options to subscribers
- **Debt ratings:** CARE assigns ‘CARE BBB - /CARE A3’ Ratings to the Bank Facilities of the Company
  - In addition, the Company is actively working towards further reduction of overall interest costs

- ENDS -

## 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.

### For further information, please contact:

**Ortel Communications Limited**

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**Web:** [www.ortelcom.com](http://www.ortelcom.com)

Anoop Poojari / Nishid Solanki

**CDR India**

**Tel:** +91 22 6645 1211 / 6645 1221

**Email:** [anoop@cdr-india.com](mailto:anoop@cdr-india.com)

[nishid@cdr-india.com](mailto:nishid@cdr-india.com)

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

**'BRINGING CONVERGENCE TO INDIA'**

**Ortel Communications Ltd.**

Q1 FY2017 Earnings Presentation – July 28, 2016



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**Introduction**

**Q1 FY2017 Performance Highlights**

**Segment-wise Performance Overview**

**Region-wise Performance Overview**

**Annexures**



## LAST MILE

Owns & operates  
its network

**58,516\***

Kilometers of  
cable network

**26%**

EBITDA margin

## RIGHT OF WAY

Legal 'rights of way'  
for entire network

**1,289,637**

Estimated homes  
reached

**10%**

Total broadband  
subscribers

## B2C

Direct customer access  
leads to greater control

**770,141**

Total Subscribers

**18%**

Revenue contribution  
from broadband

## TWO-WAY

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

**90%**

Subscriber base  
on 'last mile' network

**44%**

Digital cable TV  
Penetration

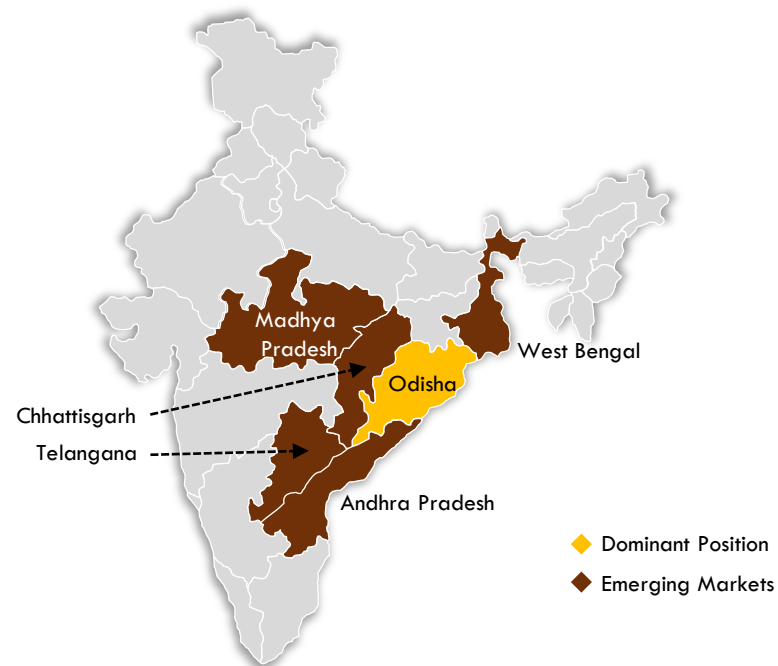
*Note: Figures highlighted above are as on June 30, 2016*

\* Total Owned Network Length also includes the last mile Drop Cable Network

# Ortel: One of the leading Players in the Cable TV and Broadband Industry with Direct to Consumer Offering



- One of the leading cable television and broadband providers focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telangana & West Bengal
  - Addressable market of ~5 mn homes; 770k subscribers 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'
  - 90% 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 100 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	1,289,637
Total Subscribers	770,141
Cable television subscribers	692,532
<i>Digital subscribers as a % of cable TV subscribers</i>	43.6%
Broadband subscribers	77,609
<i>Broadband subscribers as a % of total subscribers</i>	10.1%

*Note: Data above is as on June 30, 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 90% 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

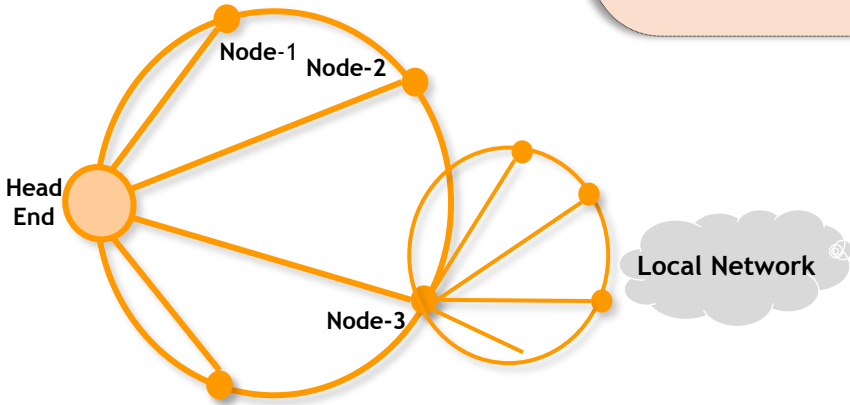
	<b>Across</b>	<b>Head end</b>	
<b>58,516*</b>	<b>74</b>	<b>55</b>	<b>11</b>
<b>Kms of cable</b>	<b>towns</b>	<b>Analog</b>	<b>Digital</b>

Network as on June 30, 2016

- 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

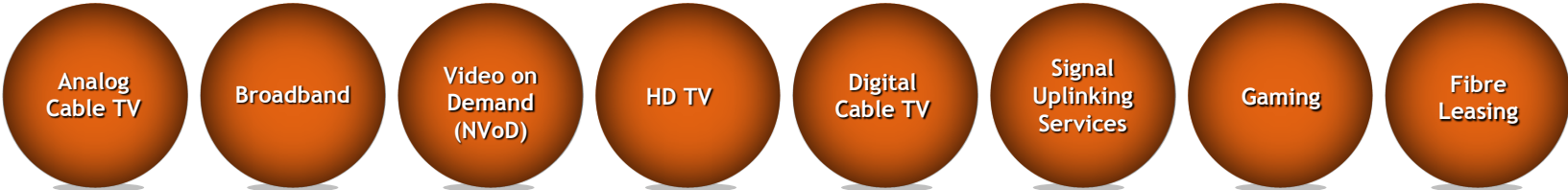
Strong Infrastructure in place...

Fibre optic cable used as a network backbone

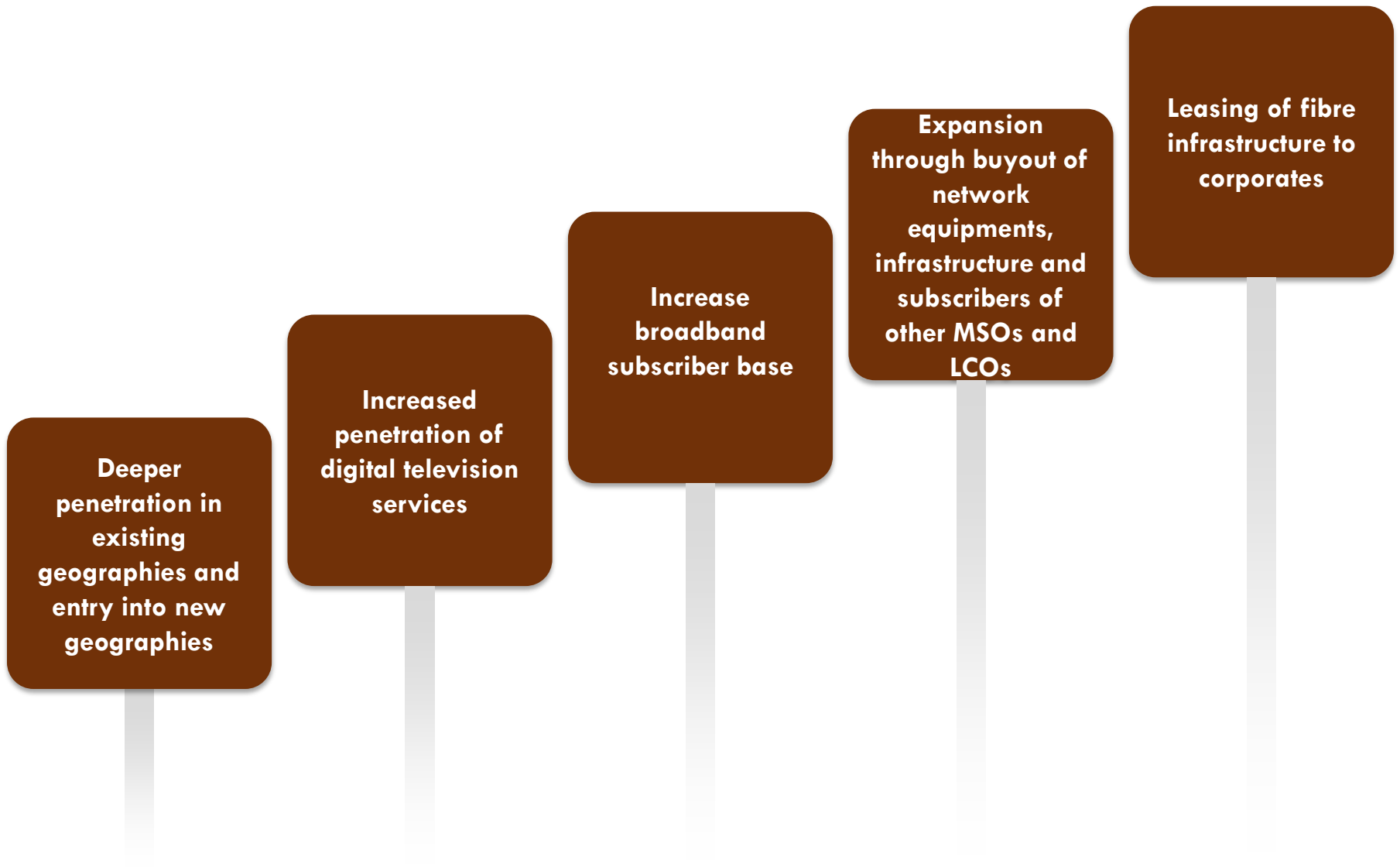


Coaxial cable is used downstream for broadband data and cable systems

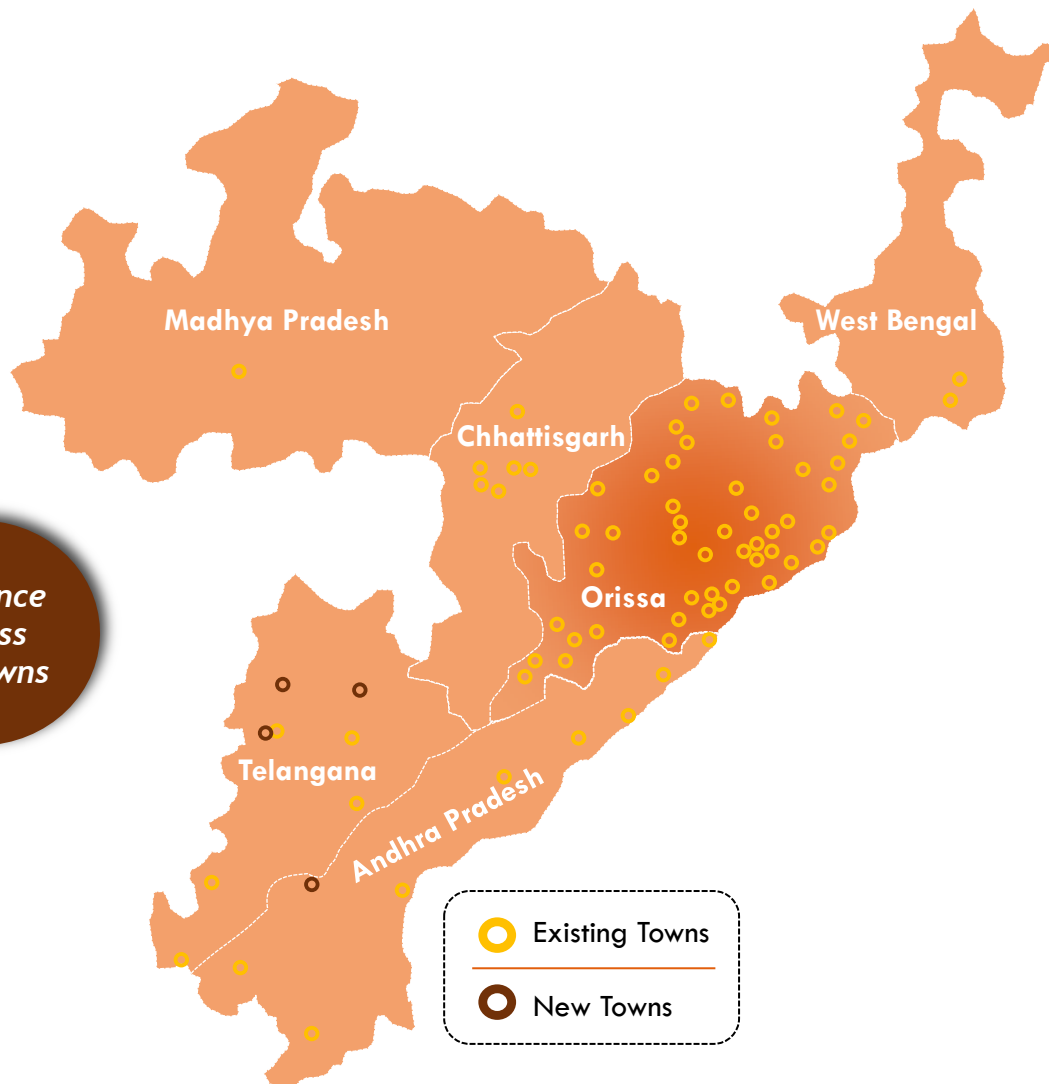
...multiple streams of revenues with marginal additional capex



\* Total Owned Network Length also includes the last mile Drop Cable Network



# Strong Traction in Markets outside Odisha



Total Subscribers	770,141
- Odisha	546,734
- Outside Odisha	223,407
- Ratio	71 : 29
Subscribers added in Q1 FY17	
- Odisha	11,608
- Outside Odisha	57,341
- Ratio	17 : 83

*Note: As on June 30, 2016*

- The Company's Local Cable Operator (LCO) buy-out strategy receiving strong response in states of Andhra Pradesh, Telangana, Chhattisgarh and Madhya Pradesh
  - 83% of new subscribers added in Q1 FY17 outside Odisha
- Robust growth outside Odisha to continue in FY17 taking the subscriber base to ~35-40% from 24% in FY16

***Establishing strong Multi-State presence***

# Key Operating Highlights



Particulars	Unit	FY15	FY16	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17
Total Homes Passed	Nos.	810,414	1,182,132	838,437	925,537	1,034,972	1,182,132	1,289,637
Total Subscribers	Nos.	530,111	701,192	542,217	571,834	626,475	701,192	770,141
Subscriber Penetration Ratio	%	65.4%	59.3%	64.7%	61.8%	60.5%	59.3%	59.7%
Inactive Subscribers as a % of Total Subscribers	Nos.	1.7%	1.9%	1.9%	1.8%	1.9%	1.9%	1.7%
Churn (Broadband + Digital Not Annualised)	%	16.1%	19.3%	5.7%	6.8%	7.1%	4.0%	5.8%
Digital Cable TV Subscribers	Nos.	107,175	233,012	113,653	120,325	132,339	233,012	302,281
Analog Cable TV Subscribers	Nos.	364,417	395,698	367,664	387,846	426,427	395,698	390,251
Total Cable TV Subscribers	Nos.	471,592	628,710	481,317	508,171	558,766	628,710	692,532
Broadband Subscribers (Primary)	Nos.	58,519	72,482	60,900	63,663	67,709	72,482	77,609
Primary Subscribers (as a% of total Subscribers)	%	88.2%	91.5%	88.7%	89.5%	91.3%	91.5%	90.4%
Broadband Subscribers (as a % of total Subscribers)	%	11.0%	10.3%	11.2%	11.1%	10.8%	10.3%	10.1%
Digital Cable TV Subscribers as a % of Total Cable Subscribers	%	22.7%	37.1%	23.6%	23.7%	23.7%	37.1%	43.6%

# Key Operating Highlights (Cont'd.)



Particulars	Unit	FY2015	FY2016	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17
Total owned network length*	Kms	49,071	55,535	49,703	51,240	53,117	55,535	58,516
Towns covered	Nos.	48	70	52	59	67	70	74
Analog Cable TV ARPU (Primary)	INR/ Sub/ Month	145	141	144	143	141	141	141
Digital Cable TV ARPU (Primary)	INR/ Sub/ Month	186	178	185	183	181	178	169
Analog + Digital Cable TV ARPU (Primary)	INR/ Sub/ Month	154	151	155	154	152	151	152
Broadband ARPU	INR/ Sub/ Month	394	398	393	395	396	398	401
Average employees	Nos.	891	1,309	1,000	1,143	1,331	1,567	1,730
Per user per month data usage	MB	3,143	3,915	2,967	3,433	4,606	4,653	5,329
Pay Channel cost per cable TV customer	INR/ Sub/ Month	61.1	56.8	62.4	63.6	57.1	56.3	50.3
Pay Channel cost as a % of cable TV subscription	%	43.3%	43.3%	44.7%	45.9%	43.0%	40.4%	36.0%

\* Total Owned Network Length also includes the last mile Drop Cable Network

# Consolidated Summarized Profit & Loss Statement



Particulars (Rs. million)	FY2016	FY2015	Y-o-Y Growth	Q1 FY17	Q1 FY16	Y-o-Y Growth	Q4 FY16	Q-o-Q Growth
Revenues from operations	1,877	1,548	21.3%	524	406	29.1%	533	-1.6%
Other Income	86	63	35.8%	5	25	-78.8%	15	-63.7%
<b>Total Revenue</b>	<b>1,963</b>	<b>1,611</b>	<b>21.8%</b>	<b>529</b>	<b>431</b>	<b>22.9%</b>	<b>547</b>	<b>-3.3%</b>
Total Expenditure	1,260	1,014	24.2%	390	272	43.5%	364	7.3%
- Programming Cost	375	342	9.6%	100	89	11.9%	100	-0.6%
- Bandwidth Cost (Broadband)	77	67	15.5%	26	17	53.1%	22	19.8%
- Bandwidth Cost (Digital)*	6	0	-	13	1	2399.0%	3	314.0%
- Employee Benefit Expenses	225	167	35.0%	62	49	27.3%	63	-1.2%
- Other Expenses	577	439	31.5%	189	116	62.8%	175	8.0%
EBITDA (Excluding Other Income)	617	533	15.7%	134	134	-0.1%	169	-20.9%
EBITDA (Including Other Income)	703	597	17.8%	139	159	-12.4%	184	-24.3%
<i>EBITDA margin (Excluding Other Income)</i>	<i>32.9%</i>	<i>34.5%</i>	<i>-160 bps</i>	<i>25.5%</i>	<i>33.0%</i>	<i>-750 bps</i>	<i>31.8%</i>	<i>-630 bps</i>
<i>EBITDA margin (Including Other Income)</i>	<i>35.8%</i>	<i>37.0%</i>	<i>-120 bps</i>	<i>26.3%</i>	<i>36.9%</i>	<i>-1060 bps</i>	<i>33.6%</i>	<i>-730 bps</i>
Finance Costs	236	226	4.3%	62	56	11.1%	62	1.1%
Depreciation and Fixed Assets written off	282	241	16.9%	61	60	1.0%	77	-21.1%
Amortization Expense	35	59	-40.0%	7	12	-38.2%	7	-0.7%
<b>PBT</b>	<b>150</b>	<b>71</b>	<b>112.4%</b>	<b>9</b>	<b>31</b>	<b>-71.9%</b>	<b>37</b>	<b>-77.1%</b>
<b>PAT</b>	<b>119</b>	<b>56</b>	<b>113.0%</b>	<b>9</b>	<b>24</b>	<b>-64.8%</b>	<b>28</b>	<b>-68.9%</b>
PAT Margin	6.1%	3.5%	74.9%	1.6%	5.7%	-71.4%	5.0%	-67.8%

\* Intercity carrying cost for expansion of digital services

# Balance Sheet and Cash Flow Snapshot



Particulars (Rs. million)	As on June 30, 2016	As on March 31, 2016	As on December 31, 2015
<b>Assets</b>			
Non-current assets	3,793	3,361	2,914
Current assets	897	1,142	1,128
<b>Total assets</b>	<b>4,690</b>	<b>4,503</b>	<b>4,042</b>
<b>Liabilities</b>			
Shareholders' Funds	1,405	1,395	1,366
Non-current liabilities	1,310	1,236	1,101
Current liabilities	1,976	1,872	1,575
<b>Total Liabilities</b>	<b>4,690</b>	<b>4,503</b>	<b>4,042</b>
CAPEX*	356	297	500
Gross Debt	1,791	1,719	1,628
Net Debt	1,660	1,430	1,096
Networth	1,405	1,395	1,366

\*Figures for the quarter



# Key Financial Ratios



Particulars	FY2015	FY2016	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17
Cable TV gross margin*	68%	71%	69%	69%	71%	73%	73%
Broadband gross margin	83%	82%	82%	82%	80%	84%	77%
EBITDA Margin excluding Other Income	34.5%	32.9%	33.0%	32.4%	34.4%	31.8%	25.5%
EBITDA Margin including Other Income	37.0%	35.8%	36.9%	35.8%	37.3%	33.6%	26.3%
PAT Margin	3.5%	6.1%	5.7%	5.9%	7.7%	5.0%	1.6%
Net debt to Equity	0.2	1.0	0.3	0.5	0.8	1.0	1.2
Net Debt to EBITDA (LTM)	0.4	2.0	0.7	0.9	1.5	2.0	2.4
Return on shareholder's equity	7.6%	8.9%	7.6%	8.6%	11.6%	8.0%	2.5%
Return on Capital Employed (pre tax)	13.6%	13.2%	12.7%	13.6%	14.6%	13.6%	9.0%
Receivable Days	43	61	38	44	49	61	65

## **Notes:**

1. Return on Shareholder's Equity is calculated as: PAT/ Average Network. 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

\*Calculation includes intercity carrying cost for expansion of digital services

# Segment-wise Revenue break-up



Particulars (Rs. million)	FY2016	FY2015	Y-o-Y Growth	Q1 FY17	Q1 FY16	Y-o-Y Growth	Q4 FY16	Q-o-Q Growth
Connection Fees – Cable TV	84	31	165.8%	46	7	594.9%	60	-23.8%
Cable Subscription Fees	866	790	9.6%	277	200	38.7%	248	11.5%
Channel Carriage Fees	356	264	34.9%	89	78	14.3%	83	7.8%
<b>Total Cable TV Services Revenue</b>	<b>1,305</b>	<b>1,085</b>	<b>20.3%</b>	<b>412</b>	<b>284</b>	<b>44.9%</b>	<b>391</b>	<b>5.3%</b>
Connection Fees – Internet	26	19	35.0%	7	6	13.4%	7	1.6%
Internet Subscription Fees	303	270	12.4%	88	70	27.0%	83	6.6%
<b>Total Broadband Services Revenue</b>	<b>329</b>	<b>289</b>	<b>13.9%</b>	<b>95</b>	<b>75</b>	<b>26.0%</b>	<b>89</b>	<b>6.3%</b>
Income from Infrastructure Leasing	213	145	47.0%	10	39	-75.4%	44	-78.4%
Other operating income	30	29	3.2%	8	7	4.1%	8	0.0%
<b>Total Revenue from Operations</b>	<b>1,877</b>	<b>1,548</b>	<b>21.3%</b>	<b>524</b>	<b>406</b>	<b>29.1%</b>	<b>533</b>	<b>-1.6%</b>

# Region-wise Summarized Statement of Operations



## Core Market (Odisha)

Particulars	FY2016	FY2015	Y-o-Y Growth	Q1 FY17	Q1 FY16	Y-o-Y Growth	Q4 FY16	Q-o-Q Growth
Total revenues	1,676	1,446	15.9%	422	371	13.9%	446	-5.3%
EBITDA	779	673	15.7%	172	163	5.5%	201	-14.3%
EBIDTA Margin	46.5%	46.6%	-10 bps	40.8%	44.1%	-330 bps	45.1%	-430 bps
Closing Homes Passed	803,568	641,053	162,515	828,453	662,201	166,252	803,568	24,885
Closing Subscribers	535,126	474,966	60,160	546,734	483,940	62,794	535,126	11,608
Subscribers in pipeline	26,816	0	26,816	18,277	19,570	-1,293	26,816	-8,539

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

Particulars	FY2016	FY2015	Y-o-Y Growth	Q1 FY17	Q1 FY16	Y-o-Y Growth	Q4 FY16	Q-o-Q Growth
Total revenues	190	119	60.1%	97	30	221.5%	84	15.3%
EBITDA	-57	-41	-37.3%	-7	-10	28.5%	-7	0.7%
EBIDTA Margin	-29.9%	-34.9%	+500 bps	-7.2%	-32.4%	+2520 bps	-8.2%	+100 bps
Closing Homes Passed	378,564	169,361	209,203	461,184	176,236	284,948	378,564	82,620
Closing Subscribers	166,066	55,145	110,921	223,407	58,277	165,130	166,066	57,341
Subscribers in pipeline	59,981	0	59,981	47,505	13,460	34,045	59,981	-12,476



- Total revenues improved by 23% to Rs. 529 million
  - Growth was driven by healthy traction in our Cable TV and Broadband segments, which reported a growth of 45% and 26% respectively
  - This was supported by strong momentum in subscriber additions
- Total expenditure stood at Rs. 390 million, higher by 43%
  - Bandwidth cost (digital) increased to Rs. 13 million against Rs. 1 million owing to higher intercity carrying costs for expansion of digital services
    - The overall impact of bandwidth cost will get neutralized in the forthcoming quarters with increase in digital penetration
  - Employee expenses increased to Rs. 62 million, higher by 27%
  - Other expenses stood higher at Rs. 189 million
- EBITDA (including other income) came in at Rs. 139 million
  - EBITDA Margin stood lower at 26.3%; Margins were primarily impacted due to limited execution in infrastructure leasing business
  - Operating performance in Non-Odisha states improved during the quarter
  - Gross Margin for Cable and Broadband segments stood at 73% & 77% respectively
- Profit After Tax stood at Rs. 9 million as compared to Rs. 24 million in the corresponding quarter last year

# Key Developments in Q1 FY2017



- **Healthy Subscriber Momentum:** During the quarter, the total subscriber additions stood at 68,949, taking the total subscriber base to 770,141 as on June 30, 2016
  - 65,782 Subscribers in the pipeline – to be integrated into the Company’s last mile network in the coming months
- **Strong Traction in States outside Odisha:** Out of 68,949 subscribers added in Q1 FY17, close to 83% were added in the States of Andhra Pradesh, Telangana, Chhattisgarh, & Madhya Pradesh
  - About 72% of the new signings have been recorded in the Non-Odisha states
- **Higher Digital Penetration:** During the quarter, 69,269 Set Top Boxes (STB) were seeded, thus improving the digital penetration ratio significantly to 43.6% in Q1 FY17 against 23.6% in Q1 FY16
  - Adequate STBs in place to implement Digitization under Phase-III
- **Developments in Broadband Business:** Net addition of 5,127 subscribers in Q1 FY2017 compared to 2,381 subscribers in Q1 FY2016; Total Broadband subscribers stood at 77,609
  - Broadband ARPU increases to Rs. 401 per month
  - Introduced a wide range of plans including 100 Mbps Mega Speed DOCSIS 3.0 Broadband Internet in Odisha; becomes the first MSO to offer 100 Mbps Broadband in the state of Odisha
  - Solid Broadband Infrastructure set-up combined with strong team and attractive broadband packages should result in significantly higher growth in Broadband Business in the coming years

# Key Developments in Q1 FY2017



- **Sealed a RIO-based deal with Star India and IndiaCast:** Signed a deal on the basis of reference interconnection offer (RIO) for digital addressable system (DAS) areas with Star India and IndiaCast
  - Would help provide Digital services in true spirit by giving the ultimate choice to customers
  - Ortel's differentiated B2C last mile model enables it to provide à la carte and tier options to subscribers
- **Debt ratings:** CARE assigns 'CARE BBB - /CARE A3' Ratings to the Bank Facilities of the Company
  - In addition, the Company is actively working towards further reduction of overall interest costs



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



*“We have begun the year on a positive note with healthy results in our Cable Television and Broadband segments. This is reflected in the revenues which grew y-o-y by 45% and 26% respectively in Q1FY17. I am also pleased to highlight that the total subscriber addition stood strong at 68,949 during the quarter taking our total subscriber base to 770,141. Our profitability however was impacted during the period under review primarily due to lower quarterly execution in the Infrastructure Leasing business. Going forward, I expect Infrastructure Leasing business to return back to normalcy in the coming quarters as execution picks up.*”

*The roadmap for FY2017 appears promising as we are geared up to demonstrate better operational and financial performance on the back of higher subscriber base. We firmly believe our last mile B2C model is sustainable and will create notable value for all the stakeholders.”*



<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>VoD</b>	Video on Demand denotes Not Meaningful
<b>NM</b>	Not Measurable





## Ortel Communications' Q1 FY2017 Earnings Conference Call

**Time**

- 02.00 pm IST on Friday, July 29, 2016

**Conference dial-in**

- Primary number: +91 22 3938 1071
- Secondary number: +91 22 6746 8354

**Toll Free Number**

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133



## 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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