



# Hathway Cable & Datacom Limited

## PRESS RELEASE

### UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 31<sup>ST</sup> DECEMBER, 2014

#### Standalone Statement of Accounts Q3FY15 (Unaudited)

The Board of Directors of Hathway Cable and Datacom Limited (Hathway) (BSE:533162 NSE: HATHWAY) in its meeting held on 11<sup>th</sup> February 2015, have taken on record the unaudited standalone financials for Q3 FY 15.

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

HCDL- Standalone Financial INR Million	FY15 Q3	FY15 Q2	FY14 Q3	FY15 Q3	FY14 Q3	FY14
	Quarterly			YTD (9 Mth)		(12 Mth)
<b>Income</b>						
Net Sales/Income from Operations	2,380.21	2,627.54	2,340.80	7,503.57	6,852.40	9,772.80
Other Operating Income	11.26	7.56	7.03	25.20	24.73	31.55
<b>Total Income</b>	<b>2,391.47</b>	<b>2,635.11</b>	<b>2,347.83</b>	<b>7,528.77</b>	<b>6,877.14</b>	<b>9,804.35</b>
<b>Expenditure</b>						
Purchase of stock-in-trade	0.01	0.29	12.26	1.61	27.62	130.09
Employee Cost	139.63	160.31	137.94	445.45	421.44	522.64
Pay Channel Cost	940.38	968.05	837.20	2,766.49	2,104.72	3,258.81
Other Expenses	1,065.65	1,106.21	993.03	3,230.47	2,810.94	3,973.38
<b>Total Expenditure</b>	<b>2,145.67</b>	<b>2,234.85</b>	<b>1,980.42</b>	<b>6,444.01</b>	<b>5,364.72</b>	<b>7,884.92</b>
<b>EBITDA before Other Income</b>	<b>245.80</b>	<b>400.25</b>	<b>367.40</b>	<b>1,084.76</b>	<b>1,512.42</b>	<b>1,919.43</b>
<b>EBITDA before Other Income Margin %</b>	<b>10%</b>	<b>15%</b>	<b>16%</b>	<b>14%</b>	<b>22%</b>	<b>20%</b>
Other Income	51.27	22.44	24.71	94.19	51.61	76.99
<b>EBITDA After Other Income</b>	<b>297.08</b>	<b>422.69</b>	<b>392.11</b>	<b>1,178.95</b>	<b>1,564.03</b>	<b>1,996.43</b>
<b>EBITDA After Other Income Margin %</b>	<b>12%</b>	<b>16%</b>	<b>17%</b>	<b>15%</b>	<b>23%</b>	<b>20%</b>
Depreciation / Amortization	598.22	507.81	559.84	1,583.58	1,488.44	2,103.48
Foreign Exchange Loss / (Gain)	11.26	5.04	(27.33)	0.52	130.97	83.84
Finance Cost	268.59	303.92	224.81	864.17	678.05	925.15
Exceptional Items	-	-	-	(288.66)	4.08	105.97
Prior Period Adjustment	(0.54)	(1.48)	3.37	1.66	22.33	30.50
Tax	-	-	-	-	-	-
<b>PAT</b>	<b>(580.46)</b>	<b>(392.61)</b>	<b>(368.59)</b>	<b>(982.32)</b>	<b>(759.85)</b>	<b>(1,252.51)</b>

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## Performance Highlights for Q3 FY15:

- EBITDA, Net of Activation Fees, at Rs 174 Mn compares with Rs 179 Mn in the previous quarter.
- Due to content related issues placement has been adversely impacted in this Quarter. These issues have since been resolved with Broadcasters.

## Notes to Financial Statement Q3 FY 15 (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 Q3 FY 15 (Unaudited)

Standalone Operating Revenues for the Quarter ended 31<sup>st</sup> December, 2014 at Rs.2,392 Mn and EBITDA at Rs 246Mn.

## Major Income breakup for the quarter:

Income Head	Rs. In Million
Cable	990
Placement	758
Activation	72
Broadband	513

Placement revenues as a percentage of total revenues amount to 32% 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. 320 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	8.50
Cable Paying Subscribers	6.40
Broadband Home Passed	2.00
Broadband Subscribers	0.43

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## Operational Highlights

1. During the quarter we have seeded 70k STB's taking our digital subscriber base to 8.5 Mn. With nearly 73% of our subscriber base now digitized we remain the biggest MSO in India as far as digital subscriber base is concerned. With nearly 600k STB's in stock we will continue to seed boxes at a rapid pace in near future as well.
2. Hathway restructured its cable TV packages to include a fourth tier ("Premium Plus") having premium English content. The restructured packages have been introduced in a phased manner across India after the settlement of all content contracts with broadcasters in Nov-2014. As a consequence exit ARPU, has increased to Rs.95 in Phase 1 markets and Rs.68 in Phase 2 markets. We anticipate further growth in these key metric in this quarter.
3. Hathway has also introduced a Prepaid Model for its LCO's in certain DAS areas. This facilitates the activation of channels on al-a-carte basis and upgrades of customers from the starter pack. We have seen good responses to this initiative from the ground and will continue to roll out the scheme in new markets.
4. Hathway is the first national MSO to launch a HD Personal Video Recorder. These STB comes with novel features like a dedicated search button on the remote, Pause Live Tv& Rewind Live Tv features. It also has a massive 500 GB disk storage capacity and can record up to 625 hours of content. It comes with 1080i resolution and is supported by 7.1 Dolby Digital Plus.
5. In this quarter, Hathway launched a single HD plan all across India priced at Rs.150 per month. The HD plan has a minimum of 24 HD channels. It includes relevant sports content and will show case the ICC Cricket World cup. A Campaign for creating awareness amongst the customers has also been rolled out with the help of broadcasters.
6. With strong increase in Docsis 3.0 Broadband numbers we have further added 29k subscribers (Net of churn) in the third quarter and added up to 113k subscribers by the end of the quarter (123k by end of January 2015). ARPU during the quarter has also seen a sharp jump from Rs.440 in the previous quarter to Rs.490 in the current quarter. With the strong increase in ARPU's we continue to focus on increasing our Home passes in our existing cities having robust broadband potential. Over 60% of our Broadband customers in Pune, Hyderabad and Bengaluru have migrated to the Docsis 3.0 technology.
7. Closing Standalone Net Debt as on 31<sup>st</sup> December, 2014 stood at Rs. 8,063 Mn.



# Hathway Cable & Datacom Limited

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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 Shopee, H tube, Hathway life, Hathway Movies, & Hathway Entertainment.

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## EARNINGS CALL Q3 FY15

Please find below the con call invite for the Q3 FY15 earnings conference call.

		
<b>3QFY15 Earnings Conference Call Hathway Cable and Datacom Ltd.</b>		
12 February, 2015 at 12:00 pm (IST)		
Ambit Capital is pleased to invite you to the 3QFY15 Results Conference Call of <b>Hathway Cable and Datacom Ltd.</b>		
<b>Represented by</b> Jagdish Kumar – MD & CEO Ganapathy Subramaniam – CFO		
The teleconference will be moderated by <b>Sandeep Gupta, Media Analyst</b> , Institutional Equities, Ambit Capital.		
<b>Conference Call Details</b> <b>Time:</b> 12:00 pm (IST)   <b>Date:</b> 12 February, 2015		
<b>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.</b>		
Primary Number India: <b>+ 91 22 3938 1078</b>	Toll Free Number:	USA: <b>1 866 746 2133</b>
Secondary Number India: <b>+ 91 22 6746 5878</b>		UK: <b>0 808 101 1573</b>
<i>The numbers listed above are universally accessible from all networks and all countries.</i>		
Local Access Number:	<b>6000 1221</b>	Singapore: <b>800 101 2045</b>
	<i>Available in - Delhi, Bangalore, Chennai, Hyderabad, Kolkata</i>	Hong Kong: <b>800 964 448</b>
	<i>Accessible from all major carriers except BSNL/MTNL</i>	
	<b>3940 3977</b>	
	<i>Available in - Gurgaon (NCR), Bangalore, Kolkata, Cochin, Pune, Lucknow, Ahmedabad, Chandigarh</i>	
	<i>Accessible from all carriers.</i>	