

Ortel Communications announces Q1 FY2016 Results

Total Income grows by 25% to Rs. 431 million

EBITDA higher by 44% to Rs. 159 million

PAT positive at Rs. 24 million Vs. Net Loss of Rs. 12 million in Q1 FY15

(PAT of Rs. 56 million in FY15 full year)

Total RGUs at 542,217 in Q1 FY16

Bhubaneshwar, July 27, 2015: Ortel Communications Limited (Ortel), a leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh and West Bengal, announced its financial results for the quarter ended June 30, 2015.

Q1 FY2016 performance overview compared with Q1 FY2015

- Total Income increased to Rs. 431 million from Rs. 346 million, up by 25%
- EBITDA grew by 44% to Rs. 159 million from Rs. 110 million
 - EBITDA margin stood at 36.9%, up by 500 bps
- Profit After Tax came in at Rs. 24 million compared to a Loss of Rs. 12 million
- EPS amounted to Rs. 0.80 per share

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

“We have begun the year on a healthy note with 25% increase in revenues and 44% improvement in EBITDA during Q1 FY16. EBITDA margins enhanced to 37% from 32% in Q1 FY15 and Profit After Tax stood strong at Rs. 24 million compared to Rs. 56 million reported in full year FY15. Thus the trend remains encouraging. Overall growth was delivered on the back of steady contribution from Cable TV and Broadband segments supported by continued momentum in the Infrastructure Leasing segment. Significant growth in subscriber base, deeper penetration, enhanced product offerings and a strong team, should enable us to notably improve our performance going forward.”

I am also pleased to share that over and above the 542,217 RGUs as on 30th June 2015, we have signed Buy Out agreements with multiple LCOs with total estimated RGUs of 33,000 which would be integrated into Ortel's last mile network going forward. So we remain on track and are confident of achieving our target of 1 million RGUs by March 2017 backed by our LCO buy out strategy and focus on organic growth both in Broadband and Cable TV."

Key Developments – Q1 FY16

- **LCO Buyout:** Signed network buy out agreements with multiple LCOs during the quarter taking the total RGUs to 542,217 and another 33,000 RGUs are in the pipeline and would be added to total RGUs in the forthcoming months
- **DOCSIS 3.0 Roll Out:** Launched upto 50 Mbps Mega Speed DOCSIS 3.0 Broadband Internet in Odisha – first MSO to offer this service in the state
 - Focus on improving broadband subscriber base by offering mega speed internet at low cost
- **Launched Free Broadband for Cable TV customers:** Introduced Free Broadband option for all Ortel Cable TV subscribers in the states of Odisha, West Bengal and Chhattisgarh as a complimentary special value added service
 - Target to deeper penetrate into markets by making internet affordable
 - Offer includes a free data limit every month for a year. The subscriber will be charged a nominal amount after exceeding the free data usage for the month
- **Strengthened the overall talent pool:** To gear up for significant growth in operations, Ortel has enhanced its team by recruiting talent at Senior, Mid and Entry-Level positions
 - Appointed Mr. Jiji John as Vice President (Broadband Business) to help augment Ortel's position in the Broadband segment – to play a crucial role in driving growth and profitability of the division, which remains a key focus business for the Company
 - Also, augmented the Company's employee base by recruiting 4 in managerial positions across functions and a pool of 23 Engineers and 92 Technicians – vital to manage and maintain a robust last mile network
- **Enhanced HD Offering:** Increased the number of HD channels to 21 during the quarter. Currently, offering HD services in its core markets of Bhubaneswar and Cuttack and plan to cover more locations going forward
 - Recently added HD channels from Star bouquet which includes Star Plus HD, Life Ok HD, Star Sports HD and others

- **Improved Digital Penetration:** Digital Cable TV penetration improved to 23.6% in Q1 FY16 compared to 16.1% in Q1 FY15
- **Reduction in interest costs:** Following the ratings upgrade by ICRA, the lead bankers have agreed to reduce the interest rate of the Company. This will strengthen the Company's balance sheet and lead to meaningful savings in interest costs
 - In addition, the Company is actively working towards further reduction of overall interest costs

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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, Andhra Pradesh and 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, Andhra Pradesh 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.

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