

Date: 11<sup>th</sup> February, 2017

**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: Out Come of the Board Meeting held on 11th February, 2017.**

The Board of Directors of the Company at its meeting held on today, 11<sup>th</sup> February, 2017 discussed and approved inter alia, the following items along with other agenda items.

1. The un-audited financial results for the third quarter and Nine month ended 31<sup>st</sup> December, 2016 of FY.2016-17 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements), 2015.
2. Presentation and press release to be issued to Stock Exchanges, Media and analysts.
3. Review and noting of utilization of IPO proceeds.

This is for your information and record.

For Ortel Communications Limited



(Jagi Mangat Panda)

Managing Director



Date: 11<sup>th</sup> February, 2017

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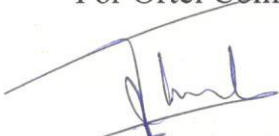
Dear Sir/Madam;

**Sub: Un-audited financial results of the Company for the third quarter and nine month ended 31<sup>st</sup> December 2016 for 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 third quarter and nine month ended 31<sup>st</sup> December, 2016 for 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 11<sup>th</sup> February, 2017.

This is for your information and record.

For Ortel Communications Limited



(Jagi Mangat Panda)

Managing Director

**Encl: as above**





# 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: L74899DL1995PLC069353

Ortel Communications Limited

Ortel Communications Limited  
Registered Office: B7/122A, Safdarjung Enclave, New Delhi - 110029  
Corporate Office: C-1, BDA Colony, Chandrasekharpur, Bhubaneswar, Odisha - 751016

CIN: L74899DL1995PLC069353

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016						(Rs. in Lakh)
Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-16 (Unaudited)	30-Sep-16 (Unaudited)	31-Dec-15 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-15 (Unaudited)	31-Mar-16 (Audited)
<b>1. Income from Operations</b>						
(a) Income from Operations	5,115.49	5,372.87	4,803.11	15,730.03	13,441.46	18,769.50
(b) Other Operating Income						
<b>Total Income from Operations</b>	<b>5,115.49</b>	<b>5,372.87</b>	<b>4,803.11</b>	<b>15,730.03</b>	<b>13,441.46</b>	<b>18,769.50</b>
<b>2. Expenses</b>						
(a) Programming Cost	918.46	864.20	913.01	2,779.76	2,748.73	3,751.38
(b) Bandwidth Cost	439.14	415.29	209.70	1,247.23	579.99	831.91
(c) Employee Benefits Expense	632.14	602.53	567.49	1,856.53	1,619.98	2,249.70
(d) Depreciation and Amortisation	627.62	594.56	461.93	1,764.58	1,362.25	1,857.27
(e) Provision for doubtful receivables / Bad Debts						
Written Off	832.72	660.62	375.79	2,068.91	1,051.98	1,596.49
(f) Fixed Assets Written Off	120.16	126.70	365.99	387.41	964.80	1,316.48
(g) Other Expenses	1,178.19	1,172.63	1,084.17	3,666.09	2,963.81	4,170.75
<b>Total Expenses</b>	<b>4,748.43</b>	<b>4,436.53</b>	<b>3,978.08</b>	<b>13,770.51</b>	<b>11,291.54</b>	<b>15,773.98</b>
<b>3. Profit/(Loss) from operations before other income, finance costs &amp; exceptional items (1-2)</b>	<b>367.06</b>	<b>936.34</b>	<b>825.03</b>	<b>1,959.52</b>	<b>2,149.92</b>	<b>2,995.52</b>
4. Other Income	67.52	51.42	220.61	171.70	714.48	859.65
<b>5. Profit/(Loss) from ordinary activities before finance costs &amp; exceptional items (3+4)</b>	<b>434.58</b>	<b>987.76</b>	<b>1,045.64</b>	<b>2,131.22</b>	<b>2,864.40</b>	<b>3,855.17</b>
6. Finance Costs	646.75	626.65	583.97	1,896.35	1,740.25	2,356.41
<b>7. Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>-212.17</b>	<b>361.11</b>	<b>461.67</b>	<b>234.87</b>	<b>1,124.15</b>	<b>1,498.76</b>
8. Exceptional items						
<b>9. Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>-212.17</b>	<b>361.11</b>	<b>461.67</b>	<b>234.87</b>	<b>1,124.15</b>	<b>1,498.76</b>
10. Tax Expense	65.74	106.84	72.42	172.57	207.49	305.92
<b>11. Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>-277.91</b>	<b>254.27</b>	<b>389.25</b>	<b>62.30</b>	<b>916.66</b>	<b>1,192.84</b>
12. Extraordinary Items						
<b>13. Net Profit/(Loss) for the Period/Year (11-12)</b>	<b>-277.91</b>	<b>254.27</b>	<b>389.25</b>	<b>62.30</b>	<b>916.66</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	3036.54	3036.54
15. Reserves excluding Revaluation Reserves						10,912.13
<b>16. Earnings Per Share (In Rs.)</b>						
a) Basic	*-0.92	*0.84	*1.28	*0.21	*3.02	3.93
b) Diluted	*-0.91	*0.83	*1.28	*0.20	*3.02	3.91

\* Not annualised




*[Signature]*



SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment Revenue</b>						
a) Cable TV	4000.82	4202.37	3199.46	12323.33	9135.78	13050.00
b) Broadband	870.31	996.30	827.68	2817.03	2396.04	3290.55
c) Infrastructure Leasing	169.14	98.98	698.26	364.01	1687.24	2131.33
d) Unallocated	75.22	75.22	77.71	225.66	222.40	297.62
<b>Net Income from Operations</b>	<b>5115.49</b>	<b>5372.87</b>	<b>4803.11</b>	<b>15730.03</b>	<b>13441.46</b>	<b>18769.50</b>
<b>2. Segment Results</b>						
a) Cable TV	1595.71	1981.54	1360.91	5402.55	3844.14	5598.43
b) Broadband	331.21	521.69	477.92	1424.48	1485.81	1994.45
c) Infrastructure Leasing	136.49	70.05	684.82	339.25	1593.25	1991.39
d) Unallocated	29.08	29.07	31.77	87.21	84.62	113.70
<b>Total</b>	<b>2092.49</b>	<b>2602.35</b>	<b>2555.42</b>	<b>7253.49</b>	<b>7007.82</b>	<b>9697.97</b>
Less: i) Finance Costs	646.75	626.65	583.97	1896.35	1740.25	2356.41
ii) Other Un-allocable expenditure (net)	1657.91	1614.59	1509.78	5122.27	4143.42	5842.80
iii) Un-allocable Income	-	-	-	-	-	-
<b>Total Profit/(Loss) Before Tax</b>	<b>-212.17</b>	<b>361.11</b>	<b>461.67</b>	<b>234.87</b>	<b>1124.15</b>	<b>1498.76</b>
<b>3. Segment Assets</b>						
a) Cable TV	18338.90	17171.40	9238.43	18338.90	9238.43	11138.57
b) Broadband	2750.12	2775.82	1981.07	2750.12	1981.07	1808.42
c) Infrastructure Leasing	2119.89	1989.89	1853.91	2119.89	1853.91	2207.16
d) Unallocated	25510.87	26001.89	27346.05	25510.87	27346.05	29877.37
<b>Total Segment Assets</b>	<b>48719.78</b>	<b>47939.00</b>	<b>40419.46</b>	<b>48719.78</b>	<b>40419.46</b>	<b>45031.52</b>
<b>4. Segment Liabilities</b>						
a) Cable TV	7450.23	7402.18	3689.93	7450.23	3689.93	5900.39
b) Broadband	428.78	464.67	83.66	428.78	83.66	348.25
c) Infrastructure Leasing	1.35	1.35	49.88	1.35	49.88	1.35
d) Unallocated	26820.35	25775.90	22933.43	26820.35	22933.43	24832.87
<b>Total Segment Liabilities</b>	<b>34700.71</b>	<b>33644.10</b>	<b>26756.90</b>	<b>34700.71</b>	<b>26756.90</b>	<b>31082.86</b>



**Notes :**

- 1 The above unaudited financial results for the quarter and nine months ended December 31, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors of the company at their respective meetings held on February 11, 2017. 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 December 31, 2016 is as follows:

Particulars	(Rs. in Lakh)
Issue Proceeds	10,860.00
Less: Issue Expenses accounted upto December 31, 2016 *	780.58
<b>Net proceeds from IPO (A)</b>	<b>10,079.42</b>
<b>Amount utilised upto December 31, 2016 :</b>	
- Expansion of network for providing video, data and telephony services	6,797.62
- Capital expenditure on development of digital cable services	1,674.01
- Capital expenditure on development of broadband services	1,050.63
- General corporate purposes	557.16
<b>Total (B)</b>	<b>10,079.42</b>
<b>Amount unutilised as at December 31, 2016 (A-B)</b>	<b>0.00</b>

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


- 3 Figures relating to the previous year/period have been regrouped/rearranged, wherever necessary, to make them comparable with those of the current period.

Place: Bhubaneswar

Date: 11 February, 2017



For and on behalf of the Board of Directors



Managing Director

**Limited Review Report**

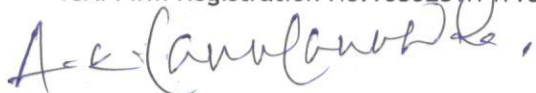
**Review Report to  
The Board of Directors  
Ortel Communications Ltd**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Ortel Communications Limited** (the "Company") for the quarter and nine months ended December 31, 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 Section 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 Jhunjhunwala

Partner

Membership No. 056613

Bhubaneswar

February 11, 2017





Date: 11<sup>th</sup> February, 2017

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Dear Sir/Madam;

**Sub: Disclosure on utilisation of IPO Issue proceeds of the Company for period ended on 31<sup>st</sup> December, 2016.**

The details of utilisation of IPO proceeds and amount remaining unutilised as at 31<sup>st</sup> December, 2016 is as follow:

Particulars	Amount (Rs. In lakhs)	
	As at December 31, 2016	
	Amount Proposed	Amount Utilized
Expansion of our network for providing video, data and telephony services	6797.61	6,797.61
Capital expenditure on development of our analog and digital services	1674.01	1,674.01
Capital expenditure on development of our broadband services	1050.63	1,050.63
General corporate purposes	557.16	557.16
<b>Total</b>	<b>10079.42</b>	<b>10079.42</b>
<b>Balance Unutilized</b>		<b>0</b>

There is no deviation in the use of proceeds from the objects stated in the offer document.

This is for your information and record.

For Ortel Communications Limited



(Jagi Mangat Panda)

Managing Director



Date: 11<sup>th</sup> February, 2017

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Dear Sir/Madam;

**Sub: Press Release and Presentation on un-audited financial result of the Company for the third quarter and nine month ended 31<sup>st</sup> December, 2016 of FY.2016-17.**

We are enclosing herewith Press Release and Presentation on un-audited financial result of the Company for the third quarter and nine month ended 31<sup>st</sup> December, 2016 of FY. 2016-17.

This is for your information and record.

For Ortel Communications Limited



(Lalit Kumar Mohanty)



Company Secretary and Compliance Officer

**Encl: as above**



### Ortel Communications announces Q3 & 9MFY2017 Results

#### 9M FY17

**Total Income increases by 12% to Rs. 1,590 million**

**EBITDA stood at Rs. 428 million; PAT came in at Rs. 6 million**

**Cable TV Revenues grew by 35% in 9M FY17**

**Broadband Revenues increases by 18% in 9M FY17**

**Bhubaneshwar, February 11, 2017:** Ortel Communications Limited (Ortel), one of the leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh, Telengana, West Bengal and Madhya Pradesh, announced its financial results for the quarter and nine-months ended December 31, 2016.

#### **9M FY2017 performance overview compared with 9M FY2016**

- Total Income increased to Rs. 1,590million, from Rs. 1,416 million, up by 12.3%
- EBITDA stood at Rs. 428 million compared to Rs. 519 million
  - EBITDA margin came in at 26.9%
- Profit After Tax came in at Rs. 6 million compared to Rs. 92 million
- EPS amounted to Rs. 0.21per share

#### **Q3 FY2017 performance overview compared with Q3 FY2016**

- Total Income increased to Rs. 518 million,fromRs. 502 million, up by 3.2%
- EBITDA stood at Rs. 118 million compared to Rs. 187 million
  - EBITDA margin came in at 22.8%
- Net Loss stood at Rs. 28 million compared to Net Profit of Rs. 39 million
- EPS amounted to Rs. -0.92per share

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

*“Our performance during the quarter was impacted due to a combination of factors which weakened some of our key operating parameters. In spite of this, we have demonstrated a healthy growth in revenues from both Cable TV and Broadband Business on a Y-o-Y basis both for Q3 and 9M FY17. I am also happy to inform that our Business outside Odisha which turned EBIDTA positive last quarter has remained so during this quarter.*

*Overall, we have demonstrated that a strong B2C focused last mile business model in our core market can be profitable and remain confident of replicating the same across newer markets. We continue to believe that this is a sustainable model as we can capture the entire revenue stream across the value chain.”*

**-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, Telangana & 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, Telangana & 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**

**Email:** [irteam@ortelgroup.com](mailto:irteam@ortelgroup.com)

**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.....***



**Ortel**  
communications  
An ISO 9001 2008 COMPANY

**'BRINGING CONVERGENCE TO INDIA'**

**Ortel Communications Ltd.**

Q3 & 9M FY2017 Earnings Presentation – February 11, 2017



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**Introduction**

**Q3 & 9M FY2017 Performance Highlights**

**Segment-wise Performance Overview**

**Region-wise Performance Overview**

**Annexures**



## LAST MILE

**Owns & operates  
its network**

**64,065\***

**Kilometers of  
cable network**

## RIGHT OF WAY

**Legal 'rights of way'  
for entire network**

**1,351,305**

**Estimated homes  
reached**

## B2C

**Direct customer access  
leads to greater control**

**811,466**

**Total Subscribers**

## TWO-WAY

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

**90%**

**Subscriber base  
on 'last mile' network**

**26%**

**EBITDA margin**

**9%**

**Total broadband  
subscribers**

**17%**

**Revenue contribution  
from broadband**

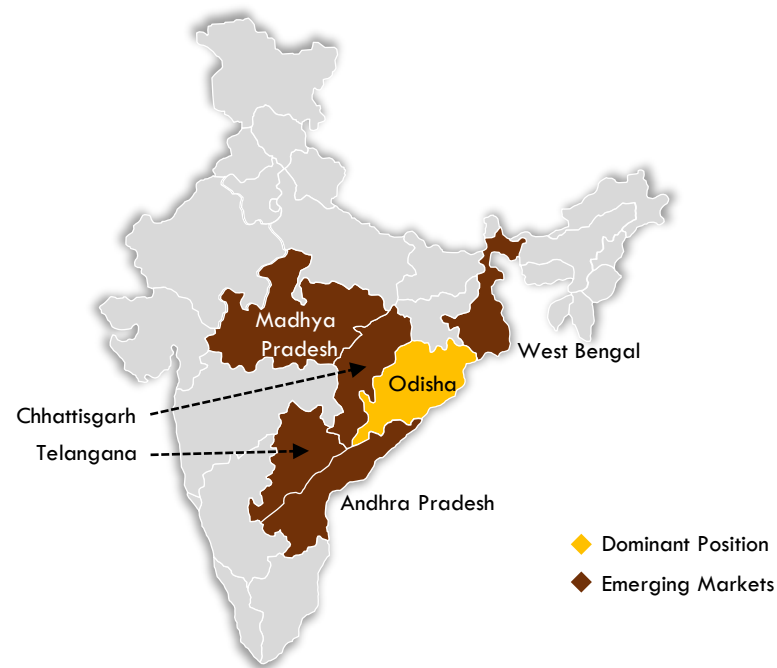
*Note: Figures highlighted above are as on December 31, 2016*

*\* 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
  - 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
  - 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	1,351,305
Total Subscribers	811,466
Cable television subscribers	738,963
Broadband subscribers	72,503

*Note: Data above is as on December 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, 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

**64,065\***  
**Kms of cable**

**Across**  
**78**  
**towns**

**Head end**  
**57**  
**Analog**

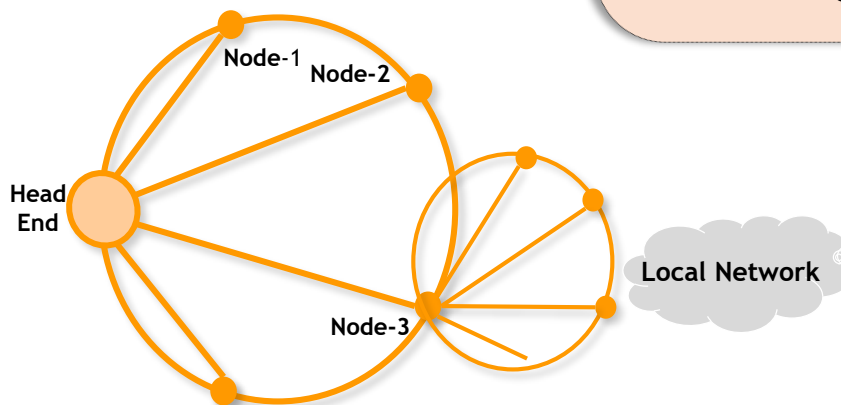
**12**  
**Digital**

*Network as on December 31, 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

Analog Cable TV

Broadband

Video on Demand (NVoD)

HD TV

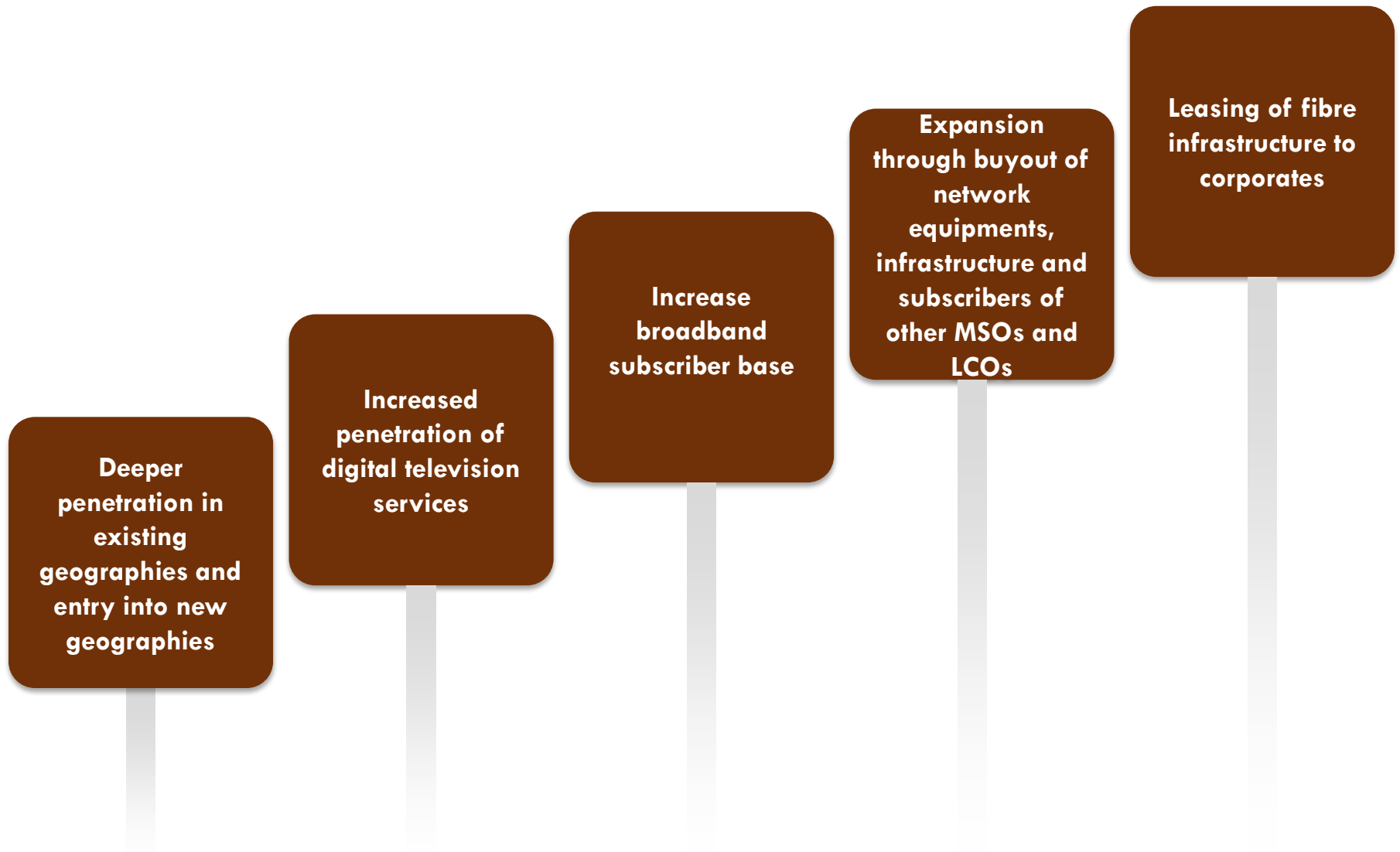
Digital Cable TV

Signal Uplinking Services

Gaming

Fibre Leasing

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





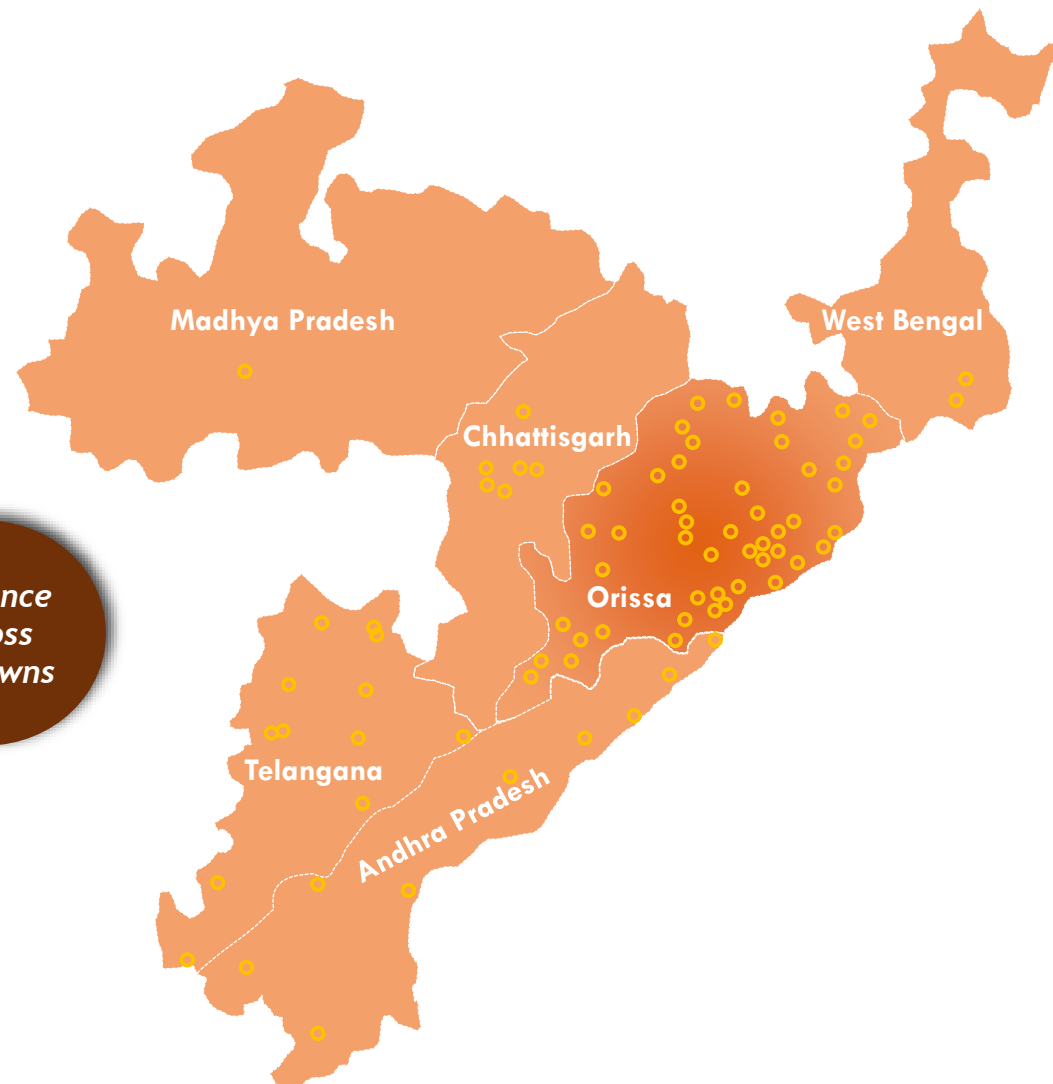
# Strong Traction in Markets outside Odisha



Total Subscribers	811,466
- Odisha	539,229
- Outside Odisha	272,237
- Ratio	66 : 34
Subscribers added in 9M FY17	
- Odisha	4,104
- Outside Odisha	106,163
- Ratio	4 : 96

*Note: As on December 31, 2016*

Presence  
across  
78 Towns



- The Company's Local Cable Operator (LCO) buy-out strategy receiving strong response in states of Andhra Pradesh, Telangana, Chhattisgarh and Madhya Pradesh
  - 96% of new subscribers added in 9M FY17 outside Odisha
- Robust growth outside Odisha to continue in FY17 & 18

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

# Key Operating Highlights



Particulars	Unit	FY15	FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17
Total Homes Passed	Nos.	810,414	1,182,132	1,034,972	1,182,132	1,289,637	1,336,427	1,351,305
Total Subscribers	Nos.	530,111	701,192	626,475	701,192	770,141	804,889	811,466
Subscriber Penetration Ratio	%	65.4%	59.3%	60.5%	59.3%	59.7%	60.2%	60.1%
Inactive Subscribers as a % of Total Subscribers	Nos.	1.7%	1.9%	1.9%	1.9%	1.7%	3.0%	3.3%
Organic Growth (Net of Churn) %	%	-2.4%	5.3%	-0.1%	5.9%	-2.4%	-1.0%	-1.0%
<b>Total Cable TV Subscribers</b>	<b>Nos.</b>	<b>471,592</b>	<b>628,710</b>	<b>558,766</b>	<b>628,710</b>	<b>692,532</b>	<b>725,707</b>	<b>738,963</b>
<b>Broadband Subscribers (Primary)</b>	<b>Nos.</b>	<b>58,519</b>	<b>72,482</b>	<b>67,709</b>	<b>72,482</b>	<b>77,609</b>	<b>79,182</b>	<b>72,503</b>
Total owned network length*	Kms	49,071	55,535	53,117	55,535	58,516	61,988	64,065
Towns covered	Nos.	48	70	67	70	74	78	78

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

# Key Operating Highlights (Cont'd.)



Particulars	Unit	FY15	FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17
Cable TV ARPU (Primary)	INR/ Sub/ Month	154	151	152	151	152	153	150
Broadband ARPU	INR/ Sub/ Month	394	398	396	398	401	406	394
Average employees	Nos.	891	1,309	1,331	1,567	1,730	1,742	1,778
Per user per month data usage	MB	3,143	3,915	4,606	4,653	5,329	4,562	5,415
Pay Channel cost per cable TV customer	INR/ Sub/ Month	61.14	56.82	57.05	56.29	50.31	40.62	41.83
Pay Channel cost as a % of cable TV subscription	%	43.3%	43.3%	43.0%	40.4%	36.0%	29.1%	30.6%



# Consolidated Summarized Profit & Loss Statement



Particulars (Rs. million)	9M FY17	9M FY16	Y-o-Y Growth	Q3 FY17	Q3 FY16	Y-o-Y Growth	Q2 FY17	Q-o-Q Growth
Revenues from operations	1,573	1,344	17.0%	512	480	6.5%	537	-4.8%
Other Income	17	71	-76.0%	7	22	-69.4%	5	31.3%
Total Revenue	1,590	1,416	12.3%	518	502	3.2%	542	-4.4%
Total Expenditure	1,162	896	29.6%	400	315	27.0%	372	7.7%
- Programming Cost	278	275	1.1%	92	91	0.6%	86	6.3%
- Bandwidth Cost (Broadband)	74	41	80.0%	27	15	83.5%	26	5.7%
- Bandwidth Cost (Digital)	36	3	1176.4%	12	2	646.5%	11	8.2%
- Employee Benefit Expenses	186	162	14.6%	63	57	11.4%	60	4.9%
- Bad Debt & Provisions	207	105	96.7%	83	38	121.6%	66	26.1%
- Other Expenses	380	310	22.7%	122	113	8.3%	122	0.5%
EBITDA (Excluding Other Income)	411	448	-8.2%	111	165	-32.6%	166	-32.7%
EBITDA (Including Other Income)	428	519	-17.5%	118	187	-36.9%	171	-30.8%
EBITDA margin (Excluding Other Income)	26.1%	33.3%	-720 bps	21.8%	34.4%	-1260 bps	30.9%	-910 bps
EBITDA margin (Including Other Income)	26.9%	36.7%	-980 bps	22.8%	37.3%	-1450 bps	31.5%	-870 bps
Finance Costs	190	174	9.0%	65	58	10.7%	63	3.2%
Depreciation and Fixed Assets written off	192	205	-6.0%	67	74	-10.3%	65	2.6%
Amortization Expense	23	28	-18.6%	8	9	-4.4%	7	13.5%
<b>PBT</b>	<b>23</b>	<b>112</b>	<b>-79.1%</b>	<b>-21</b>	<b>46</b>	<b>-146.0%</b>	<b>36</b>	<b>-158.8%</b>
<b>PAT</b>	<b>6</b>	<b>92</b>	<b>-93.2%</b>	<b>-28</b>	<b>39</b>	<b>-171.4%</b>	<b>25</b>	<b>-209.3%</b>
PAT Margin	0.4%	6.5%	-610 bps	-5.4%	7.7%	NM	4.7%	NM

\* Bandwidth cost related to signal uplinking, which was included in broadband bandwidth cost has now been included in other expenses.

# Balance Sheet and Cash Flow Snapshot



Particulars (Rs. million)	As on Dec. 31, 2016	As on Sept. 30, 2016	As on March 31, 2016	As on March 31, 2015
<b>Assets</b>				
Non-current assets	3,927	3,909	3,361	2,221
Current assets	945	885	1,142	1,520
<b>Total assets</b>	<b>4,872</b>	<b>4,794</b>	<b>4,503</b>	<b>3,741</b>
<b>Liabilities</b>				
Shareholders' Funds	1,402	1,430	1,395	1,271
Non-current liabilities	1,257	1,316	1,236	1,080
Current liabilities	2,213	2,048	1,872	1,390
<b>Total Liabilities</b>	<b>4,872</b>	<b>4,794</b>	<b>4,503</b>	<b>3,741</b>
CAPEX	431	439	1,230	329
Gross Debt	1,776	1,802	1,719	1,448
Net Debt	1,718	1,729	1,430	263
Networth	1,402	1,436	1,395	1,271

# Key Financial Ratios



Particulars	FY15	FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17
Cable TV gross margin*	68%	71%	71%	74%	73%	77%	74%
Broadband gross margin	83%	88%	88%	86%	82%	79%	74%
EBITDA Margin excluding Other Income	34.5%	32.9%	34.4%	31.8%	25.5%	30.9%	21.8%
EBITDA Margin including Other Income	37.0%	35.8%	37.3%	33.6%	26.3%	31.5%	22.8%
PAT Margin	3.5%	6.1%	7.7%	5.0%	1.6%	4.7%	-5.4%
Net debt to Equity	0.2	1.0	0.8	1.0	1.2	1.2	1.2
Net Debt to EBITDA (LTM)	0.4	2.0	1.5	2.0	2.4	2.5	2.8
Return on shareholder's equity	7.6%	8.9%	11.6%	8.0%	2.5%	7.2%	NM
Return on Capital Employed (pre tax)	13.6%	13.2%	14.6%	13.6%	9.0%	12.3%	5.4%
Receivable Days	43	61	49	61	65	81	102

## 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)	9M FY17	9M FY16	Y-o-Y Growth	Q3 FY17	Q3 FY16	Y-o-Y Growth	Q2 FY17	Q-o-Q Growth
Connection Fees – Cable TV	113	23	387.5%	25	10	163.2%	42	-40.8%
Cable Subscription Fees	873	618	41.4%	300	212	41.1%	297	1.0%
Channel Carriage Fees	246	273	-9.9%	75	98	-23.2%	81	-7.4%
<b>Total Cable TV Services Revenue</b>	<b>1,232</b>	<b>914</b>	<b>34.9%</b>	<b>400</b>	<b>320</b>	<b>25.0%</b>	<b>420</b>	<b>-4.8%</b>
Connection Fees – Internet	14	19	-27.8%	2	6	-60.5%	5	-50.8%
Internet Subscription Fees	268	220	21.6%	85	77	10.5%	95	-10.6%
<b>Total Broadband Services Revenue</b>	<b>282</b>	<b>240</b>	<b>17.6%</b>	<b>87</b>	<b>83</b>	<b>5.1%</b>	<b>100</b>	<b>-12.6%</b>
Income from Infrastructure Leasing	36	169	-78.4%	17	70	-75.8%	10	70.9%
Other operating income	23	22	1.5%	8	8	-3.2%	8	0.0%
<b>Total Revenue from Operations</b>	<b>1,573</b>	<b>1,344</b>	<b>17.0%</b>	<b>512</b>	<b>480</b>	<b>6.5%</b>	<b>537</b>	<b>-4.8%</b>

# Region-wise Summarized Statement of Operations



## Core Market (Odisha)

Particulars	9M FY17	9M FY16	Y-o-Y Growth	Q3 FY17	Q3 FY16	Y-o-Y Growth	Q2 FY17	Q-o-Q Growth
Total revenues	1,217	1,231	-1.1%	379	437	-13.4%	416	-8.9%
EBITDA	482	578	-16.6%	136	218	-37.7%	174	-21.9%
EBIDTA Margin	39.6%	47.0%	-740 bps	35.8%	49.8%	-1400 bps	41.8%	-600 bps
Closing Homes Passed	837,988	761,086	76,902	837,988	761,086	76,902	837,042	946
Closing Subscribers	539,229	506,513	32,716	539,229	506,513	32,716	543,132	-3,903
Subscribers in pipeline	5,694	27,452	-21,758	5,694	27,452	-21,758	11,121	-5,427

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

Particulars	9M FY17	9M FY16	Y-o-Y Growth	Q3 FY17	Q3 FY16	Y-o-Y Growth	Q2 FY17	Q-o-Q Growth
Total revenues	342	106	223.3%	128	43	201.4%	117	9.2%
EBITDA	7	-50	NM	6	-22	-125.0%	8	-31.0%
EBIDTA Margin	2.0%	-47.0%	NM	4.4%	-52.5%	NM	6.9%	-250 bps
Closing Homes Passed	515,368	273,886	241,482	515,368	273,886	241,482	499,385	15,983
Closing Subscribers	272,237	119,962	152,275	272,237	119,962	152,275	261,757	10,480
Subscribers in pipeline	30,994	63,833	-32,839	30,994	63,833	-32,839	49,916	-18,922

**Note:** The financial figures are before apportionment of corporate common service expenses/revenue



# Update on Key Operational Challenges



	Current scenario	Outlook
<b>Collection / Bad debts / Debtor days</b>	<ul style="list-style-type: none"> <li>Collections in newer markets have been relatively slow – infrastructure on the ground for collection not adequate</li> <li>Collections in older subscriber base suffered due to the process of transition from Analog to Digital and demonetization</li> <li>Ortel follows an aggressive stance in providing for Bad debts and hence the shortfall in collection is factored into P&amp;L statement to a large extent</li> </ul>	<ul style="list-style-type: none"> <li>Expect to have adequate infrastructure for collections in place for new markets shortly</li> <li>Full digitization base to assist in controlling Debtor Days and Bad Debts</li> </ul>
<b>Cable Average Revenue Per Unit (ARPU)</b>	<ul style="list-style-type: none"> <li>ARPU has remained flat at Rs.150 largely because newer subscriber acquisitions have come at a much lower ARPU</li> <li>In addition, as the Company integrates new subs from Local Cable Operators, it has to initially absorb tax</li> <li>RPUs from older subscriber base remains stable &amp; healthy</li> <li>Growth in cable TV subscribers through organic route are typically at lower ARPU</li> </ul>	<ul style="list-style-type: none"> <li><u>Strength of the 'last mile' model:</u> After the initial consolidation phase, the Company believes it should be able to pass on tax and appropriate ARPU increases in the new sub base</li> <li>Penetration to improve in the older markets through organic route</li> </ul>
<b>Subscribers</b>	<ul style="list-style-type: none"> <li>Cable TV Subscriber additions have been impacted due to delay in closure of debt</li> <li>Demonetization and increased competitive situation impacted broadband subscriber growth</li> </ul>	<ul style="list-style-type: none"> <li>Expect to tie-up remaining debt shortly - remain committed to achieve the stated target of 1 million subscribers</li> <li>After one quarter of negative growth, Broadband net growth has turned positive starting Jan-2017 and is expected to grow further going forward</li> </ul>

# 9M FY2017 Financial and Operational Discussions (Y-o-Y)



- Total revenues increased by 17% to Rs. 1,573 million
  - Growth in Cable TV Revenues stood at 35%, while Broadband Revenues reported a growth of 18%
- Total expenditure stood at Rs. 1,162 million, higher by 30% Y-o-Y
  - Programming cost stood at Rs. 278 million from Rs. 275 million in 9M FY16
  - Bandwidth cost (digital) increased to Rs. 74 million vis-à-vis Rs. 41 million in 9M FY16 as a result of higher intercity carrying costs for expansion of digital services
    - The overall impact of bandwidth cost will get neutralized as we increase the digital penetration
  - Employee expenses increased to Rs. 186 million, higher by 15%
  - Bad Debt & Provisions stood at Rs. 207 million
- EBITDA (including other income) came in at Rs. 428 million
  - EBITDA Margin stood at 26.9%
- Profit after tax came in at Rs. 6 million as compared to Rs. 92 million in the corresponding period of last year

# Q3 FY2017 Financial and Operational Discussions (Y-o-Y)



- Total revenues increased by 3% to Rs. 518 million
  - Growth in Cable TV Revenues stood at 25%, while Broadband Revenues reported a growth of 5%
- Total expenditure stood at Rs. 400 million, higher by 27% Y-o-Y
  - Programming cost stood at Rs. 92 million from Rs. 91 million in Q3 FY16
  - Bandwidth cost (digital) increased to Rs. 12 million vis-à-vis Rs. 2 million in Q3 FY16 as a result of higher intercity carrying costs for expansion of digital services
    - The overall impact of bandwidth cost will get neutralized as we increase the digital penetration
  - Employee expenses increased to Rs. 63 million, higher by 11%
  - Bad Debt & Provisions stood at Rs. 83 million
- EBITDA (including other income) came in at Rs. 118 million
  - EBITDA Margin stood at 22.8%
  - Gross Margin for Cable and Broadband segments stood at 74% & 74% respectively
- Net Loss of Rs. 28 million as compared to a Net Profit Rs. 39 million in the corresponding quarter of last year



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

*“Our performance during the quarter was impacted due to a combination of factors which weakened some of our key operating parameters. In spite of this, we have demonstrated a healthy growth in revenues from both Cable TV and Broadband Business on a Y-o-Y basis both for Q3 and 9M FY17. I am also happy to inform that our Business outside Odisha which turned EBIDTA positive last quarter has remained so during this quarter.*

*Overall, we have demonstrated that a strong B2C focused last mile business model in our core market can be profitable and remain confident of replicating the same across newer markets. We continue to believe that this is a sustainable model as we can capture the entire revenue stream across the value chain.”*



<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' Q3 & 9M FY2017 Earnings Conference Call

Time	<ul style="list-style-type: none"><li>• 04.30 pm IST on Monday, February 13, 2017</li></ul>
Conference dial-in	<ul style="list-style-type: none"><li>• Primary number: +91 22 3938 1071</li><li>• India Local access Number: 3940 3977</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>



## 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, Telangana & 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, Telangana 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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