

Date: 21 October, 2015

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai-400051

&
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sir/Madam;

Sub: Revised presentation on un-audited financial result of the company for second quarter ended 30 September, 2015 - Scrip Code: ORTEL (NSE), 539015 (BSE)

Ref: Company's email on 20 October, 2015 post Board meeting regarding press release and presentation.

In continuation to our intimation of press release and presentation on the quarterly unaudited result for the second quarter ended 30 September, 2015, we would like to inform the Stock Exchanges ("NSE & BSE") that, due to typo error, the figure under item line "**Net Personnel Cost Per employee per month**" for Q2 FY 2016 (last column) in the page no. 10 with chapter heading "**Key Operating High lights (Contd.)**" of Ortel Q2 FY.2016 Earnings Presentation- 20 October, 2015, has been inadvertently mentioned as **23,585 instead of 11,793.**

So we request you to read the figure as 11,793.

Accordingly, we are enclosing here with **revised Ortel Q2 FY.2016 Earnings Presentation** for your information and record.

We regret the inconvenience.

For Ortel Communications Ltd



(Lalit Kr. Mohanty)
Company Secretary & Compliance Officer
Encl: as above





Ortel
communications
An ISO 9001 2008 COMPANY

'BRINGING CONVERGENCE TO INDIA'

Ortel Communications Ltd.

Q2 FY2016 Earnings Presentation – October 20, 2015



Certain statements made in this presentation 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 presentation 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.



Introduction

Q2 & H1 FY16 Performance Highlights

Segment-wise Performance Overview

Region-wise Performance Overview

Annexures



LAST MILE

**Owns & operates
its network**

24,621

**Kilometers of
cable network**

36%

EBITDA margin

RIGHT OF WAY

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

925,537

**Estimated homes
reached**

11%

**Total broadband
subscribers**

B2C

**Direct customer access
leads to greater control**

571,834

**Revenue Generating
Units (RGUs)**

17%

**Revenue contribution
from broadband**

TWO-WAY

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

90%

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

24%

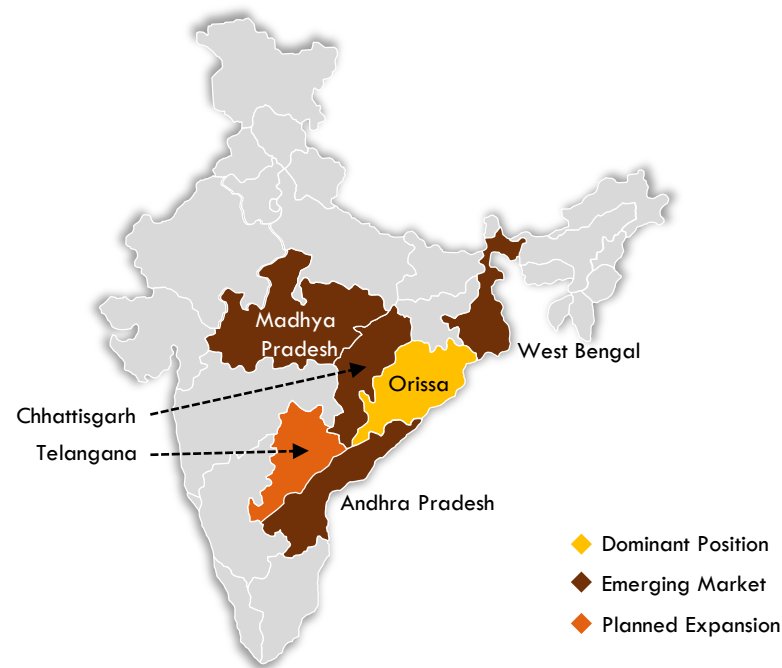
**Digital cable TV
penetration**

Note: Figures highlighted above are as on September 30, 2015

Ortel: Dominant Regional Player with Direct to Consumer Offering



- Regional cable television and broadband provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh & Madhya Pradesh and West Bengal
 - Addressable market of ~5 mn homes; 571k RGUs covered
 - Rapidly growing markets with maximum headroom for growth in the cable TV and broadband industry
- Direct to consumer business model with full control over the 'last mile'
 - 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 50 mbps through use of cable modem with DOCSIS 3.0 technology
- Grown both organically and inorganically – through buyout of network equipment, infrastructure and subscribers of other MSOs and LCOs



Estimated Homes Reached	925,537
RGUs	571,834
Cable television subscribers	508,171
Digital subscribers as a % of cable TV subscribers	23.7%
Broadband subscribers	63,663
Broadband subscribers as a % of total RGUs	11.1%

Note: Data above is as on September 30, 2015

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

24,621

Kms of cable

Across

59

towns

Head end

43

Analog

6

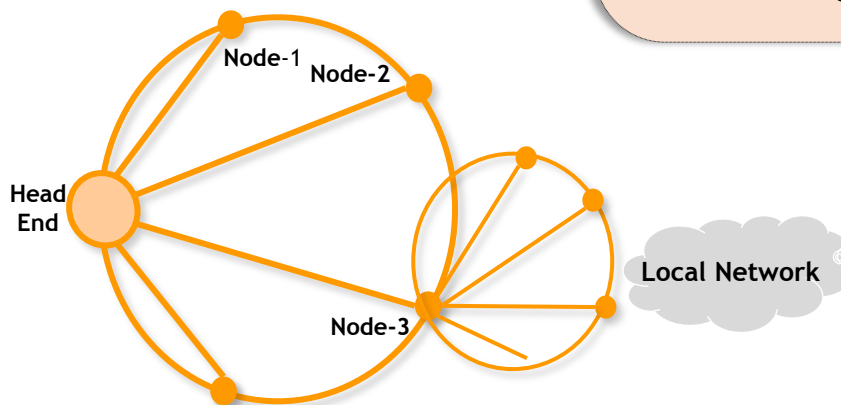
Digital

Network as on September 30, 2015

- 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)

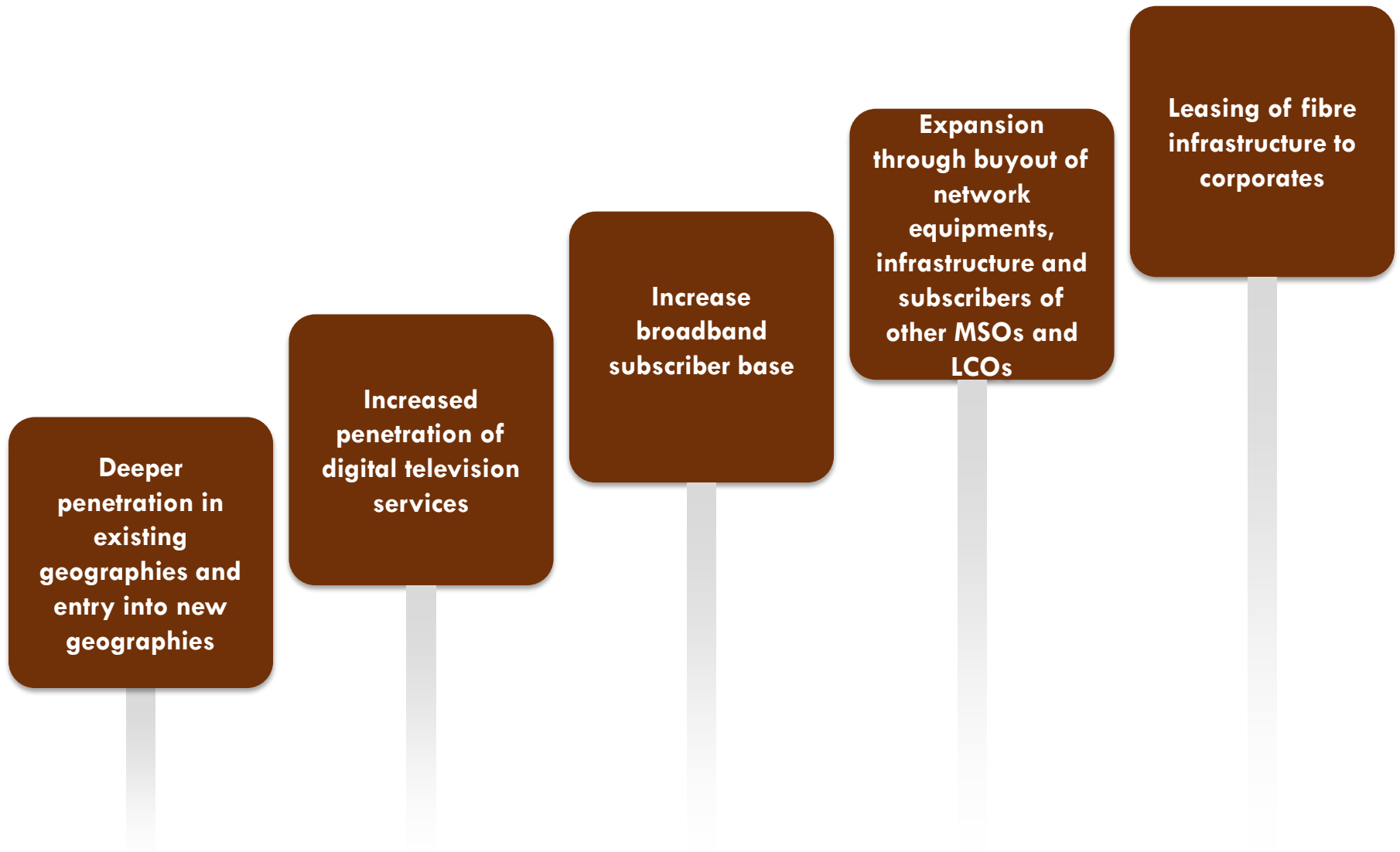
HD TV

Digital Cable TV

Signal Uplinking Services

Gaming

Fibre Leasing



Key Operating Highlights



Particulars	Unit	FY13	FY14	FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY16	Q2 FY16
Total Homes Passed	Nos.	802,016	805,389	810,414	807,426	808,352	810,414	838,437	925,537
Total RGUs	Nos.	486,255	515,835	530,111	523,833	526,551	530,111	542,217	571,834
RGU Penetration Ratio	%	60.6%	64.0%	65.4%	64.9%	65.1%	65.4%	64.7%	61.8%
Inactive RGUs (as a % of total RGUs)	%	1.2%	1.3%	1.7%	1.9%	1.8%	1.7%	1.9%	1.8%
Churn (Not Annualised)	%	15.3%	12.6%	16.5%	3.9%	4.5%	4.6%	4.7%	5.4%
Digital Cable TV RGUs (Primary)	Nos.	68,219	69,873	106,259	88,106	94,926	106,259	112,296	117,401
Digital Cable TV RGUs (Secondary)	Nos.	-	-	916	-	369	916	1,357	2,924
Analog Cable TV RGUs (Primary)	Nos.	318,727	336,263	302,647	322,175	313,446	302,647	307,923	330,739
Analog Cable TV RGUs (Secondary)	Nos.	48,682	55,272	61,770	56,024	59,533	61,770	59,741	57,107
Total Cable TV RGUs	Nos.	435,628	461,408	471,592	466,305	468,274	471,592	481,317	508,171
Broadband RGUs (Primary)	Nos.	50,627	54,427	58,519	57,528	58,277	58,519	60,900	63,663
Primary RGUs (as a % of total RGUs)	%	90.0%	89.3%	88.2%	89.3%	88.6%	88.2%	88.7%	89.5%
Broadband RGUs (as a % of total RGUs)	%	10.4%	10.6%	11.0%	11.0%	11.1%	11.0%	11.2%	11.1%
Digital Cable TV RGUs (as a % of Total Cable RGUs)	%	15.7%	15.1%	22.7%	18.9%	20.4%	22.7%	23.6%	23.7%

Key Operating Highlights (Cont'd.)



Particulars	Unit	FY13	FY14	FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY16	Q2 FY16
Total owned network length	Kms	21,046	21,614	22,629	21,875	22,411	22,629	23,345	24,621
Towns covered	Nos.	48	48	48	48	48	48	52	59
Analog Cable TV ARPU	INR/ Sub/ Month	136	147	145	147	147	145	144	143
Digital Cable TV ARPU	INR/ Sub/ Month	157	177	186	187	186	186	185	183
Broadband ARPU	INR/ Sub/ Month	405	412	394	398	394	394	393	395
Average employees	Nos.	1,049	981	1,075	1,063	1,085	1,132	1,286	1,488
Average RGUs per employee	Nos.	459	526	493	493	485	469	422	384
Net personnel cost per employee per month	INR	13,564	12,069	12,922	12,497	12,579	12,276	12,662	11,793
Revenue per employee per month	INR	96,796	112,720	124,900	127,989	124,025	133,660	111,666	108,104
Per user per month data usage	MB	2,666	3,126	3,143	3,223	3,483	2,979	2,967	3,433
Pay Channel cost per cable TV customer	INR/ Sub/ Month	57.66	58.88	61.14	63.22	59.38	60.25	62.35	63.63
Pay Channel cost as a % of cable TV subscription	%	46.1%	41.9%	43.3%	44.6%	41.7%	43.3%	44.7%	45.9%

Consolidated Summarized Profit & Loss Statement



Particulars (Rs. million)	H1 FY16	H1 FY15	Y-o-Y Growth	Q2 FY16	Q2 FY15	Y-o-Y Growth	Q1 FY16	Q-o-Q Growth
Revenues from operations	864	704	22.6%	458	367	24.6%	406	12.8%
Other Income	49	49	-0.2%	25	41	-39.7%	25	-1.3%
Total Revenue	913	754	21.1%	482	408	18.2%	431	12.0%
Total Expenditure	581	510	13.9%	310	274	12.8%	272	0.7%
- Programming Cost	184	174	5.4%	94	88	7.3%	89	6.0%
- Bandwidth Cost	37	33	13.0%	19	16	19.4%	18	8.0%
- Employee Benefit Expenses	105	80	32.0%	56	39	45.5%	49	15.4%
- Other Expenses	256	223	14.5%	139	131	6.2%	116	20.0%
EBITDA (Excluding Other Income)	282	195	45.2%	148	93	59.3%	134	10.7%
EBITDA (Including Other Income)	332	244	36.0%	173	134	29.1%	159	8.8%
<i>EBITDA margin (Excluding Other Income)</i>	<i>32.7%</i>	<i>27.6%</i>	<i>+510 bps</i>	<i>32.4%</i>	<i>25.4%</i>	<i>+700 bps</i>	<i>33.0%</i>	<i>-60 bps</i>
<i>EBITDA margin (Including Other Income)</i>	<i>36.3%</i>	<i>32.4%</i>	<i>+390 bps</i>	<i>35.8%</i>	<i>32.8%</i>	<i>+300 bps</i>	<i>36.9%</i>	<i>-110 bps</i>
Finance Costs	116	111	3.8%	60	54	10.2%	56	6.2%
Depreciation, Fixed Assets written off and Amortization Expense	150	132	13.8%	78	67	15.2%	72	7.5%
PBT	66	1	7978.0%	36	12	187.4%	31	16.9%
PAT	53	1	7844.9%	28	12	130.8%	24	15.9%
PAT Margin	5.8%	0.1%	+570 bps	5.9%	3.0%	+290 bps	5.7%	+20 bps

Balance Sheet and Cash Flow Snapshot



Particulars (Rs. million)	As on Sept 30, 2015	As on June 30, 2015	As on Mar 31, 2015
Assets			
Non-current assets	2,562	2,337	2,221
Current assets	1,370	1,363	1,520
Total assets	3,932	3,700	3,741
Liabilities			
Shareholders' Funds	1,326	1,297	1,271
Non-current liabilities	1,081	978	1,080
Current liabilities	1,525	1,425	1,390
Total Liabilities	3,932	3,700	3,741
CAPEX	239	194	329
Gross Debt	1,571	1,438	1,448
Net Debt	631	430	263
Networth	1,326	1,297	1,271

Key Financial Ratios



Particulars	FY13	FY14	FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY16	Q2 FY16
Cable TV gross margin	65%	67%	68%	68%	69%	70%	69%	69%
Broadband gross margin	84%	84%	83%	84%	83%	83%	82%	82%
EBITDA margin (Excluding Other Income)	29.3%	29.1%	34.5%	25.4%	34.3%	45.4%	33.0%	32.4%
EBITDA margin (Including Other Income)	30.4%	31.3%	37.0%	32.8%	35.8%	45.9%	36.9%	35.8%
PAT Margin	NM	NM	3.5%	3.0%	NM	12.5%	5.7%	5.9%
Net debt to Equity	5.5	6.7	0.2	6.8	6.5	0.2	0.3	0.5
Net Debt to EBITDA (LTM)	3.8	3.3	0.4	3.0	2.7	0.4	0.7	0.9
Return on shareholder's equity	NM	NM	7.6%	24.5%	NM	30.5%	7.6%	8.6%
Return on Capital Employed (Pre-tax)	0.1%	8.3%	13.6%	16.2%	14.8%	22.6%	12.7%	13.5%
Receivable days	41	51	43	56	59	43	38	44

Notes:

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

Segment-wise Revenue break-up



Particulars (Rs. million)	H1 FY16	H1 FY15	Y-o-Y Growth	Q2 FY16	Q2 FY15	Y-o-Y Growth	Q1 FY16	Q-o-Q Growth
Connection Fees – Cable TV	14	16	-16.3%	7	11	-33.9%	7	7.4%
Cable Subscription Fees	405	394	2.7%	206	198	4.0%	200	3.0%
Channel Carriage Fees	175	123	42.0%	97	67	44.9%	78	23.8%
Total Cable TV Services Revenue	594	534	11.2%	309	275	12.5%	284	8.8%
Connection Fees – Internet	13	10	27.8%	7	6	28.9%	6	27.3%
Internet Subscription Fees	144	133	7.9%	74	67	10.2%	70	6.3%
Total Broadband Services Revenue	157	143	9.4%	81	73	11.7%	75	7.9%
Income from Infrastructure Leasing	99	13	675.5%	60	10	472.2%	39	53.5%
Other operating income	14	14	0.5%	7	9	-19.8%	7	0.3%
Total Revenue from Operations	864	704	22.6%	458	367	24.6%	406	12.8%

Region-wise Summarized Statement of Operations



Core Market (Odisha)

Particulars	H1 FY16	H1 FY15	Y-o-Y Growth	Q2 FY16	Q2 FY15	Y-o-Y Growth	Q1 FY16	Q-o-Q Growth
Total revenues	793	665	19.3%	423	-504	NM	371	14.0%
EBITDA	360	283	27.5%	197	-201	NM	163	20.4%
EBITDA margin	45.4%	42.5%	+290 bps	46.6%	-39.8%	NM	44.1%	+250 bps
Addition in Homes Passed	78,278	1,579	76,699	57,130	1,297	55,833	21,148	35,982
Addition in RGUs	28,916	8,119	20,797	19,942	5,776	14,166	8,974	10,968
RGUs in pipeline	22,949	-	-	22,949	-	-	19,570	3,379

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

Particulars	H1 FY16	H1 FY15	Y-o-Y Growth	Q2 FY16	Q2 FY15	Y-o-Y Growth	Q1 FY16	Q-o-Q Growth
Total revenues	63	63	0.5%	33	-58	NM	30	10.8%
EBITDA	-27	-18	NM	-18	0	NM	-10	NM
EBITDA margin	-43.4%	-27.9%	NM	-53.3%	-0.4%	NM	-32.4%	NM
Addition in Homes Passed	36,845	458	36,387	29,970	0	29,970	6,875	23,095
Addition in RGUs	12,807	-121	12,928	9,675	-132	9,807	3,132	6,543
RGUs in pipeline	41,741	-	-	41,741	-	-	13,460	28,281



- Total revenues increased by 21% to Rs. 913 million driven by healthy RGU addition in the past two quarters
 - Continued momentum in the broadband business and infrastructure leasing segment further supported growth
- Employee expenses increased to Rs. 105 million, higher by 32% Y-o-Y due to several recruitments at various functions
- EBITDA (including other income) improved by 36% to Rs. 332 million
 - EBITDA Margin stood strong at 36.3%, higher by 390 bps compared to 32.4% in H1 FY15 backed by sustained growth across our business segments
 - Gross Margin for Cable and Broadband segments stood at 69% & 82% respectively
- Digital Cable TV RGUs as a % of Total Cable RGUs stood at 24% compared to 18.9% in the same period last year
- Pay Channel cost as a % of cable TV subscription stood at 45.9%
 - Pay Channel cost per cable TV customer stood at Rs. 63.63
- ~90% Subscriber base on Ortel's 'last mile' network as on September 30, 2015
- Profit After Tax stood at Rs. 53 million Vs Rs. 1 million in H1 FY15 led by strong operational performance



- **Healthy Growth in Revenue Generating Units (RGUs):** During the quarter, the RGU growth stood at 29,617 compared to 12,106 in Q1 FY16 and 14,276 in full year FY15
 - Added 41,723 subscribers in H1 FY16, taking the total RGUs to 571,834
 - Expect stronger momentum in the forthcoming months
- **LCO Buyout:** Signed network buy out agreements with multiple LCOs during the two quarters and 65,000 RGUs are in the pipeline to be integrated into the Company's last mile network
- **Enhanced traction in the emerging markets:** More than 50% of the new buyouts in the last two quarters have come from the emerging markets like Andhra Pradesh, Chhattisgarh, West Bengal & Madhya Pradesh
 - Witnessing positive response to last mile buyout strategy in emerging markets
- **Building momentum in Broadband Business:** Broadband RGUs stood at 63,663 as on 30 September 2015, net addition (net of churn) of 5,144 subscribers in H1 FY16 Vs. 4,092 in full year FY15
 - Developing a strong team, strengthening the back-end operations, and offering attractive broadband plans to help drive RGU growth in this segment, which would play a crucial role in driving growth and profitability of the Company
 - Continues to focus on a two-way communication network capable of delivering triple play services video, data and voice – key aspect of the business which can create huge value for all stakeholders
- **Healthy Digital Penetration:** Digital Cable TV penetration stood at 23.7% in Q2 FY16
 - Penetration in select 10 towns where company offers digital services stands at 71%



- **Improvement in debt rating:** ICRA has upgraded the debt rating of the Company's Term Loans, Fund Based Limits and Unallocated Limits to BB (indicating a stable outlook) from BB-
 - Subsequently, Karnataka Bank & UCO Bank, have agreed to reduce the rate of interest on term loans availed by the Company
 - Actively working with other institutions for further reduction in interest rates
 - This will lead to material savings in the interest costs



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

"I am glad to report a strong operational and financial performance for the quarter ended September 30, 2015. Performance during the quarter was driven by healthy addition in RGUs which stood at 571,834. We are witnessing encouraging traction to our LCO buyout strategy in emerging markets like Andhra Pradesh and Chhattisgarh, and I am confident that this would sustain going forward.

Going forward, we would continue with our strategy of aggressive LCO buyouts across all our markets and diligently integrate the new subscribers into Ortel's last mile network. Healthy contribution from new RGUs along with ongoing focus on the high margin Broadband business would enable us to deliver strong financial performance in the forthcoming years."



ARPU	Average Revenue Per User Per Month
B2B	Business to Business
B2C	Business to Consumer
CAGR	Compounded Annual Growth Rate
DOCSIS	Data Over Cable Service Interface Specification
DTH	Direct-to-Home
HFC	Hybrid Fibre Coaxial
LCOs	Local Cable Operator
MSOs	Multi System Operators
NVoD	Near Video on Demand
RGUs	Revenue Generating Unit
VoD	Video on Demand denotes Not Meaningful
NM	Not Meaningful



Ortel Communications' Q2 FY2016 Earnings Conference Call

Time	<ul style="list-style-type: none">• 02.00 pm IST on Wednesday, October 21, 2015
Conference dial-in	<ul style="list-style-type: none">• Primary number: +91 22 3938 1071• Secondary number: +91 22 6746 8354
Toll Free Number	<ul style="list-style-type: none">• 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, Andhra Pradesh, West Bengal & Madhya Pradesh. 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.

For further information, please contact:

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