

WIRE AND WIRELESS

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EXPANDING THE HORIZON. NARROWING THE FOCUS.

In the first decade of 21st century, television content distribution industry in India has made significant progress. If the decade gone by belonged to consolidation of the cable television industry, new decade will belong to innovation, expansion and digitisation.

As a leading Indian player of the cable television industry, we at WWIL, have made significant progress all these years. Having led the consolidation in a highly fragmented and disorganised sector, we are transiting into the next phase of growth. What awaits us as an opportunity is much bigger than what we have seen so far. We need to seize that opportunity to lead us to new priorities such as expanding footprints and process oriented training of the diverse pool of LCOs, optimising spends and enhancing operational efficiencies, investing in and upgrading the competence of our infrastructure built on skills of our human resources; besides advocating and spreading digitisation.

We are at a very intriguing yet exciting juncture of our business. The call of opportunity needs us to expand and contract at the same time. Expand the horizon and narrowing the focus is our new mantra.



MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Thank you for your continued support and confidence in us that you have demonstrated so far. It is with the strength of your trust, that WWIL is today amongst the leading Multi System Operators (MSO) in India and is poised to play a pivotal role in the Indian cable TV industry.

According to FICCI - KPMG Indian Media & Entertainment (M&E) Industry Report, 2010 has been the year of resurgence for the industry. Overcoming the gloom that had set in during the economic slowdown, the Indian M&E industry bounced back in 2010, registering a growth rate of 11% compared to a mere 1.4% in 2009. This growth was primarily driven by the increased spends by advertisers across all media platforms. As the industry braces for exciting times ahead, the sector is projected to grow at a CAGR of 14% by 2015.

THE ECONOMY TO WATCH FOR

The consistent economic growth of the country is translating into definitive improvements of socio - economic indicators. What is even heartening is the fact that the impact is being seen at the farthest mile, courtesy the agenda of inclusive growth that the country is following. First results of Census 2011 reflected a notable improvement in literacy rate and gender ratio while the population growth rate showed a decline.

The decade gone by was the period of consolidation and the ensuing decade will mark the phase of acceleration for India, in my view. The period will be marked by rapid urbanisation, growing consumerism and disposable incomes.

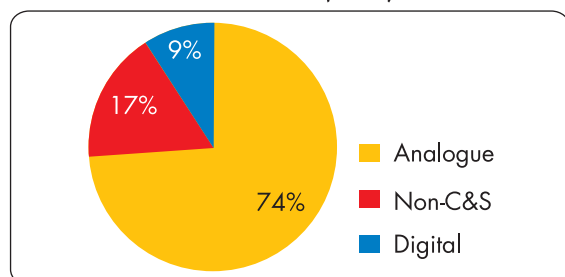
TELEVISION WILL GO DIGITAL

Indian television industry has truly come of age and has added almost 100 million viewers in 2010 alone to reach 600 million viewers and crossed the 550 channel mark.

With close to 140 million TV households and C&S penetration of near 78%, Indian audience is fast adopting new technologies like HD, Set Top Boxes with inbuilt recorders and delivery platforms like mobiles.

The way television is accessed is also changing. A recent study by TAM Media Research estimated the share of digital access to have improved to 9% in 2010 from 7 % in 2009. While broadcasters and the TV set manufacturers are facilitating viewing of HD content on television, the Indian cable TV distribution industry must undertake complete digitisation over coming years.

Access to television in India (2010)



source: TAM Media Research

As a leading Multi System Operator (MSO) of India, WWIL has actively been advocating the cause of digitisation. The cable TV industry is rapidly changing with visible signs of progress towards the digital movement. In a positive development for the Indian TV content distribution industry, the Information & Broadcasting (I&B) Ministry has recommended December 31st, 2014 as the sunset date for mandatory digitisation in the country. The move will mean that the cable TV sector will become more organised, attract better investments and inturn improve profits.

The digital wave is expected to benefit the three key players in the value chain namely the MSO, by way of increase in subscription revenues; the government, via increase in tax collections; and the customers, with an enhanced television viewing experience. With the trend expecting to reap in benefits for companies like ours, we are preparing ourselves for the digital wave!

WWIL'S PERFORMANCE

FY 11 was a good and satisfying year for WWIL in many ways. Let me share with you the key highlights of our operational and financial performance of the year.

- The consolidated operating revenues grew by 12% to ₹3059.5 million from ₹2726.5 million during the last fiscal
- The company posted a consolidated operating profit (EBITDA) of ₹163.6 million, which was a significant achievement as compared to operating loss of ₹631.6 million during the last fiscal
- WWIL has been ranked among the best 400 mid cap companies in India by Dalal Street Investment Journal's Annual Compendium – "Mid Cap 400"
- Indian Cable Net Company Limited, a subsidiary of WWIL, was ranked among the top 500 of India's Best Performing Mid Sized Companies in the Second Annual Inc. India 500 Awards
- WWIL consolidates its pan India presence through strategic expansions in Uttar Pradesh and Andhra Pradesh

THE PEOPLE POWER

Consistency, transparency and trust form the cornerstone of the work philosophy at WWIL. The spirit of commitment that our employees display has played a major role in bringing WWIL to the position it enjoys today. We work closely towards personal development of each of our employee and strive hard to present them with an environment that is conducive to their needs. Keeping our team of professionals and experts involved through various employee engagement programmes like *Samwad* (Dialogue), Open House and Konnect, we are keeping the morale of our employees high.

LOOKING FORWARD

We are at an exciting juncture of our business journey. We look forward to making the most of digitisation wave and will be moving into newer geographies. The company will be investing in acquiring the latest technology and will focus on the development of the skills of its people. Company's orientation will be towards streamlining operations & cost optimisation. It is with your support that we have witnessed a transformational year, a year that we can happily dub as satisfactory.

Sincerely

Subhash Chandra

WWIL IN BRIEF

- Wire and Wireless is one of the largest **Multi System Operator (MSO)** in the cable industry.
- In the digital mode, Wire and Wireless offers upto **225 channels** to its subscribers.
- Wire and Wireless has presence in **54 cities** of India with **50 analogue** and **10 digital head - ends**.
- Wire and Wireless operating network includes over **4000 franchisee** operators called LCOs.
- Wire and Wireless has **7 regional offices** with over **400 employees**.
- WWIL product range includes, **Analogue Cable, Digital Cable Television, Broadband and Local Television Channels**.
- All products are marketed under **SITI brand**.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Subhash Chandra - Chairman
B.K. Syngal - Independent Director
Suresh Kumar Agarwal - Independent Director
Vinod Kumar Bakshi - Independent Director
(w.e.f. 27.10.2010)
Amit Goenka - Whole-time Director
Arun Kapoor - Director

COMPANY SECRETARY

Suresh Kumar

AUDITORS

S.R. Batliboi & Associates
Chartered Accountants

REGISTERED OFFICE

Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai - 400018
Ph: (022) 66971234 Fax: (022) 24900302

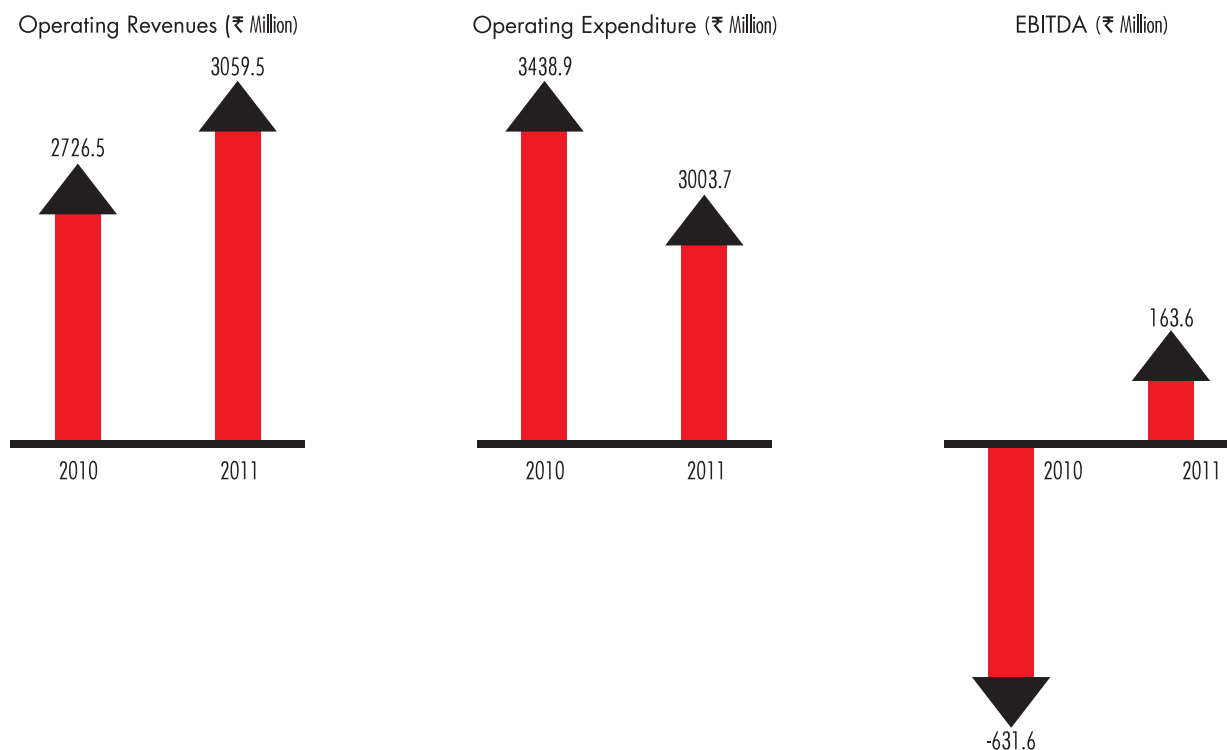
CORPORATE OFFICE

Building No. FC 09, gate No. 3,
Sector 16A, Film City,
Noida (UP) - 201301
Ph: (0120) 4526700 Fax: (0120) 4265232

SENIOR MANAGEMENT

Sudhir Agarwal - Chief Executive Officer (CEO)
Raj Kumar Agarwal - Chief Financial Officer (CFO)
Sanjay Jindal - Vice President - Technical
Shabd Swarup Sinha - Vice President - Information Technology
Neeraj Soni - Vice President - Content & Programming
Colonel Pankaj Dhingra - Vice President - Human Resources
T K Choudhary - Head Corporate Affairs & Administration

PERFORMANCE HIGHLIGHTS

OPERATIONAL SNAPSHOT: 2010 - 11

- WWIL has been Ranked among the best 400 MID CAP Companies in India by Dalal Street Investment Journal's annual compendium - "Mid Cap 400"
- Indian Cable Net Company Limited, a subsidiary of WWIL, was ranked among the top 500 of India's Best Performing Mid Sized Companies in the Second Annual Inc. India 500 Awards
- WWIL launched Digital Cable Television services in Hyderabad on 30th October 2010. With this auspicious initiative, the company has positioned itself in the digital and analogue domain with renewed vigour in Hyderabad - the birth city of MSO business
- Wire and Wireless expands its SITI Cable Television Network in Eastern U. P.
- WWIL adheres to TRAI Dunning norms in CAS area: It brings transparency in the system ; It's a tool to intimate subscriber about its monthly subscription outstanding; It's the system to control credit risk of the company

DIGITISING GROWTH



In a country of 138 million cable TV homes and over 108 million C&S customers, it is expected that by 2013 India's digital TV market will cross that of China.

With the Information and Broadcasting (I&B) Ministry accepting the recommendations for implementation of digital addressable cable television systems in India, a significant and positive development for the Indian TV distribution space is anticipated. Digitisation would pave the way for the cable distribution sector to become more organised, attract greater institutional funding and improve profitability. The government's move bring in good news for our business and its stakeholders in the value chain as they also stand to potentially benefit - WWIL by way of increase in subscription revenues, government via increase in tax collections and customers from an enhanced television viewing experience.

Our advantage lies in our reach that is pan India. Currently our world class distribution infrastructure, through over 54 centers across India, provides best-in-class TV viewing experience to our customers. Till yesterday the TV signals were carried in an analogue format which led to a fragmented and disorganised market. With viewers getting wise - economically and technically - by the day, the demand for quality time TV viewing experience is also on the rise.



Sudhir Agarwal, CEO, at the launch of digital head-end, Hyderabad

With diverse options available in the market, it becomes imperative for the cable TV industry to embrace change and address the need of the customers through digitisation. Digitisation is the only method to integrate, streamline and tap the potential in the business segment. The entire process of digitisation will help make the TV content distribution system transparent not only for the consumers but also for the government, broadcasters, MSOs and the LCOs and also increase transparency at all levels.

At WWIL, we have 10 modern digital head-ends across the country. These head - ends are capable of carrying upto 225 channels on digital platform. This has enabled quality signal transmission both in MPEG4 and MPEG2, putting across around 14 to 18 channels per frequency.



Team WWIL planning for digitisation

EXPANDING FOOTPRINTS

