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

Date: 25 October, 2016

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: Press Release and Presentation on un-auditated financial result of the Company for the second quarter ended 30 September, 2016 of FY.2016-17.

We are enclosing herewith Press Release and Presentation on un-audited financial result of the Company for the second quarter ended 30 September, 2016 of FY. 2016-17 for your information and record.

For Ortel Communications Limited

Ortel Communications Limited Bhubaneswar

(Lalit Kumar Mohanty)

Company Secretary and Compliance Officer

Encl: as above

Ortel communications
An ISO 9001 2008 COMPANY

Press Release

Date: 25thOctober, 2016

Ortel Communications announces Q2& H1 FY2017 Results

Q2 FY17

Total Income increases by 17% to Rs. 537million

EBITDA stood at Rs. 171 million; PAT came in at Rs. 25 million

Added 34,748 subscribers in Q2FY2017; Total Subscribers at 804,889

92% of new subscribers added in Non-Odisha States in H1 FY17

80% of new signings recorded in Non-Odisha States in Q2 FY17

Bhubaneshwar, October 25, 2016: Ortel Communications Limited (Ortel), one of the leading cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telengana and West Bengal, announced its financial results for the quarter and half-year ended September 30, 2016.

Q2 FY2017 performance overview compared with Q1 FY2017 (QoQ comparison)

- Total Income increased to Rs. 537 million, from Rs. 524 million, up by 2.5%
- EBITDA stood at Rs. 171million compared to Rs. 139 million, an increase of 22.8%
    - EBITDA margin came in at 31.5% Vs. 26.3%
- Profit After Tax came in at Rs. 25 million compared to Rs. 9 million
- EPS amounted to Rs. 0.84 per share

Q2 FY2017 performance overview compared with Q2 FY2016 (YoY comparison)

- Total Income increased to Rs. 537million,from Rs. 458million, up by 17.3%
- EBITDA stood at Rs. 171millioncompared to Rs. 173 million
    - EBITDA margin came in at 31.5%
- Profit After Tax came in at Rs. 25million compared to Rs. 28 million
- EPS amounted to Rs. 0.84 per share

H1 FY2017 performance overview compared with H1 FY2016

- Total Income increased to Rs. 1,061 million, from Rs. 864 million, up by 22.9%
- EBITDA stood at Rs. 310million compared to Rs. 332 million
    - EBITDA margin came in at 28.9%
- Profit After Tax came in at Rs. 34 million compared to Rs. 53 million
- EPS amounted to Rs. 1.12 per share

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

"We reported steady performance during the quarter led by balanced growth in Cable TV and Broadband revenues. Subscription fees in both the segments jumped by 7% Q-o-Q. More importantly, I am happy to highlight that the overall costs have stabilized with 5% reduction in Total Expenses. This was possible due to management's focus on efficiency and cost rationalisation. During the quarter, we turned EBITDA positive in the emerging markets of Andhra Pradesh, Chhattisgarh, West Bengal, Telengana & Madhya Pradesh. I believe, this is a huge positive for us and I am confident that the operating performance in the emerging markets will further improve as the subscriber base increases.

The road ahead appears encouraging and we remain on track to demonstrate solid performance in times ahead. Full control over the last mile network as well as our strategy of focusing on B2C customers will continue to drive growth for us."

Key Developments

- **Steady increase in Subscriber Addition:**During the quarter, the total subscriber additions stood at 34,748, taking the total subscriber base to 804,889 as on September 30, 2016
    - 61,037 subscribers in the pipeline – to be integrated to Company's last mile network in the coming months
- **Turnaround in States outside Odisha:**Non-Odisha states turned EBITDA positive in Q2 FY17; EBITDA to further improve as the subscriber base keeps improving
    - Sustainable opportunity for subscriber base addition in the States of Andhra Pradesh and Telangana
    - About 80% of the new signings have been recorded in the Non-Odisha states
- **Implementation of RIO-based deal with Star India and IndiaCast:**Implemented a deal on the basis of Reference Interconnection Offer (RIO) for Digital Addressable System (DAS) areas on A-La-Carte basis with two major broadcasters
    - Resulted in significant decline in the programming cost, which has a saving of 13% Q-o-Q

-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,Telengana &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, Telengana& 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
Web: www.ortelcom.com

AnoopPoojari / Nishid Solanki
CDR India
Tel: +91 22 6645 1211/ 6645 1221
Email:anoop@cdr-india.com
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....

Presentation Follows.....

Ortel communications

An ISO 9001 2008 COMPANY

'BRINGING CONVERGENCE TO INDIA'

Ortel Communications Ltd.

Q2 & H1 FY2017 Earnings Presentation – October 25, 2016

Disclaimer

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.

Table of Contents

Introduction

Q2 & H1 FY2017 Performance Highlights

Segment-wise Performance Overview

Region-wise Performance Overview

Annexures

At a Glance

LAST MILE

Owns & operates its network

RIGHT OF WAY

Legal 'rights of way' for entire network

B2C

Direct customer access leads to greater control

TWO-WAY

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

61,988*

Kilometers of cable network

1,336,427

Estimated homes reached

804,889

Total Subscribers

90%

Subscriber base on 'last mile' network

32%

EBITDA margin

10%

Total broadband subscribers

18%

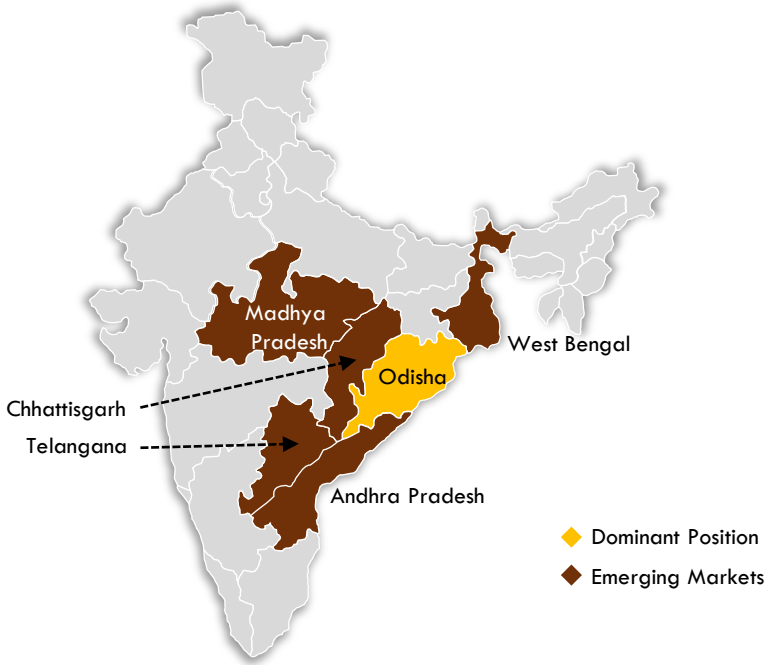
Revenue contribution from broadband

Note: *Figures highlighted above are as on September 30, 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, Telengana & West Bengal
  - Addressable market of ~5 mn homes; 805k subscribers 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 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	1,336,427
Total Subscribers	804,889
Cable television subscribers	725,707
Broadband subscribers	79,182

Note: *Data above is as on September 30, 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 (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

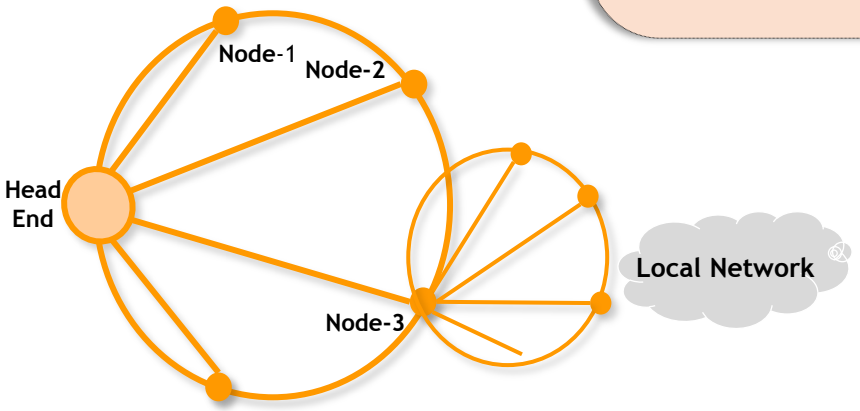
61,988*	Across 78	Head end 57	12
Kms of cable	towns	Analog	Digital

Network as on September 30, 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

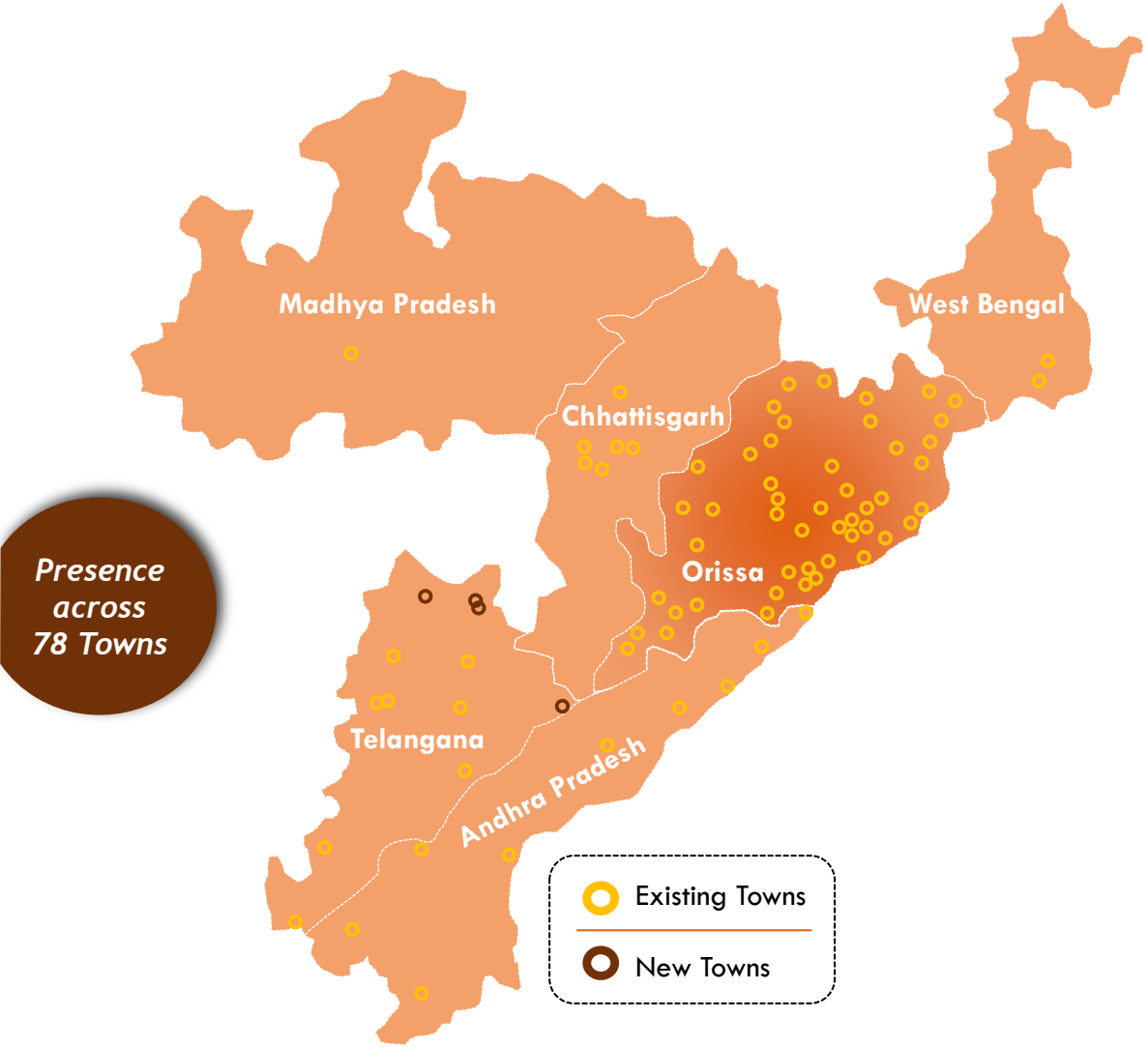
- Analog Cable TV
- Broadband
- Video on Demand (NVoD)
- HD TV
- Digital Cable TV
- Signal Uplinking Services
- Gaming
- Fibre Leasing

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

Growth Strategy

- Deeper penetration in existing geographies and entry into new geographies
- Increased penetration of digital television services
- Increase broadband subscriber base
- Expansion through buyout of network equipments, infrastructure and subscribers of other MSOs and LCOs
- Leasing of fibre infrastructure to corporates

Strong Traction in Markets outside Odisha



Presence across 78 Towns

Total Subscribers	804,889
- Odisha	543,132
- Outside Odisha	261,757
- Ratio	67 : 33
Subscribers added in H1 FY17	
- Odisha	8,005
- Outside Odisha	95,686
- Ratio	8 : 92

Note: *As on June 30, 2016*

- The Company's Local Cable Operator (LCO) buy-out strategy receiving strong response in states of Andhra Pradesh, Telangana, Chhattisgarh and Madhya Pradesh
  - 92% of new subscribers added in H1 FY17 outside Odisha
- Robust growth outside Odisha to continue in FY17 taking the subscriber base to ~35-40% from 33% currently

Establishing strong Multi-State presence

Key Operating Highlights

Particulars	Unit	FY 2015	FY 2016	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17
Total Homes Passed	Nos.	810,414	1,182,132	925,537	1,034,972	1,182,132	1,289,637	1,336,427
Total Subscribers	Nos.	530,111	701,192	571,834	626,475	701,192	770,141	804,889
Subscriber Penetration Ratio	%	65.4%	59.3%	61.8%	60.5%	59.3%	59.7%	60.2%
Inactive Subscribers as a % of Total Subscribers	Nos.	1.7%	1.9%	1.8%	1.9%	1.9%	1.7%	3.0%
Churn Primary %	%	17.7%	19.3%	5.1%	4.7%	5.5%	9.3%	7.6%
Organic Growth %	%	15.3%	24.6%	4.5%	4.6%	11.4%	6.9%	13.2%
Organic Growth (Net of Churn) %	%	-2.4%	5.3%	-0.5%	-0.1%	5.9%	-2.4%	5.7%
Total Cable TV Subscribers	**Nos.**	**471,592**	**628,710**	**508,171**	**558,766**	**628,710**	**692,532**	**725,707**
Broadband Subscribers (Primary)	**Nos.**	**58,519**	**72,482**	**63,663**	**67,709**	**72,482**	**77,609**	**79,182**

Key Operating Highlights (Cont'd.)

Particulars	Unit	FY 2015	FY 2016	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17
Total owned network length*	Kms	49,071	55,535	51,240	53,117	55,535	58,516	61,988
Towns covered	Nos.	48	70	59	67	70	74	78
Analog Cable TV ARPU (Primary)	INR/ Sub/ Month	145	141	143	141	141	141	142
Digital Cable TV ARPU (Primary)	INR/ Sub/ Month	186	178	183	181	178	169	167
Analog + Digital Cable TV ARPU (Primary)	INR/ Sub/ Month	154	151	154	152	151	152	153
Broadband ARPU	INR/ Sub/ Month	394	398	395	396	398	401	406
Average employees	Nos.	891	1,309	1,143	1,331	1,567	1,730	1,742
Per user per month data usage	MB	3,143	3,915	3,433	4,606	4,653	5,329	4,562
Pay Channel cost per cable TV customer	INR/ Sub/ Month	61.1	56.8	63.6	57.1	56.3	50.3	40.6
Pay Channel cost as a % of cable TV subscription	%	43.3%	43.3%	45.9%	43.0%	40.4%	36.0%	29.1%

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

Consolidated Summarized Profit & Loss Statement

Particulars (Rs. million)	H1 2017	H1 2016	Y-o-Y Growth	Q2 FY17	Q2 FY16	Y-o-Y Growth	Q1 FY17	Q-o-Q Growth
Revenues from operations	1,061	864	22.9%	537	458	17.3%	524	2.5%
Other Income	10	49	-78.9%	5	25	-79.0%	5	-2.5%
Total Revenue	1072	913	17.4%	542	482	12.4%	529	2.5%
Total Expenditure	762	581	31.0%	372	310	20.0%	390	-4.8%
- Programming Cost	186	184	1.4%	86	94	-8.5%	100	-13.3%
- Bandwidth Cost (Broadband)*	47	27	78.1%	26	14	83.5%	22	17.1%
- Bandwidth Cost (Digital)	24	1	1895.4%	11	1	1524.9%	13	-11.6%
- Employee Benefit Expenses	122	105	16.3%	60	56	6.8%	62	-3.1%
- Other Expenses	382	265	44.1%	188	144	30.5%	194	-3.0%
EBITDA (Excluding Other Income)	300	282	6.1%	166	148	11.7%	134	23.8%
EBITDA (Including Other Income)	310	332	-6.5%	171	173	-1.2%	139	22.8%
EBITDA margin (Excluding Other Income)	28.2%	32.7%	-13.6%	30.9%	32.4%	-4.8%	25.5%	20.8%
EBITDA margin (Including Other Income)	28.9%	36.3%	-20.4%	31.5%	35.8%	-12.1%	26.3%	19.8%
Finance Costs	125	116	8.1%	63	60	5.2%	62	0.6%
Depreciation and Fixed Assets written off	126	130	-3.6%	65	70	-7.5%	61	6.5%
Amortization Expense	15	19	-24.9%	7	8	-3.8%	7	-1.5%
PBT	**45**	**66**	**-32.5%**	**36**	**36**	**1.1%**	**9**	**320.3%**
PAT	**34**	**53**	**-35.5%**	**25**	**28**	**-10.2%**	**9**	**195.9%**
PAT *Margin*	3.2%	5.8%	-45.0%	4.7%	5.9%	-20.1%	1.6%	188.8%

* 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 Sept. 30, 2016	As on June 30, 2016	As on March 31, 2016	As on March 31, 2015
Assets				
Non-current assets	3,909	3,793	3,361	2,221
Current assets	885	897	1,142	1,520
Total assets	**4,793**	**4,690**	**4,503**	**3,741**
Liabilities				
Shareholders' Funds	1,430	1,405	1,395	1,271
Non-current liabilities	1,316	1,310	1,236	1,080
Current liabilities	2,048	1,976	1,872	1,390
Total Liabilities	**4,793**	**4,690**	**4,503**	**3,741**
CAPEX	439	356	1230	329
Gross Debt	1,802	1,791	1,719	1,448
Net Debt	1,729	1,660	1,430	263
Networth	1,436	1,405	1,395	1,271

Key Financial Ratios

Particulars	FY 2015	FY 2016	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17
Cable TV gross margin*	68%	71%	69%	71%	74%	73%	77%
Broadband gross margin	83%	82%	83%	82%	80%	77%	74%
EBITDA Margin excluding Other Income	34.5%	32.9%	32.4%	34.4%	31.8%	25.5%	30.9%
EBITDA Margin including Other Income	37.0%	35.8%	35.8%	37.3%	33.6%	26.3%	31.5%
PAT Margin	3.5%	6.1%	5.9%	7.7%	5.0%	1.6%	4.6%
Net debt to Equity	0.2	1.0	0.5	0.8	1.0	1.2	1.2
Net Debt to EBITDA (LTM)	0.4	2.0	0.9	1.5	2.0	2.4	2.5
Return on shareholder's equity	7.6%	8.9%	8.6%	11.6%	8.0%	2.5%	7.0%
Return on Capital Employed (pre tax)	13.6%	13.2%	13.6%	14.6%	13.6%	9.0%	12.4%
Receivable Days	43	61	44	49	61	65	81

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 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)	H1 2017	H1 2016	Y-o-Y Growth	Q2 FY17	Q2 FY16	Y-o-Y Growth	Q1 FY17	Q-o-Q Growth
Connection Fees – Cable TV	88	14	542.9%	42	7	494.5%	46	-8.1%
Cable Subscription Fees	574	405	41.6%	297	206	44.4%	277	7.2%
Channel Carriage Fees	171	175	-2.4%	81	97	-16.0%	89	-9.0%
Total Cable TV Services Revenue	**832**	**594**	**40.2%**	**420**	**309**	**35.8%**	**412**	**2.0%**
Connection Fees – Internet	12	13	-12.6%	5	7	-33.0%	7	-24.8%
Internet Subscription Fees	183	144	27.5%	95	74	27.9%	88	7.0%
Total Broadband Services Revenue	**195**	**157**	**24.1%**	**100**	**81**	**22.4%**	**95**	**4.8%**
Income from Infrastructure Leasing	19	99	-80.3%	10	60	-83.5%	10	3.2%
Other operating income	15	14	4.0%	8	7	3.8%	8	0.0%
Total Revenue from Operations	**1,061**	**864**	**22.9%**	**537**	**458**	**17.3%**	**524**	**2.5%**

Region-wise Summarized Statement of Operations

Core Market (Odisha)

Particulars	H1 2017	H1 2016	Y-o-Y Growth	Q2 FY17	Q2 FY16	Y-o-Y Growth	Q1 FY17	Q-o-Q Growth
Total revenues	838	793	5.6%	416	423	-1.6%	422	-1.6%
EBITDA	346	360	NM	174	197	-11.8%	172	0.8%
EBIDTA Margin	41.3%	45.4%	-4.1%	41.8%	46.6%	-4.8%	40.8%	1.0%
Closing Homes Passed	837,042	719,331	117,711	837,042	719,331	117,711	828,453	8,589
Closing Subscribers	543,132	503,882	39,250	543,132	503,882	39,250	546,734	-3,602
Subscribers in pipeline	11,121	22,949	-11828	11,121	22,949	-11828	18,277	-7156

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

Particulars	H1 2017	H1 2016	Y-o-Y Growth	Q2 FY17	Q2 FY16	Y-o-Y Growth	Q1 FY17	Q-o-Q Growth
Total revenues	214	63	237.9%	117	33	252.7%	97	21.5%
EBITDA	1	-27	NM	8	-18	-145.7%	-7	-216.6%
EBIDTA Margin	0.5%	-43.4%	43.9%	6.9%	-53.3%	60.2%	-7.2%	14.1%
Closing Homes Passed	499,385	206,206	293,179	499,385	206,206	293,179	461,184	38,201
Closing Subscribers	261,757	67,952	193,805	261,757	67,952	193,805	223,407	38,350
Subscribers in pipeline	49916	41,741	8175	49916	41,741	8175	47,505	2411

Q2 FY2017 Financial and Operational Discussions (Y-o-Y)

- Total revenues improved by 17% to Rs. 537 million
  - This was led by 36% growth in Cable TV Revenues and 22% growth in Broadband Revenues – both of which reported healthy momentum
- Total expenditure stood at Rs. 372 million
  - Programming cost declined to Rs. 86 million from Rs. 94 million in Q2 FY16
  - Bandwidth cost (digital) increased to Rs. 11 million vis-à-vis Rs. 1 million in Q2 FY16 as a result of higher intercity carrying costs for expansion of digital services
    - The overall impact of bandwidth cost will get neutralized in the forthcoming quarters with increase in digital penetration
  - Employee expenses increased to Rs. 60 million, higher by 7%
  - Other expenses stood higher at Rs. 188 million
- EBITDA (including other income) came in at Rs. 171 million
  - EBITDA Margin stood at 31.5%; margins contracted due to lower execution in infrastructure leasing business
  - Gross Margin for Cable and Broadband segments stood at 77% & 74% respectively
- Profit After Tax stood at Rs. 25 million as compared to Rs. 28 million in the corresponding quarter of last year

Key Developments in Q2 FY2017

- **Steady increase in Subscriber Addition:** During the quarter, the total subscriber additions stood at 34,748, taking the total subscriber base to 804,889 as on September 30, 2016
  - 61,037 subscribers in the pipeline – to be integrated to Company's last mile network in the coming months

- **Turnaround in States outside Odisha:** Non-Odisha states turned EBITDA positive in Q2 FY17; EBITDA to further improve as the subscriber base keeps improving
  - Sustainable opportunity for subscriber base addition in the States of Andhra Pradesh and Telangana
  - About 80% of the new signings have been recorded in the Non-Odisha states

- **Implementation of RIO-based deal with Star India and IndiaCast:** Implemented a deal on the basis of Reference Interconnection Offer (RIO) for Digital Addressable System (DAS) areas on A-La-Carte basis with two major broadcasters
  - Resulted in significant decline in the programming cost, which has a saving of 13% Q-o-Q

Management Comment

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

"We reported steady performance during the quarter led by balanced growth in Cable TV and Broadband revenues. Subscription fees in both the segments jumped by 7% Q-o-Q. More importantly, I am happy to highlight that the overall costs have stabilized with 5% reduction in Total Expenses. This was possible due to management's focus on efficiency and cost rationalisation. During the quarter, we turned EBITDA positive in the emerging markets of Andhra Pradesh, Chhattisgarh, West Bengal, Telengana & Madhya Pradesh. I believe, this is a huge positive for us and I am confident that the operating performance in the emerging markets will further improve as the subscriber base increases.

The road ahead appears encouraging and we remain on track to demonstrate solid performance in times ahead. Full control over the last mile network as well as our strategy of focusing on B2C customers will continue to drive growth for us."

Glossary

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
VoD	Video on Demand
NM	Not Measurable

Conference Call Details

Ortel Communications' Q2 & H1 FY2017 Earnings Conference Call

Time	• 02.00 pm IST on Wednesday, October 26, 2016
Conference dial-in	• Primary number: +91 22 3938 1071 • Secondary number: +91 22 6746 8354
Toll Free Number	• Hong Kong: 800 964 448 • Singapore: 800 101 2045 • UK: 0 808 101 1573 • UK – London: 4420 3478 5524 • USA: 1 866 746 2133 • USA – Los Angeles: 1 323 386 8721

About Us

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, Telengana & 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, Telengana 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:

Ortel Communications Limited
irteam@ortelgroup.com
www.ortelcom.com

Anoop Poojari / Nishid Solanki
CDR India
Tel: +91 22 6645 1211/ 6645 1221
Email: anoop@cdr-india.com
nishid@cdr-india.com