

moserbaer™



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PRESS RELEASE

For Immediate Publication

Moser Baer announces Q1 results Company's gross revenues over Rs. 4950 million

August 01, 2008, New Delhi: Moser Baer India (BSE: MOSERBAER) today released its financial results for the first quarter of FY 2008-09.

Highlights for Q1 include the following:

- Gross revenue of Rs. 4957.9 million, as against Rs. 4,866.3 million in the preceding quarter
- EBITDA for the quarter is Rs. 534.6 million translating into an EBITDA margin of 10.8 per cent
- Net loss of Rs. 1039.8 million, as against a net loss of Rs. 717.2 million in the last quarter of 2007-08. The net loss includes a loss of Rs. 282.7 million on account of the adverse movement of foreign exchange
- The company has reported a continued impetus in the Blu-ray format in the optical media business, with advanced formats, including Blu-ray, accounting for nearly six per cent of revenues
- Shipments grew by 9.3 per cent over the preceding quarter—a likely precursor to an early revival of pricing.

Commenting on the results, Ratul Puri, Executive Director, Moser Baer India, said: "The global economic environment in which we operated was challenging and we had to deal with a number of one-time costs during the quarter. Pricing for optical media after falling for a number of quarters has finally bottomed out. We stand to benefit from our lead technology positioning in Blu-ray, which is emerging as a dominant

optical format. Our photovoltaic and entertainment businesses are poised to deliver significant growth during the current year and our goal is to emerge as a leading global player in both industries.”

Yogesh Mathur, Group Chief Financial Officer, said: “Our cash flow situation continues to be positive with efficient management of working capital aimed at optimising productivity and efficiency. Capex intensity has fallen significantly while productivity has gone up.”

Solar photovoltaic

The first quarter of the year saw the PV business complete capacity expansion:

- From 40MW to 80MW for the crystalline silicon line
- From 20MW to 40MW for the module production line.

The photovoltaic subsidiary has received TUV certification for crystalline silicon modules, which significantly benefits the company’s market position and should result in enhanced revenues. The company signed a long-term contract with the Hamburg-based Colexon Energy AG, a leading system integrator for turnkey solar power plants for the delivery of solar modules of a total of over 130MW until the year 2012.

The photovoltaic subsidiary also successfully commenced production of panels using thin film technology. It is the largest module of its kind in the world manufacturing state-of-the-art Generation 8.5 panels.

Entertainment

Moser Baer’s entertainment business continues to grow at a robust pace. The business continues to acquire home video rights to film content, in the process both growing and consolidating the home video landscape in the country.

- The entertainment business has released about 60 per cent 10,000 home video titles it has acquired across multiple languages
- Acquisition of Sony BMG’s home video catalogue
- Currently the entertainment business has two Hindi and five Tamil films under production. All seven are to be released over the next two quarters.
- Q1 saw the entertainment business consolidating its pan-India distribution presence and increased focus on content aggregation.

About the Company

Moser Baer, headquartered in New Delhi, is a leading global technology company. Established in 1983, the company successfully developed cutting edge technologies to become the world's second largest manufacturer of Optical Storage media like CDs and DVDs. The company also emerged as the first to market the next-generation of storage formats like Blu-ray Discs and HD DVD. Recently, the company has transformed itself from a single business into a multi-technology organisation, diversifying into exciting areas of Solar Energy, Home Entertainment and IT Peripherals & Consumer Electronics.

Through its wholly owned subsidiaries, the company manufactures photovoltaic cells and modules by straddling multiple technologies including crystalline silicon, concentrator, nano technologies and thin films. Moser Baer Entertainment offers home video titles in various Indian languages at unmatched prices and is also engaged in film production and theatrical distribution. The company has also initiated marketing of a series of IT Peripherals and Consumer Electronics gadgets.

Moser Baer has over 7,500 full-time employees and multiple manufacturing facilities in the suburbs of New Delhi.

Website: www.moserbaer.in

Disclaimer

Certain statements in this release concerning future growth prospects involve risks and uncertainties, especially those relating to future industry outlook and our ability to manage growth and intense competition within the Industry. Actual market conditions and our performance may differ from our guidance. This estimate is based on current market trends. Among other factors, a sharp and sustained strengthening of the Indian Rupee and a significant weakening in global demand could adversely impact the company's earnings.

For further information contact

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Moser Baer's Unaudited Standalone Financial Results for the quarter ended June 30, 2008

(Rs. in lakh)

S.No.	Particulars	Quarter ended 30.06.2008	Corresponding Quarter ended 30.06.2007	Previous Accounting Year ended 31.03.2008
		(Unaudited)	(Unaudited)	(Audited)
1	Net Sales / Income from Operations	47,893	46,930	189,979
2	Other Income	1,795	3,098	10,194
3	Total Income (1+2)	49,688	50,028	200,173
4	Expenditure			
	a. (Increase)/Decrease in stock in trade and work in progress	(1,278)	(2,557)	(10,251)
	b. Consumption of raw materials	24,631	25,467	101,526
	c. Purchase of traded goods (including film rights)	2,572	-	5,578
	d. Employees cost	5,191	4,575	18,931
	e. Depreciation/Amortisation	11,536	9,923	43,159
	f. Other expenditure	13,227	7,335	32,987
	g.Total	55,879	44,743	191,930
5	Interest	4,646	4,078	17,936
6	Exceptional items	-	-	1,997
7	Profit (+)/ Loss (-) from Ordinary Activities before tax (3-4-5+6)	(10,837)	1,207	(7,696)
8	Tax expense	(439)	243	195
9	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (7-8)	(10,398)	964	(7,891)
10	Extraordinary Items (net of tax expense)	-	-	-
11	Net Profit (+)/ Loss (-) for the Period (9-10)	(10,398)	964	(7,891)
12	Paid-up equity share capital (Face value:Rs.10/- per share)	16,831	11,186	16,823
13	Reserves excluding revaluation reserves as per balance sheet of previous accounting year			180,132
14	Earnings Per Share: (not annualised)			
	a) Before Extraordinary items			
	- Basic (Rs.)	(6.18)	0.58	(4.70)
	- Diluted (Rs.)	(6.18)	0.57	(4.70)
	b) After Extraordinary items			
	- Basic (Rs.)	(6.18)	0.58	(4.70)

	- Diluted (Rs.)	(6.18)	0.57	(4.70)
15	Public shareholding			
	- Number of shares	140,885,963	93,584,161	140,810,963
	- Percentage of shareholding	83.71	83.66	83.70

Notes:

- 1 There were no outstanding complaints from the shareholders at the beginning of the quarter and all the 19 complaints received from the shareholders during the quarter have been replied to satisfactorily.
- 2 The company is primarily in the business of manufacture and sale of Optical Storage Media. The other activities of the company comprise creation/ replication and distribution of content, sales of consumer electronic products and operation and maintenance of sector specific Special Economic Zone for non-conventional energy. The segment revenues, results and assets of the other activities do not constitute reportable segments under AS-17 and accordingly no disclosure is required.
- 3 During the quarter ended June 30, 2008, 75,000 equity shares of Rs. 10 each fully paid up were issued and allotted pursuant to the exercise of stock options under the Moser Baer India Limited Directors Stock Option Scheme (2004).
- 4 In the Annual General Meeting held on 23rd July, 2008, the shareholders approved payment of dividend @ 10% (Rs 1 per share) for the year 2007-08 amounting to Rs 168,306,104 on 168,306,104 Equity Shares of Rs 10 each.
- 5 During the quarter, the Company established five step down subsidiaries - Admire Energy Solutions Private Limited, Arise Solar Energy Private Limited, Competent Solar Energy Private Limited, Value Solar Energy Private Limited and Pride Solar Systems Private Limited.
- 6 Other expenditure includes loss of Rs. 2,827 lakh on account of currency fluctuation (net). Out of this Rs.1,967 lakh relates to loss in respect of liabilities towards Foreign Currency Convertible Bonds (corresponding quarter ended 30th June, 2007 - Gain of Rs. 1 lakh) and includes increased power and fuel costs of Rs. 1,879 lakh due to increase in price of Heavy Furnace Oil in comparison to corresponding quarter ended 30th June, 2007.
- 7 Figures of the previous period/ year have been regrouped and rearranged wherever necessary.
- 8 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 31, 2008.
- 9 Limited Review: The Limited review by the Statutory Auditors for the quarter as required under clause 41 of the Listing Agreement has been completed and the related report is being forwarded to the Stock Exchanges. The report does not have any impact on the above Results and Notes which need to be explained.

For and on behalf of the Board of Directors of

Moser Baer India Limited

Place: Greater Noida

Date: July 31, 2008

DEEPAK PURI
Managing Director