

moserbaer™



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## **PRESS RELEASE**

For Immediate Publication

# **Moser Baer announces Q2 results**

## **Revenues show year-on-year growth of over 32 per cent**

**October 24, 2008, New Delhi:** Moser Baer India (BSE: MOSERBAER) today released its financial results for the second quarter of FY 2008-09.

Highlights for Q2 include the following:

- Total revenues of Rs. 7,308.6 million for Moser Baer and its PV subsidiaries, a growth of 48.2 per cent over the same quarter last year
- Revenues for Moser Baer India Limited on standalone basis of Rs. 5,923.1 million
- EBITDA for Moser Baer on a standalone basis for the quarter is Rs. 1,363.5 million, translating into an EBITDA margin of 21.4 per cent.

Commenting on the results, Ratul Puri, Executive Director, Moser Baer India, said: “The optical media business is showing signs of a turnaround with market dynamics improving significantly, while the difficult environment in which the business has operated over the last one year has consolidated supply. The cost of raw materials in the petrochemicals chain and fuels had increased substantially over the last one year. However, the prices have now started to correct. The improving demand-supply conditions and substantial cost reduction should drive the business to a significantly improved position over the next few quarters.”

Yogesh Mathur, Group Chief Financial Officer, said: “Our photovoltaic business has substantially grown and achieved revenues of Rs. 1,385.5 million this quarter. The business raised significant equity funding from global investors during the quarter and we have also announced firm sales orders from European customers.”

## **Optical Media**

Following are Q2 Highlights:

- The optical media industry is showing signs of a turnaround with improving demand-supply position
- There are positive indications of the industry licensing issue being resolved and that will have a positive impact on the remaining FY09 quarters
- Share of high value added media and Blu-ray formats rose to 7.5 per cent of revenues.

## **Solar photovoltaic**

The second quarter of the year saw the PV business stride along rapidly:

- Revenues for the photovoltaic business grew to Rs. 1,385.5 million from Rs. 432.5 million in the preceding quarter
- The business raised capital in excess of Rs. 415 crore from a consortium of global investors to fund capacity expansion of crystalline silicon and thin film solar verticals. In all, the PV business has raised more than Rs. 800 crore of private funding
- The wholly owned PV subsidiary signed firm take or pay customer orders worth over \$500 million with large European solar system integrators.
- Orders placed for next generation high efficiency crystalline silicon line of 100 MW.

## **Entertainment**

Moser Baer’s entertainment business continues to consolidate and grow the home video landscape in India and establishing itself as a home video specialist. The business continues to show robust growth with the deepening of distribution network and the release of catalogue titles. Alternative channels of distribution are growing rapidly.

*Note: During the quarter, Moser Baer has adopted AS-30 (Accounting Standard 30 titled 'Financial Instruments: Recognition and Measurement') as a sound corporate governance measure to mitigate the volatility in exchange fluctuation on the company's financial statements.*

## **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 8,500 full-time employees and multiple manufacturing facilities in the suburbs of New Delhi.

Website: [www.moserbaer.in](http://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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**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE  
QUARTER ENDED SEPTEMBER 30, 2008**(Rs. in  
lakh)

S.No.	Particulars	Quarter ended 30.09.2008	Corresponding Quarter ended 30.09.2007	Year to date figures for current period ended 30.09.2008	Year to date figures for the previous year ended 30.09.2007	Previous Accounting Year ended 31.03.2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	a. Net Sales / Income from Operations	59,231	44,779	107,124	91,708	189,979
	b. Other Operating Income	4,364	2,971	5,214	5,627	6,423
2		<b>63,595</b>	<b>47,750</b>	<b>112,338</b>	<b>97,335</b>	<b>196,402</b>
	<b>Expenditure</b>					
	a. (Increase)/Decrease in stock in trade and work in progress	(530)	(6,763)	(1,808)	(9,320)	(10,251)
	b. Consumption of raw materials	29,813	25,449	54,444	50,728	101,526
	c. Purchase of traded goods/ rights	5,557	1,176	8,129	1,364	5,578
	d. Employees cost	6,006	4,734	11,197	9,309	18,931
	e. Depreciation/Amortisation	12,000	10,564	23,536	20,487	43,159
	f. Other expenditure	9,114	8,747	22,341	16,083	32,987
	<b>g.Total</b>	<b>61,960</b>	<b>43,907</b>	<b>117,839</b>	<b>88,651</b>	<b>191,930</b>
3	<b>Profit (+)/ Loss (-) from Operations before Other Income, Interest and Exceptional Items</b>	<b>1,635</b>	<b>3,843</b>	<b>(5,501)</b>	<b>8,684</b>	<b>4,472</b>

4	Other Income	703	1,283	1,648	1,726	3,771
5	<b>Profit (+)/ Loss (-) before Interest and Exceptional Items (3+4)</b>	<b>2,338</b>	<b>5,126</b>	<b>(3,853)</b>	<b>10,410</b>	<b>8,243</b>
6	Interest	6,727	4,645	11,373	8,723	17,936
7	<b>Profit (+)/ Loss (-) after Interest but before Exceptional Items (5-6)</b>	<b>(4,389)</b>	<b>481</b>	<b>(15,226)</b>	<b>1,687</b>	<b>(9,693)</b>
8	Exceptional items	-	-	-	-	1,997
9	<b>Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)</b>	<b>(4,389)</b>	<b>481</b>	<b>(15,226)</b>	<b>1,687</b>	<b>(7,696)</b>
10	Tax expense	(205)	154	(644)	397	195
11	<b>Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)</b>	<b>(4,184)</b>	<b>327</b>	<b>(14,582)</b>	<b>1,290</b>	<b>(7,891)</b>
12	Extraordinary Item (net of tax expense)	-	-	-	-	-
13	<b>Net Profit (+)/ Loss (-) for the period (11-12)</b>	<b>(4,184)</b>	<b>327</b>	<b>(14,582)</b>	<b>1,290</b>	<b>(7,891)</b>
14	<b>Paid-up equity share capital</b> (Face value:Rs.10/- per share)	16,831	16,798	16,831	16,798	16,823
15	<b>Reserves excluding revaluation reserves as per balance sheet of previous accounting year</b>					180,132
16	<b>Earnings Per Share: (not annualised)</b>					
	<b>a) Before Extraordinary items</b>					
	- Basic (Rs.)	(2.49)	0.19	(8.66)	0.77	(4.70)
	- Diluted (Rs.)	(2.49)	0.19	(8.66)	0.76	(4.70)
	<b>b) After Extraordinary items</b>					
	- Basic (Rs.)	(2.49)	0.19	(8.66)	0.77	(4.70)
	- Diluted (Rs.)	(2.49)	0.19			(4.70)

17	<b>Public shareholding</b>			(8.66)	0.76	
	- Number of shares	140,885,963	140,557,313	140,885,963	140,557,313	140,810,963
	- Percentage of shareholding	83.71	83.68	83.71	83.68	83.70

**Notes:**

- 1 During the current quarter, the Company has adopted Accounting Standard 30- Financial Instruments- Recognition and Measurement (AS 30) w.e.f. April 1, 2008. As per the transitional provisions of AS-30, the Company has adjusted the gain (net of tax expense) resulting from the application of the standard at April 1, 2008 against opening balance of revenue reserves and impact relating to the previous quarter Rs.1,855 lacs has been credited to the profit and loss account for the current quarter. Further, principles of hedge accounting as set out in AS 30 have been adopted w.e.f. July 1, 2008 and accordingly, in respect of non-derivative financial liabilities which qualify for hedge accounting, the net unrealized loss aggregating Rs. 7,850 lacs has been accounted for as a Hedging Reserve to be ultimately recognized in the profit and loss account when the underlying transaction arises, as against the earlier practice of recognizing the same in the profit and loss account, on valuation at the end of each period. Derivative Instruments that have not been designated in a hedging relationship and those which do not qualify for hedge accounting are recorded at fair value at the reporting date and the resultant gain of Rs. 381 lacs has been adjusted to expenditure in the profit and loss account for the quarter.
- 2 Other expenditure includes increase in price of Heavy Furnace Oil in comparison to corresponding quarter ended 30th September, 2007 Rs. 3,420 lacs.
- 3 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.
- 4 There were no outstanding complaints from the shareholders at the beginning of the quarter and all the 34 complaints received from the shareholders during the quarter have been replied to satisfactorily.
- 5 During the quarter, the shareholders of the Company approved the sale of the entertainment business on an ongoing concern basis to Moser Baer Entertainment Limited, a wholly owned subsidiary of the Company.
- 6 During the quarter, Lumen Engineering Private Limited became a subsidiary of the Company.
- 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 October 24, 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: New Delhi  
Date: Oct 24, 2008

**DEEPAK PURI**  
**Managing Director**