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PRESS RELEASE

For Immediate Publication

Moser Baer reports Q3 Revenues of Rs 534.85 crore 3.8% higher than Q3 of FY'07; 9% growth over Q2 of FY'08

New Delhi, 31 January 2008:

Moser Baer India Limited, the global technology major, today announced its Financial Results for the third quarter of FY '08 ending 31st December, 2007.

Gross revenue in Q3 of FY '08 stood at INR 5348.5 million showing an increase of 3.8% over Q3 of FY '07 and 9% sequentially over the previous quarter of the current fiscal, driven by higher production and shipments. However, in wake of the pricing pressures in the global optical media industry, the company's margins were adversely affected.

EBITDA for the quarter stood at INR 1189.8 million compared to INR 1633.8 million in Q3 of FY '07. EBITDA margin stood at 22.2 % in Q3 of FY '08, compared to 31.7% in the corresponding period in FY '07.

Cash Profit stood at INR 874.5 million for Q3 of FY' 08 and at INR 3092.0 million for the YTD.

The company registered a Net Loss after tax of INR 204.5 million as against a Net Profit after tax of INR 376.2 million recorded in Q3 of FY '07.

According to **Ratul Puri, Executive Director, Moser Baer India**, "Presently, the optical media industry is facing challenging times. However, the fundamentals of the optical media business remain unchanged. Customer demand remains unabated and incremental growth will be driven by next-generation formats such as Blu-Ray in which we have technological leadership."

"In the last quarter and the year so far, Moser Baer has pursued an aggressive strategy in order to grow volumes, consolidate the market and improve industry's operating landscape in the long term. Also, as our new businesses achieve size and scale, they are expected to add significantly to consolidated revenues," he added.

Yogesh Mathur, Group CFO, Moser Baer India said, "Rupee appreciation continues to be a matter of concern for us and we have implemented short-term hedging strategies to mitigate the risk. The optical media business continues to generate gross cash to sustain our aggressive strategy. In the PV business, we had set up a unique line with world-class equipment, design and technology and aimed to establish new benchmarks of operating parameters. That objective has been effectively met within a short time. The business has now achieved operational scale and is increasingly being funded independently, thereby reducing dependence on MBIL. The Home Entertainment business has become profitable in less than a year of operations."

PV Business- Update & Outlook

In less than two quarters of operation, Moser Baer met its objectives of setting up a fully automated, highly efficient crystalline silicon line with 40MW of capacity. This initial line has undergone extensive trials and achieved stable yields of over 95%; achieving global benchmarks in cell efficiencies. Capacity will be expanded to 80 MW as planned by the end of next quarter. The production of Solar Modules has also commenced and the production capacity is being expanded to 60 MW. Proprietary cell packaging has also been introduced. The Thin Film facility is nearing completion with pilot production expected by Q1 of FY'09.

The business has tied up significant customer orders and MoUs. The Indian opportunity remains a significant growth driver. Additionally, the announced Feed-in tariff Subsidy of Rs. 12/unit announced by Government of India to solar power plants will further incentivise the growth of solar installations in the country. Starting from a proposed 5 MW grid connected solar farm in Rajasthan. MBPV aims to garner a significant share of the initial 50 MW capacity eligible for subsidy at present.

The Capital subsidy announced under the Semi Conductor Policy provides an opportunity to increase Project ROE by 100%.

Home Entertainment Business- Update & Outlook

The Home Entertainment business achieved breakeven in less than 12 months of operation. The division is on track to achieve revenues of USD 45-50 million for FY '08. Increasing emphasis on new title releases should help give further impetus to the growth of the business. The recent example being launch of 'Jab We Met' which received overwhelming response from consumers.

Even as a pan-India distribution ramp up continues, the aim is to acquire a significant number of new titles going forward. Selective projects on content development are moving towards revenue generation in the forthcoming quarters.

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 6,000 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.

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Results at a Glance (to follow)

MOSER BAER INDIA LIMITED

Registered Office: 43-B, Okhla Industrial Estate Phase-III, New Delhi - 110 020

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2007

(Rs. in million)

S.N.	Particulars	Quarter Ended		Year to date figures for the		Previous Accounting Year ended 31.03.2007
		31.12.2007	31.12.2006	Current Period ended 31.12.2007	Previous Period ended 31.12.2006	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
1	Net Sales / Income from Operations	5,116.55	5,015.23	14,287.37	14,568.99	19,824.73
2	Other Income	232.03	135.02	967.36	594.69	787.71
3	Total Income (1+2)	5,348.58	5,150.25	15,254.73	15,163.68	20,612.44
4	Expenditure					
	a. (Increase)/Decrease in stock in trade and work in progress	51.95	(290.50)	(880.09)	(622.34)	(626.32)
	b. Consumption of raw materials, stores and packing material	2,633.34	2,664.05	7,706.17	8,069.30	10,675.51
	c. Purchase of traded goods	178.27	-	314.72	-	73.11
	d. Employees cost	513.46	372.61	1,444.33	1,049.66	1,439.27
	e. Depreciation (includes amortisation)	1,088.26	906.19	3,136.92	2,649.36	3,578.70
	f. Other expenditure	781.79	770.34	2,390.06	2,370.76	3,028.81
	g.Total Expenditure	5,247.07	4,422.69	14,112.11	13,516.74	18,169.08
5	Interest	473.21	307.13	1,345.46	896.59	1,244.85
6	Exceptional items	157.89	-	157.89	-	-
7	Profit/ (Loss) from Ordinary Activities before tax (3-4-5+6)	(213.81)	420.43	(44.95)	750.35	1,198.51
8	Tax expense	(9.31)	44.19	30.42	49.67	100.64
9	Net Profit/ (Loss) from Ordinary Activities after tax (7-8)	(204.50)	376.24	(75.37)	700.68	1,097.87
10	Extraordinary Items (net of tax expense)	-	-	-	-	-
11	Net Profit/ (Loss) for the Period (9-10)	(204.50)	376.24	(75.37)	700.68	1,097.87
12	Paid-up equity share capital (Face value:Rs.10/- per share)	1,681.80	1,115.13	1,681.80	1,115.13	1,116.01
13	Reserves excluding revaluation reserves as per balance sheet of previous accounting year					19,852.17
14	Earnings Per Share: (not annualised)					
	a) Before Extraordinary items					
	- Basic (Rs.)	(1.22)	2.25	(0.45)	4.19	6.56
	- Diluted (Rs.)	(1.21)	2.25	(0.45)	4.19	6.52

	b) After Extraordinary items					
	- Basic (Rs.)	(1.22)	2.25	(0.45)	4.19	6.56
	- Diluted (Rs.)	(1.21)	2.25	(0.45)	4.19	6.52
15	Public shareholding					
	- Number of shares	140,760,263	93,233,350	140,760,263	93,233,350	93,321,090
	- Percentage of shareholding	83.69	83.61	83.69	83.61	83.62

Notes:

1. There were no outstanding complaints from the shareholders at the beginning of the quarter and all the 13 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 December 31, 2007, 202,950 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 Employees Stock Option Scheme (2004).
4. Exceptional item represents the resultant profit from the sale, during the quarter, of equity shares of Moser Baer Photo Voltaic Limited (a subsidiary of the Company), pursuant to restructuring plans for achieving administrative and operating synergies. Also, during the quarter, Moser Baer Projects Private Limited became a subsidiary of the Company.
5. Figures of the previous period/ year have been regrouped and rearranged wherever necessary.
6. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 31, 2008.

For and on behalf of the Board of Directors of
Moser Baer India Limited

Place: New Delhi
Date: January 31, 2008

DEEPAK PURI
Managing Director