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NEWS RELEASE

For Immediate Publication

Moser Baer announces Q3 results

Revenues rise to Rs. 655 crore; 35 per cent growth in advanced optical media formats

January 30, 2009, New Delhi: Moser Baer India (BSE: MOSERBAER) today released its financial results for the third quarter of FY 2008-09.

Highlights for Q3 include the following:

- Revenues for Moser Baer India Limited rise to Rs. 655 crore, as against Rs. 636 crore in the previous quarter
- EBITDA for Moser Baer on a standalone basis recovers strongly and stands at Rs. 158 crore, translating into an EBITDA margin of 24 per cent
- Strong cash flow from operations of Rs. 149 crore
- 35 per cent growth in advanced optical media formats; spurt in blu-ray shipments.

Commenting on the results, Ratul Puri, Executive Director, Moser Baer India, said: “There are many positives for us this quarter. Market dynamics and the environment in which the optical media business has been operating have improved significantly with input prices softening. We will continue to reap the benefit of the fall in prices of commodity-based raw materials and fuel in the next couple of quarters. With high definition drive prices falling, our focus on the blu-ray technology is starting to pay off. However, we need to watch the emerging global economic environment globally.”

Yogesh Mathur, Group Chief Financial Officer, said: “It’s been a stable quarter for Moser Baer. The reduction in inventory build-up is a good sign, while capex remains judicious and that is likely to remain the trend going forward. While the global meltdown has impacted solar markets worldwide, key industry variables continue to be strong. Global energy demand is rising and solar costs are expected to start achieving grid parity in the next couple of years.”

Optical Media

Following are Q3 Highlights:

- Capacity is now consolidated and this should in the long term help the industry reach demand-supply equilibrium
- Share of high value-added media registers a 35 per cent quarter-on-quarter growth
- Blu-ray drive prices are expected to breach the \$200 barrier, which will provide further impetus to sales
- DVD-R's share goes up significantly, as CD-R demand starts to taper.

Solar photovoltaic

The third quarter of the year threw up challenges for the photovoltaic business:

- Demand for solar panels was subdued due to global solar farm projects suffering delays in achieving financial closure. However, the industry is well-poised to recover and grow rapidly once the pressure on liquidity has eased off
- A state-of-the-art 40MW capacity thin film line was readied for production at Moser Baer Photovoltaic's Greater Noida plant
- Work on another 65MW capacity tandem junction thin film line, also in Greater Noida, on track with facility construction completed ahead of schedule.

Entertainment

Moser Baer's entertainment business added and released premium content after signing an exclusive home video licensing agreement with UTV Motion Pictures, gaining all domestic home video rights, including rental rights, to 25 premium UTV films. Some premium films MBEL released during the quarter include: *A Wednesday*, *Mumbai Meri Jaan*, *Welcome to Sajjanpur*, *Fashion* and *Kismat Konnection*. The deepening of MBEL's distribution network was another highlight of the quarter. The business also launched Super DVDs—products with multiple films on one disc—to further expand volumes and give customers a legitimate and good quality product.



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.

Moser Baer has over 8,500 full-time employees and multiple manufacturing facilities in the suburbs of New Delhi.

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**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE
QUARTER ENDED DECEMBER 31, 2008**

(Rs. in
Lacs)

	Particulars	Quarter ended 31.12.2008	Corresponding Quarter ended 31.12.2007	Year to date figures for current period ended 31.12.2008	Year to date figures for the previous year ended 31.12.2007	Previous Accounting Year ended 31.03.2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	a. Net Sales / Income from Operations	63,931	51,165	171,056	142,874	189,979
	b. Other Operating Income	1,593	1,244	6,807	6,871	6,423
		65,524	52,409	177,863	149,745	196,402
2	Expenditure					
	a. (Increase)/Decrease in stock in trade and work in progress	2,664	519	856	(8,801)	(10,251)
	b. Consumption of raw materials	29,424	26,333	84,096	77,062	101,526
	c. Purchase of traded goods/ rights	4,261	1,783	12,391	3,147	5,578
	d. Employees cost	6,009	5,135	17,159	14,443	18,931
	e. Depreciation/Amortisation	12,008	10,883	35,544	31,369	43,159
	f. Other expenditure	8,318	7,818	30,478	23,901	32,987
	g.Total	62,684	52,471	180,524	141,121	191,930
3	Profit (+)/ Loss (-) from Operations before Other Income, Interest and Exceptional Items	2,840	(62)	(2,661)	8,624	4,472
4	Other Income	914	1,077	2,562	2,802	3,771
5	Profit (+)/ Loss (-) before Interest and Exceptional Items (3+4)	3,754	1,015	(99)	11,426	8,243
6	Interest	6,430	4,732	17,803	13,455	17,936
7	Profit (+)/ Loss (-) after Interest but before Exceptional Items (5-6)	(2,676)	(3,717)	(17,902)	(2,029)	(9,693)

8	Exceptional items	-	1,579	-	1,579	1,997
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	(2,676)	(2,138)	(17,902)	(450)	(7,696)
10	Tax expense	(111)	(93)	(755)	304	195
11	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	(2,565)	(2,045)	(17,147)	(754)	(7,891)
12	Extraordinary Item (net of tax expense)	-	-	-	-	-
13	Net Profit (+)/ Loss (-) for the period (11-12)	(2,565)	(2,045)	(17,147)	(754)	(7,891)
14	Paid-up equity share capital (Face value:Rs.10/- per share)	16,831	16,818	16,831	16,818	16,823
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year					180,132
16	Earnings Per Share: (not annualised)					
	a) Before Extraordinary items					
	- Basic (Rs.)	(1.52)	(1.22)	(10.19)	(0.45)	(4.70)
	- Diluted (Rs.)	(1.52)	(1.22)	(10.19)	(0.45)	(4.70)
	b) After Extraordinary items					
	- Basic (Rs.)	(1.52)	(1.22)	(10.19)	(0.45)	(4.70)
	- Diluted (Rs.)	(1.52)	(1.22)	(10.19)	(0.45)	(4.70)
17	Public shareholding					
	- Number of shares	140,885,963	140,760,263	140,885,963	140,760,263	140,810,963
	- Percentage of shareholding	83.71	83.69	83.71	83.69	83.70

Notes:

- 1 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.
- 2 There were no outstanding complaints from the shareholders at the beginning of the quarter and all the 18 complaints received from the shareholders during the quarter have been replied to satisfactorily.
- 3 The company, on 3rd January 2009, received an order from the Income Tax Department for AY 2005-06, raising a demand of Rs. 521.41 Millions mainly on account of transfer pricing adjustments. As per the opinion received from the company's counsel the adjustments are not sustainable, both on facts and merit and accordingly no provision is necessary. The Company is proceeding with the requisite rectification and appeal and does not anticipate any cash out flow.
- 4 The Company is awaiting receipt of all required consents and approvals to enable it to transfer its existing

Home Entertainment business to its subsidiary Moser Baer Entertainment Limited (MBEL) by executing the requisite business transfer agreement. Till such time, MBEL has been appointed as a super distributor 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 30, 2009.
- 7 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: Jan 30, 2009

RATUL PURI
Executive Director