

NEWS RELEASE

For Immediate Publication

Moser Baer announces Q1 results

- **Gross revenues up 13.8 per cent year-on-year; net profit at Rs. 2.8 crore**
- **Strong optical storage media margins and cashflows**

New Delhi, July 30, 2009: Moser Baer India Limited today released its financial results for the first quarter of FY 2009-10. The company's Board of Directors, at its meeting in New Delhi, approved the financial results for the quarter ended June 30, 2009.

Highlights include:

- Net profit at Rs. 2.8 crore, as against a loss of Rs. 104 crore in the corresponding quarter last year.
- Settlement of long standing legal dispute with Philips, which should benefit the company's customers and create stability in the optical storage media market.
- EBITDA margin for Moser Baer is at 30.1 per cent, as against 15.8 per cent in the preceding quarter and 9 per cent in the corresponding quarter of the previous year.
- Gross revenues of nearly Rs. 555 crore, up 13.8 % against the same quarter last year.

Commenting on the results, Ratul Puri, Executive Director, Moser Baer India, said: "Our positive bottom line reflects the return of the core optical storage business to profitability. Prospects for the optical media business are bright with the amicable settlement of the IPR-related issues with Philips, which paves the way for us to maintain and strengthen our market leadership position and enables us to serve our customers better. On the solar photovoltaic side of the business, we will continue with our expansion plans but will bring these plans in line with the current and emerging global scenario in which the sector is experiencing a temporary slowdown. However, we remain committed to the long-term success and viability of PV and the critical global need for low cost renewable energy."

Yogesh Mathur, Group Chief Financial Officer, said: “Costs remain stable at the competitive levels reached early this year in the optical storage media business. Also, the continuing stable environment in terms of costs, margins and cashflows are all strong positives for Moser Baer. With the entertainment business we are in a period of consolidation and our consumer products business continues to see new launches, such as the recent range of LCD televisions.”

Following are business segment-wise highlights:

Optical Media

- The business stays profitable and is expected to show improvement as we head into the traditional stronger second half.
- Moser Baer confidential settlement agreement with Philips ends a series of disputes in multiple jurisdictions pertaining to recordable CDs and DVDs. The settlement reached provides resolution of all claims and counterclaims without any admission of liability or wrongdoing by either party.
- EBITDA margin at 28 per cent (net of non-operating expenses).
- Input costs, including key raw material and fuel costs, have softened considerably due to the weak commodity cycle.
- Interest costs under control as net debt repayment process commences and with improved cash flow position and working capital optimization.
- Margin improvement and upgradation in product profile will continue to have a positive impact on business performance.
- The business will continue to build its capabilities in the next generation Blu-ray platform with minimal capex, driving the company to a debt-free status.

Solar photovoltaic

- Moser Baer Photovoltaic has obtained UL certification, which opens up the US market for the company.
- Demand for PV continues to be affected by the lack of availability of bank credit in key European markets, prompting all major solar photovoltaic manufacturers globally to scale down demand estimates for 2009 and rationalise expansion plans.
- Countries continue to implement solar-friendly incentive and feed-in tariff programmes, making recovery of the industry imminent.
- Moser Baer will continuously bring the cost down and improve efficiency, allowing the company to profitably lower module prices and drive growth

- Recent developments in the Indian market are clearly boosting the short term significance of the Indian market; the PV business expects to see key orders closing for Indian solar farm projects soon.

Entertainment

- Content acquisition cost remains high despite industry slowdown; Moser Baer, however, released a series of films on home video
- Moser Baer released its home production *Sankat City* to rave critical reviews and enthusiastic box-office reception
- The Super DVD product contributed over 35 per cent to the volumes, further cementing our status as the company which is leading industry-wide efforts to beat back film piracy
- During the current financial year the company expects to complete the process of moving the entertainment business to its wholly owned subsidiary Moser Baer Entertainment Limited.

Note for Editors:

Underwriters Laboratories (UL) is an independent product safety certification organization based in the United States. It is also considered the leading product certification body in the renewable and alternative energy industry.

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. 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 and Consumer Electronics.

Moser Baer has multiple manufacturing facilities in the suburbs of New Delhi.

Website: www.moserbaer.com

For further information contact

Monica Srivastava (msrivastava@corvoshandwick.co.in)
Corporate Voice | Weber Shandwick
+91-11-40501240 | +91-9899045863

Financial Results on the next page

MOSER BAER INDIA LIMITED

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2009

(Rs. in Lacs)

S.No	Particulars	Quarter ended 30.06.2009	Corresponding Quarter ended 30.06.2008	Previous Accounting Year ended 31.03.2009
		(Unaudited)	(Unaudited)	(Audited)
1	a. Net Sales / Income from Operations	47,210	47,893	218,110
	b. Other Operating Income	8,256	850	10,835
	Net Sales / Income from Operations	55,466	48,743	228,945
2	Expenditure			
	a. (Increase)/Decrease in stock in trade and work in progress	(3,312)	(1,278)	(1,955)
	b. Consumption of raw materials	21,437	24,631	108,377
	c. Purchase of traded goods/ rights	2,869	2,572	15,208
	d. Employees cost	5,807	5,191	22,280
	e. Depreciation/Amortisation	12,915	11,536	49,714
	f. Other expenditure	11,947	13,227	43,279
	g.Total	51,663	55,879	236,903
3	Profit (+)/ Loss (-) from Operations before Interest and Exceptional Items	3,803	(7,136)	(7,958)
4	Other Income	874	945	3,546
5	Profit (+)/ Loss (-) before Interest and Exceptional Items (3+4)	4,677	(6,191)	(4,412)
6	Interest	4,853	4,646	20,532
7	Profit (+)/ Loss (-) after Interest but before Exceptional Items (5-6)	(176)	(10,837)	(24,944)
8	Exceptional items	452	-	9,103
9	Profit (+)/ Loss (-) before tax (7+8)	276	(10,837)	(15,841)
10	Tax expense	-	(439)	(753)
11	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	276	(10,398)	(15,088)
12	Extraordinary Item (net of tax expense)	-	-	-
13	Net Profit (+)/ Loss (-) for the period (11-12)	276	(10,398)	(15,088)

14	Paid-up equity share capital (Face value:Rs.10/- per share)	16,831	16,831	16,831
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year			151,507
16	Earnings Per Share: (not annualised)			
	a) Before Extraordinary items			
	- Basic (Rs.)	0.16	(6.18)	(8.96)
	- Diluted (Rs.)	0.16	(6.18)	(8.96)
	b) After Extraordinary items			
	- Basic (Rs.)	0.16	(6.18)	(8.96)
	- Diluted (Rs.)	0.16	(6.18)	(8.96)
17	Public shareholding			
	- Number of shares	140,885,963	140,885,963	140,885,963
	- Percentage of shareholding	83.71	83.71	83.71
18	Promoters and promoter group shareholding			
	a) Pledged/Encumbered			
	- Number of shares	3,379,626	NA	3,379,626
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	12.33	NA	12.33
	- Percentage of shares (as a % of the total share capital of the company)	2.01	NA	2.01
	b) Non encumbered shares	24,040,515	NA	24,040,515
	- Number of shares			
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	87.67	NA	87.67
	- Percentage of shares (as a % of the total share capital of the company)	14.28	NA	14.28

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 3 complaints received from the shareholders during the quarter have been replied to satisfactorily.
- 3 The company recently announced the signing of a confidential settlement agreement with Phillips ending a series of disputes in multiple jurisdictions pertaining to recordable CDs and DVDs. This settlement has no impact on the results of the company
- 4 The company also entered into a licensing agreement with Phillips for payment of license fees on recordable CDs and DVDs with effect from January 1st, 2009, the impact of which has been considered in the results for the quarter ended June 30, 2009.

- 5 The Finance (No.2) Bill 2009, which was introduced in the Parliament on July 06, 2009 has proposed to abolish Fringe Benefit Tax. This Bill was passed by the Lok Sabha on July 27, 2009. Consequently no Fringe Benefit Tax has been provided in the current quarter.
- 6 No provision has been made for MAT under section 115 JB of the Income Tax Act, 1961 as the company expects to avail MAT credit in the future.
- 7 The exceptional item comprises net gains amounting to Rs 452 lacs against repurchase of Foreign Currency Convertible Bonds (FCCBs), as permitted by the Reserve Bank of India and intimated to the stock exchanges during the quarter.
- 8 Other operating income includes profit on cancellation of forward contracts Rs. 6,147 lacs and prior period income of Rs. 500 lacs.
- 9 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 30, 2009.
- 10 Figures of the previous period/ year have been regrouped and rearranged wherever necessary.
- 11 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: July 30, 2009

DEEPAK PURI
Chairman and Managing
Director