

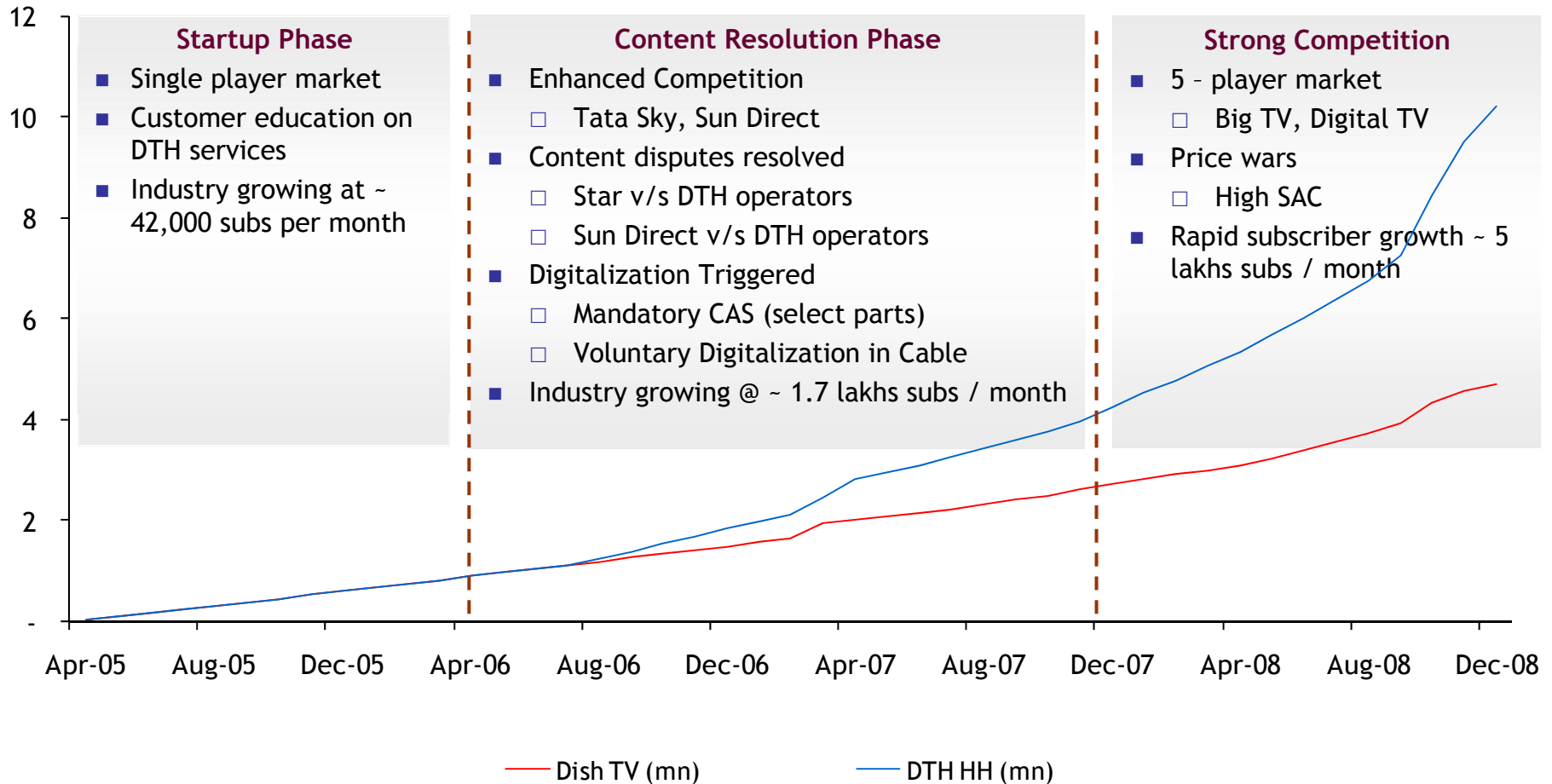
# DISH TV India Ltd

## Investor Presentation Q3FY09

DTH Industry

Dish TV - Operating and Financial Performance

Subs (In Mn.)



**Competition driving growth → 10 mn subs (Dec 2008)**

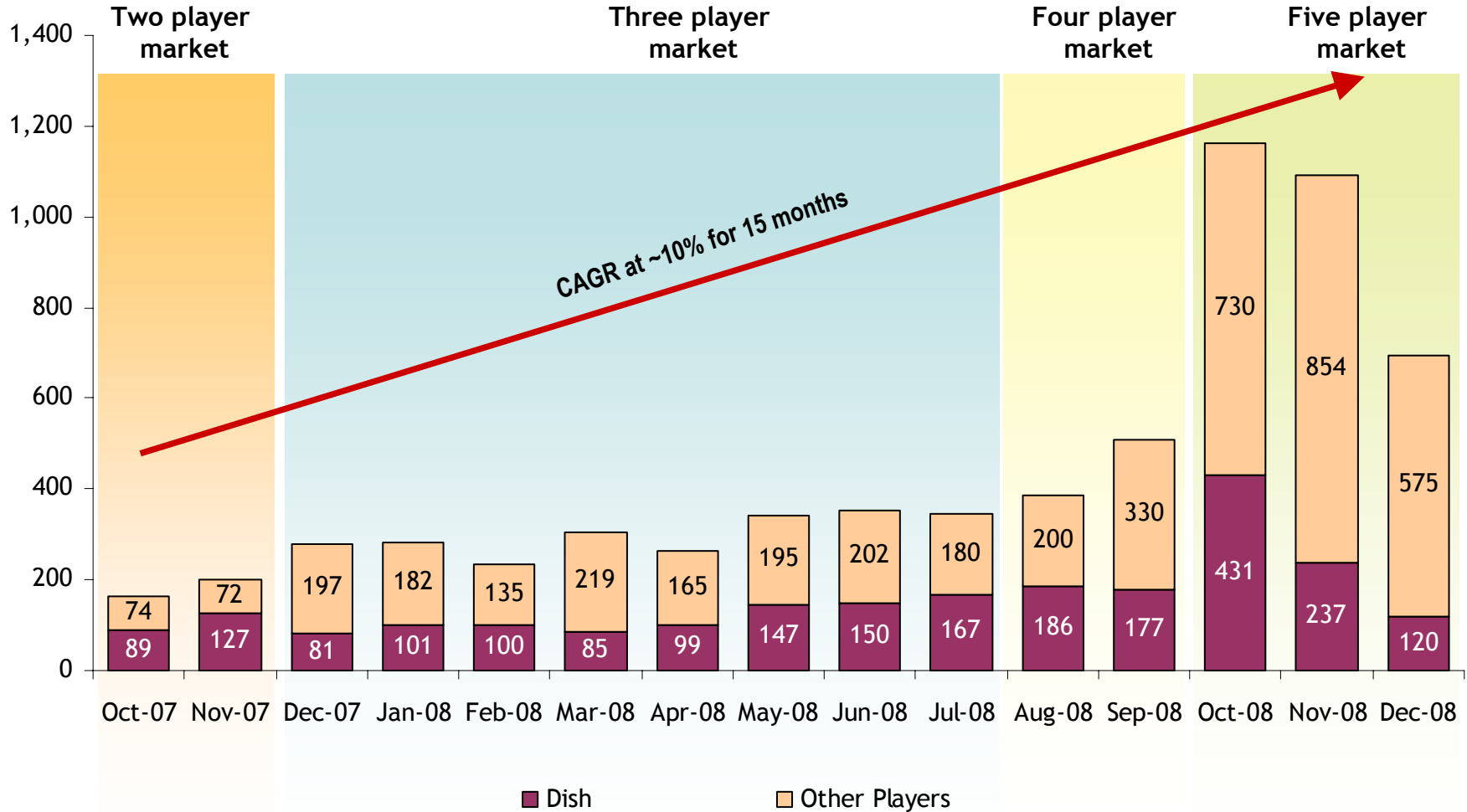
Y/E Mar	2008	2009E	2010E	2012E	2015E
HHs in India (mn)	221	226	232	245	266
TV HHs (mn)	125	134	143	161	191
C&S HHs (mn)	77	82	87	97	116
Additional Subscribers in Multi-TV HHs (mn)	3	5	7	12	22
Total C&S Subscribers (mn)	80	87	94	109	138
Analogue Cable HHs (mn)	67	66	58	49	35
DTH HHs (mn)	7	11	21	35	57
Digital Cable HHs (mn)	6	10	15	25	45

**DTH HHs estimated to reach ~ 57 mn by end of 2015**

# Trends in Subscriber Additions



in '000s



# Competitive Landscape



	Dish	Tata sky	Sun Direct	Big TV	Digital TV
Subscribers (million)	4.7	5.5			
Geographical spread (no. of towns)	*****	***	**	**	*
Distributors	*****	***	**	*****	*
Dealer Network	*****	***	**	*****	**
Subscriber Acquisition Strategy	<ul style="list-style-type: none"> <li>■ Bundled → Free STB + subscription packs</li> <li>■ Bundled → charged STB + subscription pack</li> <li>■ Standalone charged STB</li> </ul>	<ul style="list-style-type: none"> <li>■ Bundled Basic → charged STB + subscription packages</li> <li>■ Bundled Value-Added → higher cost STB + subscription packages</li> </ul>	<ul style="list-style-type: none"> <li>■ Bundled → Free STBs + subscription packs</li> </ul>	<ul style="list-style-type: none"> <li>■ Standalone charged STB</li> <li>■ Standalone subscription packs</li> <li>■ Bundled → STB + subscription pack</li> </ul>	<ul style="list-style-type: none"> <li>■ Bundled → charged STB + subscription packs</li> </ul>
Technology	MPEG2 S1	MPEG2 S1	MPEG4 S1	MPEG4 S1	MPEG4 S2

Source: Company, websites

# Competitive Landscape



	Dish	Tata sky	Sun Direct	Big TV	Digital TV
<b>Channels tie ups</b>	182 channels	145 channels	164 channels	153 channels	138 channels
<b>Services</b>	40 services	19 services	29 services	54 services	32 services
<b>Content Strategy</b>	<ul style="list-style-type: none"> <li>■ All major entertainment/niche channels</li> <li>■ Subscriber packs with popular channels offering + tailor made add-on packages to enhance ARPU</li> </ul>	<ul style="list-style-type: none"> <li>■ All major entertainment channels + value added services eg. VAS (showcase), DVR, Ala-carte Topup</li> </ul>	<ul style="list-style-type: none"> <li>■ Strong regional language bouquet</li> </ul>	<ul style="list-style-type: none"> <li>■ Strong movie library emphasizing on PPV</li> </ul>	<ul style="list-style-type: none"> <li>■ Carries world space satellite Radio</li> <li>■ Variety of Active services fast into roads to other markets</li> </ul>
<b>Key Subscription packs</b>	<ul style="list-style-type: none"> <li>■ Platinum → Rs 275, 165 channels</li> <li>■ Diamond → Rs 220, 140 channels</li> <li>■ Gold → Rs 160, 125 channels</li> <li>■ Silver → Rs 99, 110 channels</li> </ul>	<ul style="list-style-type: none"> <li>■ Annual Mega Pack → Rs 5000</li> <li>■ Base packages                             <ul style="list-style-type: none"> <li>□ South Jumbo → Rs 310</li> <li>□ South Value Pack → Rs 260</li> <li>□ Super Saver Pack → Rs 260</li> <li>□ Family Pack → Rs 200</li> <li>□ Super Hit Pack → Rs 99</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Jumbo Pack → Rs300</li> <li>■ North Pack → Rs 90</li> <li>■ South pack → Rs 75</li> </ul>	<ul style="list-style-type: none"> <li>■ South Starter → Rs 190</li> <li>■ Starter 3 → Rs190</li> <li>■ Starter 2 → Rs 175</li> <li>■ Starter 1 → RS 98</li> <li>■ South Starter lite → Rs 98</li> </ul>	<ul style="list-style-type: none"> <li>■ Ultra → Rs 424</li> <li>■ Mega → Rs 249</li> <li>■ Economy → Rs 199</li> <li>■ Value North → Rs 125</li> <li>■ Value South → Rs 99</li> </ul>

Source: Company, websites

- Launch of exclusive digital household panel by TAM
  - Provides option for broadcasters and DTH operators to maximize revenues through dual feed
  - Increased emphasis on carriage fees / Adv revenue / a-la-carte / MOD as revenue option for DTH operators
  - Initial findings reveal that digital households spend 20% more time on TV as compared with analogue households
  - Providing Single window option to new & small broadcasters by way of teleport / distribution
- DTH Operators association formed
  - Collaborative effort to address common issues such as
    - Service tax allocation
    - License fees reduction
    - Other regulatory issues



**DTH Industry**

**Dish TV - Operating and Financial Performance**

## Key Strengths

- **Pioneer and leader of DTH services in India**
  - First mover advantage
    - One year lead over nearest competitor
    - ~ 3-year lead over others
  - Largest subscriber base ~ 4.7 mn (Dec-08)
  - Backed by Zee Group → India's strongest Media group
- **Full-service business model**
  - Basic subscription packs
  - Value added services
  - Bandwidth
  - Teleport services
- **Leveraging on first mover advantage backed by strong industry understanding**
  - Diversified content offering
    - 225 channels + Services
    - Content tie-ups at reasonable rates
  - State-of-the-art infrastructure
  - Large distribution network
  - Aggressive subscriber acquisition strategy to ensure continued market leadership
- **Focus on cost rationalization**

## Key Areas Of Focus

- **Funding For Growth**
- **Strengthening of competitive position**
- **Improving Business Economics**

Rs cr

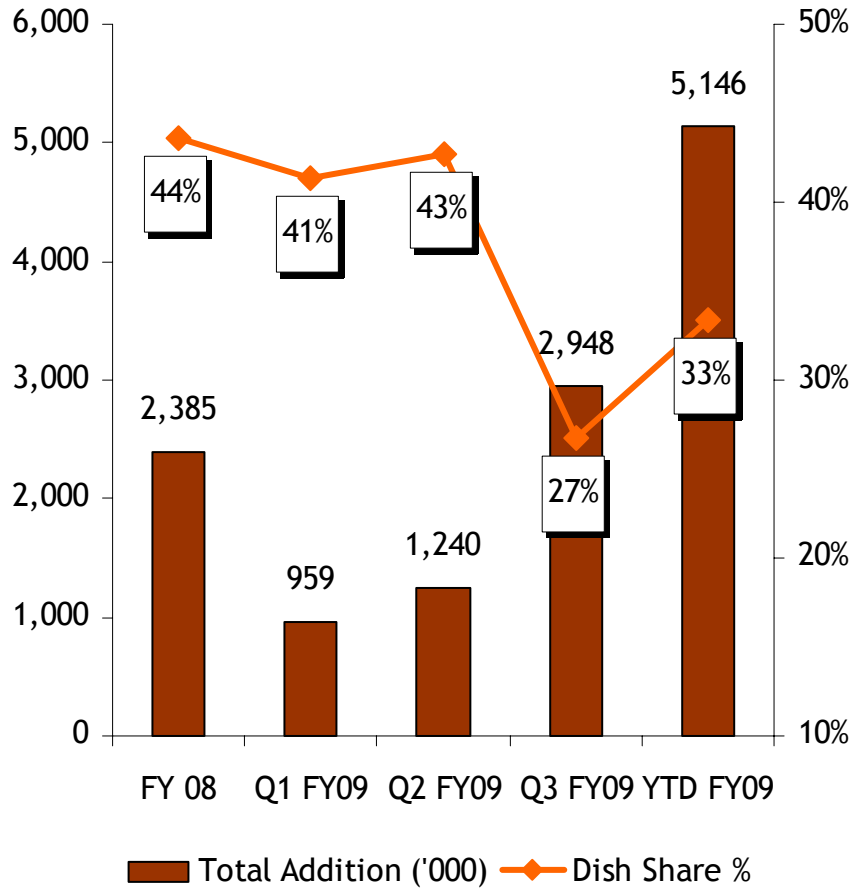
Current	FY08	9MFY09
Capital Employed	570	899

- Completion of Rights Issue in Jan-09
  - Committed amount of Rs 1140 cr
  - Raised ~ Rs 310 cr in rights
  - Balance commitment to be received over 18 month period
- Additional Debt tie-up already in place amounting to Rs 300 cr

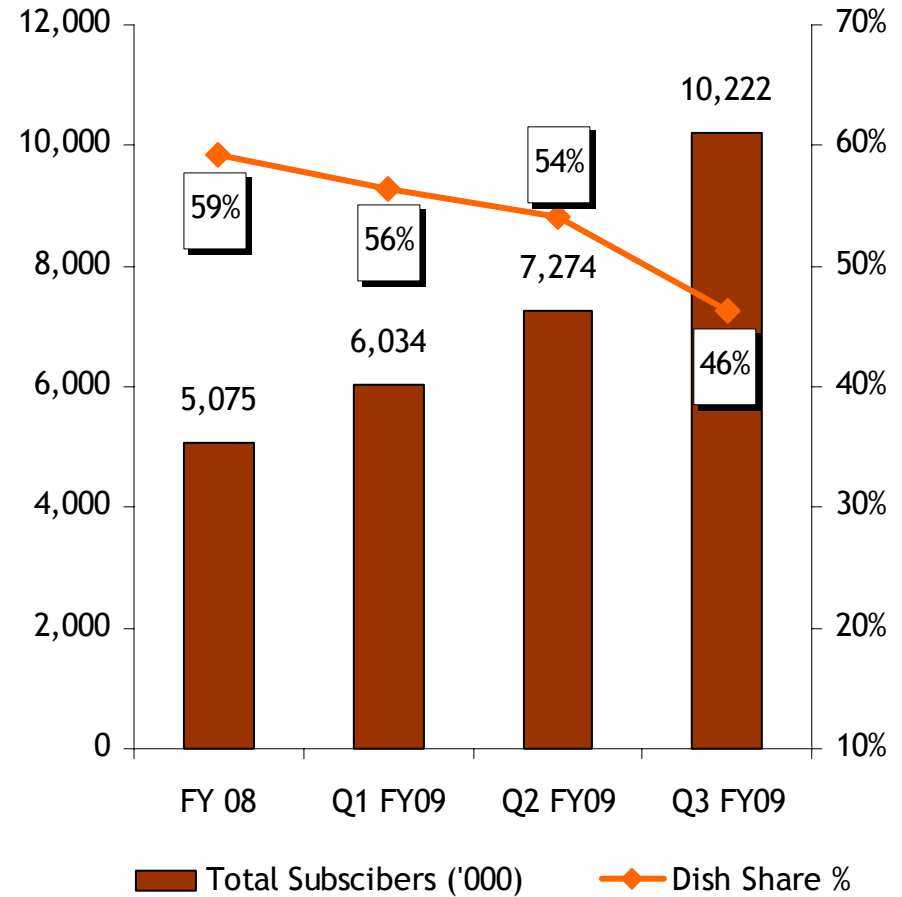
# Strengthening of Competitive Position



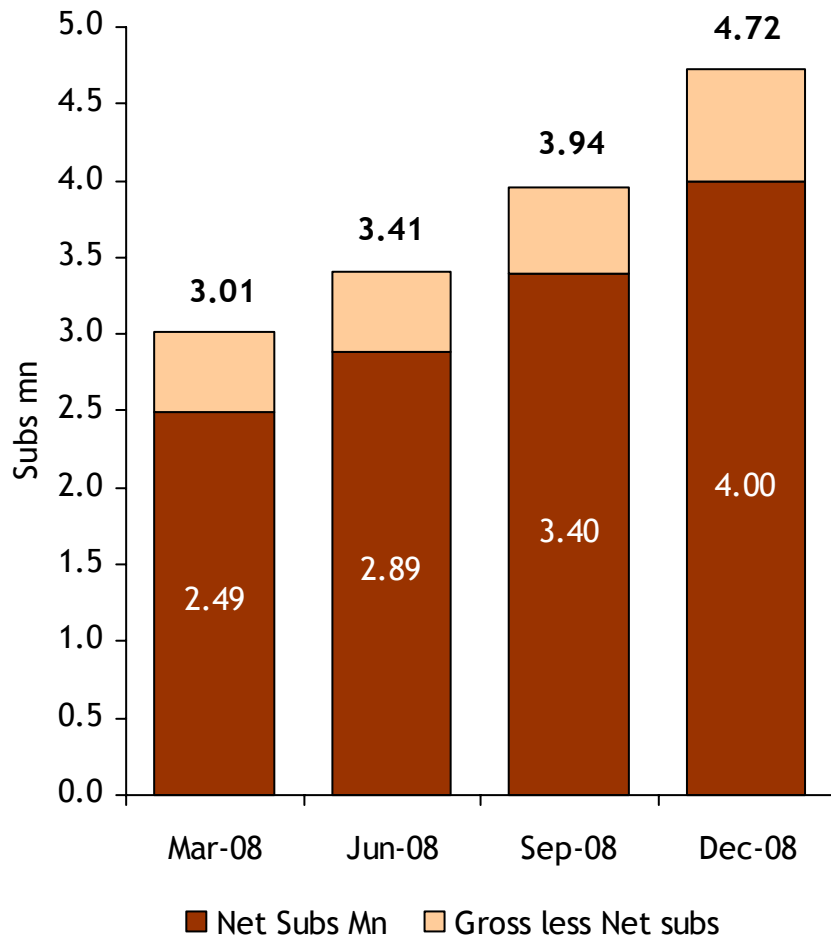
## Market share in Subscriber Additions



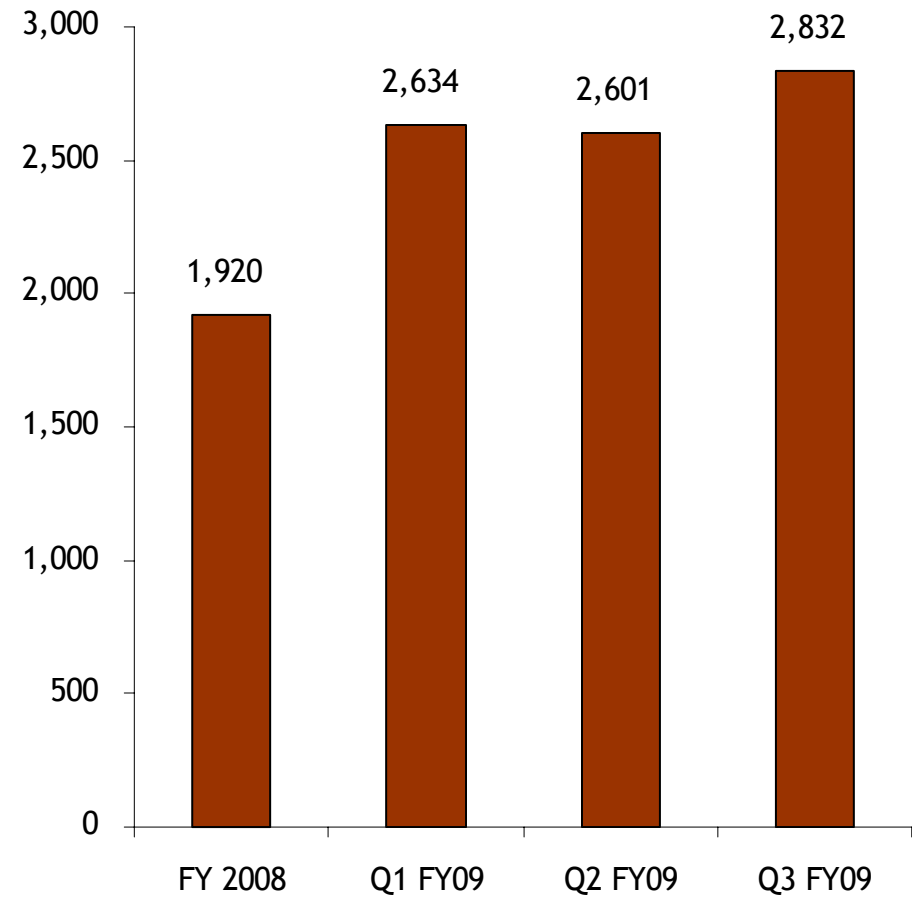
## Market Share on Total Subscriber Base



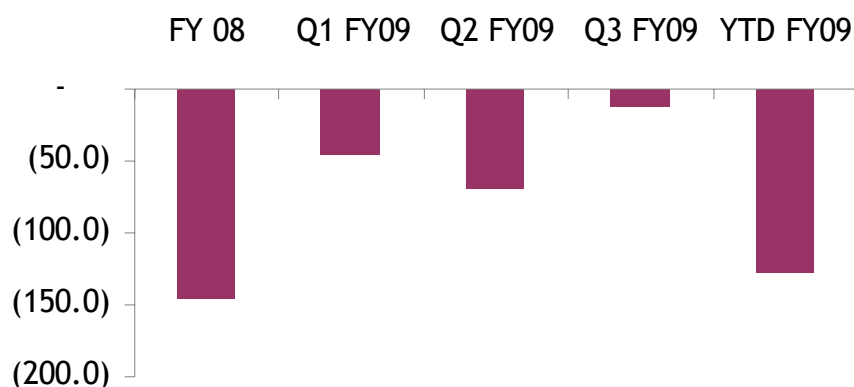
## Gross and Net Subscribers



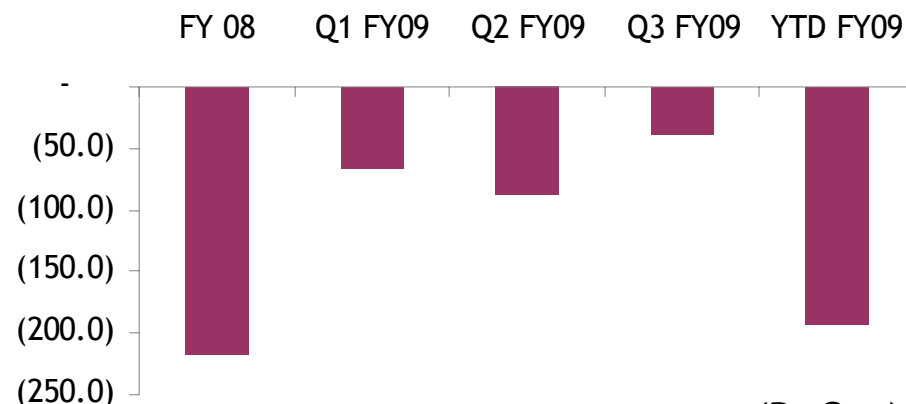
## Subscriber Acquisition Cost (Rs/sub)



## EBITDA from Operations (Rs Crs.)



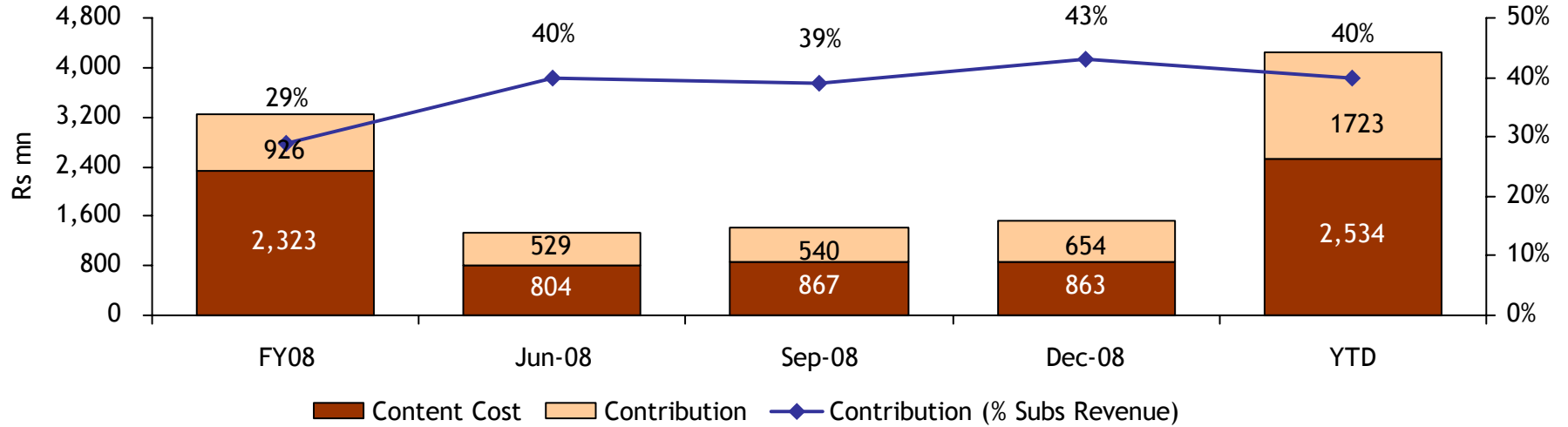
## Reported EBITDA (Rs Crs.)



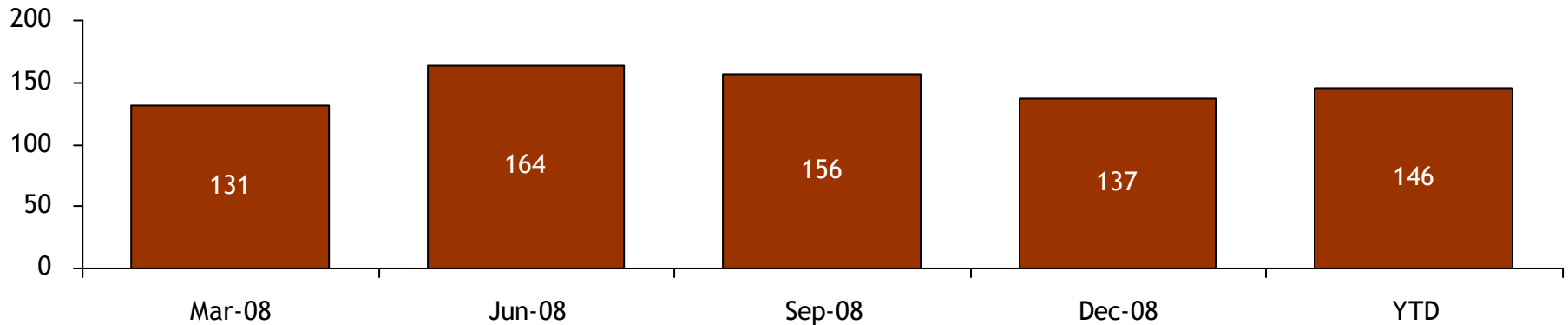
(Rs Crs.)

	FY 08	Q1 FY09	Q2 FY09	Q3 FY09	YTD FY09
<b>Total Revenues</b>	413	164	173	193	531
Income towards Subscriber Acquisition	60	19	22	28	70
Income From Operations	352	145	151	165	461
<b>Total Expenditure</b>	631	231	261	232	723
Expenditure towards Subscriber Acquisition	133	40	40	54	134
Expenditure towards Operations	498	191	220	177	589
<b>Reported EBIDTA</b>	-218	-67	-87	-39	-193
<b>Reported EBIDTA Margin (%)</b>	-35%	-29%	-34%	-17%	-27%
<b>EBIDTA from Operations</b>	-146	-46	-70	-13	-128
<b>EBIDTA Margin from Operations (%)</b>	-41%	-32%	-46%	-8%	-28%

## Improving Contribution Margins



## Trends in ARPU (Rs.)



# Financial summary



Rs Crs.

Particulars	Quarter Ended			Year Ended		
	Jun-08	Sep-08	Dec-08	Mar-07	Mar-08	YTD
Gross Operating Revenue	164.4	173.3	192.7	190.9	412.7	530.5
Expenditure	231.1	260.7	231.7	379.9	632.3	723.5
EBITDA	-66.7	-87.4	-39.0	-188.9	-219.6	-193.0
Add: Other income	0.2	-	0.2	3.4	3.0	0.4
Less: Depreciation	44.6	49.5	57.0	57.5	149.0	151.0
EBIT	-111.0	-136.9	-95.8	-243.1	-365.7	-343.6
Less: Financial Exps	14.3	17.1	22.1	8.6	46.9	53.5
PBT	-125.3	-153.8	-117.9	-251.6	-412.6	-397.1
Provision for Tax	0.2	0.2	0.2	0.3	0.6	0.6
PAT	-125.5	-154.1	-118.1	-251.9	-413.2	-397.7
Subscriber Added (in lacs)	4.0	5.3	7.9	10.7	10.4	17.2
SAC (Rs/sub)	2634	2601	2832	1445	1920	2715



## Industry level initiatives

- License Fee from 10% to 6% with retrospective effect from 01-Apr-08
- Consensus is being sought for Entertainment Tax to be recovered from subscriber
- Reduction in CENVAT @ 4% to benefit @ Rs. 100 per CPE

## Subscriber Acquisition strategy

- Increasing geographical spread across the country
- Shift from providing “ Free STBs” to charging subscriber on the box
  - Bare Box price introduced @ Rs 1,490

## Improving Business Profitability

- Revenue initiatives
  - Increasing ARPU
    - New Packages launched, Service Tax Charged from subscriber
    - Price increased for Base Packages
    - Introduce of smaller A-la-Carte Packages as Top-up on normal packages
  - Recharge Free Scheme launched to improve the renewal collection (Subscriber offered Free Movies / A-la-Carte package equivalent to his renewal amount)
  - Increasing bandwidth charges
- Cost Rationalization
  - Content cost → Moving from variable ( per sub basis) to Fixed costs
  - Collection Cost reduced to 5% from 6% (01-Dec-08)
  - Rationalization of Marketing Cost and Sales & distribution costs
  - Reduce in Box Price from \$32.5 to \$ 29.5 (Effective from Jan'09)
  - Hedging of Forex transaction

Thank you