



DISH TV INDIA LIMITED

2Q FY2008 TELECONFERENCE
OCTOBER 24, 5:30 P.M. INDIA TIME

Moderator: Good evening ladies and gentlemen. I am Rita, the moderator for this conference. Welcome to the Dish TV India Ltd. conference call. For the duration of the presentation, all participant lines will be in a listen-only-mode. I will be standing by for the question and answer session. I would now like to hand over the floor to Mr. Atul Das. Thank you and over to you sir.

Atul: Thank you. Good afternoon, ladies and gentlemen and thank you for joining us today to discuss the results for the quarter ended September 30, 2007, which is the second quarter for the fiscal year 2008. We do hope that you had a chance to go through the earnings release and the copy of our financial results, which is available on our website www.dishtv.india.in. This is the second earnings call for Dish TV India Ltd. for the fiscal year 2008 and to discuss the results and performance, joining me today from London is Mr. Subhash Chandra, the Chairman of the company and other members of the senior management team of Dish TV including Mr. Jawahar Goel, Managing Director; Mr. Arun Kapoor, Chief Executive Officer and Mr. Rajiv Dalmia, Chief Financial Officer.

We will start with a brief statement from Mr. Chandra on the second quarter performance and then we will open up the discussion for questions and answers. I would like to remind everybody that anything we say during this call that refers to our outlook in the future, is a forward-looking statement, that must be taken in the context of risks that we face. With this I will now handover to Mr. Chandra.

Subhash: Thank you Atul and good afternoon ladies and gentlemen. Thank you for joining us today to discuss the results of the quarter ended September 30, 2007, which is the second quarter for the fiscal year 2008. Dish TV had a good quarter with a strong pickup in subscriber acquisition. We added 278,000 new subscribers during this quarter as compared to 180,000 subscribers during the first quarter of this year, which means a quarter-on-quarter growth of 54%; subscription revenue grew by 19% to Rs. 700 million as compared to the first quarter of FY2008. We continued to consolidate our effort in capturing more market shares and build on our dominant market status. The strength arises not just from the



number of subscribers, but also through Dish TV's commitment to providing wholesome entertainment to its viewers. The total registered subscriber base was at 2.4 million as of September 30, 2007, which represents 69% market shares of pay DTH Industry.

We also provide the highest number of TV channels compared to any other DTH service provider with a total of 180 channels, of which 10 have been recently added. On the expense side as you all know, the major differentiator in the customer-centric industry such as direct-to-home service is the "service" and the "marketing" and hence during the quarter we invested aggressively in improving our customer service system and strengthening the brand, Dish TV, nationwide. I would like to add here that we have a committee at the corporate level, which did not allow Dish TV to use Zee logo because they wanted the service quality of Dish to be top class. Many of you must have noticed that this year we allowed Dish to use the association of Zee, which proves that there is a confidence all across in the quality of service being provided by Dish TV vis-à-vis their competitors. This quarter we incurred an operating loss of Rs. 472 million, which is 4% less compared to previous quarter operating losses of Rs. 490 million.

Let me now summarize the results of second quarter. Our gross operating revenue is Rs. 755 million during the quarter. After taking a reversal of Rs 94.9 million booked in first quarter 2008 as revenue. Let me explain this for everyone's better understanding. During the first quarter we recorded gross revenues of Rs. 892.9 million, which included carriage fees being paid by other broadcasters to Dish TV amounting to Rs. 94.9 million. From second quarter onwards, we are netting carriage fee from our content cost rather than putting it into revenues on one side and expense on the other side.

To align the second quarter numbers with those with first, we have reversed from the revenue of Rs. 94.9 million, therefore on a like-to-like basis our second quarter revenues are Rs. 849.9 million compared to Rs. 798 million during the first quarter, representing a growth of 6.5% over first quarter. Total expenditure stands at Rs. 1,227 million. Operating loss has come down by 4% to Rs. 472 million as compared to the first quarter of FY2008 whereas net losses have gone up by 2% to Rs 919 million compared to the first quarter of FY08.

Our net loss is due to our policy of charging subscriber at acquisition cost in the year of acquisition itself. This quarter has also seen tremendous enhancement in infrastructure and services by Dish TV. Dealer universe of 35,000 outlets today caters to consumers across 4,300 towns across India. There are over 10,000



service personnel's in the market, delivering explanations and service support to Dish TV subscribers. The service organization is also supported by 1,000 call center agents speaking 10 different languages from 4 different locations. Moreover, there are service centers across the country, all in an effort to reach the consumers in shortest possible time if need arises.

Again, to summarize ladies and gentlemen, I have to say that Dish TV has been building a service-oriented organization to the consumer in the past 3 quarters and I am really happy and proud of this organization, the way now it is shaping up. Will look forward to the rest of the year with optimism and assure you that we will continue to deliver more value to the viewers and stakeholders. Thank you. Atul now we can open the floor and take the question & Answer.

Atul: Thank you sir. Ladies and gentlemen, we are ready for questions hour, but before that as usual, I will request all participants to please limit themselves to two questions so that we can get as many people on as possible. Thank you.

Moderator: Thank you very much sir. We will begin the Q and A interactive session. Participants who wish to ask questions kindly press *1 on your telephone keypad. On pressing *1 participants will get a chance to present your questions on a first in line basis. Participants are requested to use only handsets while asking a question. To ask a question, kindly press *1 now. First in line we have Ms. Ayesha from Goldman Sachs. Over to you madam.

Ayesha: Hi this is Ayesha calling from Goldman Sachs, just one question at this time about reversal, as far as I can see, your report states that DTH revenues were 841 million for the first quarter. If you take out the 95 million from that, then what I find is 746 which is higher than 715 your report states for Q2, so is that an impact that your subscription revenues were actually falling quarter-on-quarter?

Subhash: Atul.

Atul: Ayesha, as we just explained, Mr. Chandra spoke about gross revenues, while this quarter we have reported Rs. 755 million as total revenues, there was a reversal and you rightly pointed out that the growth has been there from first quarter to second quarter and the growth has been 6.5% on our gross revenues. Is that your question or something else you asked?



- Ayesha:** Yeah, it could be the way that I am talking I think, but I was actually looking at DTH revenues, which I believe included the income from content providers in Q1 and that was Rs. 841 million.
- Atul:** Yeah, so we gave you the same comparison on a gross revenue basis, so pretty much the growth numbers and comparison will remain the same for all the revenues also.
- Ayesha:** Okay.
- Subhash:** Ayesha, I think you joined a little late on the conference call. I said that our gross operating revenue reported is Rs. 755 million during the quarter, but you have to add if you look at like to like add to this Rs. 94.9 million, which was reversed during this quarter.
- Ayesha:** Okay.
- Subhash:** In that sense, it is Rs. 849.9 million revenues, previous quarter was 798.
- Ayesha:** Okay, great. Thank you and then in terms of the trading revenues, could you just explain what exactly those are, how to forecast that going forward, and what impact this will have on the cost of goods sold because it looks as if they are related.
- Dalmia:** This trading is what we are getting for substituting our spare parts with our customers. Before 1 year or during the installation after 1 year, it is under warranty period, so it is a cost to us, but after one year it is a sale and purchase transaction, so whatever spare parts are being sold to subscriber is booked as trading income.
- Arun:** Ayesha was your question also on how we plan to increase our revenue going forward.
- Ayesha:** just on that particular line. Yeah.
- Arun:** If you look at overall revenues, there are four ways in which revenues will go up in the months coming, through improved collection efficiency, continuing to focus on aggressive high end and high value subscriber acquisitions, increase on ARPU, and negotiate the carriage fee with channels, so there will be a four-pronged



strategy which will increase revenues as we go forward. This has also worked for us partly in the last quarter, going forward we believe it will work for us.

Ayesha: Okay great, thank you.

Moderator: Thank you very much madam. Next in line, we have Mr. Harish Javeri from Deutsche Bank.

Harish: Yeah, sir the question is basically Dish TV's payment terms with Zee Entertainment as a content provider, how does that work?

Subhash: It is like with everybody else. They pay on a monthly basis to Zee TV.

Harish: No, in the sense that would you like paying Rs.32 per home per month for the number of subscribers that you have, is that the way to calculate it.

Atul: Yeah, that is the way to calculate Harish and that is on a per subscriber basis and that is the way that deals are structured, as we had mentioned earlier also for all broadcasters as well. All the payments to broadcast is **on** per subscriber basis, but we are not at liberty to share exact details of each broadcaster packages.

Harish: No fair enough. As long as this payment structure is this way, it is fine and the other part is the TRAI has allowed DTH operators to negotiate with broadcasters for **a la carte**, does that benefit you in a big way; obviously it Reliance, Bharti come in would they be in a better position to negotiate as well. Do you necessarily have to buy whatever the broadcaster gives you in the sense if he gives you a package, you take that full package?

Jawahar: Harish, this is Jawahar here.

Harish: Yeah.

Jawahar: Actually the broadcaster has to give a le carte price and the bouquet price, which they can redefine for DTH offering and by first of December, they have to file their tariff with TRAI. We will have liberty if their prices are favorable to us to go back to the broadcaster or get the content on the same pricing, so this is part of the regulation, which is there.



Harish: Okay, but does not it like actually provide a benefit to the newer entrants, you have put in the infrastructure, you have negotiated with the content providers much earlier, logically it should have given you a first-mover advantage and here come Bharati and Reliance and the regulation a la carte, actually benefits the platform provider. Does not it?

Jawahar: It is not like that because we still have to see what the broadcasters file as channel rates, and it is difficult to implement from a technological perspective a complete a la carte offering... This is not done anywhere in the world, in a conditional access system, it has to be bouquet offered to the consumer.

Harish: Yeah, on the consumer end it is fine, it is just that you gave the chance to negotiate with the broadcaster, so in a way the DTH platform guy to some extent has got more level playing field with, or may be is in a stronger position vis-a-vis all the new broadcasters who come in.

Subhash: You see, Harish, eventually we are moving towards a market driven situation rather than the regulated one, in the long run. Some things are seemingly in favor of content providers and some things are looking in favor of the platform operators, as of today you cannot take a black and white view of it.

Harish: Fair enough and one final question sir. Last time during Q1, I remember at the Zee conference call itself you had mentioned that there was an issue of transponder space between Zee entertainment and T-Sky and consequently a few channels of Zee got knocked off. Has that transponder issue now got resolved, are all platform providers, they are sitting with transponder space and then negotiations with broadcasters get carried on. This question is particularly relevant more for Zee than for Dish, but it is quite clear that you are negotiating with T-Sky and with Dish on an arms-length basis.

Subhash: Yeah, but that is because of it was their stance what they took to not to take some of our channels of Zee. It was not that they did not have capacity at that time.

Harish: Fair enough.

Arun: Also, we have 180 channels including 20 audio channels. This is by far the highest in the industry. Tata Sky offers only 140 channels, we had actually added 10 channels in the last quarter and we have 15 channels of Sun. Now, on transponders, we have 9 transponders on NSS-6 and we will be getting another



2 by the end of the year, this gives us a capacity to beam 225 channels by the end of the year and this is by far the highest capacity any operator will have and going forward at least for the next year and a half or so, this would be a competitive advantage. It comes of our ability to carry more content and channels.

Harish: Okay, sir just one question if you permit me. One is the issue of boxes and how do actually account for them, do you carry them in your balance sheet, they belong to you or how would you account for them, how would the cost get carried and allocated in the P&L account.

Atul: Yeah, Harish we actually capitalize the boxes because we do not sell them, and we provide on a rental basis as we have mentioned earlier also, so that will get capitalized and get depreciated over 5 years.

Harish: And of your 2 million subscribers or 2.3 million subscribers today, how much are on the older payment terms of 6 months or so, because I remember when you started off, you did start off with 6 months free sort of.

Arun: Harish let me answer this question. We acquired on an average of 80,000 to 100,000 subscribers every month, if they are coming on 6 months then you can imagine that at any point of time maximum how many there will be on the 6 months plan, half a million at the most.

Harish: Okay. Yeah thank you very much sir.

Subhash: Thank you.

Moderator: Thank you very much sir. Next in line we have Ms. Neha Adnani from Angel Broking. Over to you madam.

Neha: Hallo.

Subhash: Yeah go ahead Neha.

Neha: Sir, I wanted to ask you what is your average revenue per user as of now.

Subhash: Well, for the time being in quarter 2 it is Rs 126, likely we expect it go up to Rs 154 in the Q3 and further in Q4.



- Neha:** Rs 154 in Q3 and sir previous quarter what was it?
- Subhash:** Previous quarter was also around the same level around at Rs 126 or so.
- Neha:** Okay and sir which phase of the investment cycle could you say we are in right now?
- Subhash:** We are in the middle of the investment phase, whatever we have invested so far, we would still be investing about Rs. 12 billion more in the next 3 years.
- Neha:** Okay sir, how many more years would it take for us?
- Subhash:** We should break even in FY2009.
- Neha:** FY2009, okay fine, thank you.
- Subhash:** Thank you.
- Moderator:** Thank you very much madam. Next in line we have Ms. Avni from Keynote. Over to you madam.
- Avni:** Hello sir, my question is related to the addition of the subscribers, what kind of numbers you are looking forward to?
- Arun:** Well we would still maintain our 1.1 million subscriber addition for this year FY2008, we could do better than that.
- Avni:** Okay and one more question sir, it is related to the recent news regarding the entertainment tax cut that it would be applicable or something like that so could you just share us some news on that.
- Subhash:** Well we are working with the government and regulators to bring down the entertainment tax on these services and it is applicable only in the three or four states and it has the impact on our revenues upto a maximum of 2% of revenue as on date.
- Avni:** Okay, so you said like possibility that it would be implemented.
- Subhash:** Yeah, it will happen, no body can afford to pay these kinds of taxes in these four states.



Avni: By when, I mean if so?

Subhash: I mean we cannot say. We are not the government so we can't say this.

Avni: Okay, thank you sir.

Moderator: Thank you very much mam. Next in line we have Mr. Gundeep Singh from Kotak. Over to you sir.

Gundeep: Hello, good evening sir, I just wanted to check on the ARPU front, if I look at the blended ARPU for the last quarter and this quarter then more or less it has remained flat at around 125 for first Q1 and 121 for the second Q2. So why have the ARPU has depressed to such an extent and why has it fallen because I would assume that it should have increased because free subscribers would have been replaced by subscribers who would have thought would need to pay to.

Subhash: See we are still going a bit soft because we do not want to lose more and more subscribers. It was Rs 132 versus Rs 126 the Q1 and Q2 as I just said that we are expecting it to go to Rs 154 in Q3 and Rs 163 in Q4. So, these are the initial thing I mean this business is you can see that it is just a start up which has not matured yet.

Arun: Sir, let me add here that on our incremental subscriber ARPU is Rs. 210 but whereas this ARPU is based on the subscriber who are getting free contents is almost half a Million subscriber are acquired on promotion scheme & we give five months or six months of content cost.

Subhash: You know just to give you one insight beyond the number is here you know at all points of time we are faced with a dilemma of maximizing subscriber acquisition versus ARPU. ARPU comes down when we give free content as Jawahar you just said for six months.

Gundeep: Yeah.

Subhash: We also found that after six months when these people come back for renewal and there is no free content, 54% of the people come in at the 300 Rupee ARPU package and another 26% come in at the 262 Rupee package.

Gundeep: Okay.



- Subhash:** So, there is a great benefit which will accrued to us after six months for all these reasons because then they come in at an ARPU which is on an average of almost Rs. 250.
- Gundeep:** And just to confirm your current packages are 210 and 240.
- Arun:** No, we have four packages at MRP 100 Rupees, 160 Rupees, 262 Rupees and 300 Rupees.
- Gundeep:** These are MRP of the packages
- Jawahar:** And in addition to this if you take the Sun boquet is another 50 Rupees over and above.
- Gundeep:** Okay, right thank you.
- Jawahar:** Thank you very much sir.
- Moderator:** Next in line we have Mr. Ruchit Mehta from HSBC, over to you sir.
- Mehta:** Hi, good evening gentlemen and congratulations, just on the subscription revenue there are ... Can We get the same figures for one and also for whole fiscal please?
- Subhash:** He wants the last quarters subscription revenue number and 4Q FY07 number.
- Arun:** The last quarter it was Rs 59 Crores. This quarter it was Rs 70 Crores.
- Mehta:** Okay and for FY2007?
- Subhash:** It was in the range of 52 to 55 Crores.
- Mehta:** 52 to 55 Crores.
- Subhash:** Yeah.
- Mehta:** Okay thanks.



Moderator: Thank you very much sir. Next in line we have Mr. Rithesh from Dolat Capitals, over to you sir.

Ritesh: Good evening sir. My question pertains to Agarani satellite what is the status and when it is expected to go in stream?

Subhash: We are expecting to be in the orbit in June 2008.

Ritesh: And sir how many transponder it will have?

Subhash: We will have equivalent 14 transponder capacity.

Ritesh: 14, my second question is when you expect the competition to come in DTH like Reliance and Bharati, is it towards the end of this financial year or before that?

Subhash: As per the market information, Reliance will start somewhere in January-February of 2008 and Bharati has announced March-April 2008.

Ritesh: Thank you very much sir. I will get back to you again.

Moderator: Thank you very much sir. Next in line we have Ms. Tanu from Quantum asset management. Over to you madam.

Tanu: My question is related to the creditor days, I remember it was distinctly high for the last fiscal year FY 2007, how does that number look if you can share us of this half year and this quarter.

Dalmia: The total creditors that we have is Rs 927 Crores.

Tanu: Rs 927 Crore is for?

Dalmia: For September 2007.

Subhash: As of September 30 2007.

Dalmia: It is a balance sheet item, out of this Rs 927 crores, Rs 525 Crores is advances and deposits that we receive from our initial subscriber and Rs 85 Crores is out of set top boxes that we are importing but goods still not yet arrived and expenses which are truly payable is Rs 85 Crores. Balance are small creditors / provision made for normal expenses



- Subhash:** Actual creditors are Rs 85 Crores as against Rs 900 odd Crores being shown.
- Dalmia:** Yes sir.
- Tanu:** Okay and any capital raising plan because the network have turned negative last fiscal or so and if you can share something with us?
- Subhash:** We are working on that, we will update to you as and when you know we have summed up the plans, and as we mentioned overall we are looking through a combination of debt and equity the fund requirement which is of the order of 1,200 crores total of which some portion has already been funded this half year so the balance has to be brought in by combination of debt and equity and we will update you as and when we have that.
- Tanu:** Okay just one last question if you can take it any churns this quarter or the half year?
- Subhash:** We are not calculating the churn rate because as Arun said earlier we are still in the mode of working out the whole system properly, but we would start reporting the churn from the first quarter next year.
- Tanu:** Alright, thanks very much.
- Moderator:** Thank you very much madam. Next is a followup question from Mr. Mehta from HSBC, over to you sir.
- Mehta:** Yeah just if I add back that the other revenues which were like about Rs 35 odd crores in 1Q 2008 and this quarter that they would be somewhere around Rs 11 Crores they would have probably a sort of half so anything that I am missing you here or not understanding currently, just clarify please.
- Dalmia:** This is not actually 25 actually we have reversed Rs 10 Crores that is why it is looking slightly odd, otherwise it is almost the same as it was in the first quarter.
- Mehta:** About Rs 15 Crores and Rs 11 Crores and the Rs 10 Crores reversal would be what?
- Dalmia:** It was carriage fee, it was booked as income, it is now netted off..



- Mehta:** Okay so Rs 10 Crores is the adjustment of the last quarter for Q1 fiscal 2008 and Q2 it is about same Rs 9.4 Crores. Just with the competition front I mean one would say that the people in the industry probably to say Reliance in the other place to come in they were expected to come in with very aggressive strategies, probably the various zone has come in the South, but do you expect that will happen and in what it will do to our assumptions in terms of we are making?
- Subhash:** They cannot go below these prices what we are paying because I mean this is not a telecom business, there is a cost to get the content, so in telecom you could do aggressive pricing because once you have the infrastructure laid whether it has been utilized or not utilized, there is no additional cost, there is no cost to the sales, so to speak.
- Mehta:** Is it possible that somebody could say a sort of giving the retail price to be Rs. 300 for the full package in year 12 months subscription, I mean just to come into the books, would that increase yours delay your profitability by your or so?
- Subhash:** No we have already delayed one year we were expecting to breakeven in 2008, because of competition only we are saying that we will breakeven in 2009.
- Mehta:** Okay sir thank you.
- Moderator:** Thank you very much sir. Participants who wish to ask questions kindly press * 1 on your telephone keypad. Next in line we have Mr. Purohit from Motilal Oswal, over to you sir.
- Purohit:** Good evening sir, Amit Purohit here. Sir I wanted to understand the trend in the subscriber acquisition cost how it is grown over the quarter wise quarter-on-quarter sequentially?
- Arun:** Q2 is Rs 1,628 and Q1 was in the range of Rs 1,800-1,900. So we will actually improve on our SAC in Q2 over quarter 1 despite having acquired more subscriber to the extend of 100,000.
- Purohit:** This would be largely due to what, I mean the reduction, is it largely on account of the subsidy reduction or is it the marketing costs?
- Arun:** See normally there are 3 components to SAC that is box subsidy the other is some trade margin, and a big chunk is on advertising, that the same we did



during the month, so it would affect management of A&P spends with respect to subscriber acquisition which has got us this

Purohit: Okay and sir if I got it correctly the placement revenue that you had from the broadcaster was Rs 9.45 crore for first quarter FY 2008 right.

Subhash: Just Rs 9.49 crore.

Purohit: For first quarter FY 2008, okay so is it possible to, I mean provide the lease I mean you book a lease revenue also in the entire revenue, total revenue right, so in the second quarter which does not include the placement revenue is it correct to assume that Rs 5.5 crore roughly around Rs 5 Crores would be in the lease rental?

Dalmia: Lease rental was around Rs 12 Crores that is how we are saying Rs 70 Crores.

Purohit: Rs 70 Crores include lease rental, okay, thanks a lot sir.

Moderator: Thank you very much sir. Next in line we have Mr. Bhushan from SSKI securities, over to you sir.

Nikhil: Hi this is Nikhil here, sir just one thing what is the overall debt level right now as of book as of September 2007?

Dalmia: Net debt at the end of September total outstanding banking debt we have is Rs 155 Crores and the balance we keep on getting funding from promoters from time to time.

Bhushit: What is the peak debt that you would have had?

Arun: It is Rs 225 Crores.

Bhushit: And this Rs 1,200 odd Crores of incremental fund raise that you are planning what was the likelihood of debt in that?

Subhash: We have not yet firmed up.

Bhushit: Okay thanks so much.



Moderator: Thank you very much sir. Next is a followup question from Ms. Ayesha from Goldman Sacs, over to you sir.

Ayesha: I just have a repeat question. Firstly what is the percentage roughly of your total subscriber comes from the South today and secondly in terms of your subscriber distinct over the past course were you seeing most of the subscribers come from the metro areas, or are they from smaller towns, and the last question was in terms of your outlook which subscriber number do you use to calculate the ARPU?

Arun: You see first question was in terms of regional spread, the North brings in about 24%, east 18%, West 36%, and the South 22%. So as you can see the largest contributing region in terms of geographical spread is west. Second part of your question was metro the stuff like. You know we do not look at Metro only. We have four classes, the top 15 cities it was 20% of your business in terms of subscribers, the top 50 cities give us 43%, the top 200 cities give us about 60% and the balance comes from the balance cities, so it is a fairly spread Pan India presence that we have. You had a question ARPU. We look at ARPU in two ways, one is you should divide the total revenue gross revenue by the average subscriber over the quarter, which is opening plus closing divided by 2 that gives you the figure of 126 that we are talking about, that is one way we are looking at ARPU. The second way we look at ARPU which is your price points multiplied to subscribes that you are adding so that is on the region of Rs. 235 today.

Ayesha: Just on the 126 number I mean if I were to see you mentioned the subscription revenues is Rs 70 Crores.

Arun: Let me give you the exact mathematics. You know if you were not to do the reversal that we have done, of Rs 9.5 Crores your gross revenue in second quarter would be Rs 850 million, you divide that by the average subscriber of the second quarter which are 2.3 million and you get 126.

Ayesha: Okay thank you very much.

Moderator: Thank you very much madam. Next in line we have Mr. Ritesh from Dolat Capitals, over to you sir.

Ritesh: My question is for we have a depreciation of 356 million, how much it pertains for the set top box amortization?



Arun: 85% is set top box and balance is small furniture, computer, and RP station that we have.

Ritesh: Okay and how much would be the transponder fees we would be getting in this quarter?

Atul: We cannot give you quarter wise details on these numbers, Ritesh.

Ritesh: Okay that is fine sir, thank you.

Moderator: Thank you very much sir. Next in line we have Ms. Neha Adnani from Angel Broking, over to you madam.

Neha: Hello I just wanted to find out what is your view on the attrition rate on the churning that is going to be happening within the industry and is there any barrier to the churning like for instance in the telecom people who have move the numbers so we do not plan to shift operations, so as is there any barrier?

Subhash: There is barrier because they have spent money on to acquisition of the box and there is investment by them and it is truly not something that you take somebody else's connection and use the same box, so that is the barrier, but on the other hand as we have not yet started calculating the churn rate, but international churn rate numbers are anywhere between 1.5% to 2% per month. So we have yet to work out the churn rate in India and as I said that we will start reporting the churn rate quarter by quarter from first quarter of next year.

Neha: Okay sir thank you.

Atul: Can we have one last question please?

Moderator: Sure sir. Next in line we have Ms. Rachna from IL&FS Investmart, over to you madam.

Rachna: Good evening sir, my question pertains to content cost, I am sure you must have answered that several times since it is related to direct each subscriber as you explained the calculation earlier, how do we see this coming down and what will be rationale behind that and when would that happen?



Subhash: See the industry norm is about 45% is the programming cost for any platform operator. Currently we are at 53% and it will come down I think over next 18 months to 24 months.

Rachana: Okay thank you sir.

Moderator: Thank you very much madam. At this moment, I would like to hand over the floor back to Mr. Atul for the final remarks, over to you sir.

Atul: Thank you ladies and gentlemen, for joining us for this Dish TV second quarter report. We will have a transcript on the call very soon on our website, dishtv.india.in. We will look forward to speak to you again at the end of the third of FY 2008 or recent earlier on 1:1 basis, thank you and have a great day.

Moderator: Ladies and gentlemen, thank you choosing WebEx conferencing service. That concludes this conference call. Thank your for your participation, you may now disconnect your lines. Thank you and have a good day.

