



DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2014

DISH TV ADDS 378,000 NET SUBSCRIBERS IN Q2 FY15; CONTINUES STRONG GROWTH MOMENTUM

HIGH DEFINITION (HD) BOX SALES GAIN TRACTION; NOW ~ 15% OF INCREMENTAL ADDITIONS

AVERAGE REVENUE PER USER (ARPU) GROWS TO Rs. 172 FROM Rs.170 IN THE PREVIOUS QUARTER

Highlights

- ❖ Dish TV added 378,000 Net subscribers during the quarter ended September 30, 2014. Net subscriber base of 12.1 million at the end of the quarter.
- ❖ Subscription revenues of Rs. 6,168 million increased 12.2% on a Y-o-Y basis.
- ❖ EBITDA of Rs. 1,623 million increased 4.4% on a Y-o-Y basis.
- ❖ Free Cash Flow (FCF) of Rs.110 million.

NOIDA, India; October 29, 2014 - Dish TV India Limited (Dishtv) (BSE: 532839, NSE: DISHTV) today reported second quarter fiscal 2015 standalone subscription and total operating revenues of Rs. 6,168 million, up 12.2% Y-o-Y and Rs. 6,723 million, up 11.9% Y-o-Y respectively. EBITDA for the quarter was Rs. 1,623 million compared to Rs. 1,554 million in the corresponding quarter last fiscal. Net Loss for the quarter was Rs. 151 million.

The Board of Directors in its meeting held today, has approved and taken on record the unaudited standalone results of Dish TV for the quarter ended on September 30, 2014.

Dr. Subhash Chandra, Chairman, Dish TV India Limited, said, "The Indian economy seems all set to come back on track. With a strong government at the Centre, not only has the GDP growth been better than the last two years but the inflation too seems to be melting down. A general feel good factor linked to hopes of an economic revival contributed to higher sales for the DTH industry. The industry, led by Dish TV, recorded a healthy 38% Y-o-Y growth in gross additions during the second quarter of fiscal 2015."

"Our performance during the second quarter is a reflection of our belief that a financially stable business is best placed to capitalize on any growth opportunity. While we have been growing in the right direction, growth without healthy returns to our shareholders falls below our aspirations. However, we are committed to generate them and by focusing on revenues, expenses and balance sheet quality we are building near term benefits for all our stakeholders," he added.

Mr. Jawahar Goel, Managing Director, Dish TV, said, "Dish TV maintained its leadership position during the second quarter. Buoyed by a healthy growth in HD sales and good traction coming in from sale of the 'Zing' brand, the company further strengthened its position as the fastest growing DTH player in the country."

Despite the push back of digitization, 'Zing' helped propel the sales of the flagship 'Dishtv' brand through a wider reach and top of the mind recall. The newly introduced Sports driven packaging also found instant favor with subscribers, thus enabling Dish TV outgrow the industry growth rate.

"We believe that the digitization push back provides a window of opportunity both for the early movers as well as for those who have not been able to monetize the roll-out. We do hope that the cable industry will ensure full implementation of gross billing, encryption and packaging in Phase 1 & 2 during this extended time-period. For early movers like Dish TV, it's an opportunity to reach out uninterrupted to the masses in Phase 3 & 4 and capture leading market share there," said Mr. Goel.

Multiple taxation remains one of the biggest challenge for the Indian DTH industry. Commenting on the economic advantages of the Goods and Services Tax (GST), Mr. Goel said, "We continue to be optimistic about the potential cost savings and margin expansion resulting from the implementation of GST and look forward to its early enactment."

In view of the Prime Minister's 'Make in India' campaign Dish TV is re-evaluating possibilities for domestic manufacturing of Set-Top-Boxes (STB), "We are hopeful of improvement in the hardware economics of STBs sourced from India and hope that the taxation structure will be suitably amended to benefit local production," he added.

ARPU for the second quarter increased to Rs. 172 from Rs. 170 in the previous quarter. Despite significantly higher activations, churn continued to be at a healthy 0.7% per month. Festival driven, higher selling and distribution expenses resulted in the EBITDA margin being marginally lower at 24.1% compared to 24.5% in the previous quarter. FCF for the quarter was Rs. 110 million.

The 'Dishtv' brand has been growing from strength to strength. In a true reflection of that, The annual Economic Times, Brand Equity survey conducted by Nielson across 7,200 respondents and 12 cities in urban India ranked Dish TV as 13th amongst the top 50 'Most Trusted Service Brands' in India. Dish TV moved up to the 13th position from 21st last year.

Condensed statement of operations

The table below shows the condensed statement of operations for Dish TV India Limited for the second quarter ended September '14 compared to the quarter ended June '14:

Rs. million	Quarter ended Sept. - 2014	Quarter ended June - 2014	% Change Q -o -Q
Operating revenues	6,723	6,407	4.9
Expenditure	5,100	4,836	5.4
EBITDA	1,623	1,571	3.3
Other income	170	116	46.5
Depreciation	1,519	1,452	4.6
Financial expenses	425	395	7.6
Profit / (Loss) before tax	(151)	(160)	-
Tax expense/(write back)	-	-	-
Net Profit / (Loss) for the period	(151)	(160)	-

Expenditure

Dish TV's primary expenses include cost of goods and services, personnel cost, administrative cost, advertisement expenses and selling expenses. The table below shows each as a percentage of total revenue:

Rs. million	Quarter ended Sept. - 2014	% of Gross revenue	Quarter ended June - 2014	% of Gross revenue	% Change Q -o -Q
Cost of goods & services	3,408	50.7	3,391	52.9	0.5
Personnel cost	252	3.7	256	4.0	(1.6)
Other expenses	295	4.4	269	4.2	9.7
Advertisement expenses	177	2.6	127	2.0	39.4
Selling & distribution expenses	968	14.4	793	12.4	22.1
Total expenses	5,100	75.9	4,836	75.5	5.4



Footnotes:

This Earnings Release contains unaudited standalone quarterly results that are prepared as per Indian Generally Accepted Accounting Principles (GAAP).

Caution Concerning Forward-Looking Statements:

This document includes certain forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Dish TV's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Dish TV's present & future business strategies and the environment in which Dish TV will operate in the future. Among the important factors that could cause Dish TV's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the condition of and changes in India's political and economic status, government policies, applicable laws, the Indian media and entertainment sectors, and international and domestic events having a bearing on Dish TV's business and the media and entertainment sectors, particularly in regard to the progress of changes in those sectors' regulatory regimes, and such other factors beyond Dish TV's control. Dish TV India Limited is under no obligation to and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

About Dish TV India Limited:

Dish TV is Asia Pacific's largest direct-to-home (DTH) company and part of one of India's biggest media conglomerate - the 'Zee' Group. Dish TV has on its platform more than 450 channels & services including 22 audio channels and over 45 HD channels & services. Dish TV uses the NSS-6 satellite platform which is unique in the Indian subcontinent owing to its automated power control and contoured beam which makes it suitable for use in ITU K and N rain zones ideally suited for India's tropical climate. The company also acquired transponders on the Asiasat 5 platform and very recently on the SES-8 platform which increased its total bandwidth capacity to 684 MHz, the largest held by any DTH player in the country. The Company has a vast distribution network of over 2,075 distributors & over 1,78,000 dealers that span across 8,712 towns in the country. Dish TV customers are serviced by six 24* 7 call centres catering to 11 different languages to take care of subscriber requirement at any point of time. For more information on the company, please visit www.dishtv.in