

Dish TV India Limited

Investor Presentation

Disclaimer



Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Dish TV India Limited about its business and the industry and markets in which it operates.

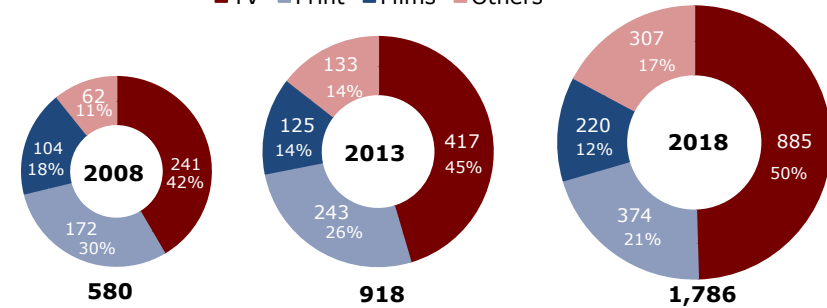
These forward-looking statements include, without limitation, statements relating to revenues and earnings. The words "believe", "anticipate", "expect", "estimate", "intend", "project" and similar expressions are also intended to identify forward looking statements.

These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. Dish TV India Limited does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

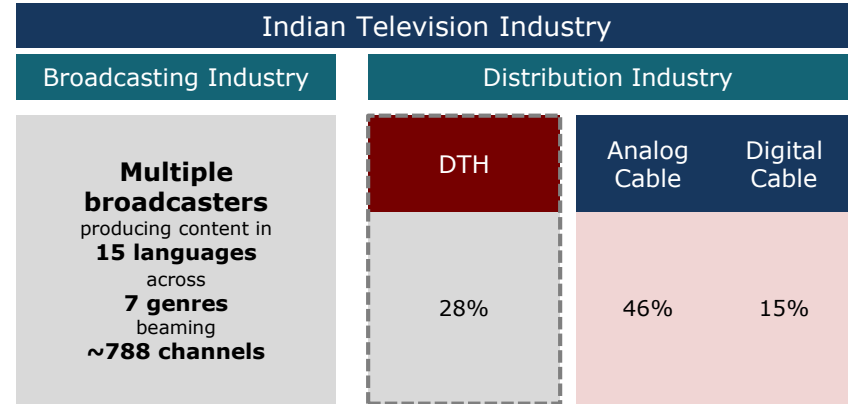
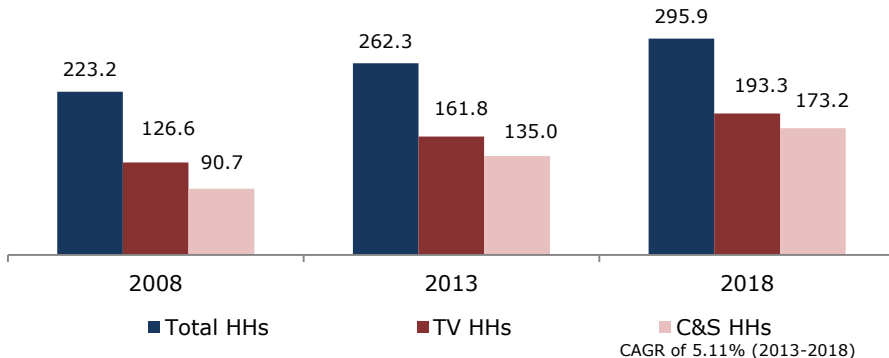
Indian M&E Industry Snapshot

M&E industry composition & size (INR bn.)

■ TV ■ Print ■ Films ■ Others



Indian television market statistics (mn. HHs)



2013 - 2018

- TV penetration (of total HHs) ~ 62% - **65%**
- C&S penetration (of TV HHS) ~ 83% - **90%**

Average household size of 5.1

Distribution Industry

Digital Addressable Systems - DAS



Phase I	Phase II
Delhi, Mumbai, Calcutta & Chennai	38 notified cities
30-June-2012	31-Mar-2013

Phase III/IV
Rest of India
31-Dec-2015/2016

Cable

- Land grab seeding at throw away prices
- No addressability/KYC
- Working backwards to fill in the critical gaps; billing, collection and dunning

DTH

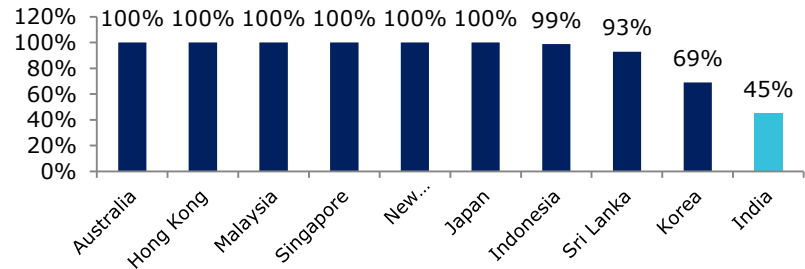
- Opening up of cable stronghold markets
- Bonus additions for the sector

Dish TV

- Higher incremental net adds; positive shift in subscriber distribution

- Bulk of the potential DAS converts
- Limited coverage by large MSOs due to dispersed population
- Very high DTH recognition
- DTH best suited considering terrain
- Key target markets with more than 60% incremental potential for DTH

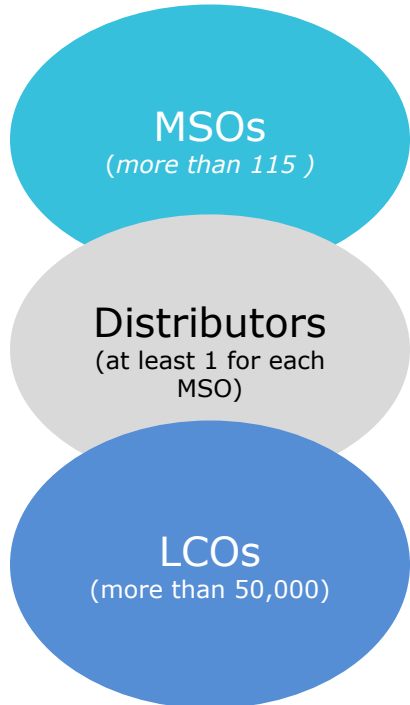
Digital Penetration of Total Pay-TV Subscribers in India is Amongst the Lowest *



Distribution Industry - Cable

1990 - 2014

3 Tiered Structure



Pre-DAS

- **Analog signal** - limited carrying capacity, broadcasters jostling for PCS
- Placement & Carriage fees - bulk of MSOs top-line
- Massive under declaration – ignored to maintain MSOs ‘reach.’ Reason behind LCOs prosperity.

No incentive to raise ARPUs

Post-DAS

- **Digital signal** - fatter pipe, larger carrying capacity
- Lack of addressability
- Continued low content payout & dependence on placement fees
- Efforts on to roll out last mile billing

Distribution Industry - DTH



- 100% digital
- Owns last mile subscribers
- Subscription driven top-line
- Fully prepaid
- DTH contributes ~ 60% of the broadcaster's domestic subscription revenue; scope for rationalization vs. cable
- Fully tax compliant
- Heavily taxed:
 - License fees – 8% AGR instead of 10% GR (TRAI recommendations on issues related to new DTH licenses)
 - Entertainment tax - likely to be subsumed post rollout of GST

DTH Players in India

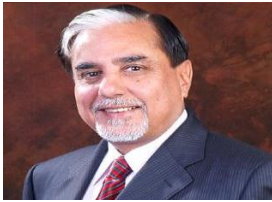
Dish TV	<ul style="list-style-type: none">➤ Industry pioneer. Started operations in 2003➤ Part of the 'Zee' stable, largest producer and aggregator of Hindi programming in the world
Tata Sky	<ul style="list-style-type: none">➤ Launched in 2006➤ JV between the TATA Group and News Corp
Sun Direct	<ul style="list-style-type: none">➤ Launched in 2007➤ JV between Sun Network and Astro, Malaysia
Reliance Digital	<ul style="list-style-type: none">➤ Part of Reliance Communication Ltd, a subsidiary of Reliance ADA group
Airtel Digital	<ul style="list-style-type: none">➤ Launched in 2008➤ Part of the telecom major Bharti Airtel.
Videocon D2h	<ul style="list-style-type: none">➤ Launched in 2009➤ Part of the white goods manufacturing, Videocon group

Dish TV

Key Managerial Personnel



Key Managerial Personnel – Pioneers and Visionaries



Subhash Chandra

Non Executive Chairman

- Promoter of the 'Essel' Group of companies
- India's media mogul and founder of 'Zee', India's first satellite television channel in 1992 & later India's first private news channel, Zee News
- A self-made man, has consistently demonstrated his ability to identify new businesses and lead them on the path to success
- Other business interests, education, theme parks, wellness



Jawahar Lal Goel

Managing Director

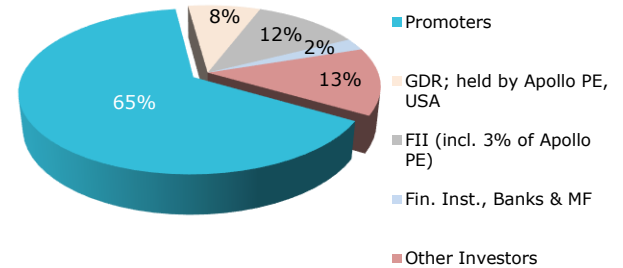
- Key architect in creation and expansion of Essel Group of Companies
- Key architect of cable TV services, established 'Siti Cable' in 1994
- Pioneered the DTH services in India and has been instrumental in establishing Dish TV
- Past president of IBF for four consecutive years upto 2010
- An active member on the Board of various committees set up by MIB, for addressing critical industry matters



R.C. Venkatesh

CEO

- India and South Asia MD of ESPN Star Sports prior to joining Dish as its CEO.
- Current President of DTH Operators Association
- More than 27 years of experience & a successful track record in turning around businesses for brands like Oral-B, Nestle and Kellogg's



Shareholding Pattern*

Many Firsts to its Credit

- First DTH in India
- First to negotiate content on a fixed fee basis
- First to launch Live TV for moving vehicles
- First to achieve operational break-even in the DTH industry
- First to launch High Definition
- First to offer unlimited recording
- First to be FCF positive
- First to launch online TV for DTH viewers – 'Dish on Line'
- First to launch a sub-brand targeting regional language markets– 'Zing'

*Shareholding pattern as on 21st July 2014

Business Model

Business Model

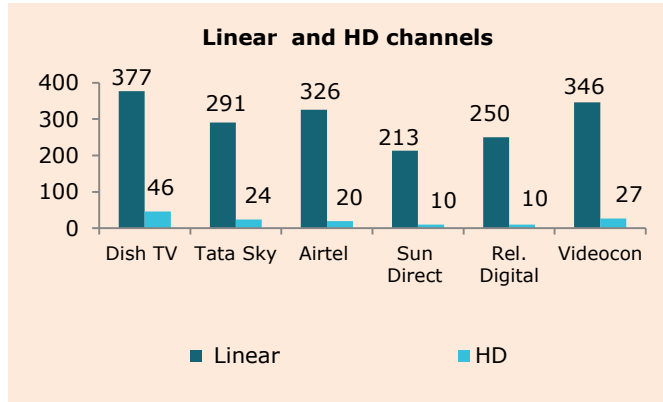
- Upfront subsidy on Consumer premises equipment (CPE)
- Prepaid subscription revenues
- Average ARPU of Rs. 170
- Churn at 0.7% p.m.
- Implied average subscriber life of 12 years

Consolidated P&L Structure - FY14		
Revenue	Subscription revenues	90%
	Box Rent	5%
	Bandwidth income	2%
	Advertising income	1%
	Other income	2%
Expenses	Employee benefit expenses	4%
	Programming and other cost	31%
	License fees	10%
	Other operating costs	11%
	Commission	7%
	Selling and distribution expenses	6%
	Other expenses	5%
EBITDA		25%

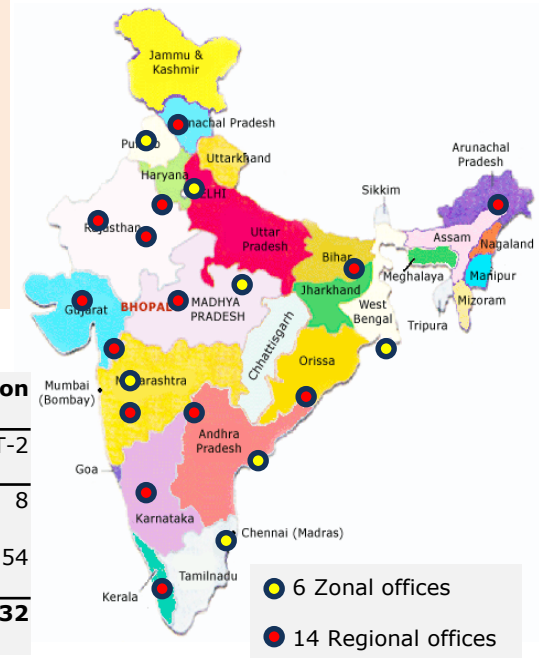
Dish TV vs. Competition



- Highest transponder capacity
- Maximum content tie-ups
- Maximum HD channels
- Widest service network
- Widest dealer-distributor network



Dealer-Distributor Network

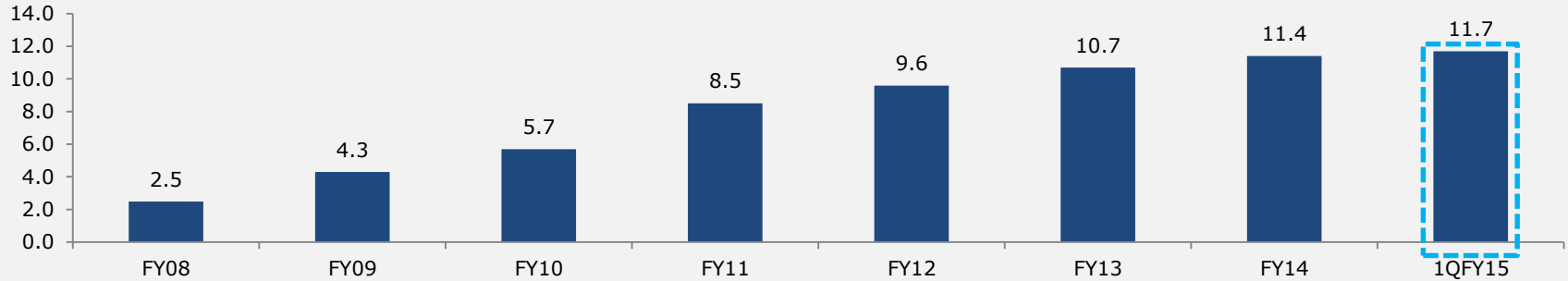


Transponder Bandwidth	Dish TV	Tata Sky	Airtel	Sundirect	Reliance Digital	Videocon
Satellite	NSS6, Asiasat 5	Insat 4A	SES 7	Measat 3	Measat 3	Singtel ST-2
Number of Transponders	14	12	11	4+2	9	8
TP Bandwidth (MHz)	36,54	36	36	36	36	54
Total Bandwidth (MHz)	648	432	396	216	324	432

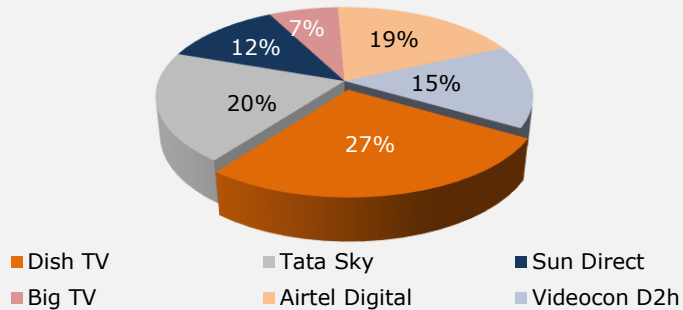
Key Metrics



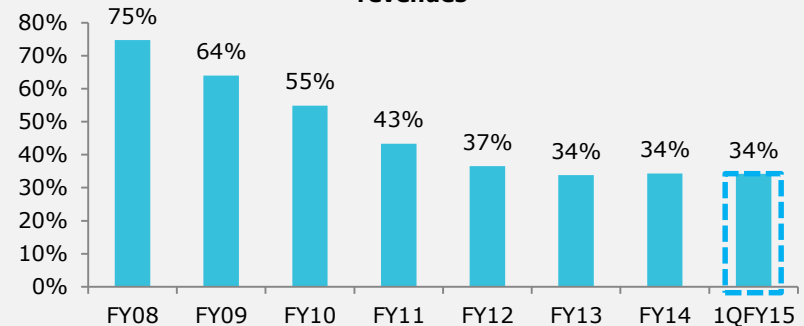
Net subscriber base (mn.)



Market share*



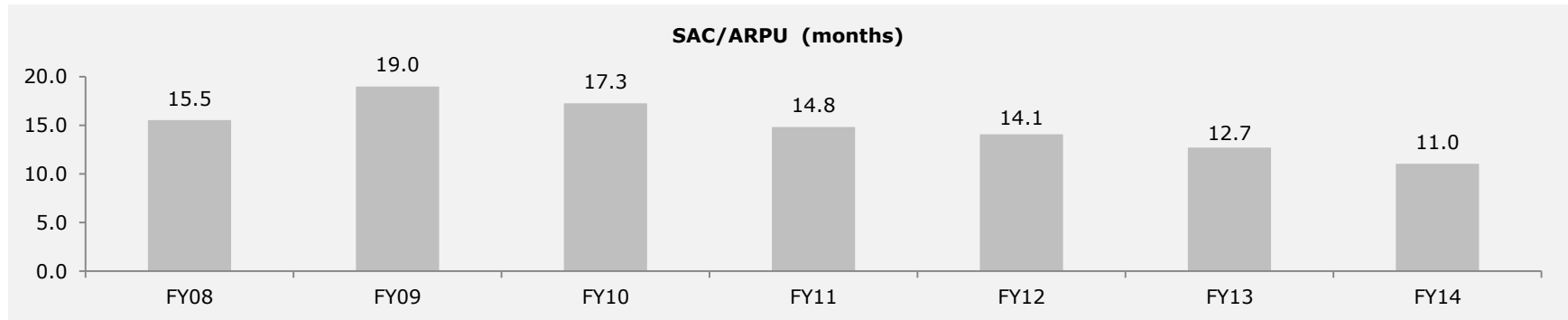
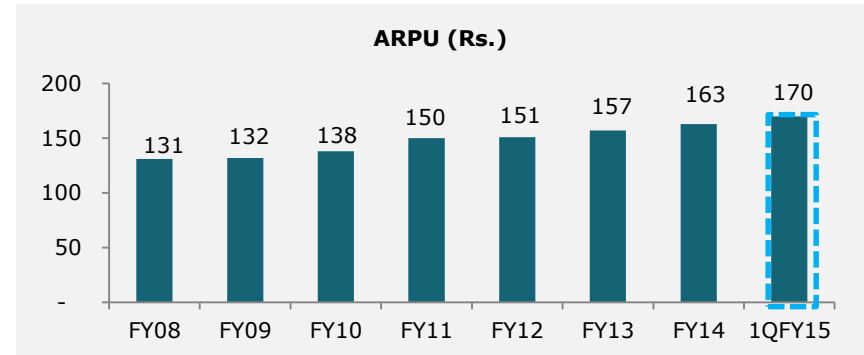
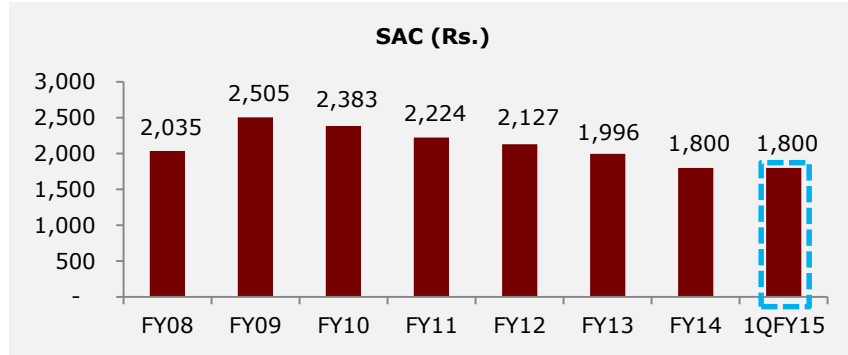
Programming and other costs as % of subscription revenues



Source: Company

Note : * Market share based on gross subscribers as on 30th June, 2014 as per market estimates

Key Metrics (continued)



Source: Company

Note : SAC & ARPU taken as Q4 data for respective years.

Strategy and Outlook

Introducing Zing - Phase III & IV

Maximum
Bangla News

SHUBHARAMBH PACK

140 + CHANNELS & SERVICES

₹175* per month

Maximum
Odia Entertainment

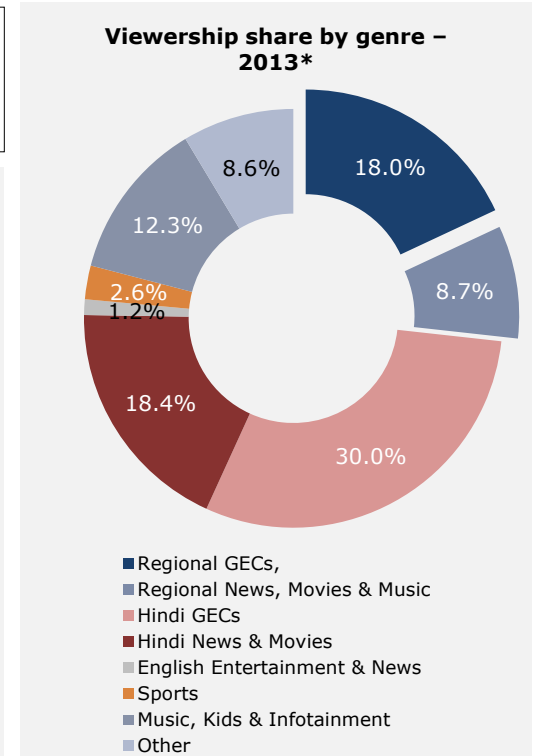
SHUBHARAMBH PACK

130 + CHANNELS & SERVICES

₹175* per month



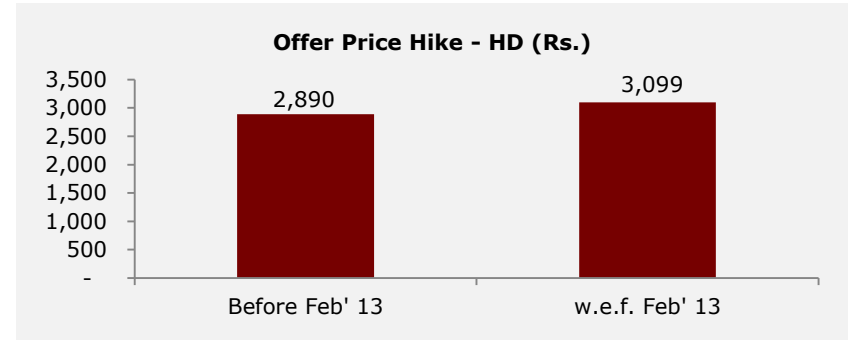
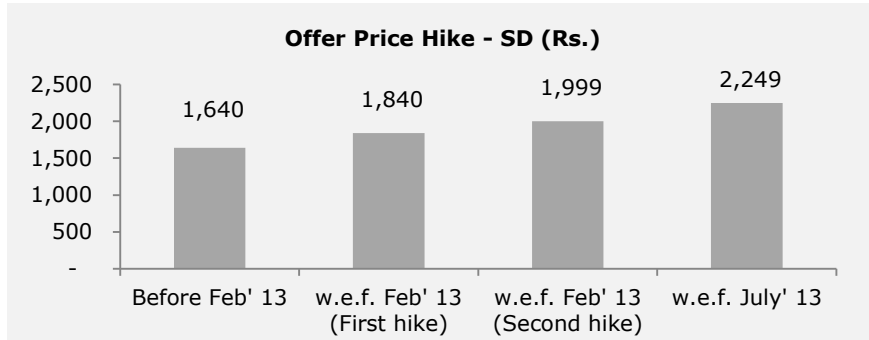
- Sub Brand of Dish TV
- Regional first; regional language channels , regional look and feel
- Regional first national second; unlike mainstream brands
- Customized regional content in digital picture quality and stereophonic sound
- Vfm offering
- Healthy gross margin
- Now available across Odisha, West Bengal, Tripura, parts of Assam and most parts of Maharashtra



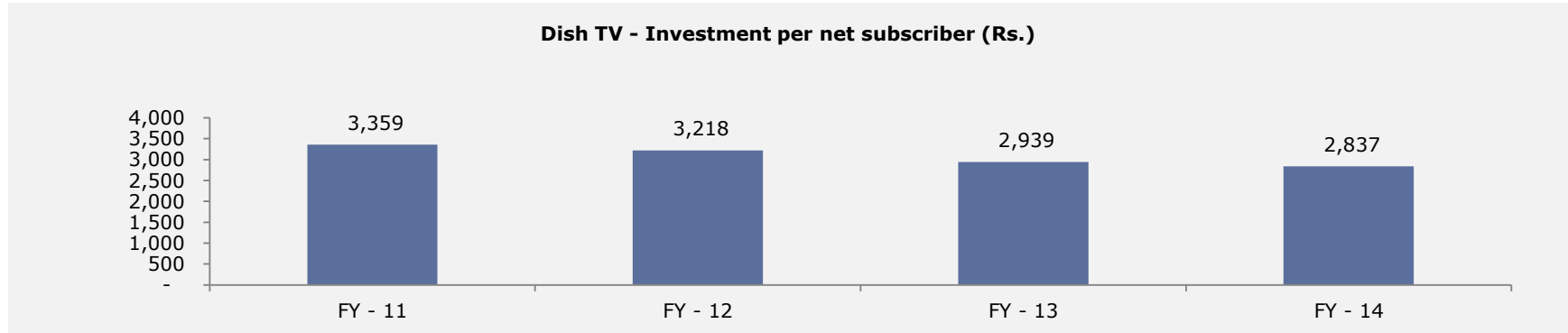
Long Term Focus



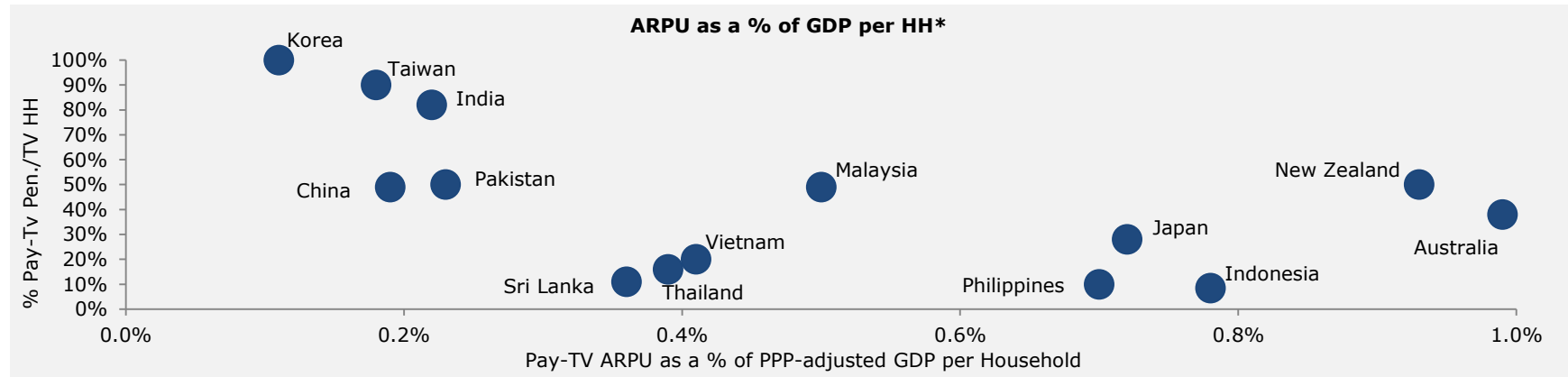
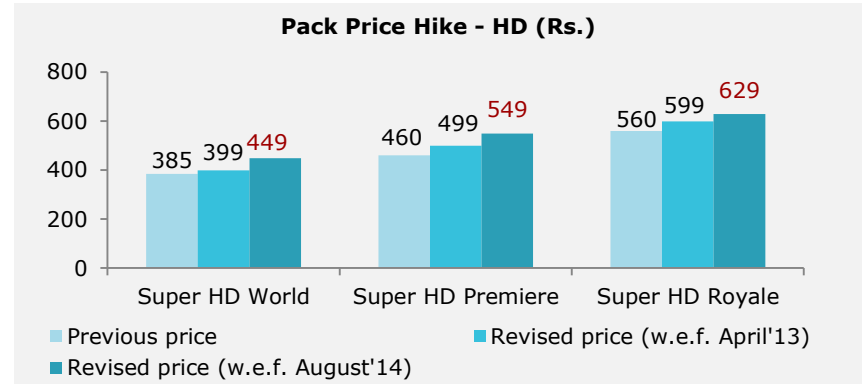
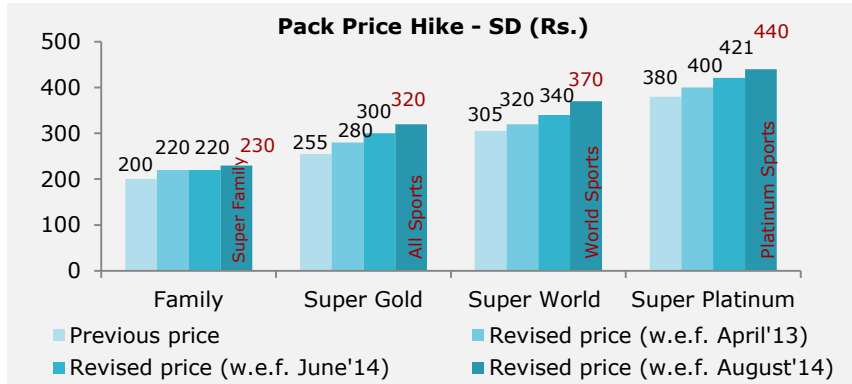
Minimizing Subsidy



Reducing Investment per Subscriber



ARPU Expansion



Source: * MPA Report 2013

Key Focus Areas



Growth with Profitability

- Maintaining market leadership while aiming to minimize subsidy

Content Cost Rationalization

- Re-look at fixed fee vs. per subscriber model

Balance Sheet strengthening

- Debt repayment of ~ USD 65 million in FY15

Focus on Cash Flows

- Free cash flow of ~ Rs. 3,127 million in FY14

Financials

Summarized Standalone P&L - Quarterly



4QFY 2014 vs. 1QFY 2015

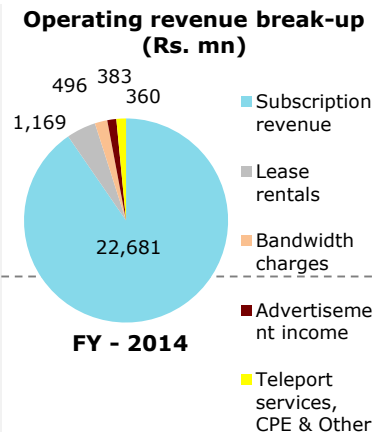
Rs. million	Quarter ended March – 2014	Quarter ended June – 2014	Variance(4QFY14 vs.1QFY15) in %	Operating revenue break-up (Rs. mn)
Operating revenues	6,369	6,407	0.6	<p>1QFY - 2015</p> <ul style="list-style-type: none"> Subscription revenue Lease rentals Bandwidth charges Advertisement income Teleport services, CPE & Other
Expenditure	5,080	4,836	(4.8)	
EBITDA	1,289	1,571	21.9	
EBITDA Margin (%)	20.2	24.5		
Other Income	201	116	(43)	
Depreciation	1,491	1,452	(2.6)	
Financial expenses	326	395	5	
Profit / (Loss) before prior period & tax	(327)	(160)		
Prior period items	(1,164)	-		
Tax expense/(write back)	-	-		
Net Profit / (Loss) for the period	(1,490)	(160)		

Summarized Consolidated P&L - Annual



FY 2013 vs. FY 2014

Rs. million	FY 2013 (Audited)	FY 2014 (Audited)	Variance(FY13 vs. FY14) in %
Operating revenues	21,668	25,090	15.8
Expenditure	15,874	18,849	18.7
EBITDA	5,794	6,241	7.7
EBITDA Margin (%)	26.7	24.9	(4.8)
Other Income	511	649	27.0
Depreciation	6,276	5,974	3.3
Financial expenses	1,284	1,327	
Profit / (Loss) before exceptional items	(1,254)	(412)	
Exceptional items	594	-	
Profit / (Loss) before prior period & tax	(660)	(412)	
Prior period items	-	(1,164)	
Tax expense/(write back)	0.1	0.5	
Loss attributable to minority	0.1	-	
Net Profit / (Loss) for the period	(660)	(1,576)	



Consolidated Balance Sheet



FY13 vs. FY14

Rs. million	FY 2013 (Audited)	FY 2014 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	1,065	1,065
(b) Reserves and surplus	(2,621)	(4,191)
	(1,556)	(3,126)
Non-current liabilities		
(a) Long-term borrowings	8,460	7,791
(b) Other long term liabilities	1,504	918
(c) Long-term provisions	127	142
	10,092	8,851
Current liabilities		
(a) Short-term borrowings	300	658
(b) Trade payables	2,138	1,357
(c) Other current liabilities	14,027	11,601
(d) Short-term provisions	6,547	8,361
	23,012	21,977
Total	31,548	27,702

Consolidated Balance Sheet (continued)



FY13 vs. FY14

Rs. million	FY 2013 (Audited)	FY 2014 (Audited)
ASSETS		
Non-current assets		
(a) Fixed assets		
(i) Tangible assets	14,273	13,495
(ii) Intangible assets	67	76
(iii) Capital work-in-progress	6,535	4,226
	20,875	17,797
(b) Non-current investments	-	1,500
(c) Long-term loans and advances	646	881
(d) Other non-current assets	97	73
	743	2,454
Current assets		
(a) Current investments	2,782	500
(b) Inventories	86	75
(c) Trade receivables	304	415
(d) Cash and bank balances	3,645	3,426
(e) Short-term loans and advances	3,060	3,029
(f) Other current assets	53	5
	9,929	7,451
Total	31,548	27,702

Thank You

Annexure

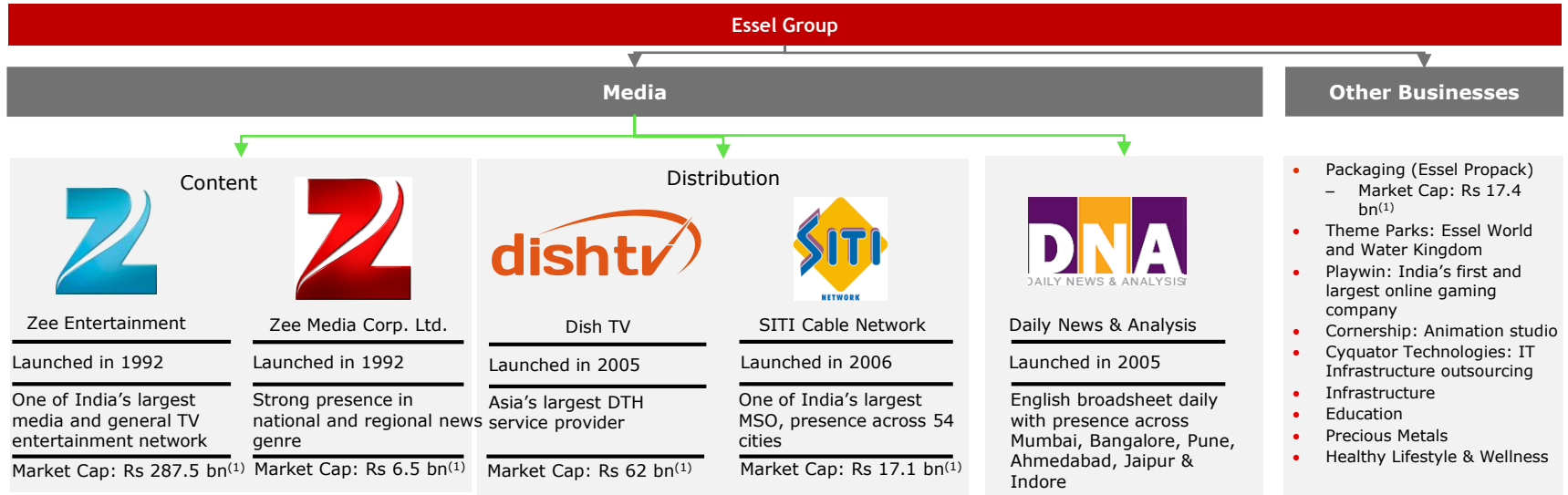
Launched in 1976, Essel Group is one of India's largest business houses, with a dominant presence in Media

□ One of India's largest vertically integrated media and entertainment group, and also one of the leading producers, content aggregators and distributors of Indian programming globally

□ One of the largest producers and aggregators of Hindi programming in the world

Founded by Dr. Subhash Chandra

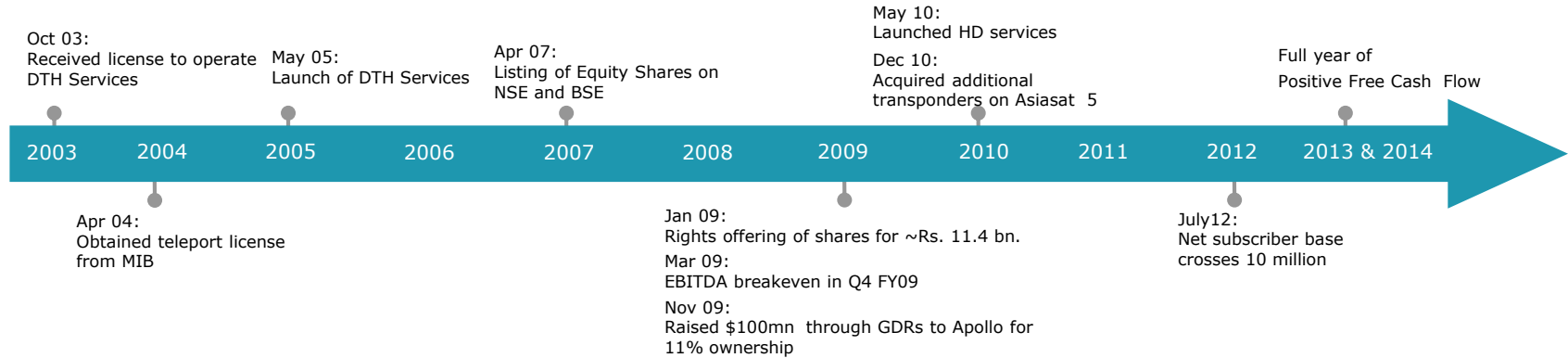
Group Market Cap (Listed entities under Essel Group): Rs 390.5 bn⁽¹⁾



Source: Company websites, BSE, MPA Report 2013

Note: (1) Market capitalization as on 22nd July, 2014

Key Milestones and Performance



Growth Trajectory Since Listing	2008 ⁽¹⁾	2014 ⁽²⁾
<i>Company Profile</i>	First Indian DTH player	Asia's Largest DTH Provider
<i>Net Customer Base</i>	< 3.0 million	11.4 million
<i>Total Revenues</i>	Rs 4,162 million	Rs 25,090 million
<i>EBITDA (% margin)</i>	(Rs 2,095 million)	Rs 6,241 million (25%)
<i>Market Capitalization⁽³⁾</i>	~ Rs 21.1 billion	~ Rs 54.8 billion

Source: Company filings, Company website, BSE, NSE, MPA Report 2013

Notes:

- (1) 2008 reflects FY 2008 year end results
- (2) Total Revenues and EBITDA for 2014 reflect FY2014 year end results. Customer base as of March 31, 2014
- (3) 2008 market capitalization as on March 31, 2008; 2014 market capitalization as on May 28, 2014