



DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2010

& AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED MARCH 31, 2010

DISH TV ADDS 0.76 MILLION NEW SUBSCRIBERS DURING 2Q FY11

WIDENS GAP WITH COMPETITION WITH A ROBUST 27% INCREMENTAL MARKET SHARE

CONSISTENT LEADERSHIP IN ABSOLUTE MARKET SHARE

AVERAGE REVENUE PER USER MAINTAINED AT ₹ 139 DESPITE SIZEABLE ACQUISITIONS

STANDALONE REVENUES OF ₹ 3286 MILLION, UP 27.4% YoY

EBITDA OF ₹ 523 MILLION DRIVES MARGINS UP TO A RE-ASSURING 15.9%

Highlights

- ❖ 2Q FY11 revenues stood at ₹ 3286 million, an increase of 27.4% as compared to the corresponding period last fiscal.
- ❖ EBITDA was ₹ 523 million, up by more than 100% on a YoY basis. Margins continued the upward trend improving to 15.9% from 10.1% in the corresponding period last fiscal.
- ❖ Average Revenue per User (ARPU) maintained at ₹ 139 per month despite substantial subscriber acquisitions. Subscriber Acquisition Cost (SAC) for the quarter reduced to ₹ 2083 from ₹ 2,147 in the previous quarter.
- ❖ Fixed content fee advantage reduced content cost as a percentage of subscription revenue to an all time low of 39%.
- ❖ Gross subscriber base stood at 8.3 million while the net subscriber base as on September 30, 2010 was 6.8 million. Subscriber churn remained constant at 0.7% per month.
- ❖ Audited consolidated results for the financial year ended on March 31, 2010 approved by the Board of Directors; revenues were ₹ 10.9 billion, EBITDA stood at ₹ 1182 million.

NOIDA, India; October 26, 2010 - Dish TV India Limited (Dishtv) (BSE: 532839, NSE: DISHTV) today reported second quarter fiscal 2011 standalone revenues of ₹ 3286 million, representing a 27.4% growth over the corresponding period last fiscal. The EBITDA for the quarter stood at ₹ 523 million, a growth of 102% over the corresponding period last fiscal. The net loss reduced to ₹ 452 million, as compared to ₹ 562 million in the corresponding quarter last fiscal.

The Board of Directors in its meeting held today, has approved and taken on record the un-audited standalone financial results of Dish TV for the quarter ended on September 30, 2010. The Board, in the same meeting, has also approved and taken on record the audited consolidated financial results of the company for the financial year ended on March 31, 2010.

The consolidated operating revenues for the financial year ended on March 31, 2010 were ₹ 10.9 billion while the consolidated EBITDA for the year stood at ₹ 1182 million and net loss stood at ₹ 2622 million.

Mr. Subhash Chandra, Chairman, Dish TV India Limited, stated, "Having emerged as one of the most favored investment destinations in the World, India with its favorable macroeconomic environment including higher disposable income, rising internal consumption and an increasing number of pay-tv households, has also emerged as one of the most compelling market for DTH services worldwide. With 2.8 million subscribers added in the second quarter, the overall market for DTH in the country has already grown to more than 26 million households."

"In a strong six player market, incremental share over and above a secular number is laudable. Dish TV with an incremental market share of 27% continues to deliver industry leading performance," he added.

Commenting on the second quarter results, Mr. Chandra said, "Dish TV has delivered yet another quarter of encouraging financial results. While ARPUs in India remain significantly under-priced compared to similar economies in the World, there exists substantial headroom for growth. Dish TV's efforts to enhance them with a trade-off between ARPUs and subscriber acquisition is heartening."

Mr. Jawahar Goel, Managing Director, Dish TV, said, "In line with our expectations, Dish TV continued to garner strong volume growth right through the second quarter of this fiscal. The company strengthened its competitive position by garnering the highest; 27% incremental market share and achieving a 61% contribution margin. Our game changing initiatives and strategic marketing resulted in increased stickiness on the higher value packs and maintenance of ARPUs despite huge activations. In our endeavor to strengthen the overall ARPU levels, amongst other things, a price hike across two popular packs was announced towards the end of the second quarter the impact of which should be visible in the forthcoming quarters."

"The second quarter was also witness to heightened activity at the regulatory front. While the fate of the Tariff Order for addressable systems issued by The Telecom Regulatory Authority of India (TRAI) on 21st July 2010 remains to be decided, we remain positive about other regulatory initiatives including license fee regulation which would provide potential upside to the category. The TRAI recommendation on implementation of Digital Addressable Cable TV Systems in India though looks aggressive, is an encouraging initiative. In addition, implementation of the Goods and Service Tax (GST) regime across the country would also result in potential upside for the category," he added.

Commenting on the overall performance, Mr. Goel said, "We remain on track to meet our guided acquisition target as well as budgeted revenue and profitability. With recent pricing and operational initiatives, our focus on driving margin improvements and cash generation gets further strengthened."

Dish TV crossed the momentous 8 million subscriber mark in the second quarter by adding 1 million new subscribers in less than six months of the current fiscal, 57% more than what it added during the same period last fiscal. Upbeat about the prospects for the year ahead, the management re-worked on its subscriber acquisition target for the current fiscal and guided an addition of at least 3 million subscribers during the whole of FY 2011. This year the overall industry is also expected to do significantly better in terms of subscriber acquisition as compared to the previous fiscal, with Dish TV maintaining its lead.

To minimize loss of billing to subscribers who are too occupied to recharge their Dish TV account or to those who look forward to the convenience of paying at their doorstep, Dish TV launched a service campaign - '*Khushyian Har Pal*' with services like 'Call Me' and 'Home Pick'. Both the services are a first of its kind in the Indian DTH industry and are available in select cities. In 'Home Pick' the amount of subscription recharge, subject to a minimum amount, is collected from the subscriber's home. 'Call Me' is aimed at enhancing customer satisfaction levels and thus customer stickiness by making the company call back the subscriber within 15 minutes of receiving a service request SMS.

In a bid to further enhance alternate revenue streams Dish TV appointed 'Quasar' as its exclusive sales partner for platform sales. 'Quasar', a WPP digital company, is a full service digital agency and works with clients like Microsoft and Visa amongst others. As a key business partner, 'Quasar's' focus would be to monetize the platform through advertising inventories, alliances and sponsorships to enable marketers to reach out to their target audience. Innovations offered by Dish TV include direct access to 8 million households through its default channel and an association with the latest blockbuster on 'Movie on Demand'.

To cash in on the impending cricket and sports season, Dish TV introduced the two popular sports channels 'Neo Cricket' and 'Neo Sports' on its platform in the month of September. Over the next few months, Neo Cricket will be showcasing much more domestic and international cricket than ever before. With 'Neo' channels on board, Dish TV is hopeful of further enhancing its reach amongst sports enthusiasts across the country.

With more than 250 channels and services on its platform, Dish TV has the largest content offering as compared to cable, digital cable, IPTV or any other DTH platform.

Sports events would continue to drive the category, with more than 200 days of sporting events in FY 11, the DTH category is expected to see similar growth in the year ahead. Dish TV, with its focus on growth beyond just subscriber numbers, remains well-positioned to leverage the opportunity.

Condensed Statement of Operations:

The table below shows the condensed statement of operations for Dish TV India Limited for the second quarter ended September '10 compared to the quarter ended June '10.

Rs. million	Quarter ended	Quarter ended	% Growth
	Sep-10	Jun-10	Q o Q
Gross revenues	3,286	3112	5.6
Expenditure	2,763	2721	1.6
EBITDA	523	391	33.7
Depreciation	843	889	(5.1)
Financial expenses	131	133	(1.7)
Profit / (Loss) before tax	(452)	(631)	
Provision for tax	0	0	
Profit / (Loss) after tax	(452)	(631)	

Analysis of Expenses:

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 type as a percentage of total revenue.

Rs. million	Quarter ended Sep. 2010	% of Gross revenue	Quarter ended June 2010	% of Gross revenue	% Growth Q o Q
Cost of goods & services	1824	55.5	1794	57.7	1.7
Personnel cost	130	4.0	123	3.9	5.7
Administrative cost	152	4.6	134	4.3	13.5
Advertisement expenses	177	5.4	249	8.0	(29.2)
Selling & distribution expenses	481	14.6	421	13.5	14.3
Total Expenses	2763	84.1	2721	87.5	1.6

Condensed Consolidated Statement of Operations - FY2010:

The table below shows the condensed, audited consolidated statement of operations for Dish TV India Limited and its subsidiaries for the fiscal year ended March '10 compared to the fiscal year ended March '09.

Rs. million	Year ended March 2010	Year ended March 2009	% Growth Y o Y
Gross revenues	10915	7394	47.6
Expenditure	9733	8614	13.0
EBITDA	1182	(1220)	
Depreciation	3227	2288	41.0
Financial expenses	583	1293	(54.9)
Profit / (Loss) before tax	(2628)	(4801)	-
Provision for tax	(6)	6	-
Profit after tax	(2622)	(4807)	-

Dish TV is the country's pioneer DTH service provider and continues to be the leader in its segment. The subscriber base of the Indian DTH industry is expected to grow exponentially with the estimated (2009-13) CAGR being more than 25%. Dish TV would strive to take a large share of this pie and would continue to focus on ARPU, value-added-services, brand building, penetration and service capability ramp-up thus targeting value creation for the stakeholders.



Note: This earnings release contains stand alone results that are unaudited, and prepared as per Indian Generally Accepted Accounting Principles (GAAP). The results for the FY 2010 and FY 2009 are audited and consolidated.

Caution Concerning Forward-Looking Statements:

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. 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 India's largest direct-to-home (DTH) company and part of the country's biggest media conglomerate - the 'Zee' Group. Dish TV has on its platform more than 250 channels & services including 21 audio channels with more than 8.0 million subscribers. 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 has a vast distribution network of about 1400 distributors & 55,000 dealers that span across 6600 towns in the country. Dish TV has 24*7 call centre with 1600 seats in 11 different languages to take care of subscriber requirements at any point of time. For more information on the company, please visit www.dishtv.in
