



DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2010

DISH TV ADDS RECORD 1.1 MILLION NEW SUBSCRIBERS, DOUBLES GROWTH OVER LAST YEAR

AVERAGE REVENUE PER USER BREAKS OUT OF A FIVE QUARTER FLATTISH TREND, EMERGES STRONGER AT ₹142 DESPITE SIZEABLE ACQUISITIONS

ROBUST 45% YoY GROWTH IN SUBSCRIPTION REVENUES EXPANDS TOP-LINE BY 35%

EBITDA OF ₹ 684 MILLION RAMPS UP MARGINS TO 18.2%, UP FROM 5.2% IN THE CORRESPONDING PERIOD LAST FISCAL

Highlights

- ❖ Dish TV achieved more than 9.4 million gross and 7.7 million net subscribers at the end of 3Q FY11, maintaining leadership as the largest DTH player in the Asia Pacific region.
- ❖ Strong subscriber addition and more than 5% YoY increase in Average Revenue per User (ARPU) lead to a 45% growth in subscription revenues of ₹ 3,091 million as compared to the corresponding period last fiscal.
- ❖ Favorable pack mix due to increasing traction in middle level subscription packs over base pack resulted in ARPU growing to ₹ 142 in 3Q FY11 compared to ₹ 135 in the corresponding period last fiscal.
- ❖ Subscriber acquisition cost (SAC) increased marginally to ₹ 2,142 from ₹ 2,083 in the immediately preceding quarter largely due to higher selling and distribution expenses and enhanced box subsidy due to aggressive competition at the acquisition front.
- ❖ Content cost as a percentage of subscription revenue remained at 39%. Average monthly churn was at 0.9% p.m.
- ❖ Dish TV remains best placed to provide maximum services post acquiring additional transponders resulting in bandwidth increase from 432 MHz to 648 MHz.

NOIDA, India; January 21, 2011 - Dish TV India Limited (Dishtv) (BSE: 532839, NSE: DISHTV) today reported third quarter fiscal 2011 standalone revenues of ₹ 3749 million, representing 35% growth over the corresponding period last fiscal. The EBITDA for the quarter stood at ₹ 684 million, recording more than a fourfold increase over the corresponding quarter last fiscal. The net loss reduced to ₹ 443 million, compared to ₹ 763 million for the same period 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 December 31, 2010.

Mr. Subhash Chandra, Chairman, Dish TV India Limited, said, "India continues to be one of the fastest growing DTH markets in the world and Dish TV remains on track to capitalize on the opportunity. Having consistently garnered an incremental market share above 25% in a six player market, Dish TV's strategic initiatives have been delivering commendable results."

"While subscriber numbers have been on the rise, ARPU in India have always had significant scope for improvement. Dish TV's initiative to drive ARPU by industry leading practices has delivered heartening results in a challenging environment. Despite adding more than 1 million subscribers in the third quarter, Dish TV drove Average Revenue per User to ₹ 142. The recently increased transponder capacity will further enable Dish TV to build on its ability to generate higher revenues by offering a significantly enhanced High Definition bouquet," he added.

Commenting on the third quarter results, Mr. Chandra said, "Dish TV has delivered yet another quarter of encouraging financial results. Its superior quarterly performance is a reflection of its continued focus on operational efficiencies and cost management."

Mr. Jawahar Goel, Managing Director, Dish TV, said, "The third quarter being festival period holds significant potential for leveraging on the burgeoning consumer demand in the country. In line with our expectations, Dish TV registered exceptionally strong growth during this period. Price hike across two popular packs announced towards the end of the preceding quarter along with strategic marketing initiatives resulted in our package mix getting favorably skewed towards higher value packs. We were pleased to see that despite brilliant subscriber growth and marginal increase in subscriber acquisition costs, EBITDA margin reached a new high of 18.2%."

"Dish TV's constant emphasis on superior content and on creating an unparalleled viewing experience for the consumer along with world class service has always made it stand apart. The company now has another distinct advantage over competition in the form of a significantly enhanced bandwidth capacity. We look forward to capitalize on this lead by offering a collection of value added services and region specific content along with a significantly enhanced number of High Definition channels. We expect this to translate into substantial gains in revenue and profitability while bringing more value to our subscribers and increasing shareholder return going forward," he added.

Commenting on the overall performance, Mr. Goel said, "It was a strong quarter operationally and we are now close to crossing the hump. Dish TV is just half a million less than the critical 10 million subscriber mark and remains committed to break even at the bottom-line and turn free cash flow positive at the earliest. With recent operational initiatives, margin improvements and cash generation would get further strengthened."

Dish TV crossed the momentous 9 million subscribers mark in the third quarter. Continuing its subscriber acquisition spree, the company went on to add a record 500 thousand new subscribers on its platform during the month of November '10.

During the quarter, Dish TV also announced signing up of a long term contract for additional transponders on Asiasat with 'Antriksh'. With this, its total transmission bandwidth increased to 648MHz. The new transponders are closely located to the current transponders thus allowing channels beamed from it to be available to existing customers as well.

The increased transponder capacity will enable Dish TV to increase its standard definition channel capacity to over 320 and high definition capacity to over 30 which will be substantially higher than any competing DTH operator in both HD as well as SD transmission. This substantial increase in capacity over competition is likely to be a game changer for Dish TV in the Indian DTH market.

With a last mile reach of more than 9.4 million subscribers, Dish TV offers a transparent new medium for distinct advertising in an otherwise cluttered environment. Further, with television rating measurement agencies increasing the all India digital weightage in their reported markets from around 8% to 15%, advertisers have started looking at DTH as a platform of choice for focused advertisement. To capitalize on this, Dish TV has amplified its focus on advertising revenues as an alternate revenue stream and is poised to materially scale up revenue from advertising going forward.

Sports particularly cricket, continues to drive the category. The impending cricket World Cup and IPL matches are expected to provide similar growth to DTH in the year ahead. Dish TV remains well-prepared, showcasing domestic and international cricket to further enhance its reach amongst sports enthusiasts across the country. It recently added the India - South Africa cricketing series in High Definition on its platform.

Dish TV has been driving the digital revolution in the country and remains focused to maintain leadership and achieve its guided acquisition target along with aiming profitability in the months to come.

Condensed statement of operations:

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

	Quarter ended	Quarter ended	% Growth
Rs. million	Dec-10	Sep-10	Q o Q
Gross revenues	3749	3,286	14.1
Expenditure	3065	2,764	10.9
EBITDA	684	522	31.0
Depreciation	902	843	7.0

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Financial expenses	225	131	71.7
Profit / (Loss) before tax	(443)	(452)	-
Provision for tax	0	0	-
Profit / (Loss) after tax	(443)	(452)	-

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 Dec. 2010	% of Gross revenue	Quarter ended Sept. 2010	% of Gross revenue	% Growth Q o Q
Cost of goods & services	2101	56.0	1824	55.5	15.2
Personnel cost	134	3.6	130	4.0	3.3
Administrative cost	148	3.9	152	4.6	(2.9)
Advertisement expenses	152	4.1	177	5.4	(14.0)
Selling & distribution expenses	530	14.1	481	14.6	10.1
Total Expenses	3065	81.8	2764	84.1	10.9

Dish TV is India's pioneer DTH service provider and despite intense competition continues to be the market leader in this 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 its stakeholders.



Note: This earnings release contains stand alone results that are unaudited, and prepared as per Indian Generally Accepted Accounting Principles (GAAP).

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 9.4 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 more than 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
