

# **DISH TV INDIA LIMITED**

**Corporate Presentation**

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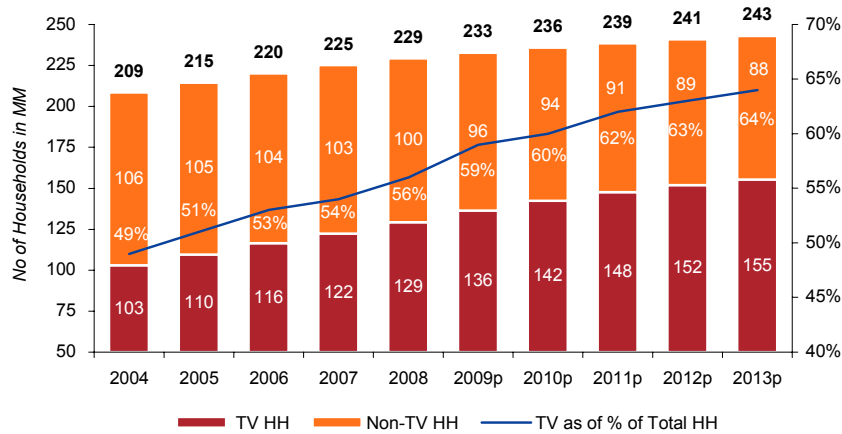
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# DTH Industry Overview

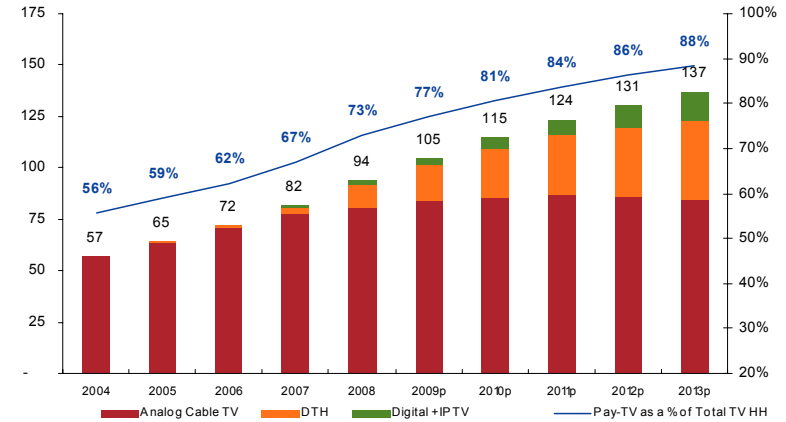
# India TV industry and DTH overview



## Increasing TV Penetration



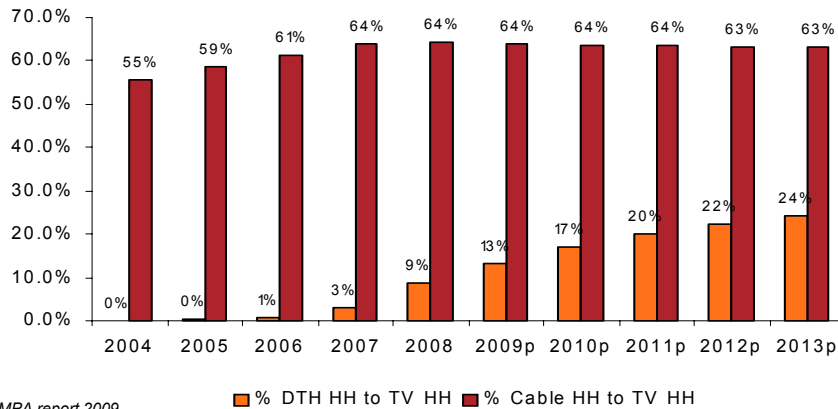
## Pay-TV market on a growth trajectory



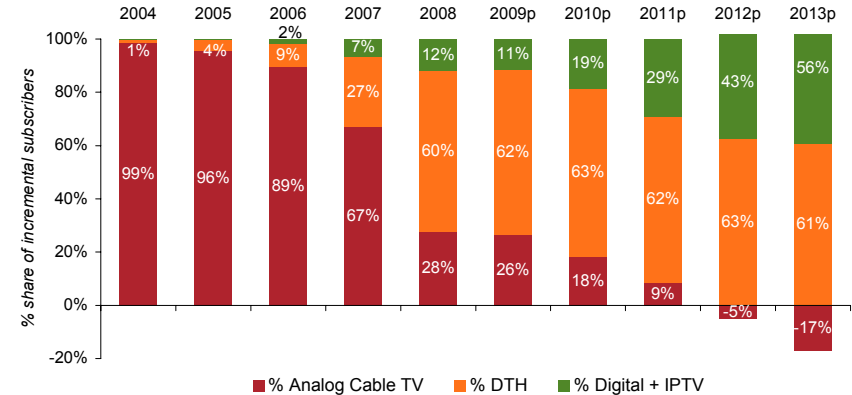
Source: MPA report 2009

Source: MPA report 2009

## DTH gaining foothold in TV HHs



## Share in incremental Pay TV HH added



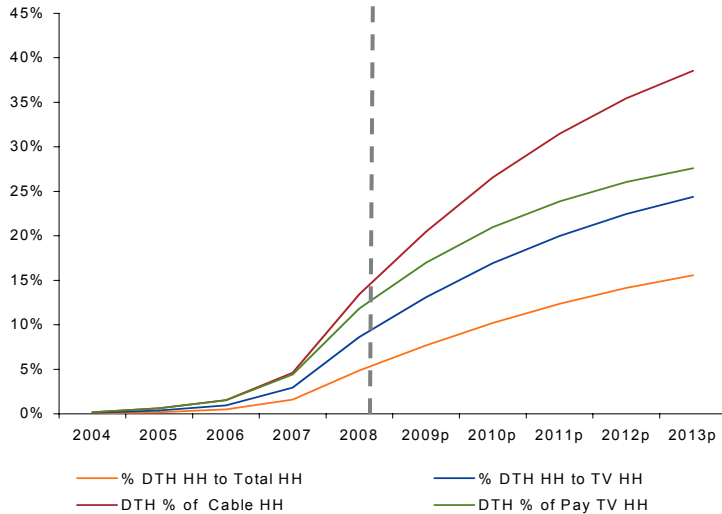
Source: MPA report 2009

Source: MPA report 2009

- India is a large TV market - 129 mm HH in 2008 and expected to grow at a CAGR of 3.4% (2008-13p)
- Pay-TV penetration at 73% of TV HH of which only 14% are Digital HH (2008)
- Analog is highly fragmented and with limited ability to finance digitization
- DTH expected to garner 60% market share of new Pay-TV HH over next 5 years as per MPA 2009 estimate

# DTH - exponential market growth

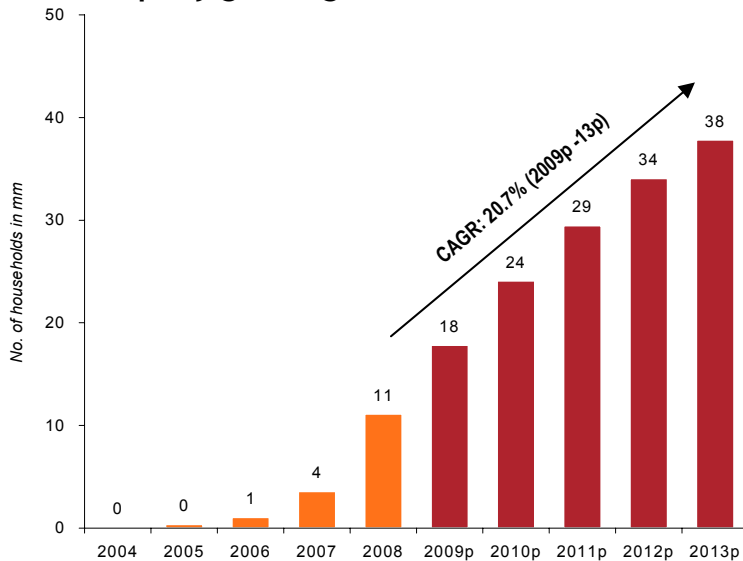
DTH % of HH's - Increasing penetration



- Increased competition fueling high growth
- High end audio-video quality leading to increased penetration
- DTH as a % of TV HH is expected to increase to 24% by 2013 (Source: MPA 2009)

Source: MPA report 2009

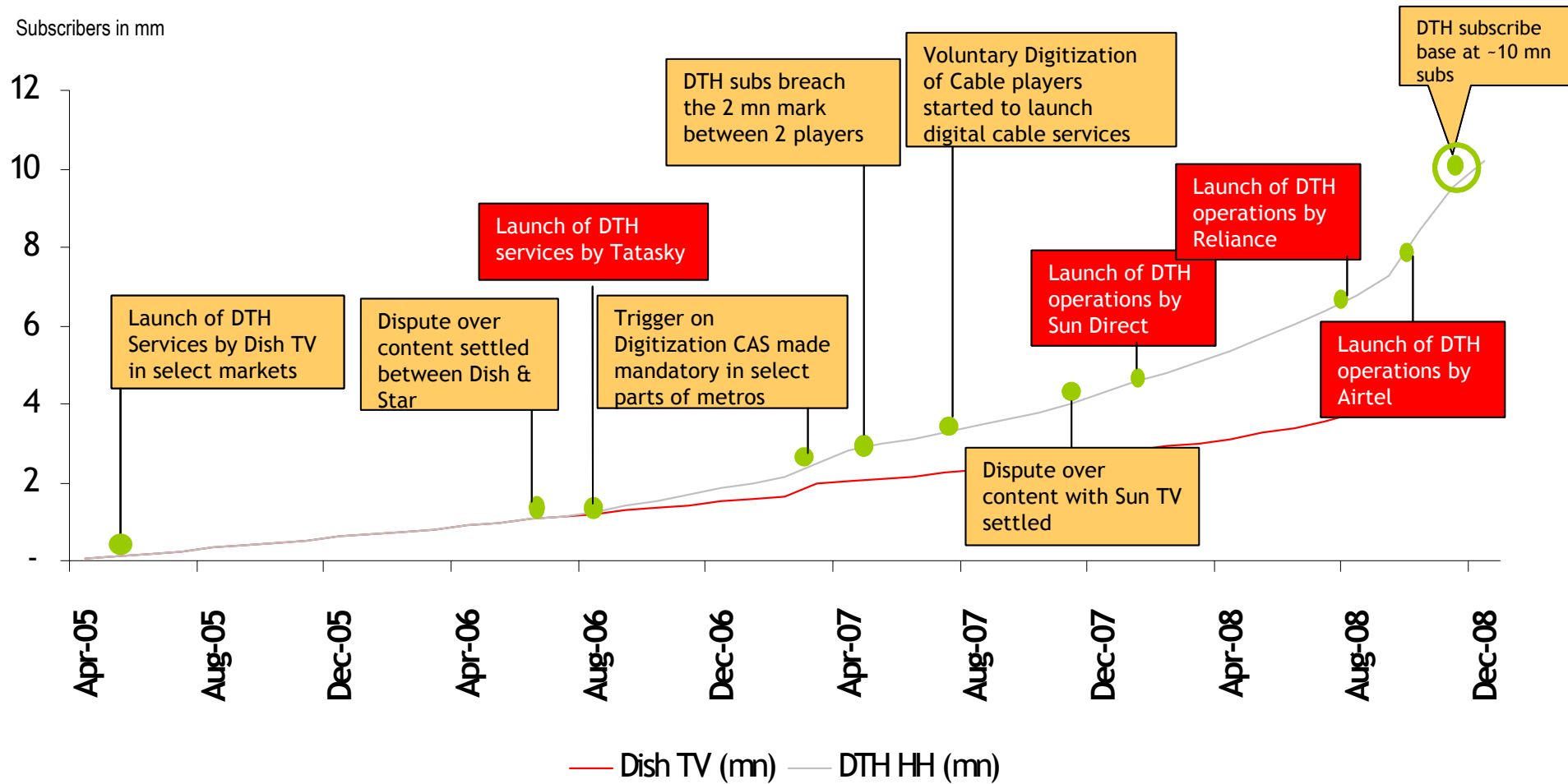
Rapidly growing - DTH Subscriber base



Source: MPA report 2009

- DTH leading the nation wide digitization wave
- DTH HH increased from 1 mm in 2006 to 11 mm in 2008 (Source: MPA 2009)
- Increased DTH penetration will drive continuous growth of DTH HH






# Key industry milestones



Source: Dish TV

# Current DTH landscape



Company					
Group	Zee Group	Tatas	Sun TV	Reliance ADAG	Bharti
Launch Date <sup>2</sup>	Oct 03	Aug 06	Jan 08	Aug 08	Oct 08
Subscribers - Dec 08 <sup>1</sup>	4.5	3.2	2.3	1.1	NA
Ownership <sup>2</sup>	Public	Private	Private	Division of R.com	Division of Bharti
Technology <sup>2</sup>	MPEG2 S1	MPEG2 S1	MPEG4 S1	MPEG4 S1	MPEG4 S2
Geographical Spread <sup>2</sup>	*****	***	**	**	*
Distributors <sup>2</sup>	*****	***	**	****	*
Pricing Strategy <sup>2</sup>	*****	*****	***	*****	*****
Channels tie ups <sup>1</sup>	225	200	170	200	150 <sup>2</sup>
Services <sup>2</sup>	40	19	29	54	32

Source: MPA report 2009 ; 2: Dish TV estimates

## Licensing regulations

- Total Foreign investment limit of 49% with a sub limit of maximum 20% for Foreign Direct Investment
- Uplink centre in India
- Set-top boxes have to be BIS compliant
- License Fee at 10% of subscription revenues (Proposed for 6% under approval)
- Initial license validity of 10 years; renewable there after

## Inter Connect Regulation

- Content providers have to provide content to all broadcasters; Pricing flexible
- Prohibits broadcasters from guaranteeing minimum number of subscribers

## Quality of Service Regulation

- Subscriber to be offered STBs on Rental / Hire purchase / Sale
- Mechanism to handle customer complaints & grievances

## Reference Interconnect offers

- Pricing information on content of the broadcaster
- Max 50% of Non CAS Cable Rates
- A-la-carte offering to be allowed



# DISH - Market leader in DTH



# Dish TV - From India's largest media conglomerate



## Essel Group



Company	Business	Market cap (US\$m)	Revenues (US\$m)
Dish TV (73%)	 <ul style="list-style-type: none"> <li>India's largest Direct to home satellite distribution company</li> </ul>	888	153
Zee Entertainment Enterprise Ltd (42%)	 <ul style="list-style-type: none"> <li>22 entertainment channels covering genres GEC, Movies, Sports, Music, Religious, Comedy, Lifestyle</li> </ul>	1,575	453
Zee News Ltd (54%)	 <ul style="list-style-type: none"> <li>11 channels covering genres news, business, and regional GECs</li> </ul>	204	106
Wire & Wireless India Ltd (49%)	 <ul style="list-style-type: none"> <li>India's largest Cable distribution company</li> </ul>	87	57
ETC Networks (71%)	 <ul style="list-style-type: none"> <li>Music and regional channels, education business</li> </ul>	23	14

Note: The % figures in bracket indicate shareholding by Mr Subhash Chandra & family; M.Cap as of July 30, 09 ; Revenues as per audited statements of FY 2009;  
 Source: Dish TV

- Up-front subsidy on set top boxes to acquire subscribers
- Subscription revenues received in advance as per the chosen plan by subscribers
- Other developing revenue streams
  - Teleport
  - Movies on demand
  - A-la carte
  - Carriage fees
  - Advertisement
- Benefits of economies of scale to accrue - moved from variable payment of content cost to a fixed payment structure
- Focus on improving ARPU, reducing churn and subscriber acquisition cost (“SAC”)

## Market Leadership

- Perceived as the industry pioneer with largest subscriber base
- Carried and distributed by majority third party distributors and dealers
- Strong Branding with consumers

## Largest channel offering with diversified content

- Largest number of channels offered on DTH platform - 240 channels & services (Jun09)
- ZEE brand name and content backing ==> One of India's leading media group
- Continuous focus on strong regional content in linguistic zones
- Leverage in content tie-ups due to a dominant market leadership position

## Sales & Distribution network

- Pan-India presence through 800 distributors & ~48,000 dealers across 6600 towns as of Jun 09
- Network managed by over 200 sales personnel - 8 zonal and 9 regional offices (Jun 09)
- ~600 'Dish Shoppes' to provide demo product experience to prospective users as of Jun-09
- Incentive of dealers is per STB sold

## Advanced infrastructure

- Sufficient capacity to broadcast increasing channels - current 9 ku band transponders
- Model geared to grow in future - adding to transponder capacity and technology upgrade on cards
- Heavy capex investment enables to deliver a high end audio-video quality

## Customer acquisition strategy

- Focused marketing leading to creation of a BRAND - SRK campaign
- Largest content offering and digital viewing experience
- Aligned dealer incentive structure-Higher incentives for subscriber at higher packs
- Competitive pricing, A-la carte offerings and ease of making payments
- Distribution and after sales service

## Customer retention strategy

- Promotions and dealer incentives offered on an ongoing basis to retain customers through innovative packages
- Over 350 Dish Care Centers (DCCs) & service franchisees providing installation and after sale-service as of Mar-09
- In-house call centre, operating 24\*7 with capacity of up to 800 operators

# Select key management personnel



**Mr. Subhash Chandra**  
Non-Executive Chairman

- Mr.Chandra is the promoter of Essel Group of Companies
- His business interests include television networks and film entertainment, cable systems, satellite communications, theme parks, flexible packaging, family entertainment centers and online gaming
- Mr. Chandra has been the recipient of numerous honorary degrees, industry awards and civic honors, including being named 'Global Indian Entertainment Personality of the Year' by FICCI for 2004, 'Business Standard's Businessman of the Year' in 1999, 'Entrepreneur of the Year' by Ernst & Young in 1999 and 'Enterprise CEO of the Year' by International Brand Summit.

**Mr.Jawahar Lal Goel**  
Managing Director

- Jawahar Lal Goel has been the Managing Director of Dish TV since January 6, 2007
- Mr. Goel is been actively involved in the creation and expansion of Essel Group of Industries and has been instrumental in establishing Dish TV as a prominent DTH brand in India.
- He is the president of the Indian Broadcasting Foundation and is an active member on the Board of various committees and task forces, set up by Ministry of Information & Broadcasting.

**Mr.Salil Kapoor**  
Chief Operating Officer

- Salil Kapoor has been the Chief Operating Officer since July 2008. He is responsible for sales, marketing, service and overall supervision of the zonal offices of Company.
- He has work experience of over 18 years in the industry with various global corporations including Samsung India Elec. Ltd., Microsoft Corp.India (Pvt) Ltd., LG Electronics India, Blue Star Limited and Fedders Llyod Ltd.
- Mr. Kapoor holds a bachelor of engineering from Bangalore University and MBA from University of Delhi.

**Mr. Rajiv Khattar**  
President Projects

- Rajiv Khattar has been the President-Projects of our Company since September 1, 2005. He is responsible for strategic tie-ups and technology upgrades of the DTH platform.
- Mr. Khattar has an aggregate work experience of 20 years and experience of 12 years in the telecom industry. Prior to joining Dish, he worked with Reliance Infocom Limited as the President for Netway.

**Mr. Amitabh Kumar**  
President Technology

- Since September 2005 Mr. Amitab Kumar is responsible for broadcasting operations of the Company
- Prior to joining Dish, he has held various senior positions in the Industry including the position of the acting Chairman and Managing Director of Tata Communications Limited (formerly known as Videsh Sanchar Nigam Limited)
- Mr. Kumar has an aggregate work experience of 31 years in the telecom industry and holds a professional certificate in electronic data interchange from All India Management Association and Deakin University, Australia

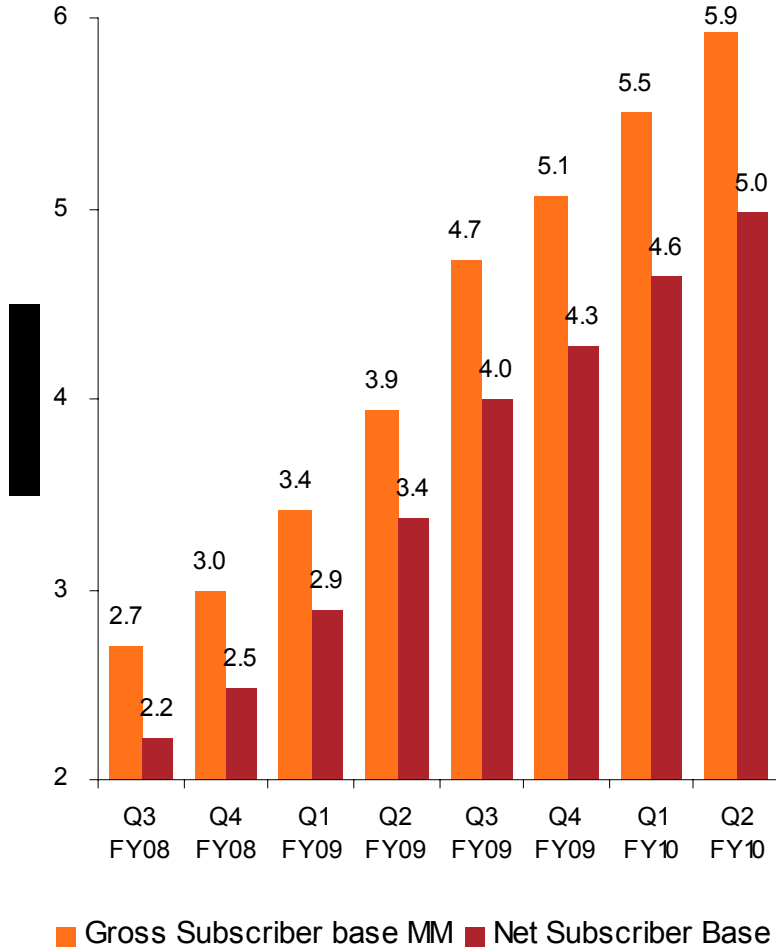
**Mr. Rajeev Dalmia**  
CFO

- Mr. Dalmia has an overall work experience of 20 years in the finance industry and is responsible for maintaining finance and accounts of the company
- He is a qualified fellow chartered accountant from the Institute of Chartered Accountants of India

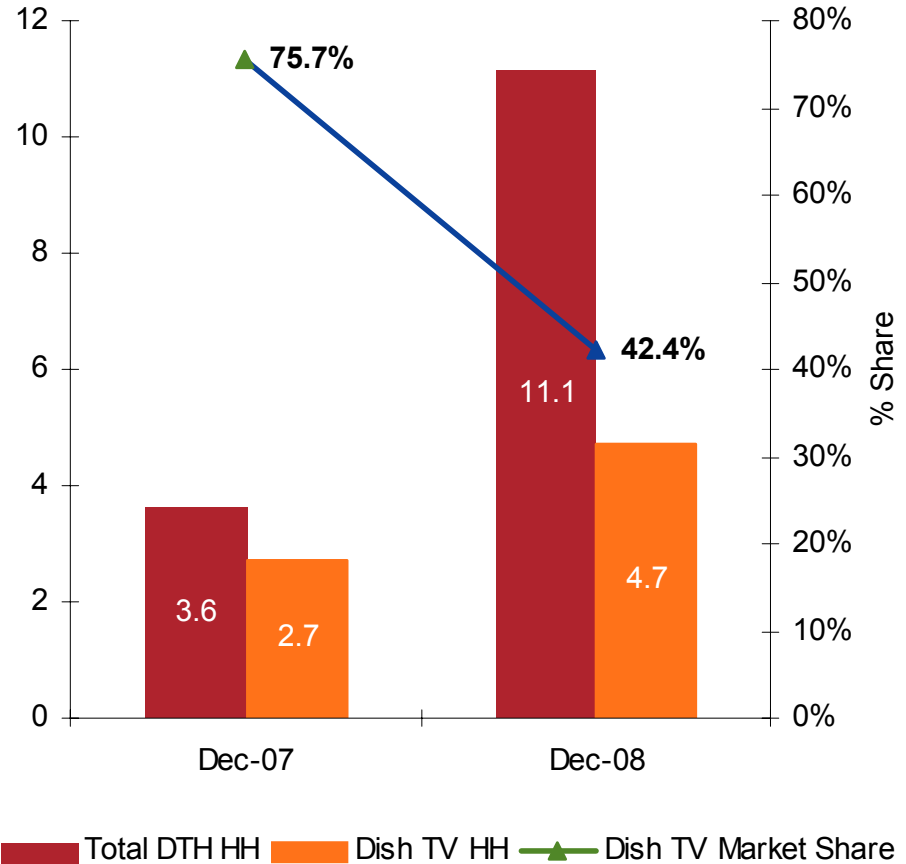
# DISH TV - Competitive position



Dish TV - Increasing number of subscribers



Dish market share on total subscriber base



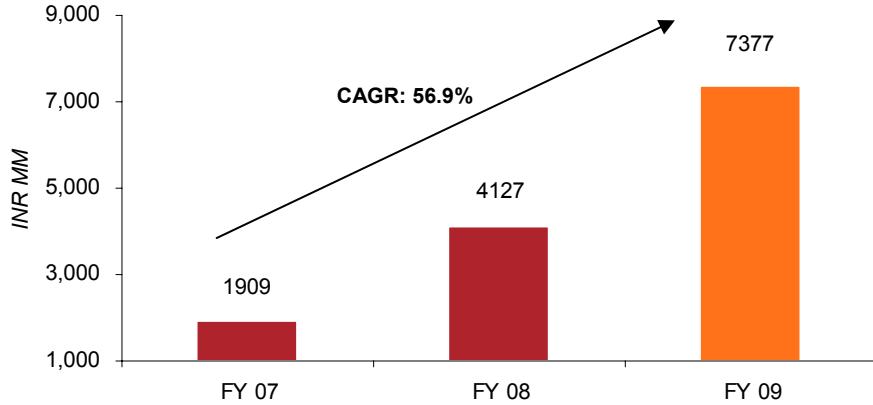
Source : Total DTH HH as per MPA report 2009; Dish TV HH - Gross Subscribers as per Dish TV

**Players with large and stable subscriber base to emerge as winners in the long run.....Dish TV well placed being the largest player in the DTH industry**

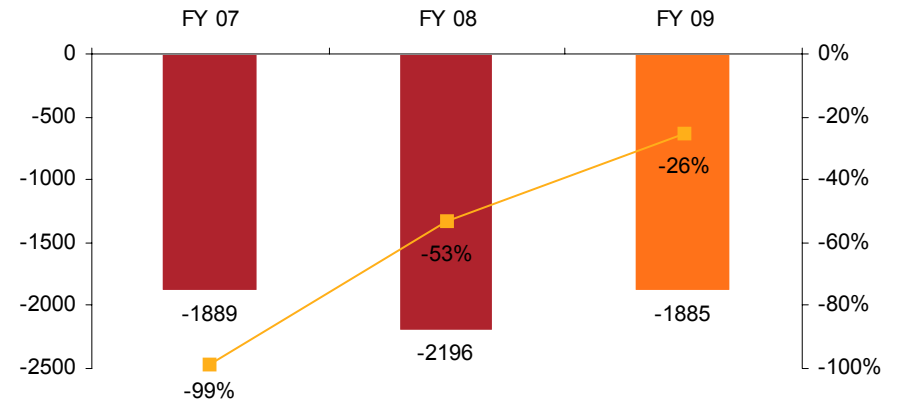
# Dish TV - Financials



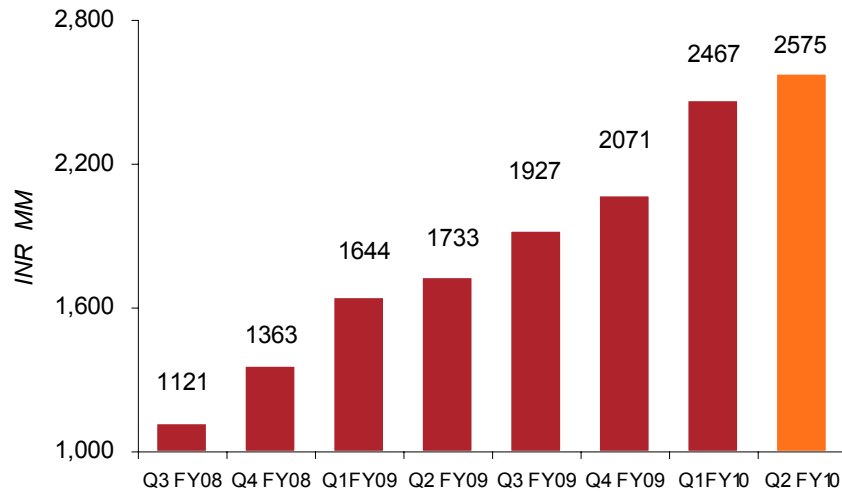
### Revenues - Annual



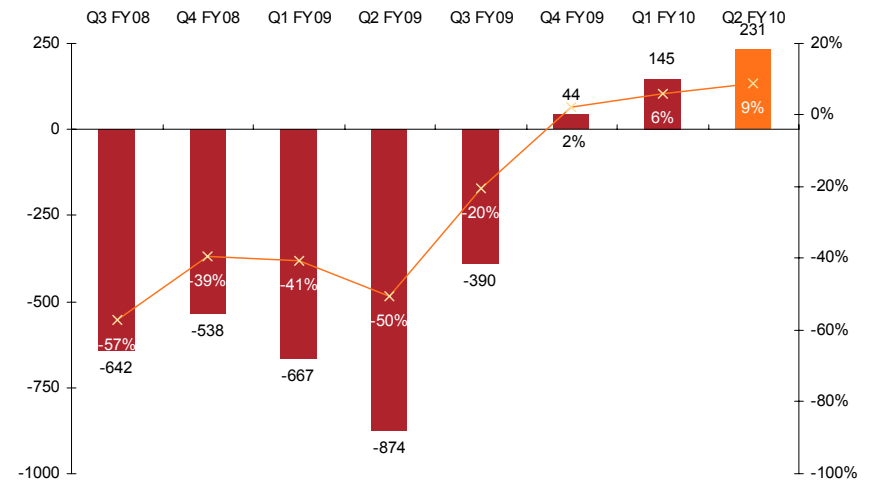
### EBITDA - Annual



### Revenues - Quarterly

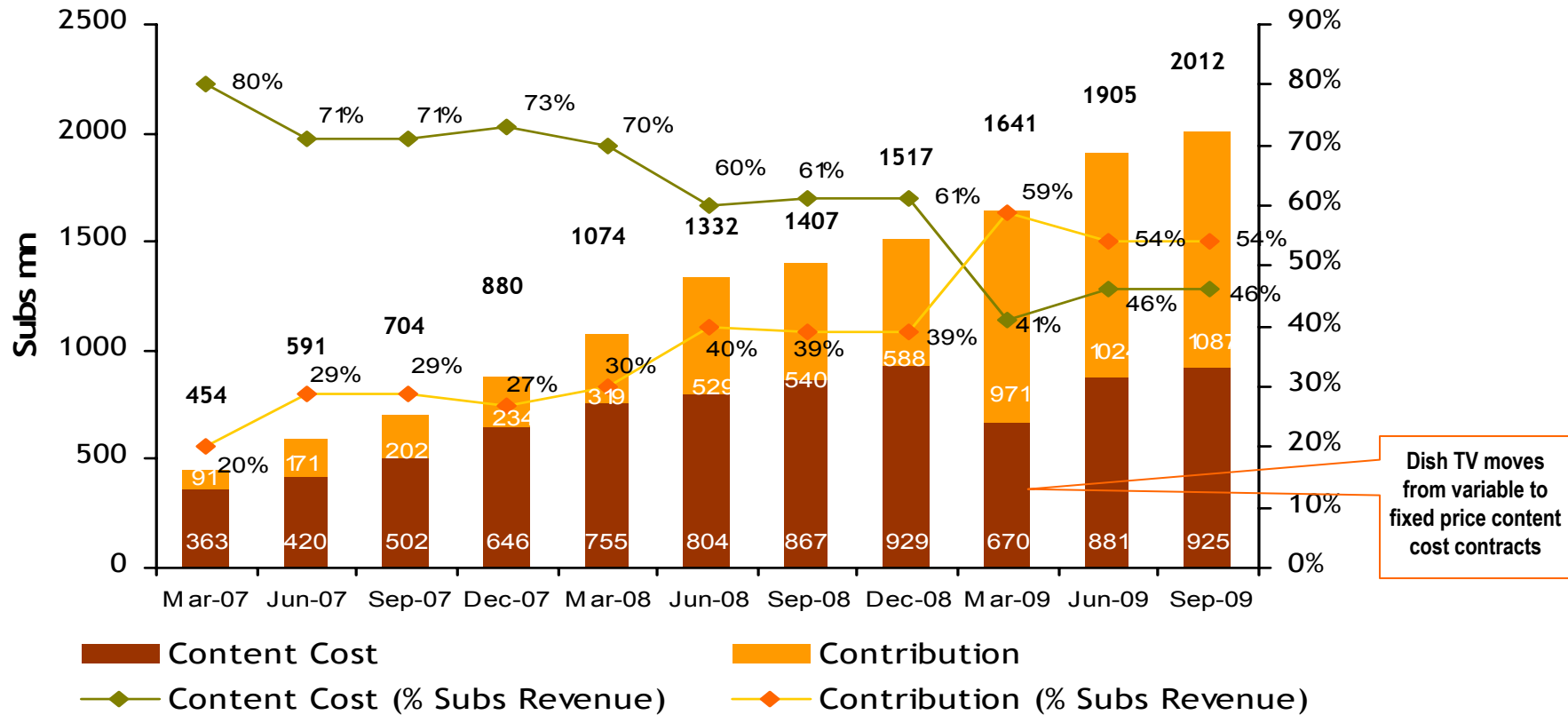


### EBITDA - Quarterly



**Aggressive subscriber acquisition coupled with higher margins**

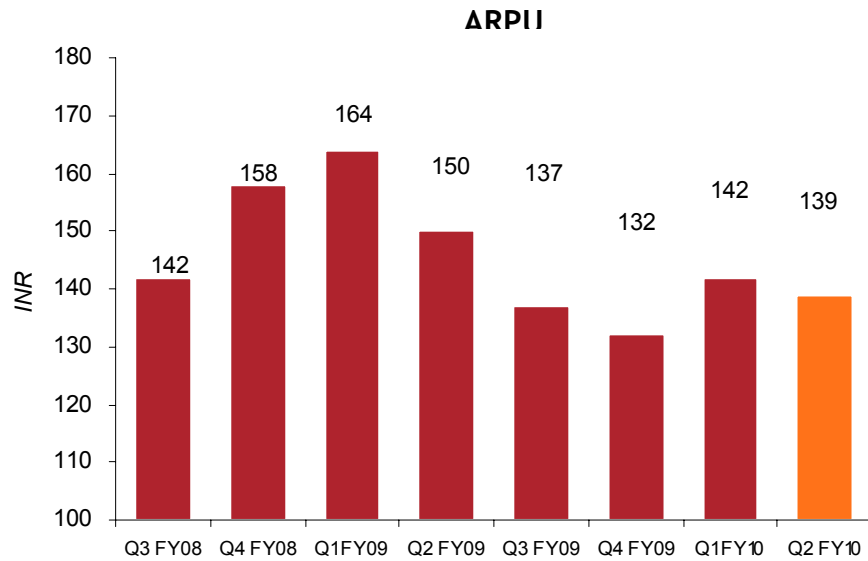
Lower content cost driving higher margins



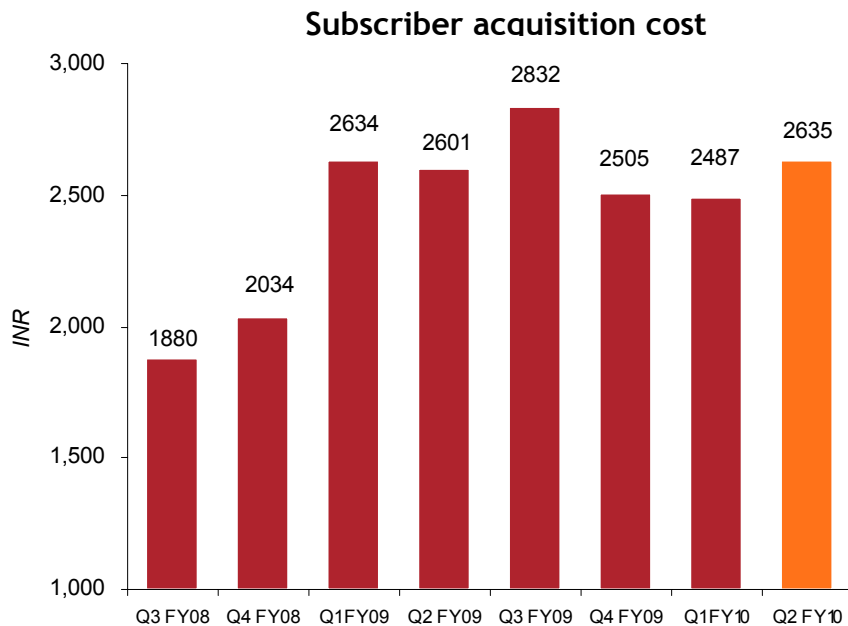
Source: Company

Contribution margin are steadily improving..... business heading towards EBIDTA break even

# Key business metrics



- ARPU under pressure with increased competition
- Rational pricing to prevail as low pricing not sustainable over long term



- Focus on reducing subsidies - Moved to a model of charging for a bare box and un-bundling of the content fees and the Set top boxes

# Summary Financials - Quarterly

Quarter ended	Sep-08	Mar-09	Sep-09
Gross Operating Revenue	1,733	2,071	2,575
Expenditure	2,607	2,027	2,344
<b>EBITDA</b>	<b>(874)</b>	<b>44</b>	<b>231</b>
Add: Other Income		10	4
Less: Depreciation	495	644	730
EBIT	(1,368)	(590)	(495)
Less: Financial Exps	171	217	66
PBT	(1,539)	(807)	(562)
Provision for Tax	2	2	0
PAT	(1,541)	(809)	(561)
Operating metrics	Jun-08	Mar-09	Sep-09
Subscribers Added (mm)	0.53	0.35	0.41
SAC ( Rs/sub)	2,601	2,505	2635
ARPU ( INR )	150	131	139

Source: Dish TV Earnings release and published quarterly results; Amounts in INR MM unless other wise mentioned

# Investment summary

## Large and growing DTH market

- Subscribers expected to grow from c.17m in 2009 to c. 37mm in 2013 (MPA 2009 report)
- Competition to fuel growth to the DTH industry - currently only 6 players

## Pioneer and leader of DTH services in India

- Dish TV is the only player in the listed space in India and has been recognised as a BRAND
- First mover advantage - ~1 year lead over nearest competitor and ~ 3 year lead over others
- Leader in the DTH industry - largest subscriber base ~ 5.9 mm (Sep-09)
- Backed by Zee Group → One of India's leading Media group

## Full-service business model

- Basic subscription packs
- Value added services
- Bandwidth
- Teleport services

## Largest channel offering with diversified content

- 240 channels & Services
- Content tie-ups at fixed rates - largest subscriber base to provide economies of scale

## Advanced infrastructure

- Only player with sufficient capacity to broadcast increasing channels - current 9 ku band transponders
- Model geared to grow in future - adding to transponder capacity and technology upgrade on cards

## Large distribution network

- Wide reach to 6,600 towns through 800 distributors and 48,000 dealers (Sep 09)
- 8 Zonal and 9 regional offices (Sep 09)

Questions?

Thank you