Dish TV India Limited

India's Leading Satellite Broadcasting Company

Investor Meet, Mumbai
March 20, 2007

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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 Dish TV 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 does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

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What is DishTV

- Dish TV* is India's first private Indian company to start Direct to Home (DTH) satellite broadcast operations in the country.
- Dish TV's DTH services was hard launched in May 2005. It provides multi-channel subscription television service and interactive services.
- Its state of the art broadcasting infrastructure is located at its facility in Noida, near Delhi, which is the nerve centre of DTH operations.
- Dish TV has robust operating infrastructure, strong content tie-up, established brand salience and backing of a strong group.

India's first DTH company

** DishTV is a brand owned by Dish TV India Limited (earlier known as ASC Enterprises Limited)*

How was DishTV formed

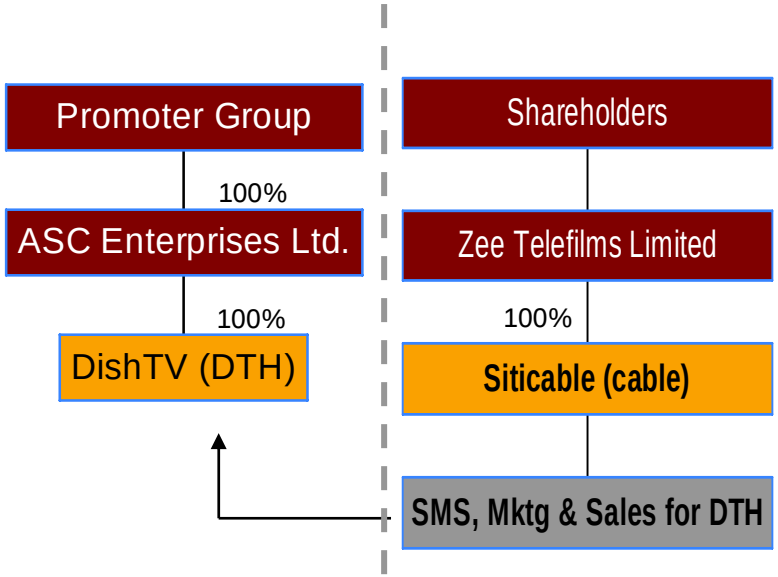
- ASC Enterprises Limited, now renamed Dish TV India Limited (Dish) acquired the first private sector license to operate DTH services in India.
- Dish was a wholly owned company of Mr. Subhash Chandra and family, promoters of Zee Entertainment Enterprises Limited (Zee), formerly known as Zee Telefilms Limited.
- Under a scheme of restructuring approved by shareholders of Zee, all DTH related assets in Zee have been transferred to Dish and in return, Zee shareholders will get 57% ownership of Dish*.
- Restructuring initiated to integrate operations in Dish and to overcome regulatory restrictions, which prevents Zee from owning the DTH license. Shareholders can now participate in the growth of DTH business. Move will unlock shareholder value.
- As part of this scheme of arrangement, Dish would get listed in India. Demerger is completed and listing expected by end of Mar-2007.

ASCEL has now become Dish TV India Limited

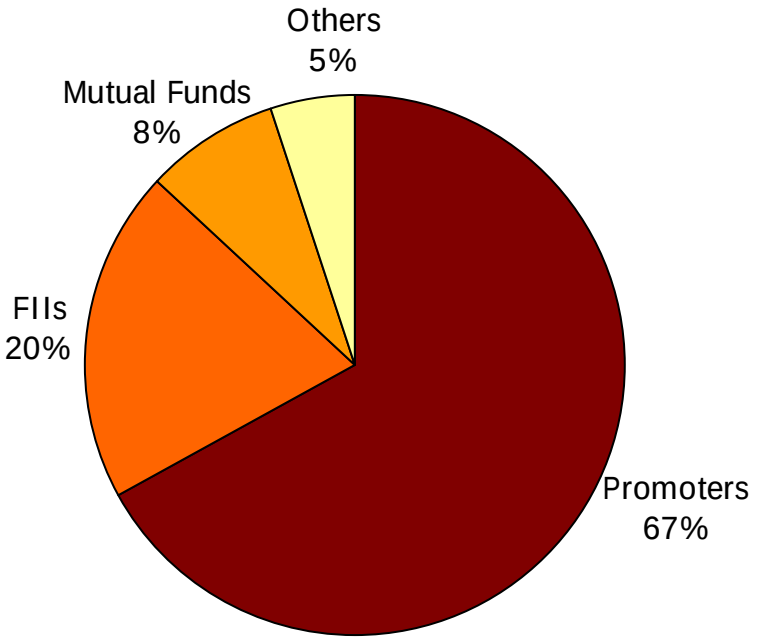
** to determine eligibility, record date was February 20, 2007.*

Dish TV shareholding

Earlier Corporate Structure



Proposed Structure



Unlocking value

Our Business model

- Subscriber pays one time joining fees of Rs 3,150. He gets the consumer premise equipment (CPE) installed. CPE includes a digital set top box.
- Subscribers can choose from two packages starting from Rs 210# for the basic package, which contains 80 channels.
- Full service available for Rs 240# per month, which includes 150+ channels. Current ARPU of Rs 230.
- Subscriber acquisition cost in the range of Rs 1,600 per subscriber.
- CPE owned by us. Subscriber pays rentals.
- Subscriber has option to buy set top boxes equipped with digital video recorder (DVR).

Attractive schemes for consumer

 # Excluding taxes and license fees

What is the market for DTH

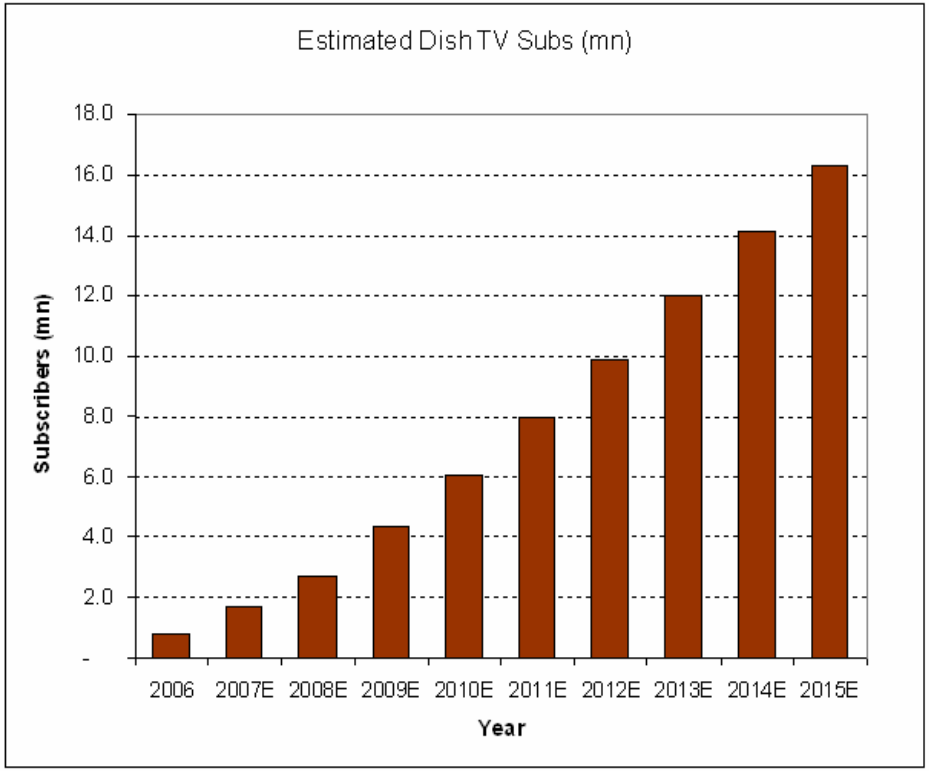
- Universe of 219 million households in India.
- 112 million television homes, grown by 3.2% over NRS'05.
- Of this, 68 million have access to C&S (cable & satellite) television, 12% increase over previous NRS. Colour TV homes have increased from 58 mn to 64 mn.
- Pay television is relatively cheap in India compared to other markets. Cable ARPU of USD 5 per month. Translates into consumer spend of around USD 4.0 billion per annum.
- Tremendous headroom for revenue growth through expansion of broadcast services and value-added services.
- Demand for DTH services growing because DTH is digital delivery of television channels and hence better quality of reception, whereas Cable delivers in analogue mode.

Large and growing market for television in India

Source : NRS ' 2006 & PWC

What is the market for DTH

TELEVISION MARKET ESTIMATES				
	Year to 31 Mar	**2007E**	**2011E**	**2015E**
1	**No. of HHs in India (mn)**	**215**	**238**	**262**
	CAGR of 2.5% to 2015	2.5%	2.5%	2.5%
2	**No. of TV HHs (mn)**	**117**	**151**	**188**
	TV penetration in India	54%	64%	72%
	CAGR of 6.1% to 2015			
3	**No. of C&S HHs (mn)**	**68**	**110**	**159**
	C&S penetration in TV HH	58%	72%	85%
	CAGR of 11.2% to 2015			
4	**No. of DTH HHs, excl. FTA (mn)**	**2.4**	**27.3**	**61.0**
	Penetration as % TV HHs in India	2.1%	18.0%	32.5%
	Growth of DTH HHs	206.2%	41.3%	15.7%
5	**Market Share in C&S HHs**			
	Analogue Cable HHs	94.1%	49.2%	19.7%
	DTH HHs	3.6%	24.8%	38.3%
	Other Digital HHs	2.3%	26.0%	42.0%
	Total	**100.0%**	**100.0%**	**100.0%**



16 million DishTV subscribers by 2015

How does it translate into revenues

- There would be an estimated 27 million homes connected to DTH by 2011, accounting for 18% of the total television households in that year.
- ARPU expected to be Rs 470 (USD 10) in 2011. Lower than comparable economies, where it is currently more than USD 12.
- Subscription revenues accruing to DTH industry would amount to ~ Rs 150 billion (USD 3.5 billion).
- At 25% EBITDA margin, Industry would be making an EBITDA of Rs 38 billion (USD 850 million).

A big industry is emerging

How do we look at the opportunity

- The Indian cellular (mobile phone) industry (a good proxy)
  - Total of 159 million mobile subscribers
  - Growing at 6.4 million subscribers per month
  - Subscriber pays an entry fees of USD 50-60 for the basic handset
  - an ARPU of USD 8+ per month
- Currently, the DTH industry is as follows
  - Total of 3.0 million subscribers
  - Growing at 2.5 –3.0 million subscribers per annum
  - Subscriber pays an entry fees of USD 70 for the basic CPE and
  - an ARPU of USD 4-5 per month
- If 159 million users (approx. 80 million homes) can afford these economics, a similar number can potentially go for DTH services.

Real value for Indian consumers

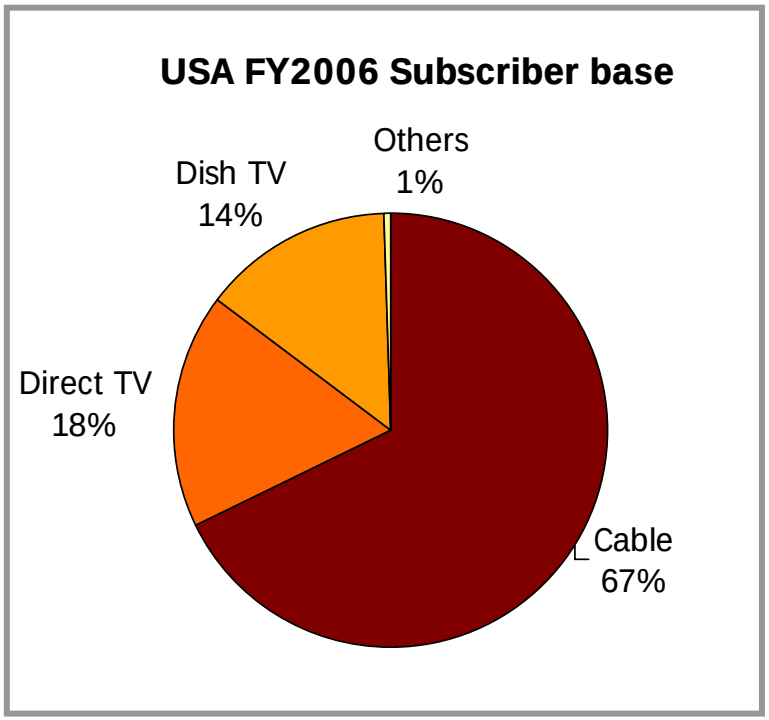
How does DTH compare locally

- Terrestrial television
  - Analogue terrestrial channels broadcast through a network of high powered transmitters, free to air services only
  - 112 million homes can receive terrestrial transmission
  - Exclusively run by the Government of India
- Cable television
  - Analogue television signals provided through coaxial cable / optical fibre cable network
  - Distributed by MSOs and local cable operators
  - Subscribers pay a monthly access fees to get cable services
  - 68 million homes connected to cable service in India
  - Superior content compared to terrestrial service, but analogue delivery
- DTH services
  - Digital transmission through satellite directly to customers' home
  - Subscribers pay a monthly access fees to get DTH services. ARPUs similar to cable.
  - Around 3.0 million homes connected to DTH service in India

DTH is the emerging mode of television distribution

How has DTH fared globally

- Direct TV – USA (News Corp)
  - Largest DTH operator in USA
  - ~ 16 million subscribers, growing at ~ 5% p.a.
  - ARPU of ~ USD 73 per month
  - Market capitalisation of USD 27 billion
- Dish TV – USA (Echostar)
  - Second largest DTH operator in USA
  - ~ 13 million subscribers, growing at 7% p.a.
  - ARPU of ~ USD 65 per month
  - Market capitalisation of USD 15 billion
- Astro - Malaysia
  - The only DTH operator in Malaysia
  - 1.9 million subscribers, growing at 9% p.a.
  - ARPU of ~ USD 22 per month
  - Market capitalisation of USD 2.6 billion



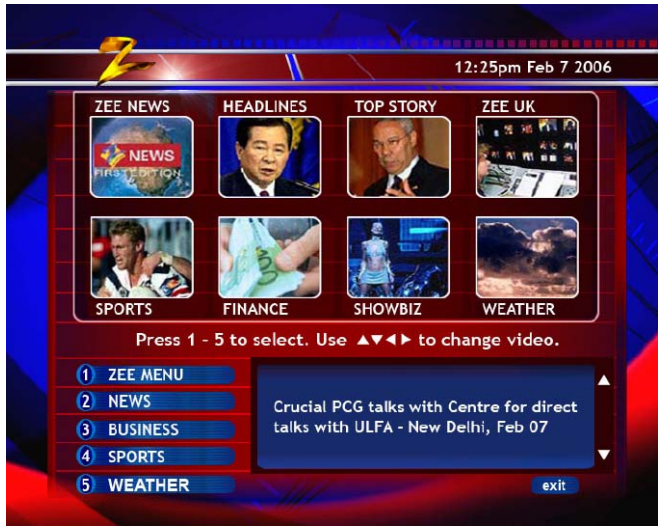
DTH has captured a large chunk of the market

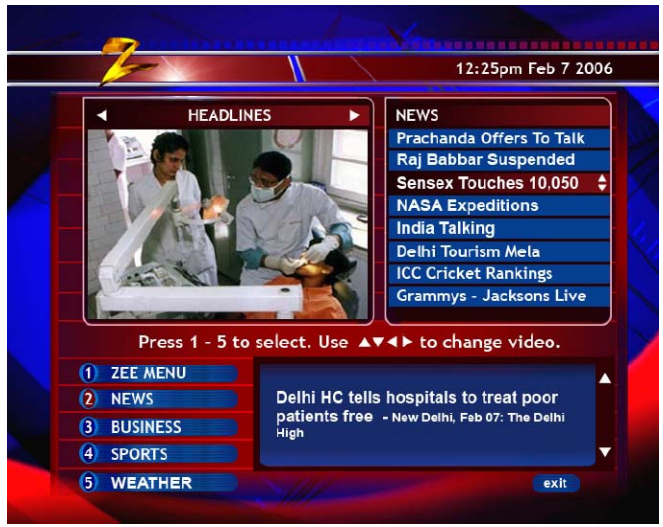
What have we done till date

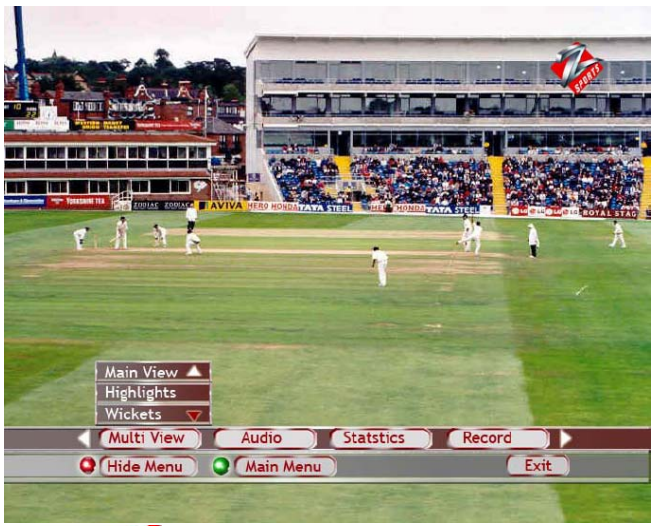
- Current offering:150+ channels. The *One* Alliance bouquet comprising 12 channels of SET Discovery available on DishTV from June 2006. 14 channels of Star bouquet available from August 2006.
- Service Price: Rs 210 for basic tier to Rs 240 for full service. Current ARPU of Rs 230.
- Current gross subscriber base 1.9 million and accruing @ 20 -25,000 per week. Target to add 1.1 million subscribers in FY2008.
- Advanced features: NVOD introduced; middleware based interactivity from OpenTV of USA, enhanced EPG and Teletext features launched in August 2006.
- DVR enhanced STB's targeted for metro/urban hard launched in August 2006

Superior service compared to analogue cable

Interactive features







Our subscriber base

- State-wise distribution of subscribers *

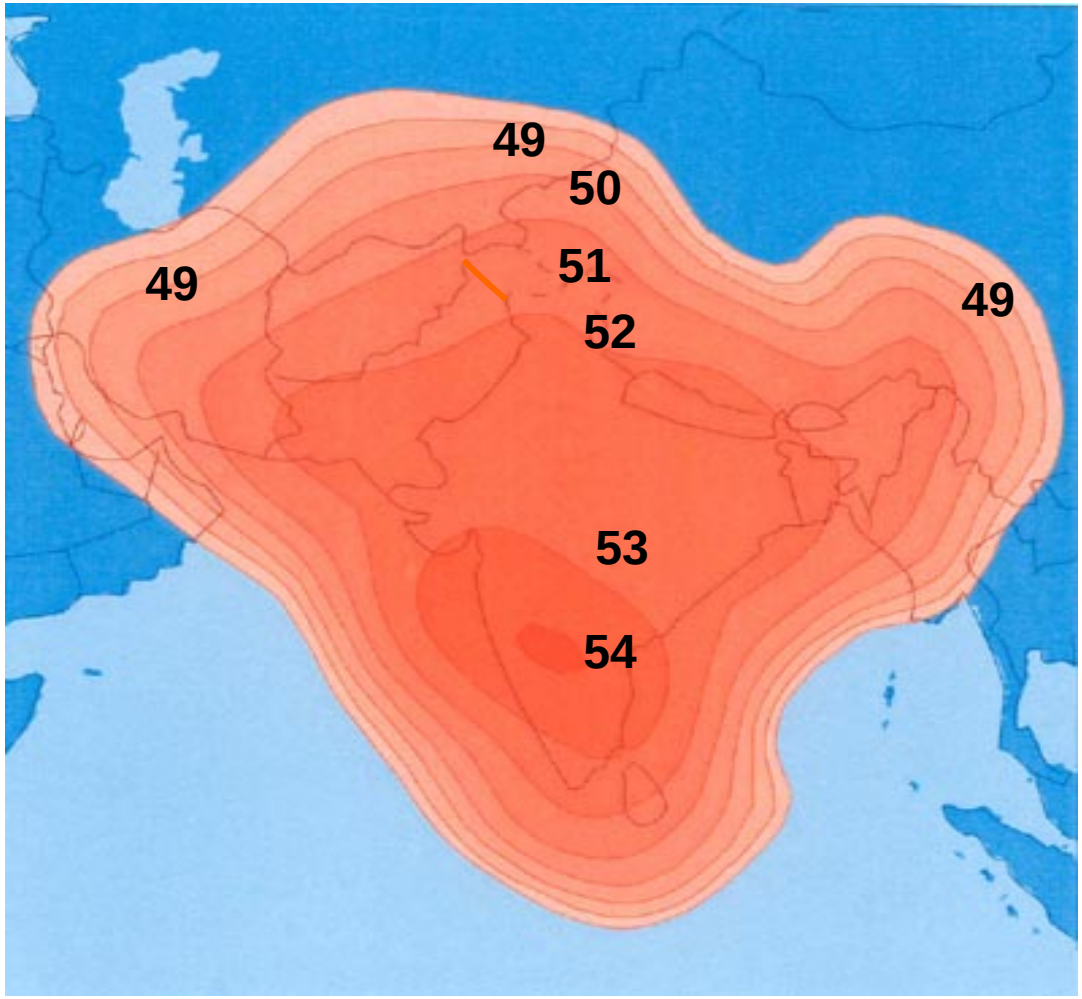
Geographical Spread of subscribers		
1	Maharashtra	12.1%
2	Gujarat	10.5%
3	Karnataka	7.2%
4	Uttar Pradesh	6.9%
5	Tamil Nadu	6.6%
6	Punjab	6.4%
7	Orissa	5.3%
8	West Bengal	4.7%
9	Kerala	4.6%
10	Andhra Pradesh	4.6%
11	Rajashthan	4.5%
12	Assam	4.0%
13	Madhya Pradesh	3.8%
14	Other States	18.8%
	Total	**100.0%**

Penetration across India, across income groups

** Data as of September 2006*

Footprint

- Transponders on New Skies Satellite (NSS-6)
- Higher EIRP (52-54 dBW)
- Onboard ALC
- High performance in rain
- 60 cm dish supported across India
- Covers SAARC countries – Nepal, Sri Lanka, Maldives, Pakistan and Bangladesh



High quality broadcast over the target market

The map is for illustration purpose only and does not purport to depict the political boundary of India

MDU Option for apartments

- MDU option for apartment complexes in metros

Dish TV – The future of TV entertainment

Competitive scenario

- Government run Doordarshan is offering Free to Air (FTA) DTH services. The service includes only FTA channels. Since most popular channels are already pay, an FTA service does not have a wide appeal amongst target consumers.
- Tata Sky has launched its DTH services in September. Its an 80:20 joint venture between Tata and Sky.
- Reliance has received the letter of intent from the Government of India. They do not have transponder capacity as yet.
- Sun Network and Bharti Group are other players planning to get into DTH.
- Cable is improving from analogue to digital services. Digital cable would be similar in quality and pricing as DTH.
- Customers loyalty would come from better customer service, better packaging and value added services.

How are we building comp. advantage

- Consumer friendly packages – Basic package and then language based packages, genre based packages, a la carte choices etc.
- Branding – Consumer identifies with Dish as a superior digital service
- Good distribution reach – Can reach the consumer when he wants
- Customer Service – 24 x 7 call centres, convenient payment options.
- Exclusive content – Euro Sports News, Goal TV
- Interactivity – Active News and Active Sports
- Value added services – Electronic Programme Guide, Gaming content (***Play Jam***), Video on demand, Pay per View, Parental Lock etc.

Customer service would be key

Marketing initiatives

Content - Sony bouquet joins Dish TV

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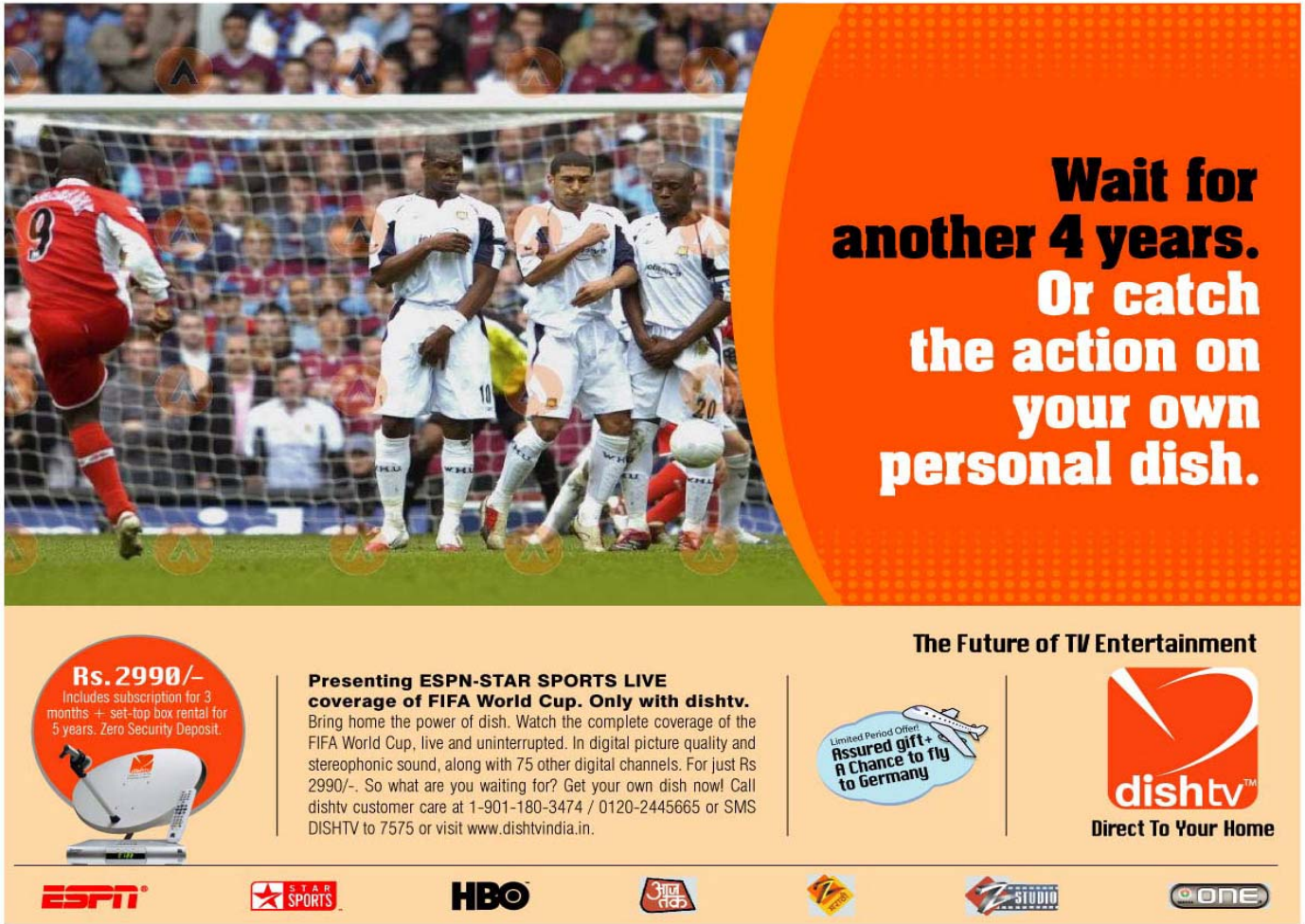
FIFA Campaign



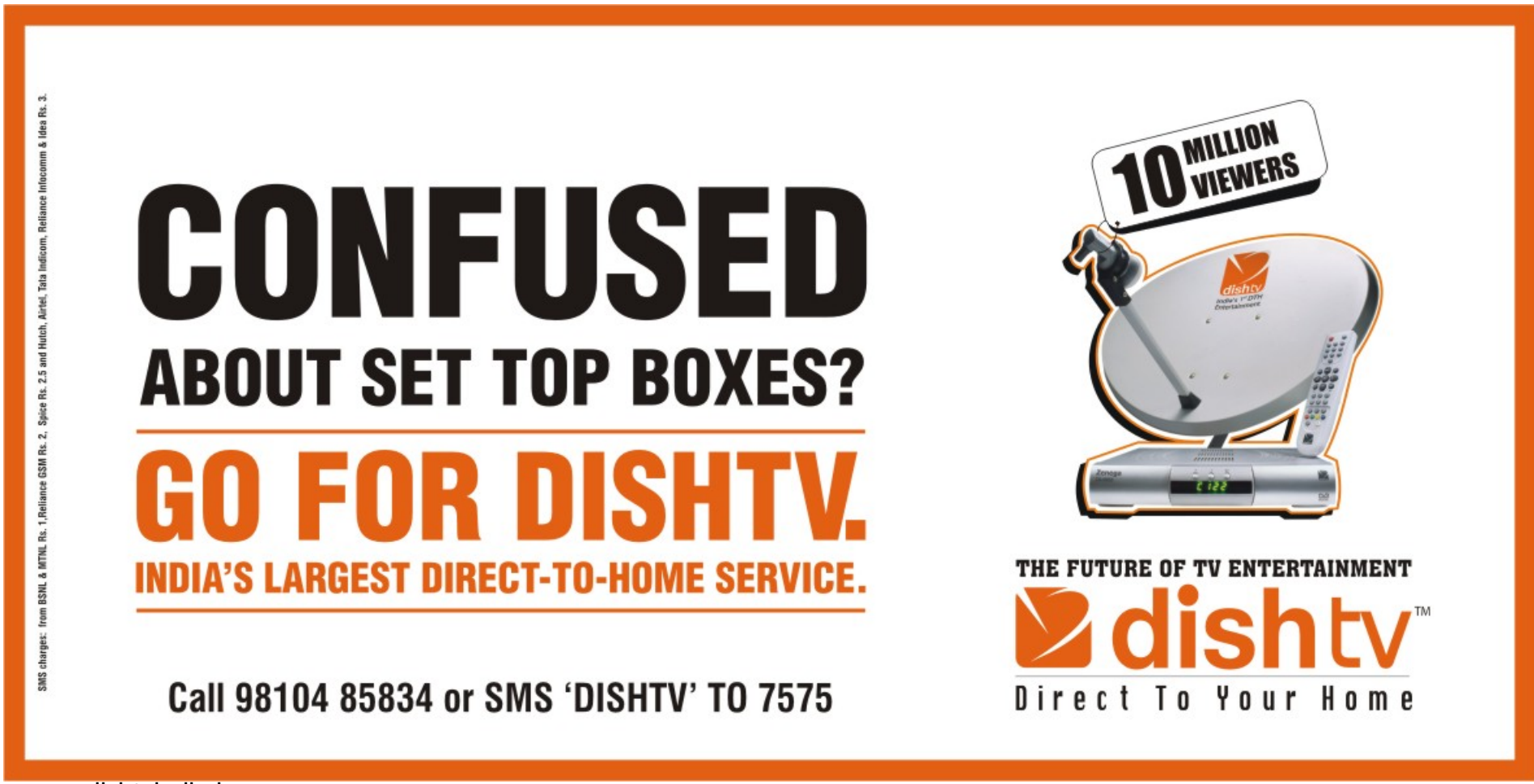
Outdoor

Hoarding 1:2 July 27

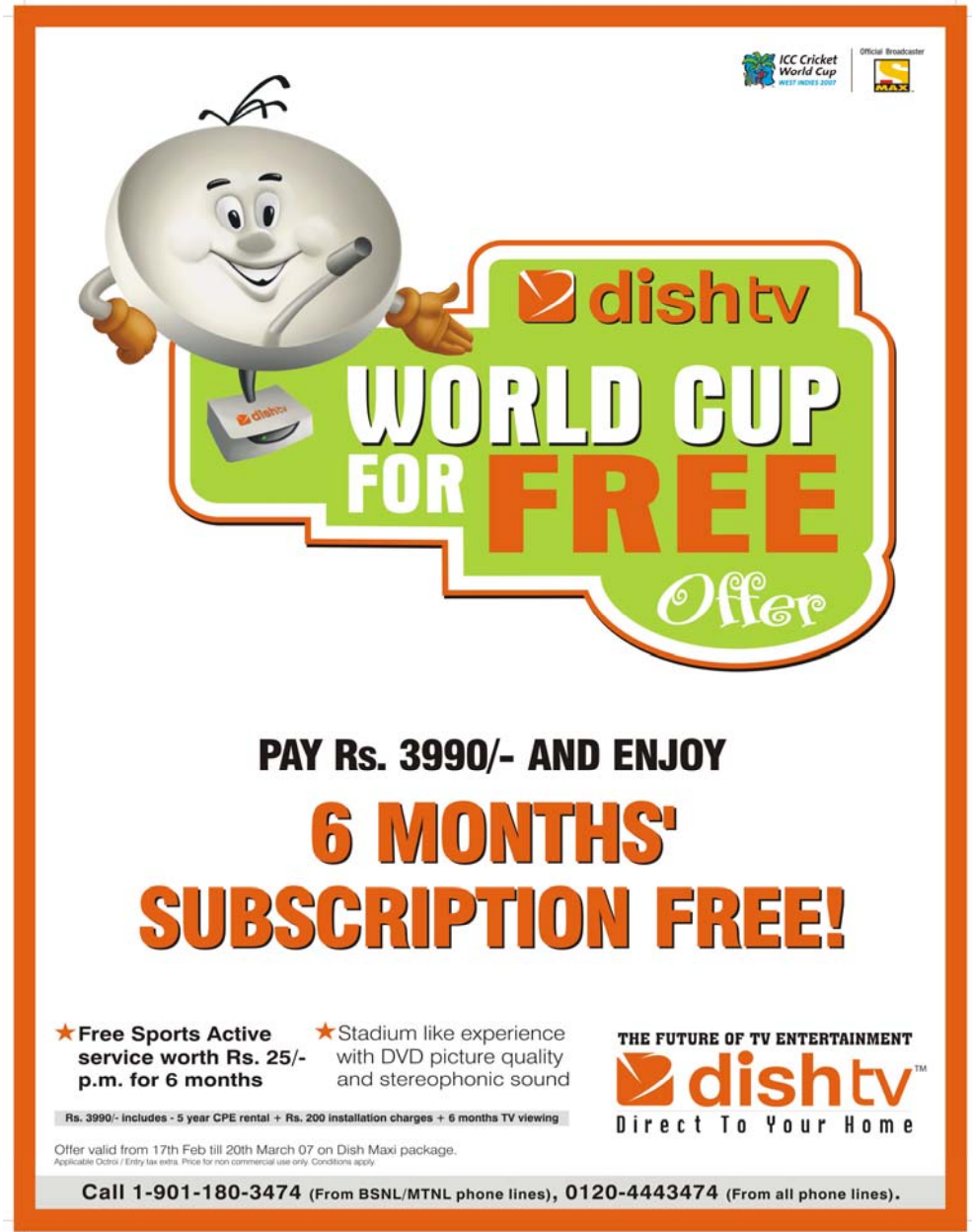
Cable and DTH

www.dishtvindia.in

Campaign in CAS areas - Outdoor



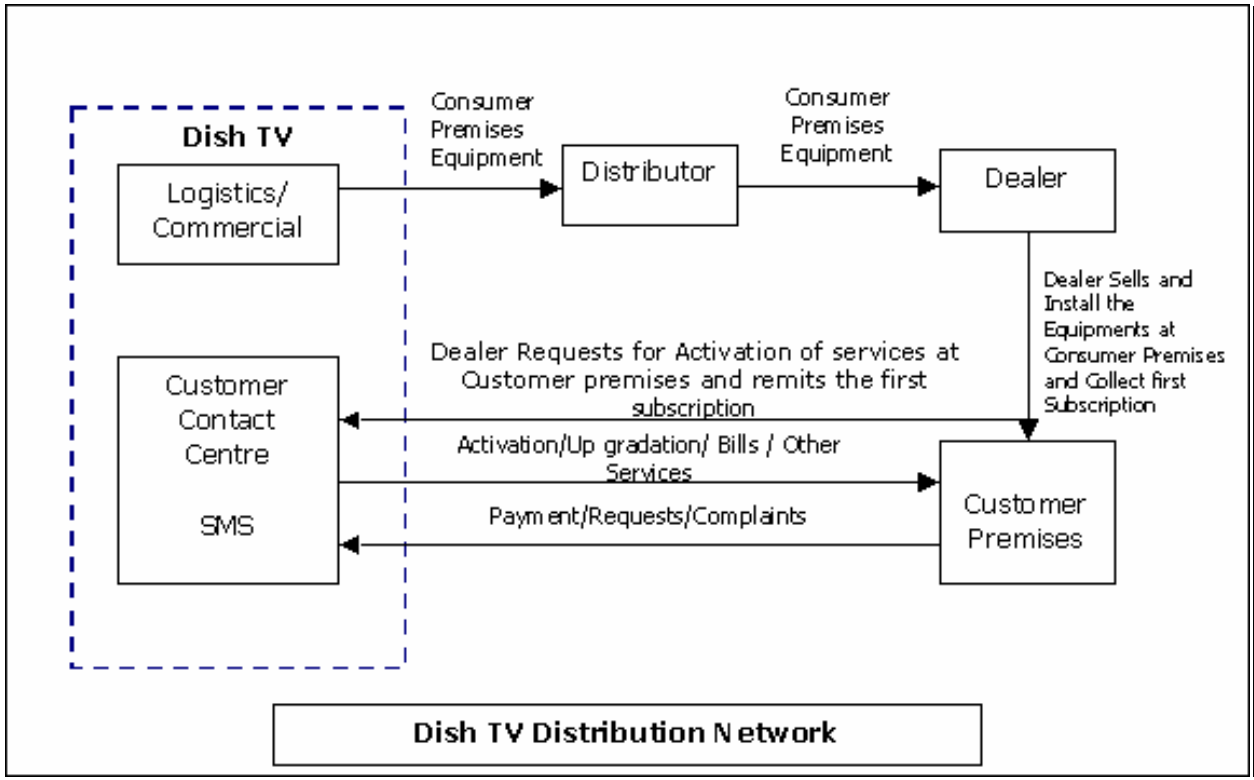
World Cup offer



www.dishtvindia.in

Distribution

- 13 regional offices all over India with 320+ distributors
- 25,000+ strong dealer network, adding around 5,000 every month



Strong and growing distribution network

Dish TV Customer contact

- A database driven website
- Complete solution for communication with trade and with customers
- Online credit verification and and payment acceptance; Online sales order acceptance
- Customer accounting, payment and credit status available at the click of a mouse
- Specific set of information to customers, trade network and employees

Interactive website

Customer care

- 66 Dish Care centres across 48 cities in India, which serve as installation and service points. Slated to go to 100 cities by June 2007.
- Company has its own servicing team of 60 people and 470 outsourced service engineers with Dish Care centres.
- 700 seat call centre operating 24x7, 365 days. Planning to expand to 1,500 seats by end of July 2007.
- Call centre is fully integrated with SMS servers, provisioning servers (for activation and deactivation)
- IVR facility operational in 9 languages (English, Hindi, Bangla, Punjabi, Marathi, Telugu, Tamil, Kannada and Malyalee).

Payment options

- Credit card payment accepted online on the website
- Payment accepted though cheques and DD through drop boxes
- B2C prepaid cards – through IVRS, Website and mobile SMS
- Cash payments accepted through dealers, easybill (2,200 outlets) and post offices all over India.

Past financials

Dish TV		
(Rs million)	**FY2006**	**9M FY2007**
Operating Revenues	315	1,250
Expenditure	1,144	2,462
Operating Income	**(830)**	**(1,212)**
Add: Other Income	-	26
Depreciation	28	284
Finance Expenses	17	43
PBT before exceptional items	(875)	(1,512)
Less: Exceptional Item	1,203	-
Less: Provision for Tax	0	2
Profit After Tax	**(2,079)**	**(1,513)**
Operating Profit Margin	*-264%*	*-97%*

Dish TV	
(Rs million)	**As of Dec 31, 2006**
Share Capital - Equity	428
Share Capital - Preference	-
Reserves & Surplus	1,696
Deferred Tax Liabilities	-
Minority Interest	-
Loan Funds	905
Capital Employed	**3,030**
Fixed Assets	6,383
Investments	965
Net Current Assets	(5,835)
Deferred Tax Assets	-
Misc. Expenditure not w/o	-
Profit & Loss a/c	1,517
Capital Deployed	**3,030**

What would this lead to: FY2011

- DTH business is expected to grow from Rs 0.3 bn in FY2006 to Rs 33.5 billion in 2011.
- From negative EBITDA margins in FY2006, Dish TV likely to achieve EBITDA margins of 26% by 2011. Cash break-even expected by FY2009.
- Subscriber base expected to reach 8.0 million by 2011.
- Rs 7.0 billion deployed in the business.
- Funding Requirement over the next two years ~ Rs 10.0 billion, to be funded by a mix of debt and equity

Leader in the DTH sector

Investment highlights

- Large market size with robust growth rate
  - With 112 mn TV households, India is the third largest TV market in the world. Expected to grow at 7-8% over the next 5 years, Cable frustrated markets provide an immediate opportunity, with a first mover advantage.
- State of the art infrastructure in place
  - The broadcast and uplink centre employs the latest technology. Conditional access technology from Conax which is fully DVB compliant.
  - Middleware from Open TV, the leaders in the field
- Advantage of content and experience in media
  - Rich experience of promoters in media and entertainment industry
  - Exclusive content like Euro Sport News, Goal TV not available on cable.
  - Capabilities in technology, content acquisition, distribution and consumer connect
- Potential for high returns
  - The rapid penetration of DTH would entail good returns on investment

Rapid growth with high returns

Questions and Answers