



## DISH TV INDIA LIMITED

---

EARNINGS RELEASE FOR THE QUARTER ENDED DEC. 31, 2016

DISH TV ADDS 204 THOUSAND NET SUBSCRIBERS

SUBSCRIPTION REVENUES AT RS. 6,921 MILLION BEAR THE BRUNT OF DEMONETIZATION

EBITDA AT RS. 2,495 MILLION, EBITDA MARGIN AT 33.4%

NET PROFIT OF RS. 267 MILLION

### 3QFY17 Highlights

- ❖ 204 thousand net subscriber additions during the quarter. Closing net subscriber base of 15.3 million
- ❖ Subscription revenues of Rs. 6,921 million
- ❖ EBITDA of Rs. 2,495 million. EBITDA margin at 33.4%
- ❖ Profit After Tax (PAT) of Rs. 267 million

**NOIDA, India; January 30, 2017** - Dish TV India Limited (Dishtv) (BSE: 532839, NSE: DISHTV) today reported third quarter fiscal 2017 consolidated subscription revenues of Rs. 6,921 million, up 3.3% Y-o-Y and operating revenues of Rs. 7,480 million, up 2.4% Y-o-Y.

Dish TV harmonized the accounting of entertainment tax in line with industry practice with effect from 1 April, 2016. Earlier, entertainment tax was recorded as an operating expenditure however effective 1 April, 2016, it is netted-off against subscription revenues. 3Q FY16 figures have been regrouped accordingly for the sake of comparison.

Year-on-Year revenue growth would have been higher considering service tax rate of 15% in 3Q FY17 as against 14% in the corresponding quarter last fiscal.

EBITDA for the quarter was Rs. 2,495 million compared to Rs. 2,654 million in the corresponding quarter last fiscal. EBITDA margin stood at 33.4%. Profit after tax was Rs. 267 million.

The Board of Directors in its meeting held today, has approved and taken on record the unaudited results for the quarter ended on December 31, 2016.

The DTH industry in India with Dish TV leading the way has been one of the early adopters of the cashless and prepaid methods of revenue collection. The DTH company had close to 30% of its subscribers paying it through various means of online recharges with the balance using the Electronic Payment Recharge System (EPRS).

But that was till 8 November, 2016.

With 86% of India's currency getting pulled out of circulation from the very next day, recharges where the medium of transaction was through EPRS became weaker than initially expected.

Mr. Jawahar Goel, CMD, Dish TV India Limited explained why, “Limited cash supply made people defer their DTH recharges by a few days or weeks depending on the urgency of other basic necessities. The impact was stronger in the second tier and below towns and cities as most of the economy in these areas runs on cash. Our subscription revenues during the quarter could have been higher by around 8% in a non-adverse scenario. Lower growth eventually resulted in lower average revenues per user as well.”

The fiscal third quarter being the period of festivals is generally the largest contributor to new subscriber additions during the year. Demonetization however impacted Dish TV’s new subscriber additions also with the company recording an estimated 8-10% lower subscriber adds during the quarter.

Several steps were taken to keep consumers and dealers hooked on.

“Subscribers as well as trade partners were extended temporary credit facilities basis their past transactions pattern. Subscriber awareness drives to promote alternate methods of payment were run both on the ground and on screen in addition to various other initiatives,” said Mr. Goel.

Looking at the brighter side of it, demonetization does promise an eventual less-cash dependent population that should use online payment interfaces over cash for DTH recharges. That’s going to be a boon for the DTH business.

“Though demonetization has led to an initial distress, it also will result in certain structural changes that are going to benefit the economy in the long run. As far as our business is concerned, the effect has already started coming in. As online payment transactions, credit cards and a less-cash society become buzz words today, we are happy to note an increase in our online transacting subscriber base from 30% to around 38% with around 22 digital wallets and the like being integrated with the company. Every online recharge transaction vis-à-vis EPRS based transaction implies savings on recharge commissions paid by us,” Mr. Goel said.

Commenting on the results, Mr. Goel said, “We believe that the negative impact of demonetization is only temporary and that with a strong subscriber growth rate, tight control on costs, reasonably steady free cash flows and a healthy balance sheet we should deliver sustainable growth. The rollout of the Goods and Services Tax (GST), a hopefully favourable license fee regime and a revenue conscious cable industry should only add to the strengths of Dish TV going forward.”

Ministry of Information and Broadcasting (MIB) announced on 22 December, 2016, that it was pushing forward the mandatory digitization Phase 3 date to 31 January 2017 and Phase 4 date to 31 March 2017. Dish TV on its part continued to seed set-top-boxes in both Phase 3 and 4 markets, the largest of the four digitization phases, steadily during the quarter.

Work continued on the Dish TV-Videocon d2h proposed merger as well with necessary applications being filed during the quarter with the Competition Commission of India (CCI) and the Stock Exchanges for obtaining their approval.

## Condensed Quarterly Statement of Operations

The table below shows the condensed consolidated statement of operations for Dish TV India Limited for the third quarter ended Dec.'16 compared to the quarter ended Dec.'15:

Rs. million	Quarter ended Dec. 2016	Quarter ended Dec. 2015	% Change Y -o -Y
Subscription revenues	6,921	6,699	3.3
<b>Operating revenues</b>	<b>7,480</b>	<b>7,302</b>	<b>2.4</b>
<b>Expenditure</b>	<b>4,985</b>	<b>4,648</b>	<b>7.2</b>
<b>EBITDA</b>	<b>2,495</b>	<b>2,654</b>	<b>(6.0)</b>
<b>Other income</b>	<b>181</b>	<b>42</b>	<b>330.8</b>
<b>Depreciation</b>	<b>1,656</b>	<b>1,463</b>	<b>13.2</b>
<b>Financial expenses</b>	<b>591</b>	<b>549</b>	<b>7.7</b>
<b>Profit / (Loss) before tax</b>	<b>429</b>	<b>685</b>	<b>(37.3)</b>
<b>Tax expense</b>	<b>162</b>	<b>0</b>	<b>-</b>
<b>Net profit / (Loss) for the period</b>	<b>267</b>	<b>685</b>	<b>(61.0)</b>

Note: 1) Numbers in the table may not add up due to rounding-off.  
2) Previous year figures have been regrouped wherever necessary.

## Expenditure

Dish TV's primary expenses include cost of goods and services, personnel cost, other expenses (administrative expenses), selling & distribution expenses. The table below shows each as a percentage of operating revenue:

Rs. million	Q.E. Dec. 2016	% of Revenue	Q.E. Dec. 2015	% of Revenue	% change Y-o-Y
<b>Cost of goods &amp; services</b>	<b>3,443</b>	<b>46.0</b>	<b>3,283</b>	<b>45.0</b>	<b>4.9</b>
<b>Personnel cost</b>	<b>361</b>	<b>4.8</b>	<b>288</b>	<b>4.0</b>	<b>25.2</b>
<b>Other expenses</b>	<b>378</b>	<b>5.1</b>	<b>398</b>	<b>5.4</b>	<b>(4.9)</b>
<b>S&amp;D expenses</b>	<b>803</b>	<b>10.7</b>	<b>679</b>	<b>9.3</b>	<b>18.2</b>
<b>Total expenses</b>	<b>4,985</b>	<b>66.6</b>	<b>4,648</b>	<b>63.7</b>	<b>7.2</b>

Note: 1) Numbers in the table may not add up due to rounding-off.  
2) Previous year figures have been regrouped wherever necessary.



**Footnotes:**

This Earnings Release contains consolidated unaudited quarterly results that are prepared as per Indian Generally Accepted Accounting Principles (GAAP).

**Caution Concerning Forward-Looking Statements:**

This document includes certain forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Dish TV's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Dish TV's present & future business strategies and the environment in which Dish TV will operate in the future. Among the important factors that could cause Dish TV's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the condition of and changes in India's political and economic status, government policies, applicable laws, the Indian media and entertainment sectors, and international and domestic events having a bearing on Dish TV's business and the media and entertainment sectors, particularly in regard to the progress of changes in those sectors' regulatory regimes, and such other factors beyond Dish TV's control. 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 Asia Pacific's largest direct-to-home (DTH) company and part of one of India's biggest media conglomerate - the 'Zee' Group. Dish TV has on its platform more than 600 channels & services including 30 audio channels and over 60 HD channels & services. Dish TV leverages multiple satellite platforms including NSS-6, Asiasat 5, SES-8 and GSAT-15 which makes its total bandwidth capacity equal 846 MHz, amongst the largest held by any DTH player in the country. The Company has a vast distribution network of over 2,272 distributors & over 243,740 dealers that span across 9,431 towns in the country. Dish TV has thirteen 24\*7 call centres catering to 11 different languages to take care of subscriber requirement at any point in time. For more information on the company, please visit [www.dishtv.in](http://www.dishtv.in)