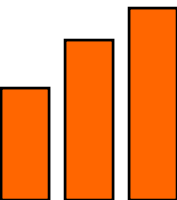


# Dish TV India Limited

## Investor Presentation



# Disclaimer



*Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Dish TV India Limited about its business and the industry and markets in which it operates.*

*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 the Company 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 India Limited does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.*

# About us



- India's pioneer DTH service provider; the only listed pure-play DTH company in the country.
- Consistent market leader with more than 32% subscriber share currently.
- Part of the:

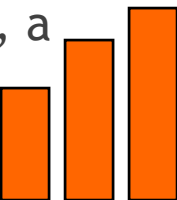


Having diverse presence across media, packaging, entertainment, technology enabled services, infrastructure development and education.



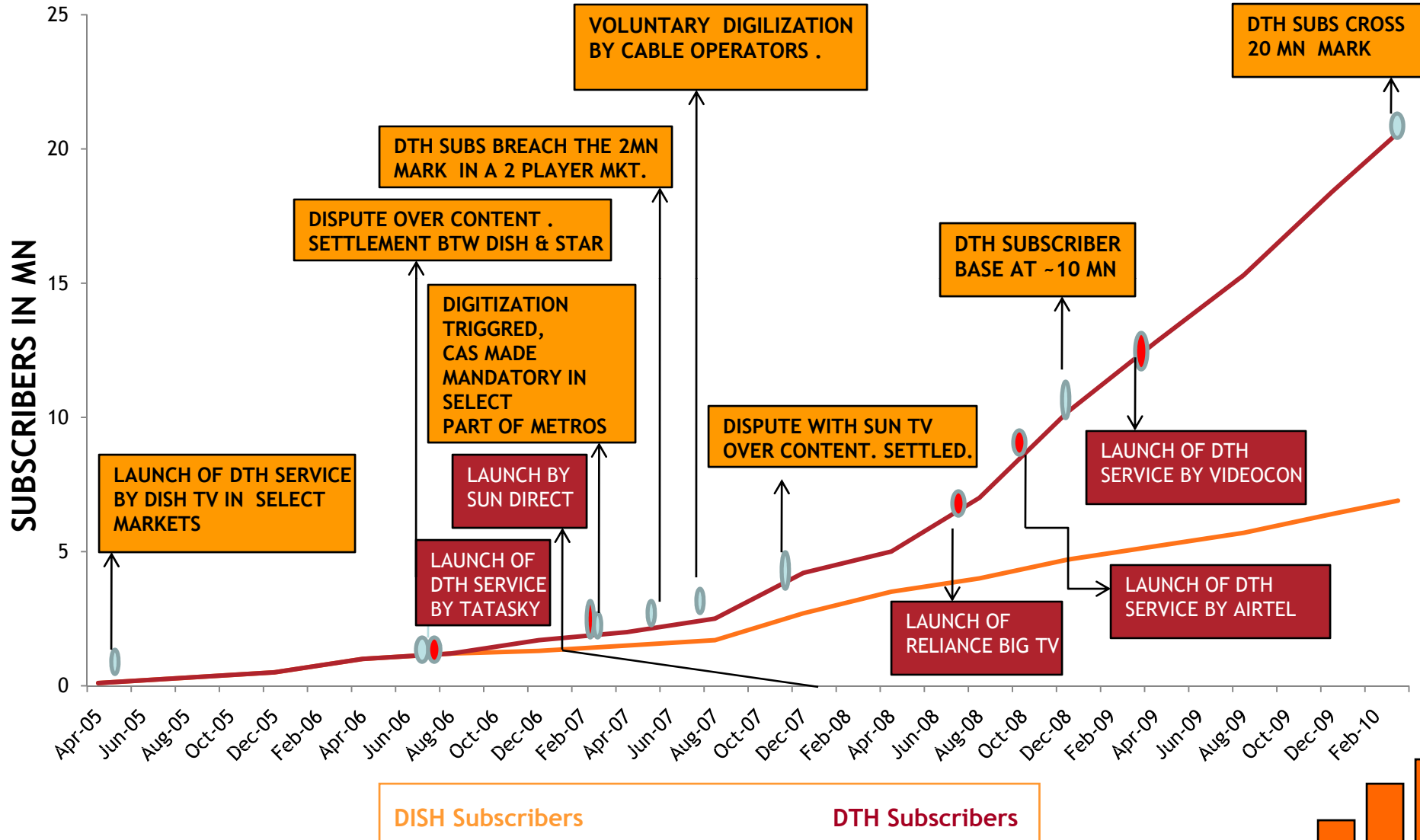
India's first and the country's largest fully integrated media and entertainment conglomerate.

- Promoted and led by Subhash Chandra, Chairman, Essel group of companies, a thought leader and a pioneer in most of his businesses.



# Indian DTH industry

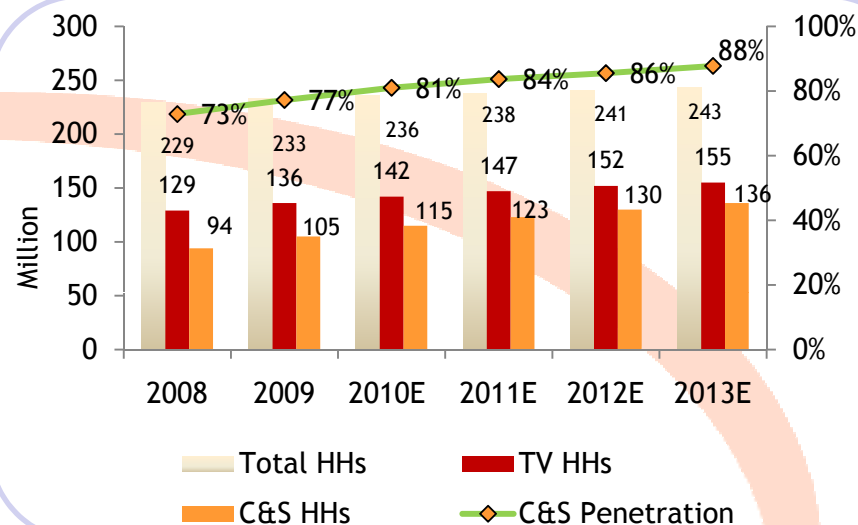
# Journey so far



# Opportunities galore!

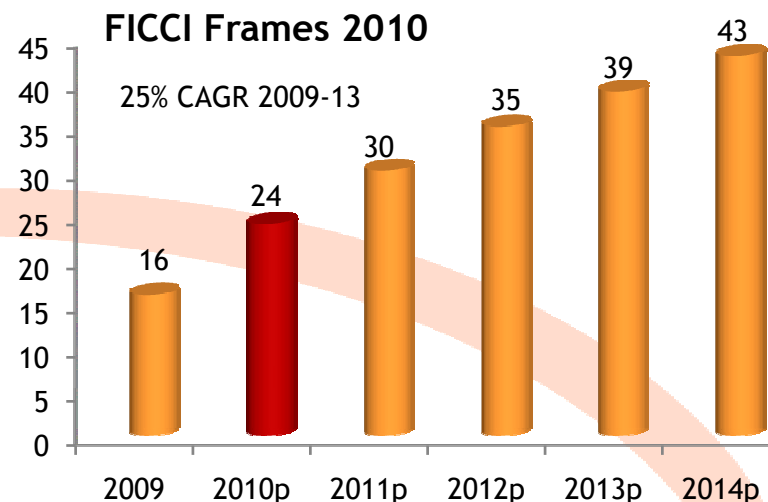
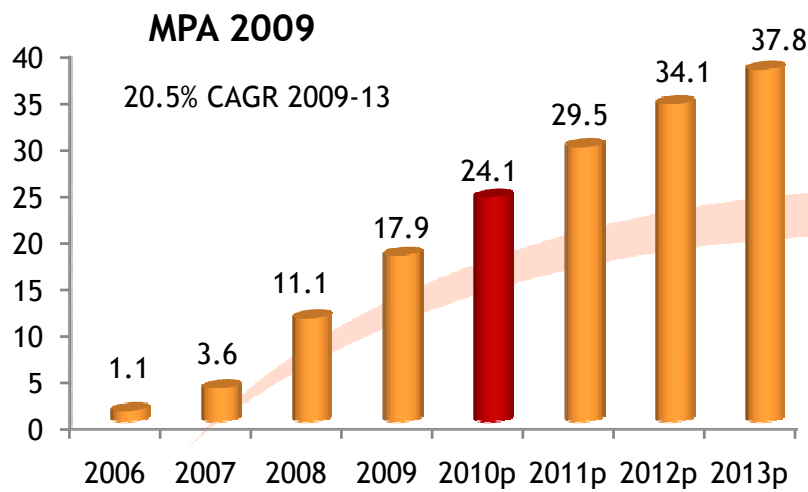
## Key statistics:

Total HHs	232 mn.
TV HHs	136 mn.
TV Penetration	59%
C&S HHs	105 mn.
C&S Penetration (in TV HHs)	77%
DTH Subs *	26 mn.

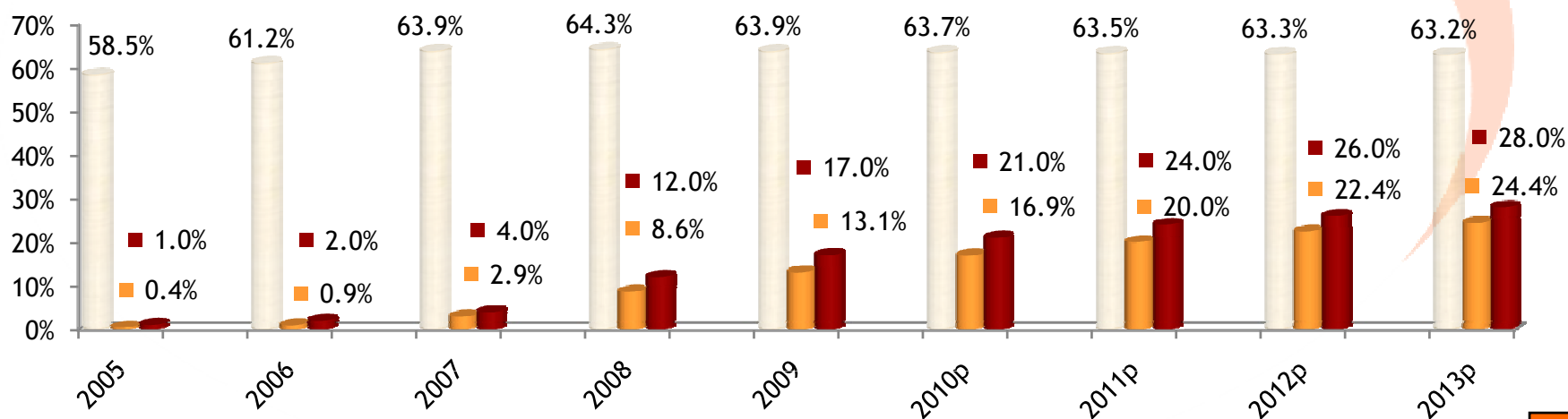


- Increasing TV HHs; likely to be 155 million, 64% penetration, by 2013.  
*Developed countries average penetration at more than 97%. China at 98%.*
- C&S penetration: huge **opportunity**, likely to be 88% by 2013.
- **DTH to be the key driver & direct beneficiary of increasing C&S households!**

# DTH growth projections...



DTH Sub. Base (mn.)



% Cable HHs to TV HHs    % DTH HHs to TV HHs    % DTH HHs to Pay TV HHs

Source: MPA 2009

Cable HHs include analogue & digital cable

# Outperformed !!

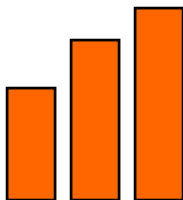
***MPA 2009 Report - Indian DTH subscribers to reach 24.1 mn. by the end of 2010 !***

***FICCI Frames 2010 - "Total number of DTH subscribers to be added in 2010 is expected to be ~ 8 million."***

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***January - September 2010 - 7.6 million\* DTH subscribers added taking industry size to 26 million !***

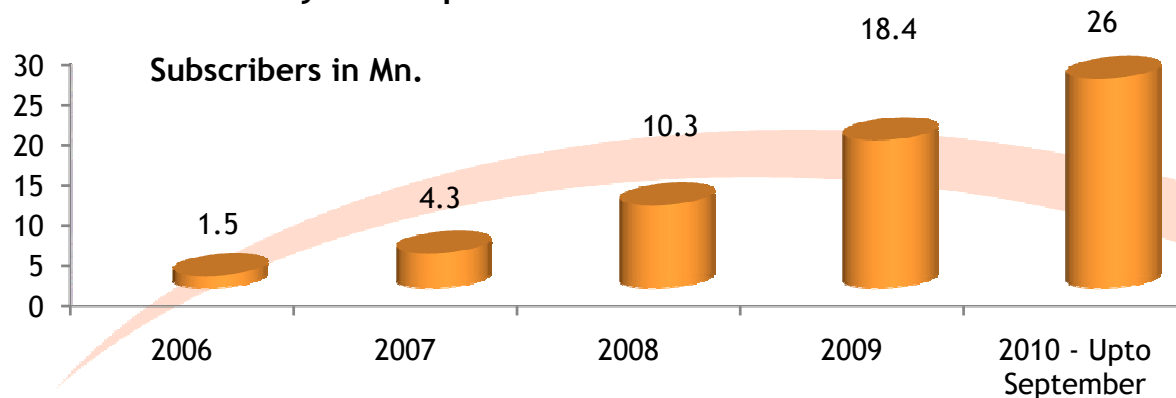
***Festival quarter to add to the momentum!***





# Outperformed !!

## DTH industry scale-up



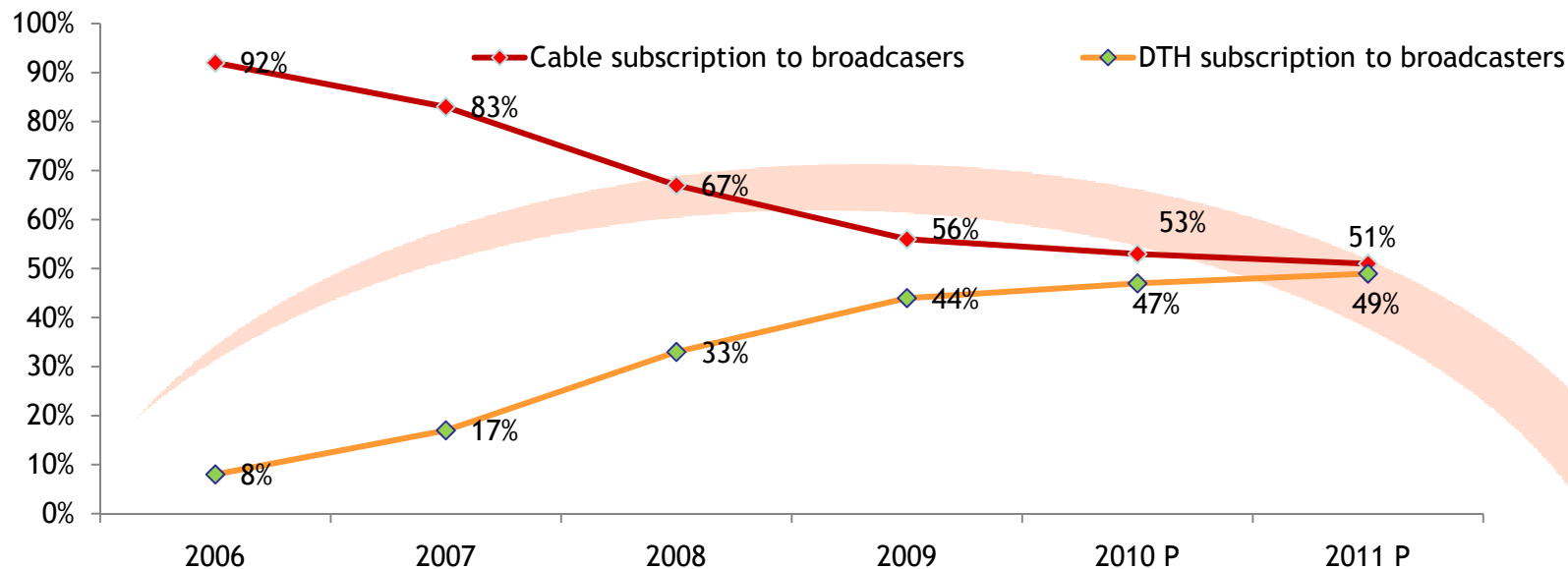
Source: Dish TV actual & industry est.

- DTH driving digitization & growth in pay-TV HHs.
- DTH penetration already at ~ 24% of C&S HHs; ahead of estimates.
- An estimated 60% of all new C&S subscribers up to 2018 expected to opt for a DTH connection.\*
- TRAI's recent recommendations on digitization in the form of sunset clause to provide further impetus.

***Dish TV continues to lead the industry with 32% market share & more than 8 mn. subscribers.***

***With close to 2.5 mn. subscribers being added every quarter, India is poised to overtake the current leader (U.S), which currently adds ~ 1.5 mn. subscribers each year.***

# Digitizing with addressability



₹ mn.	Subscription Revenue					
Cable Subscription to Broadcasters	2006	2007	2008	2009	2010P	2011P
Subscription Income Paid (Digital + Analogue)	19750	23110	27545	30805	34535	39305
Less: Carriage & Placement Received	5000	6000	12000	13000	13000	13300
Net Subscription Paid	14750	17110	15545	17805	21535	26005
DTH Subscription to Broadcasters						
Net Subscription Paid	1360	3415	7795	13905	19375	24925

*DTH continues to strengthen its relationship with broadcasters creating a win-win situation for both.*

# Key regulations

## Licensing

- Total foreign investment limit of 49% (sub limit ceiling of 20% for FDI) \*
- Uplink centre to be in India
- Set-top boxes to be BIS compliant
- License fee at 10% of DTH revenues (favourable TDSAT Order received on 28/05/10 will result in license fee outflow at ~ 4%)
- Initial license validity of 10 years; renewable thereafter

## Service quality

- Subscribers can be offered STBs on Rent/Hire-Purchase/Sale
- Mechanism to be in place for handling customer complaints & grievances

## Inter-connect

- Broadcasters have to provide content to all distribution platforms; pricing flexible
- Prohibits broadcasters from seeking guarantee for minimum number of subscribers

## Reference inter-connect

- Pricing information on content of the broadcaster
- Maximum 50% of non-CAS cable rates
- A-la-carte offering to be allowed

\* As per TRAI's (Telecom Regulatory Authority of India) recommendation dated 30<sup>th</sup> June, 2010 to the Ministry of I&B, Foreign Investment Limit for DTH is to be increased to 74%. The recommendation is yet to be approved.

# Recent regulatory initiatives

## Tariff Order for addressable systems

- Broadcasters to mandatorily provide pay channels to digital service providers at a maximum of 35% of corresponding rates for non-addressable cable TV services \*
- Retail tariff under forbearance.

## Digitization

TRAI recommendation on sunset date for analogue TV systems in India:

- Phase I # - Four metros - by 31/03/2011. Phase II - Cities with 1 mn.+ population - by 31/12/2011
- Phase III - Other urban areas - by 31/12/2012. Phase IV - Rest of India - by 31/12/2013.

\* Since challenged by Pay Broadcasters in TDSAT.

# Phase I likely to miss deadline due to Common Wealth Games and state elections.

# **Dish TV - market leader in DTH**

# Business - basics

- Direct-to-home distribution of TV channels up-linked from India by Broadcasters.
- **CPE installed on rent** at consumer's premises.
- Inertia to pay for hardware equipment results in up-front subsidy on STBs.
- **Negative Working Capital cycle** - subscription revenue collected in advance.
- DTH revenue includes subscription and lease rentals.
- Emerging revenue streams - Value-added-services, Movie -on-demand and Bandwidth charges.
- **Fixed content cost deals** with most broadcasters; significant competitive advantage.
- Growing subscriber base would bring operating leverage into play.

# Key strengths

## Brand

Strong Brand presence and Brand recall.

## Market Leadership

Largest subscriber base amongst all six players; currently over 32%.  
Carried and distributed by most third party dealers and distributors.

## Content

Highest number; more than 250 channels & services and growing.  
Fixed content cost deal with most big broadcasters.

## Selling & Distribution Network

Pan-India presence through 1400 distributors & ~55,000 dealers across 6600 towns  
Network managed by over 200 sales personnel. 8 Zonal and 19 Regional Offices.

## Advanced Infrastructure & Technology

Sufficient capacity to broadcast increasing number of channels - currently 11 KU  
band transponders equivalent.

'DISH TRUHD' with content tie-up with highest no. of HD channel broadcasters.

# Select key management personnel

Subhash Chandra  
Non Executive Chairman

Promoter - Essel Group of Companies. He is the pioneer of the Indian television industry and recipient of numerous honorary degrees, industry awards and civic honours. [Profile - Chairman.pdf](#)

Jawahar Lal Goel  
Managing Director

Mr. Goel is the MD of Dish TV since January '07 & has been instrumental in establishing it as India's leading DTH company. He has also been actively involved in the expansion of the Essel Group and is an active member on the Board of various committees set up by MIB, Govt. of India for addressing critical matters relating to the industry. [Profile - MD.pdf](#)

R.C. Venkateish  
CEO

On-board since July '10, he was the MD-India & South Asia, ESPN Star Sports before that. An IIT, IIM Graduate, Venkateish has more than 27 years of experience & a successful track record in turning around businesses & re-defining business processes for winning brands like Oral-B, Nestle and Kelloggs. [Profile - CEO.pdf](#)

Salil Kapoor  
COO

Salil has a work experience of more than 18 years and has worked with various global corporations including Microsoft and Samsung. He is an MBA from Delhi University.

Rajeev Dalmia  
CFO

A qualified Chartered Accountant, Rajeev has been leading the finance department since January, '07.



# Dish TV - now

**No. 1**  
DTH Company

**dishtv**

# 8 million

*Dishtv Celebrates 8 Million Subscribers*

DISHTV is the first DTH company in India to cross the 8 million subscriber mark.  
We thank you for being a part of our family.

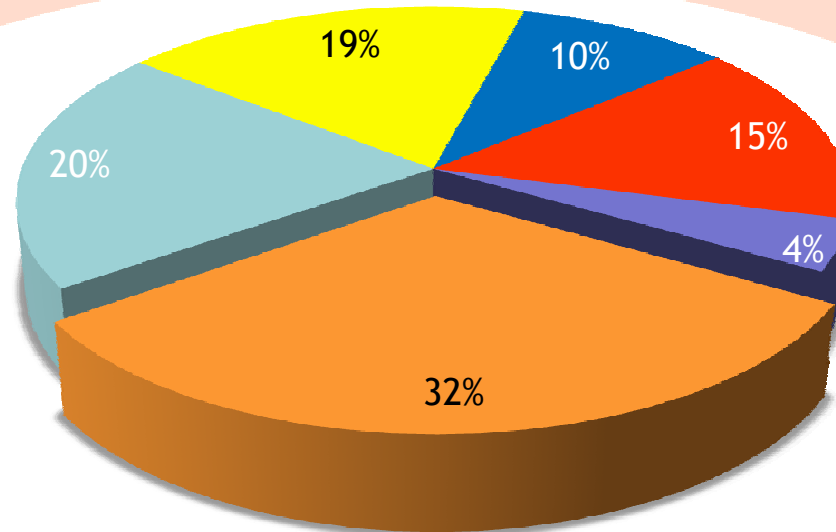
\*Basis all registered connections till date.

  
www.dishtv.in

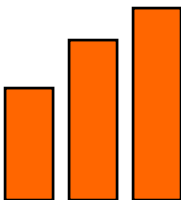
Dish TV crossed the 8 million subscriber mark in August, '10 becoming the first DTH player in the country to achieve the landmark number so far.

# Market share

Dish TV continues to lead with the highest market share amongst all 6 players

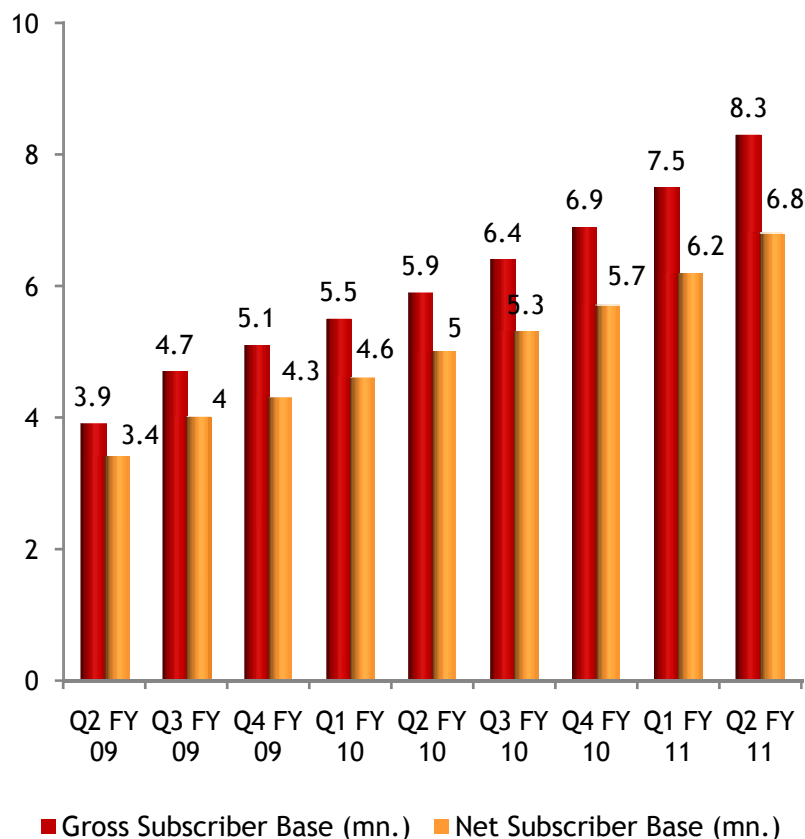


■ Dish TV      ■ Tata Sky      ■ Sun Direct  
■ Big TV      ■ Airtel Digital      ■ Videocon D2h

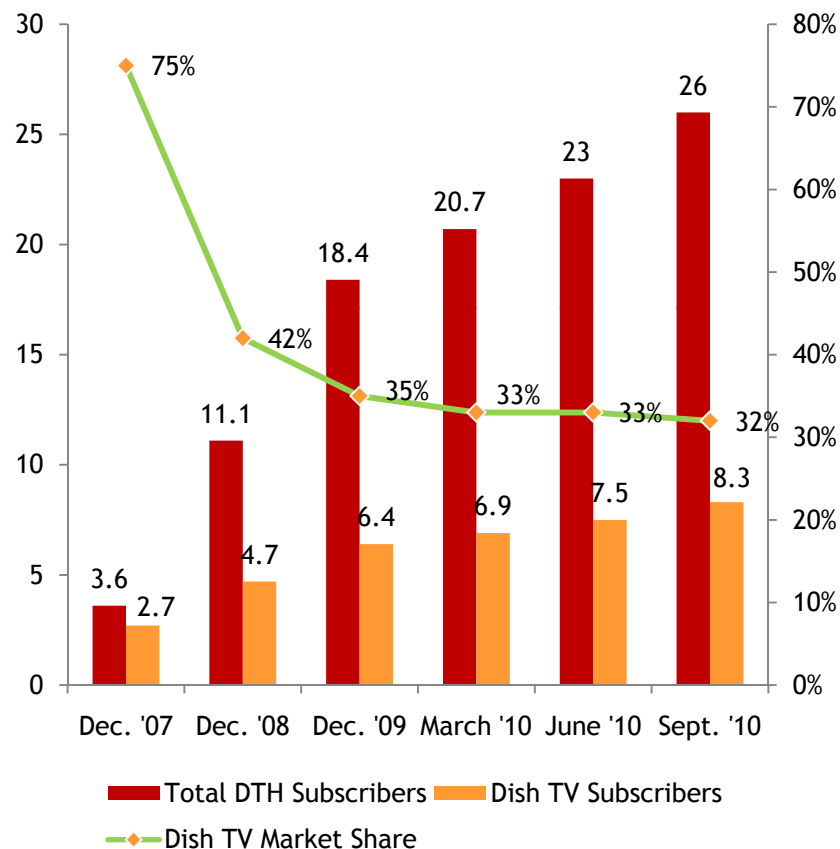


# Consistent leadership

Dish TV - Increasing number of subscribers



Dish TV - Market share on total subscriber base

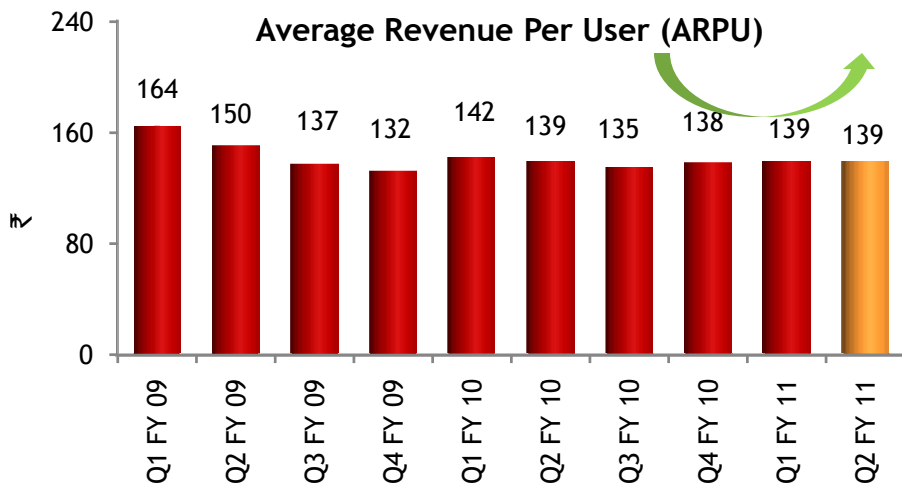


Source: Dish TV

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

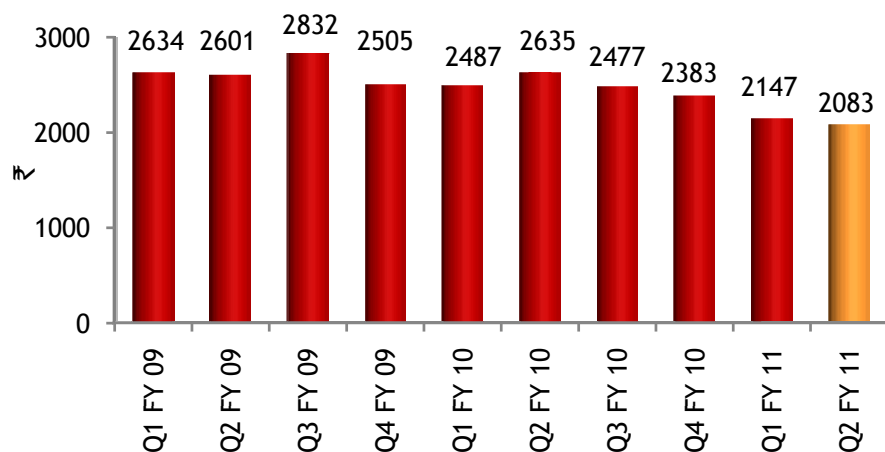
# Key business metrics

## Average Revenue Per User (ARPU)

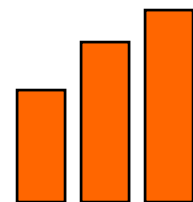


- Increasing trend - rationalisation back!
- Continuous efforts to evolve ARPU levels.

## Subscriber Acquisition Cost (SAC)



- Focus on reducing subsidies.
- Support coming in from growing incremental market share.



# Driving up ARPUs - marketing initiatives



**START LIVING THE PRIVILEGED LIFE OF A SUPERSTAR**

Recharge your Platinum Subscription and get assured diamond & jewelry voucher worth Rs. 4000\*

\*On every Platinum Recharge, you are entitled to get Rs. 4000 off on diamond & jewelry worth Rs. 8000 & above.

To enjoy this offer: Recharge your subscription with the Platinum pack. Register your correct mobile number on the same day to avail the offer. You will receive an SMS with a mobile voucher code. Log on to [www.suratdiamond.com/greatoffers](http://www.suratdiamond.com/greatoffers) and buy jewelry to redeem the mobile voucher.

**THE PLATINUM PRIVILEGE**

Register your mobile number to avail the offer. To register your mobile number, SMS dishtv RMN <11 DIGIT VC No.> to 57575.

**FINEST ENTERTAINMENT**  
Enjoy 219 Channels\*\* & Maximum Services

**SPECIAL PRIVILEGES**  
Enjoy Free Preview of all new channels for 1 month. New Channels added free of charge\*.

**BEST RECHARGE SCHEMES**  
Extra Value with every Recharge under the Pay 5, Get 6 scheme.

**GREAT OFFERS**  
Get assured diamond & jewelry voucher worth ₹4000\*

**POWER BRAND**

**PAY 3 GET UPGRADE Offer**  
on Silver & Gold Packs

PACK	PAY(Rs.)	GET(Rs.)
Silver	375	Silver Saver for 3 months
Gold	630	Gold Saver for 3 months

**SILVER SAVER**  
13 Additional Channels

**GOLD SAVER**  
7 Additional Channels

**SILVER**

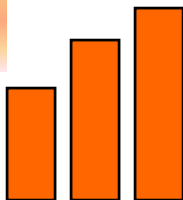
**GOLD**

**OFFER ENDING SOON RECHARGE NOW**

TO ENJOY THIS OFFER: Multiple payments can be made in a single calendar day to avail this offer. In case of deduction due to any applicable charges from the recharge amount, the subscriber will be able to watch the channels for the next higher pack for the remaining balance. Post the free viewing period of the upgraded pack, the subscriber needs to opt-out of the upgraded package by submitting an opt-out request. The request can be submitted either with the call center or with the dealer. On failure to opt-out of the upgraded package, the subscriber shall be charged for the upgraded package at the prevailing pack price. Offer not available to subscribers who have downgraded to lower pack in the last 30 days.

Silver pack made dormant.

Constant marketing initiatives to create better value proposition in higher ARPU packs.





# Driving up ARPUs - HD & VAS

**No. 1** in HD

**dish truHD**  
Live in High Definition

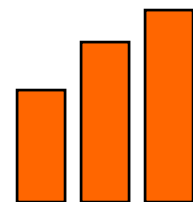
**dishtv**  
ghar aayi zindagi

**DISHTV checkmates the competition in High Definition**

PARAMETERS	DISH truHD	AIRTEL DIGITAL HD	TATA SKY HD
<b>Offer Price</b>	3190	3240	2599
<b>BENEFITS</b>			
<b>Base Pack</b>	Platinum	Mega Pack	Super Value English
<b>Base Pack Price (Rs.)</b>	Maximum Value Pack 325	303	225
<b>Offer Period</b>	2 months	3 months	2 months
<b>HD Pack</b>	HD	X	HD Gold
<b>2010 FIFA World Cup South Africa™ in HD</b>	FREE	Included	Free
<b>Wimbledon in HD</b>	FREE	X	Free
<b>HD Channels</b>	Maximum No. of HD Channels 4	0	2
<b>Zee Cinema HD</b>	✓	X	X
<b>Zee TV HD</b>	✓	X	X
<b>NGC HD</b>	✓	X	✓
<b>Discovery HD</b>	✓	X	✓

**DON'T JUST SEE IT. BE IN IT.**

High Definition & Value Added Services seen as ARPU drivers in the long run.

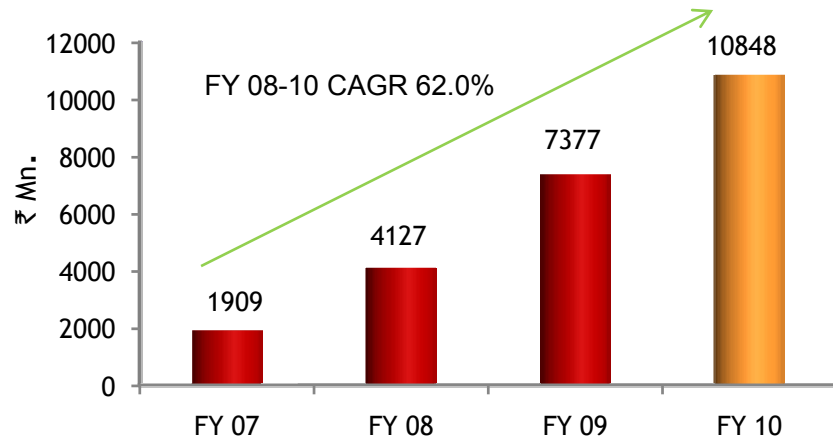


# Financials

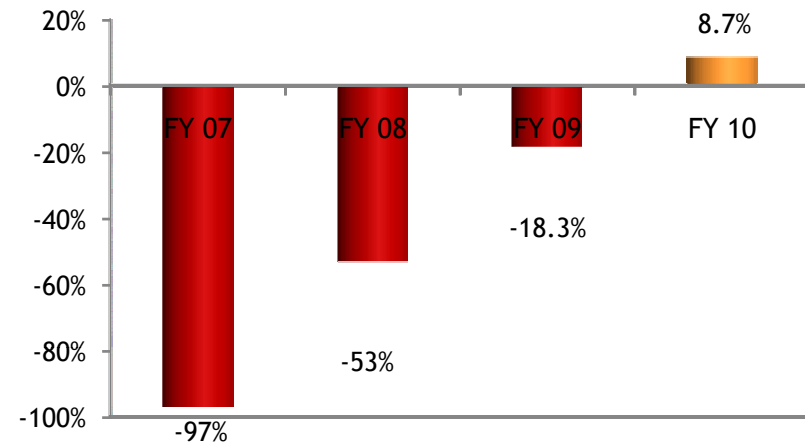


# Encouraging performance

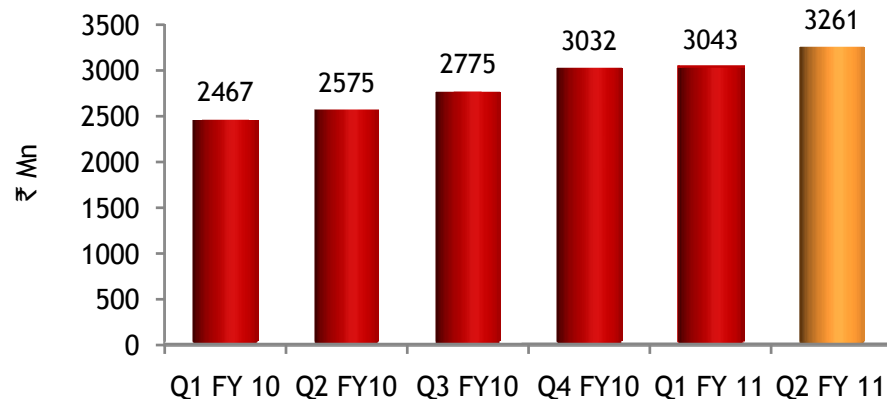
## Operating Revenues - Annual



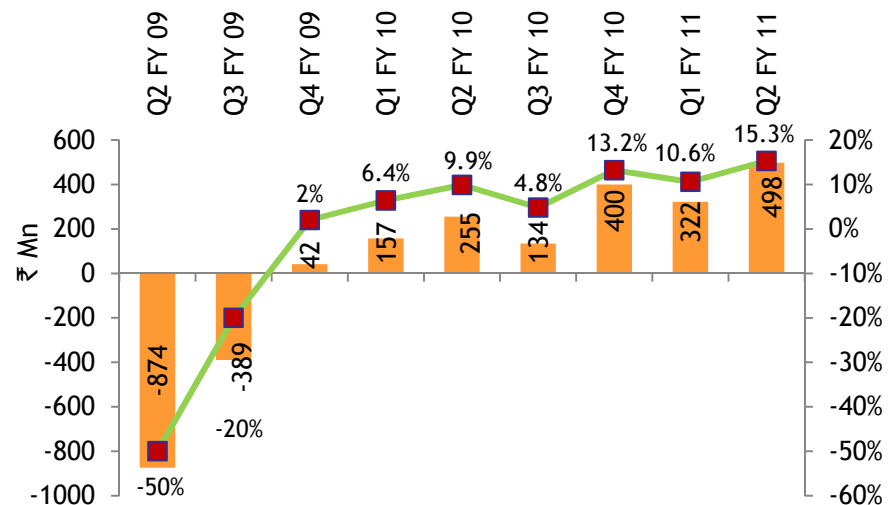
## EBITDA Margins - Annual



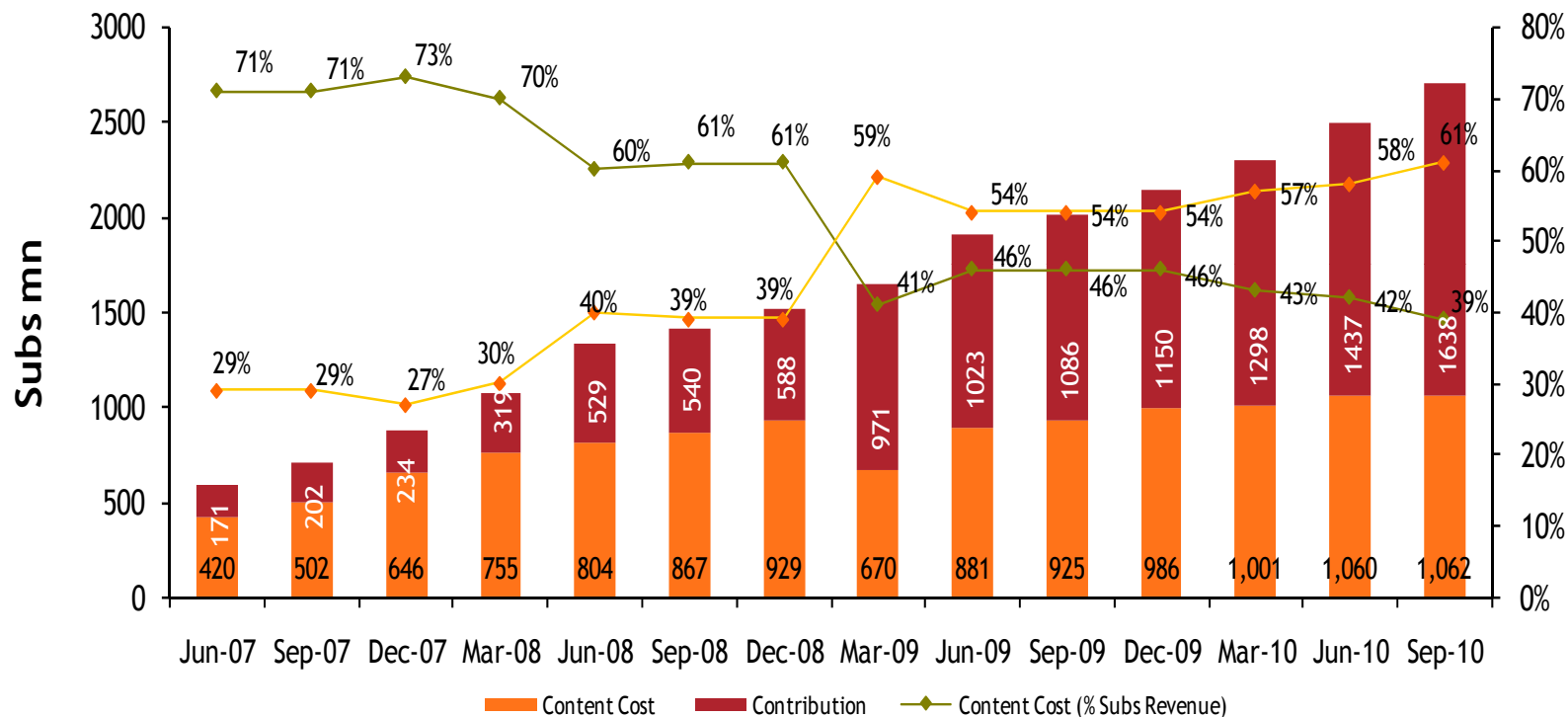
## Operating Revenues - Quarterly



## EBITDA & EBITDA Margins - Quarterly



# Fixed content cost driving margins

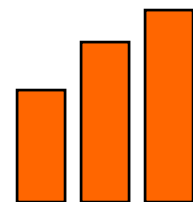


# Summary financials

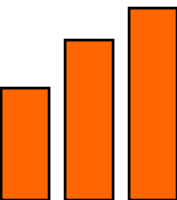
Quarter ended	Sept '09	Dec '09	March '10	June '10	Sept '10
Gross operating revenue	2575	2775	3032	3043	3261
Expenditure	2344	2659	2683	2721	2763
EBITDA	231	116	349	322	498
Add: Other income	4	11	5	69	25
Less: Depreciation	730	779	846	889	843
EBIT	-495	-652	-492	-498	-320
Less: Financial expenses	66	110	106	133	131
PBT	-561	-762	-598	-631	-451
Provision for tax	0	0	0	0	0
PAT	-561	-762	-598	-631	-451
<b>Operating Metrics</b>	<b>Sept '09</b>	<b>Dec '09</b>	<b>March '10</b>	<b>June '10</b>	<b>Sept '10</b>
Subscribers added (mn.)	0.41	0.55	0.44	0.64	0.76
SAC (Rs/subscriber)	2635	2477	2383	2147	2083
ARPU (INR)	139	135	138	139	139

**\*\* Flat QoQ revenue growth in June '10 due to discontinuation of HITS operations.**

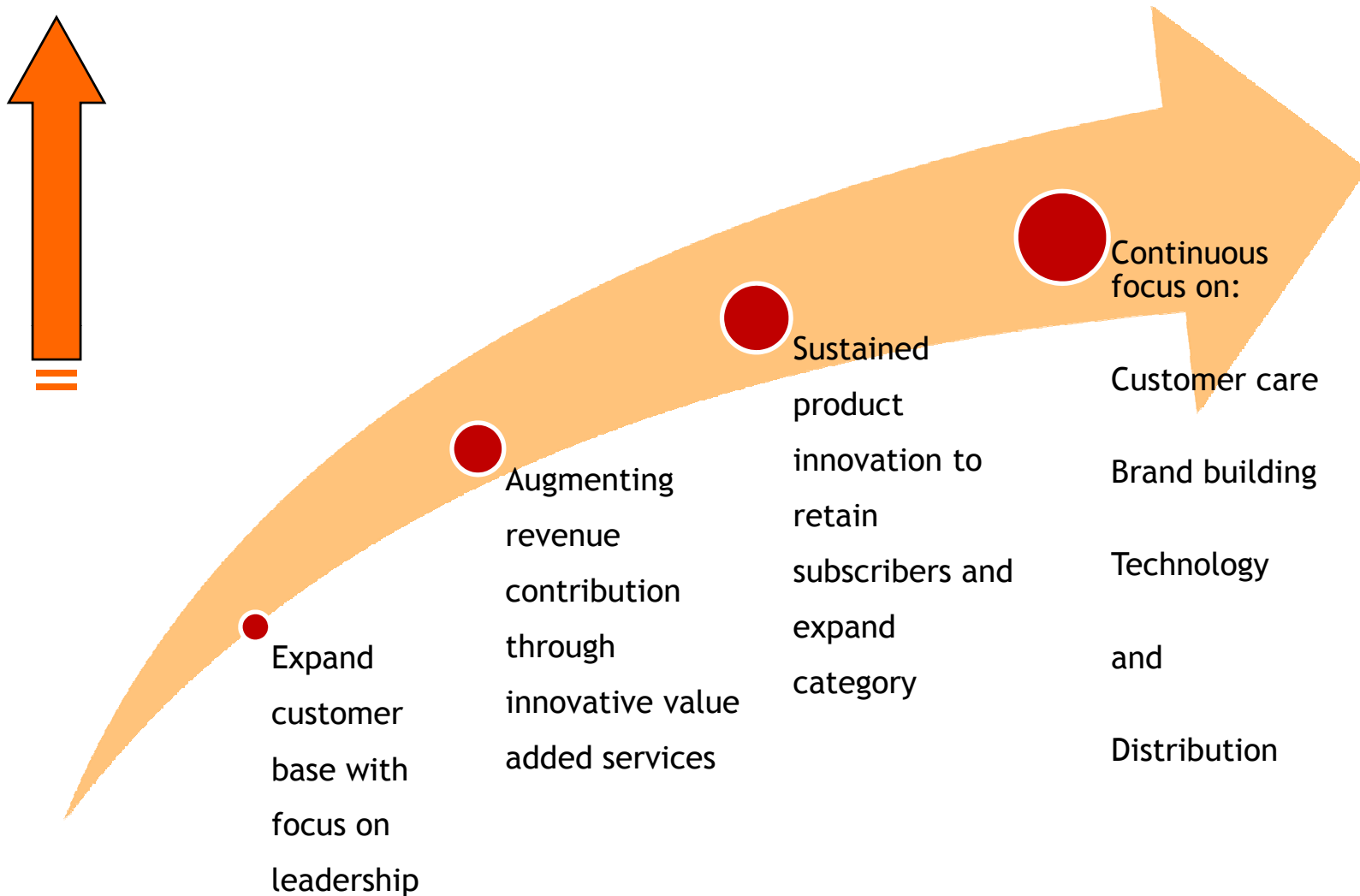
Source: Company Financials. All figures in ₹ mn. except mentioned otherwise.



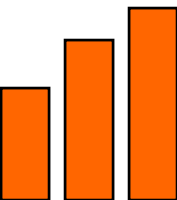
# Way forward



# Growth beyond just subscriber numbers



**Thank you**



**Questions**

