



DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2018

LEADING BY EXAMPLE

DISH TV INDIA FULLY IMPLEMENTS THE TRAI TARIFF ORDER

3Q FY19 NET SUBSCRIBER ADDITIONS AT 142 THOUSAND

OPERATING REVENUES OF Rs. 15,174 MILLION

EBITDA OF Rs. 5,176 MILLION, UP 4.0% YoY

MERGER SYNERGIES DRIVE EBITDA MARGINS TO 34.1%, UP 330 BPS YoY

PAT OF Rs. 1,527 MILLION AS AGAINST NET LOSS OF Rs. 1,683 MILLION IN FY18

3Q FY19 Highlights

- ❖ 142 thousand net subscriber additions during the quarter. Closing net subscriber base of 23.6 million.
- ❖ Subscription revenues of Rs. 14,126 million
- ❖ Operating revenues of Rs. 15,174 million
- ❖ EBITDA of Rs.5,176 million
- ❖ EBITDA margin at 34.1%
- ❖ PAT of Rs. 1,527 million

NOIDA, India; February 05, 2019 - Dish TV India Limited (BSE: 532839, NSE: DISHTV, LSE: DTVL) today reported third quarter fiscal 2019 consolidated subscription revenues of Rs. 14,126 million and operating revenues of Rs. 15,174 million. EBITDA for the quarter stood at Rs. 5,176 million, up 4.0% YoY. EBITDA margins were almost at an historical high, at 34.1%, up 330 bps YoY.

The Board of Directors in its meeting held today, has approved and taken on record the unaudited consolidated financial results of Dish TV India Limited and its subsidiaries for the quarter ended December 31, 2018.

Leading by Example

The third quarter kept the television industry on its heels with the TRAI Tariff Order approaching its erstwhile deadline and regular business activity picking up speed during the festival period.

An early believer of the Tariff Order, Dish TV India was the first in the industry to partially and voluntarily roll-out the provisions of the Tariff Order by offering a-la-carte channels to its subscribers at affordable prices.

Leading by example, the Company during the quarter leveraged months of pro-active preparedness and research, to kick-start processes that were designed to adopt the Regulation.

However, with the implementation getting pushed back by a month to February 1, 2019, subscription recharge was hit by ambiguity and indecisiveness on the part of the subscribers.

Mr. Jawahar Goel, CMD, Dish TV India Limited, said, “I am glad that all opposition to the Tariff Order has now finally been put to rest. We continue to strongly believe that the Regulation should minimize discriminatory pricing by ensuring a level playing field between cable and DTH platforms and should be beneficial for the entire industry thus leading to higher earnings going forward.”

Mr. Anil Dua, Group CEO, Dish TV India Limited, said, “The Interconnection Regulations and Tariff Order, as notified by TRAI, will lay down new norms for the television industry ushering in an era of growth, transparency and non-discrimination.

A delay in the implementation of the Tariff Order however, before the erstwhile deadline, triggered a hesitation amongst subscribers leading to a noticeable fall in recharges during the month of December. The trend is expected to reverse in February, as the Tariff order gets implemented, and should become normal by the end of this quarter.

Sustainability review of long term packs had some impact on activations in select markets. That said, barring the fluctuations in December, the business delivered in line with expectations in the festival months of October and November.”

Phase 4 markets, increasing TV households, urbanization, growing multi-TV households, rural electrification and an improving consumer sentiment remain the primary drivers of DTH subscriber additions. Dish TV added 142 thousand net new subscribers during the quarter.

“The Interim Budget 2019 gave an approximate Rs. 230 billion spending stimulus to the consumption class comprising of small business owners, salaried employees and the middle class by way of tax exemptions. In addition, increased disposable income in the hands of farmers by way of PM *Kissan Samman Nidhi* scheme introduced in the budget should be a great boon for consumer sector companies like Dish TV. Further, the 150 thousand homes built under the PM Affordable Housing Scheme and every new house proposed to be built thereunder should be a potential pay-tv customer in the near future,” said, Mr. Jawahar Goel.

Integration Progress

A little over 10 months down the line from the merger, most of the merger related integration at Dish TV India is nearing completion.

Information Technology integration moved to the next level during the quarter with the Company launching a common CRM (customer relationship management) service for both Dish TV and D2h brands.

Integrating the User Interface (UI) of both brands was a challenge that the Company decided to meet head on.

'Project Phoenix' was launched immediately after merger and it was in December finally that the teams could make a break-through by seamlessly integrating the UI of both brands but by letting the CRMs of both brands work in their individual capacity. This was essential as building an altogether new CRM was an expensive and time consuming task. The integrated yet differentiated UI is expected to help achieve greater efficiencies in the areas of field service and customer satisfaction going forward.

Further, Dish TV India's focus on continuous statistical based improvement and quick response to opportunities and changes in business made it target the CMMI, Maturity Level 5, certification. Capability Maturity Model Integration (CMMI), Level 5, was awarded to Dish TV India during the quarter making it the only Media and Entertainment Organisation in the world to be certified with Maturity Level 5.

Organisations at Maturity Level 5 demonstrate capability to accomplish and sustain their business objectives and performance.

Integration of headend infrastructure was planned to enhance the customer TV viewing experience and serve satellite operations for both its brands. During the quarter, Dish TV India upgraded and expanded its entire DTH platform to the AVP 4000 video processing platform. The award-winning compression technology will now enable the Company to adapt to both traditional broadcast and multiscreen service delivery from a single platform. The upgradation shall also enable the Company to provide the highest video quality with significantly enhanced bandwidth cost efficiencies.

Innovating and integrating on the marketing front, Dish TV became the first in the industry to use Augmented Reality for mobile marketing and advertising. The campaign leveraged Augmented Reality/Virtual Reality to connect the two brands with the masses enabling brand recall and innovation through mobile marketing.

During the quarter, significant cost synergies were realized in transponder costs, call-centre expenses and programming costs. Overall cost of goods and services (COGS) was down 4.2% YoY. Finance cost was lower by 9.3% YoY as debt repayments continued as per schedule. The Company aims to be debt free in two years.

Investment in brand building and marketing for both, Dish TV and d2h brands continued with both brands launching new brand campaigns for the festival season. Marketing expenses thus remained high during the quarter.

Mr. Anil Dua, Group CEO, Dish TV India Limited, said, "We are optimistic about exiting FY19 with a high single digit growth in EBITDA considering back-to-back cricketing action during the fourth quarter and further realization of synergies."

New Initiatives

The Dish *SMRT Stick* was launched during the quarter at an introductory price of Rs 599 only. The device enables low-cost and modular access to internet based services on Dish HD boxes. With the *SMRT Stick*, Dish TV's existing 3.5 million NXT HD boxes can become connected boxes overnight.

The product offers 10 curated channels including *Entertainment Zone* - comprising of Mini Web Series, Comedy and Travel. *Smart Kids* - comprising of Cartoon Short Videos, Rhymes, Art and Craft and *Music Box* - having Hindi, Regional and English Music Videos.

In addition, other curated channels like *News Stand*, *Food Spot* and *Gadget Hub* are also included. Other offerings include, Catch-up TV, Movies and Short Videos. The SMRT Stick also allows access to other OTT Apps like Zee 5, Sony Liv and Hungama.

The premium subscription is expected to be sold for Rs. 49 per month at the end of 6 months.

During the quarter, *Watcho*, the much-awaited in-house OTT app of the Company was also launched in Beta mode.

“Dish TV’s unique advantage of being able to offer content through both, the traditional and streaming mediums would ensure subscriber brand loyalty. Our OTT offering would come with a fair mix of original content, linear channels and catch-up content. The flexibility to move between pipes would enable consumers to keep TV viewing costs under check,” said Mr. Dua.

Dish TV’s Connected Box would empower the new age consumer to watch both, streaming content as well as linear television using DTH technology at cost effective prices thus offering them excellent value for money.

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 December 31, 2018 compared to the quarter ended December 31, 2017:

Rs. million	Quarter ended Dec. 2018	Quarter ended Dec. 2017	% Change Y-o-Y
Subscription revenues	14,126	14,430	(2.1)
Operating revenues	15,174	16,143	(6.0)
Expenditure	9,999	11,165	(10.4)
EBITDA	5,176	4,978	4.0
Other income	121	242	(49.9)
Depreciation	3,532	3,525	0.2
Financial expenses	1,300	1,434	(9.3)
Profit / (Loss) before exceptional items, tax and share of (Loss) in joint venture	464	261	77.6
Exceptional items	-	-	-
Profit / (Loss) before tax and share of (Loss) in joint venture	464	261	77.6

Tax expense:

- Current tax	181	101	78.5
- Current tax -prior years	92	-	
- Deferred tax	(1,281)	1,843	-
- Deferred Tax -prior years	(54)	-	
Profit / (Loss) after tax and before share of (Loss) in joint venture	1,527	(1,683)	-
Share of (Loss) in joint venture	-	(0)	-
Net Profit/ (Loss) for the period	1,527	(1,683)	-

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

Revenue

Dish TV's operating revenues include subscription revenues, advertisement income, bandwidth charges, and other income. The table below shows each as a percentage of operating revenues:

Rs. million	Quarter ended	% of	Quarter ended	% of	% change
	Dec. 2018	Revenue	Dec. 2017	Revenue	Y-o-Y
Subscription revenues	14,126	93.1	14,430	89.4	(2.1)
Advertisement income	300	2.0	238	1.5	26.2
Bandwidth charges	324	2.1	428	2.7	(24.4)
Other income	425	2.8	1,047	6.5	(59.4)
Total revenue	15,174	100.0	16,143	100.0	(6.0)

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 and other expenses. The table below shows each as a percentage of operating revenues:

Rs. million	Quarter ended	% of	Quarter ended	% of	% change
	Dec. 2018	Revenue	Dec. 2017	Revenue	Y-o-Y
Cost of goods & services	8,145	53.7	8,503	52.7	(4.2)
Personnel cost	604	4.0	673	4.2	(10.3)
Other expenses (Including S&D exp.)	1,250	8.2	1,989	12.3	(37.2)
Total expenses	9,999	65.9	11,165	69.2	(10.4)

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 results that are prepared as per Indian Accounting Standards (Ind-AS).

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 India Limited is India's largest direct-to-home (DTH) Company with a subscriber base of more than 23.6 million. Dish TV India Limited owns multiple individual brands like Dish TV, Zing and d2h under its umbrella. The company benefits from multiple satellite platforms including NSS-6, SES-8, GSAT-15 and ST-2 and has a bandwidth capacity of 1350 MHz, the largest held by any DTH player in the country. Dish TV India Limited has on its platform more than 709 channels & services including 31 audio channels and 70 HD channels & services. The Company has a vast distribution network of over 4,000 distributors & around 400,000 dealers that span across 9,415 towns in the country. Dish TV India Limited is connected with its pan-India customer base through call-centres that are spread across 22 cities and are equipped to handle customer queries 24X7 in 12 different languages. For more information on the Company, please visit www.dishtv.in