



DISH TV INDIA LIMITED

2Q FY13 EARNINGS TELECONFERENCE
OCTOBER 18, 2012, 4.00 P.M. INDIA TIME

Moderator: Ladies and gentlemen good day and welcome to the Q2 FY13 Results conference call of Dish TV India Ltd. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. If you should need assistance during this conference call please signal an operator by pressing * and then 0 on your touchtone telephone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Tarun Nanda of Dish TV India Ltd, thank you and over to you sir.

Tarun Nanda: Good afternoon ladies and gentlemen and thank you for joining us today to discuss the results of Dish TV India Limited for the quarter ended September 30th, 2012.

To discuss the results and performance, joining me today is Mr. Jawahar Goel, Managing Director, Dish TV India Limited, along with the senior management team of the company including Mr. R.C Venkateish – CEO, Mr. Salil Kapoor – COO, Mr. Rajeev Dalmia – CFO & Mr. Gaurav Goel – Executive V.P. – Strategy & Business Development.

We will start with a brief statement from Mr. Goel and will then open the discussion for questions and answers. I would like to remind everybody that anything that we say during this call that refers to our outlook for the future is a forward-looking statement that must be taken in the context of the risks that we face.

Also, before we proceed, may I request all media representatives who may have joined in to please disconnect immediately since this call has been organized purely for our investors and analysts.

I would now request Mr. Jawahar Goel to address the participants.

Jawahar Goel:

Good afternoon ladies and gentlemen and thank you for joining us today.

Dish TV added 477 thousand new subscribers in the second quarter ended September 30, 2012 achieving a total of 13.9 million gross and 10.0 million net subscribers at the end of the period.

Though the second quarter took off sluggishly, largely due to the macro headwinds and price hike at the entry level, our sound strategy and efficient on ground execution enabled a pickup in additions post July 2012. Our launch of 'Dish+', India's first standard definition recorder, in the 42 cities covered under Phase I and Phase II of digitization helped us differentiate and attract consumer interest in a crowded market.

With the first phase of digitization around the corner, regular data on steady growth in digital deployment continues to flow in however, on ground implementation remains lukewarm and

nowhere close to numbers doing the rounds. Nevertheless, with the government sending firm signals against extension of the analog sunset date, we maintain our target of reasonable subscriber uptake going forward.

In the previous quarter, sensing DTH's growing popularity over competition, we initiated a price hike at the entry level as well as across standard definition packs. As per our expectation, the price hike flowed through partially to deliver an encouraging ARPU increase in the second quarter. ARPU for the second quarter stood at Rs. 159 compared to Rs. 156 in the preceding quarter.

Coming over to the key performance highlights; Subscription revenues for the quarter stood at Rs. 4,727 million recording a growth of 14.6% as compared to the corresponding period last fiscal. Cost line items remained as projected; an expected hike in marketing cost coming in due to additional spends around digitization. Subscriber acquisition cost though marginally increased due to marketing, remained in the comfort zone.

EBITDA at Rs. 1,557 million recorded a significant growth of 18.3% as compared to the corresponding period last fiscal. EBITDA margin for the quarter stood at 29.2%.

Churn remained at 1% per month despite the package price increase last quarter.

Going strong, Dish TV continued to be free cash flow positive for the third consecutive quarter in September 2012.

With this, I would like to open the floor for the questions and answers session.

Moderator: We will now begin with the question and answer session. The first question is from the line of Sachin Salgaonkar from Goldman Sachs, please go ahead.

Sachin Salgaonkar My first question is on any updated thoughts on certain risks to delay of Phase-1 timeline as it appears that Kolkata and Chennai do not seem to be fully ready yet. I am not sure if the signals will be completely blacked out when we have Diwali?

Jawahar Goel It is a good question and I expected everyone to have this apprehension. Chennai, since it has a state-owned cable company, had a delay in ordering the set-top boxes though it has been a CAS market since many years. Due to 'Durga Puja' festival going on in Kolkata, the State Government is a bit negative. However, as per the regulation the pay broadcasters have to switch off all pay channels for an analogue delivery on mid-night 31st October unless the Central Government extends the deadline for Kolkata in this year. Chennai, as per the press release given by Ministry of I&B, is almost 90% ready, so they do not anticipate much problem.

Sachin Salgaonkar And sir so from a Dish perspective then how should we look at things as in do you expect things to move forward in Kolkata and Chennai or it is pretty difficult to say right now in which direction things could swing off?

Jawahar Goel One thing is there in the press release if you have noted, they had only factored 20% as multi-TV homes. Whereas we feel that it can be as high as 250% to 300%. So that gap is definitely there. When

we had done this study in Delhi and Bombay markets there were many areas where analogue has not been done away with yet but the percentage of box seeding is shown very high. Subscribers will move at the last minute this is what we expect.

Sachin Salgaonkar My second question is should we expect any material increase in selling and marketing cost and maybe some slight pressure on ARPU post October 31st as Dish gets a bit more aggressive in terms of acquiring more subscribers?

RC Venkateish No pressure on ARPU but yes increase in marketing cost because obviously around digitization we would be investing in marketing. Also, because in this quarter apart from digitization you have the festive season. So it is traditionally a high season for us, both in terms of marketing activity as well as in terms of subscription addition.

Sachin Salgaonkar Any positive impacts on ARPU considering the thing that your Earnings Release says that only partial hike of ARPU increase has come in this quarter. So is there a sort of a flow in the next quarter with respect to that?

RC Venkateish Yes, you will see a flow through because we took the price hike in July and only a part of that has flown through. The full flow through is likely to be reflected in this quarter.

Sachin Salgaonkar And my last question is what led to QoQ decline in programming and content cost in this quarter and how should we look at the outlook going forward?

- RC Venkateish** The QoQ decline is because of two things – one is the contract with MediaPro is yet to conclude. We are on the final stages and we are almost there. So that increase which is due for MediaPro will come in going forward. Secondly the decline is due to the fact that some of our content deals especially with some of our sports broadcasters have been renegotiated from a fixed fee format to RIO based format.
- Sachin Salgaonkar** And outlook for future, as in we should see a bump up as MediaPro contract gets renegotiated. Anything else which might pressurize the content cost going forward?
- RC Venkateish** We have good visibility on the content cost now that the MediaPro deal is going to get done in the next few weeks. The overall content cost increase will be within our guidance which is a 12-15% increase for a full year. Having said that in the third quarter there might be a slight higher bump because of the fact that we will have some back payments from this quarter which will flow through to the next quarter but that would be a one-time event which will settle down in the fourth quarter.
- Moderator** Thank you. Our next question is from Abneesh Roy of Edelweiss, please go ahead.
- Abneesh Roy** My first question is if you could give the revenue breakup in terms of subscription revenues, lease rentals, bandwidth and teleport?
- Rajeev Dalmia** Subscription revenue is Rs. 473 crores, lease rental is 43 crores, teleport is around 5 crores and others are around 11 crores.

Abneesh Roy

Sir if you see quarter on quarter the subscriber number addition has come down marginally, while on the other hand if you see there could have been some benefit of digitization. So wanted to understand what is happening here, is it because of the sharp ARPU increase which we had taken? Is that some issue or is it that cable is able to get a better market share in the digitization because it is their own universe? So some color on that. Second is we also saw the launch of the HD recorder in some markets but quarter on quarter the subscriber addition has come down a bit?

RC Venkateish

Let me explain that. We took a price increase of Rs. 200 in July wherein the entry level was moved from Rs. 1590 to Rs. 1790. Other DTH players also followed suit but they did so with a time lag of 2 to 4 weeks. So in the month of July our addition was under pressure because of the fact that we were operating for most of the month at a Rs. 200 premium over competition. Number for July was 127,000 out of the 4 77,000. By September our exit rate had moved up to 200,000 because by then the competition had also moved the price up and we had also launched the recorder. So that is one reason why there was a little bit of compression in July which reflected in the numbers. Benefit of digitization, as Jawaharji also highlighted, the fact that the whole uncertainty has been an overhang over the last couple of months. It is only now that in the last week or 10 days there is some conviction that this thing is going to go forward. The traction because of digitization is yet to visibly be seen especially in Kolkata and Chennai because of all the issues. In Delhi it started to inch up in the last 4 or 5 days. We expect that to reflect only in this quarter.

Abneesh Roy Sir my next question is on the competitive intensity, are you seeing any material competitive intensity between the DTH players because you have been innovating for example in terms of the HD Recorder, second one was the lifetime free to air channels while on the other hand Tata Sky is playing somewhat the pricing game so they cut pricing in some of the markets. Is the competitive situation worsening a bit?

RC Venkateish See competition per se is not worsening if you look at the all India picture but in the four metros you will see enhanced competitive activity going forward obviously because something is up for grabs.

Abneesh Roy And sir last question is on the Sri Lanka announcement which has come. Some color on how big the market is and what are the plans over a 2 to 3 years' timeframe?

RC Venkateish It is too early for us to put out any specific guidance on those. Market size for DTH follows the population size. Sri Lanka's population is currently 20 million but the ARPUs are much higher. But it is still at a very early stage.

Moderator Thank you very much. Our next question is from Rishi Maheshwari of Enam Asset Management. Please go ahead.

Rishi Maheshwari I would like to exaggerate the digitization bit a little more to understand what is the status on ground? MIB is still very enthusiastically stating in that more than about 70% is digitized? That doesn't seem to be reflecting on our numbers. So my fellow callers have been asking the same. Can you elaborate whether that is not the correct number that you are visualizing or is it that you

are losing market share in that process and I am talking especially about the Top 4 metros?

RC Venkateish Of course those numbers are up for debate, as you said. I think even the opening address mentioned that. Once the signals are shut-off, we will get the true picture.

Rishi Maheshwari Sir my next question is on the renewal of your proposal of \$200 million, is that the same resolution which you passed last time or this is a new resolution that you have proposed?

RC Venkateish Yeah it is the renewal of the old resolution.

Rishi Maheshwari Can you give some sense on the inventory? What is the status of the inventory right now?

RC Venkateish Around 1.2 million boxes.

Rishi Maheshwari What is your exit ARPU that you are expecting for this year?

RC Venkateish We are not specifically guiding on that.

Moderator Thank you very much. Our next question is from Nitin Mohta of Macquarie. Please go ahead.

Nitin Mohta My question was related to the tenure the subscribers are staying with you. The reason I want to understand that better was if we look at the last 2 to 3 years history the ARPU hike used to take about 6 months timeframe to flow into the P&L. This time it has been pretty effective. I understand it would be partial but has the duration for which a customer recharges changed?

- RC Venkateish** No, the duration after which the customer recharges hasn't changed but the churn rate has been steady and that improved the transmission.
- Nitin Mohta** And secondly Jawahar Ji spoke about reasonable gross additions in his opening remarks. Excluding any pick up from digitization if I can get a sense of what's your internal target for gross additions for the year?
- RC Venkateish** We have already guided that. Without digitization, for the full year, additions will be in the range of 2 to 2.5 million and there will be a kicker of 500 to 750,000 on account of digitization.
- Moderator** Thank you very much. Our next question is from Ankur Agarwal of Nomura. Please go ahead.
- Ankur Agarwal** Firstly, can you throw some light on why the negotiation between MediaPro and Dish was delayed? Is there a risk that the kind of numbers that we were expecting in terms of content cost will increase? Can it actually overshoot that?
- RC Venkateish** It's a good sign whenever you have protracted negotiations. That means we are holding out for a better deal. We have already guided that the total content cost for the year will be within our guidance of 12 to 15% increase.
- Ankur Agarwal** Second question is regarding the change of accounting policy around FOREX. So, can you explain that a little bit and can you also explain the impact on various key metrics like EBITDA, etc., if you had used the old policy for example? If you can explain that in detail that would be useful.

- Rajeev Dalmia** There is a note in the published results, Note No. 10. I think that note is fairly explanatory. Net-to-net we had a gain of 76 crores because of this onetime events of foreign currency translation. From the next quarter onwards it will be routed through the Balance Sheet and not profit and loss account
- Ankur Agarwal** Are there any more negotiation apart from MediaPro which are on the anvil in FY13 and FY14?
- RC Venkateish** All major deals are done. Might be some small regional play, if any.
- Moderator** Thank you very much. Our next question is from Shobhit Khare of Motilal Oswal Securities. Please go ahead.
- Shobhit Khare** Just two questions from me, one is on your new lifetime scheme. If I understand correctly we have some loss of revenue due to delayed payment and just wanted to understand, if there is a risk that there will be more delays because of this scheme since the signal doesn't go and some free channels will continue to come even if people don't recharge? Secondly, wanted to understand the jump in admin expenses, quarter-to-quarter it is up by around 33%. So what is driving this?
- RC Venkateish** First on the lifetime scheme it is applicable only for new customers and that too only in the four metros. So our entire existing sub-base of 10 million is not impacted. So whatever incremental addition that we get during digitization which even if you assume at 500,000 or 700,000 comprises less than 7% of the total net base. Secondly before we launched the scheme we extensively modeled it with our own subscribers. What we found

was in terms of the recharge payment pattern, there was only a marginal difference between those who were switched off on the due date and those who were not however, it helps the stickiness and improves the customer affinity to the brand thereby reducing the propensity to churn and actually if you look at it over a longer period of time of say 6 to 9 months the total revenue paid by the group which is availing the free to air channels is actually higher than the group which did not get the FTA channels. So both ways it is ARPU accretive and churn negative and also positive for the revenue. We have tested this out extensively before presenting to the market.

Shobhit Khare

Sir any thoughts on whether this could be implemented on further existing subscribers also? Or is it completely ruled out?

RC Venkateish

No we have done this experiment for 6 months. All things are actually helping our business and getting me more revenue over a longer period of time as well as improving the ARPU and reducing the churn. We will evaluate it over an extended period before we take that decision.

Shobhit Khare

Admin cost?

Rajeev Dalmia

Admin has gone up because of the deposits that we have in Singapore so because of the rupee appreciation we are taking around 10 crores on CC. It is all that we have.

Shobhit Khare

Basically that is not the run rate?

Rajeev Dalmia

No it is not.

Moderator Thank you very much. Our next question is from Kunal Vora of BNP Paribas. Please go ahead.

Kunal Vora My first question is on the churn. Churn has stabilized for last couple of quarters. How do you look at it going forward in view of multiple things like this new plan, digitization, and tariff increase? There are multiple factors which would play out. So how are you looking at churn going forward? Is it going to be stable or there is a potential for decline?

RC Venkateish Kunal actually digitization will help us control the churn. Expecting anything dramatically lower than 1% will be unrealistic. We target around 1%. If we are able to hold it at 0.9% it will be very comfortable.

Kunal Vora The follow up for this is regarding the 3.6 or 3.8 million inactive subscribers which you have. Do you believe there is a potential for win back with digitization as the subscriber is compelled to buy a box or are these boxes like probably out of market and can't be used going forward?

Jawahar Goel In the analog cable it was a pay per home and in a digital era it is a pay per TV. DTH category was suffering because of this. You must have compared the packages declared by the MSOs charging almost the same or a bit higher than DTH pricing when you take taxation in to account. This means that a consumer will now realize that he has to pay per TV so we will have some win back.

Kunal Vora My second question is on the transponder capacity. How is the outlook of transponder capacity in India? In case the DTH industry wants to increase the number of channels or high definition

capacity, is there a potential to do it in the next couple of years to compete more effectively against the cable industry?

Jawahar Goel

We are in discussion. We had lodged our requirement long back with ISRO. ISRO has floated the enquiry to the International Satellite Operator and the meeting should happen soon. So hopefully we will get a satellite in January – February next year when a scheduled satellite launch is there.

Kunal Vora

Sir, final question on the license fee. Is there any settlement coming through the license fee issue because that has been a long standing issue for the company like reduction from 10% to 6%? Any news on that?

Jawahar Goel

Unfortunately there is no news either good or bad on it but DTH Association met last week and we are going to make a presentation again to the Government. At this moment the Government of India is in the decision taking mode. Hopefully in digitization we will get some relief from them. And another thing I want to add here. The billing responsibility has been put on MSO, so the tax compliance also comes on them. They have to pay entertainment tax, service tax, TDS, everything which was missing in this domain. So we are now sailing in the same boat.

Moderator

Thank you very much. Our next question is from Himanshu Shah of HDFC Securities. Please go ahead.

Himanshu Shah

I just want to have some more color on churn. Basically what would be your churn pattern? Like what percentage of our subscribers would be churning out of the new subscriber addition in first year, second year, if some color could be given?

- Rajeev Dalmia** It is difficult to give an aging of the churn.
- Moderator** Thank you very much. Our next question is from Siddharth Goenka of JM Financial. Please go ahead.
- Siddharth Goenka** Can you let us know what has been the incremental market share for Dish TV this quarter?
- RC Venkateish** 23%.
- Siddharth Goenka** So we are maintaining that kind of a share?
- RC Venkateish** Yeah.
- Siddharth Goenka** And what kind of guidance are we giving for the advertisement and promotional expenditure in FY13?
- Rajeev Dalmia** Total expenses will be around Rs. 120 crores but that is also linked to the digitization.
- Moderator** Thank you. Our next question is from Srinivas Seshadri of CIMB, please go ahead.
- Srinivas Seshadri** Right now what is the kind of CAPEX cost on standard definition and high definition set-top boxes including the wire and the dish etc?
- Rajeev Dalmia** It is around 2350 for the standard definition and around 3800 for high definition. This change from the last quarter is mainly because of the rupee depreciation or appreciation. In terms of dollar it has not gone up.

- Srinivas Seshadri** The second thing is what is the overall gross debt on the books including the one which is typically shown under current liability or so?
- Rajeev Dalmia** 1250 crores.
- Moderator** Thank you. Our next question is from Amit Adesara of Bharti AXA Insurance, please go ahead.
- Amit Adesara** Sir, what would be the free cash flow that you would have generated for the quarter?
- Rajeev Dalmia** It is Rs. 35 crores compared to 42 crores last quarter.
- Moderator** Thank you. Our next question is from Pratish Krishnan of Antique Stock Broking, please go ahead.
- Pratish Krishnan** In terms of the overall subscriber additions is there any shift in terms of where the consumers are coming from. I mean is there a higher participation from the metros to the base here?
- Rajeev Dalmia** Yeah there is an increase in participation from Metros but it is just starting to show some signs of life in the last week or 10 days. We expect that to accelerate closer to the deadline date.
- Pratish Krishnan** Okay but between the two quarters I mean on a sequential basis is it possible to give some sense into where the growth would have come from like even in terms of growth numbers would be fine, I mean metros vs. non-metros.

Rajeev Dalmia We do not have the full breakup in front of us but going forward as digitization happens these four metros will likely contribute a much larger chunk.

Moderator Our next question is from Rohit Dokania of Batlivala and Karani Securities please go ahead.

Rohit Dokania I was wondering on the lifetime offer you know the offer says that you go to recharge twice in a year, which would mean once in six months. So does it mean that for the lifetime subscribers our churn would be calculated over six months and not over the four months period that we do for the whole of the company?

Rajeev Dalmia Churn for the subscribers would be considered at 120 days. If subscribers are only watching free to air channels we would consider them to be inactive.

Moderator Thank you. Our next question is from Ashish Urganlawar of Spark Capital, please go ahead.

Ashish Urganlawar Just wanted to ask one thing on this enabling resolution that we have taken \$200 million. Is this just an enabling resolution or are we looking actively for equity raise here?

Rajeev Dalmia It is just an enabling resolution for now.

Ashish Urganlawar And in the near term we do not have plan for implementing that?

Rajeev Dalmia See right not it is not there but we will decide when it is required.

Moderator Thank you. Our next question is from Mayur Gathani of OHM Group, please go ahead.

- Mayur Gathani** Continuing with the last question, your guidance let us say was 2-2.5 million without digitization and let us another 0.5 million with DAS coming in place. So are we funded for that?
- RC Venkateish** We have 1.2 million set-top boxes in stock. It more than covers our requirement. We have already done 1 million. We are generating a positive free cash flow with CAPEX over the quarter. So no issues in funding as far as Phase-1 is concerned.
- Mayur Gathani** And my second point was, regarding the sports broadcasters. You have gone on a per subscriber base, is that what I heard correctly?
- RC Venkateish** Yeah, with two of the sports broadcasters, we have gone on a per subscriber basis because it is much more economical for us in that way since they do not have events right through the year.
- Mayur Gathani** So simultaneously your consumers would be going on ala-carte basis for these channels, right. So it is easier for you to tap?
- RC Venkateish** Yeah they would go on ala-carte if they want to otherwise they will subscribe to a package, they have also got our annual package deal if they want.
- Moderator** Thank you. Our next question is from Amit Kothari of Kotak Securities, please go ahead.
- Amit Kothari** I just wanted to get some sense that how much time does a subscriber typically takes to recharge essentially? At any given point of time how much months of service is left for him on an average?
- Rajeev Dalmia** Around 55 days.

- Amit Kothari** So it would be fair to assume that a fairly significant part of your subscriber base would have moved to the new package in a matter of 90 days or in a matter of three months. I am just a bit surprised here, a Rs. 20 across the board price hike while the effective flow through into our ARPU is only Rs. 3.
- RC Venkateish** No there are two aspects to it. One is TRAI regulation which requires me not to increase the price for any subscriber until he spends six months on the platform. Secondly, the price can only be increased for the recharge. By the time it flows through by the end of September, it will not reflect on quarterly results because it only reflects for the month of September. And what we are giving you is the average ARPU over the quarter and not this.
- Rajeev Dalmia** And for South India there was no increase which constitutes at around 20% of our subscriber. The increase was very marginal.
- Amit Kothari** As far as the first point is concerned that is going to be very material because prior to July 1, six months prior essentially you have added only about 0.98 million subscribers which is again you know less than 10% of your overall subscriber base. I agree with you on the second point but still a bit surprised because the gap is very large. I mean Rs. 20 minus 12.3% service tax still about Rs. 17.50 effective increase versus what has passed through is just Rs. 3 during the quarter on average.
- RC Venkateish** There will also be some amount of down-trading because some people would move which we have to manage over time. A person on a higher pack might move towards lower pack.

Amit Kothari Just one small point on this, is there an impact on churn post the price hike, I mean because you have a 120-day policy we will sort of see it in the third quarter only but is there some sort of an impact that you see in terms of churn also because this ARPU is essentially an implied number – revenue divided by an average subscriber base. So is there an impact on the average subscriber base also?

RC Venkateish Yeah, in fact what you are saying is correct. In fact we were pleasantly surprised that we have been able to hold our churn numbers despite the price increase, in fact the price increase got absorbed quite much better this time compared to some of the earlier price increases. Even the churn if we look on a month on month basis we have had no up-trending or anything in September as compared to July-August.

Moderator Thank you. Our next question is from Bijal Shah of IIFL, please go ahead.

Bijal Shah You mentioned during the call several times the tax liability is now that of an MSO. For that I want to have a clarification on one thing, are entertainment tax liabilities also on MSO because in many government orders it is clearly linked to an LCO and not to the MSO.

Rajeev Dalmia When TRAI said that the billing to the subscriber will be done by MSO that means that the LCO becomes its agent. So the entertainment tax has to be paid by MSO.

Bijal Shah So that would actually mean a very steep increase for people in Bombay. Going forward it could mean even 40% increase for

some people. So how do you see this price hike to be absorbed in Bombay-Delhi market?

Rajeev Dalmia DTH will be the beneficiary of that since cable will increase the price because of taxation and DTH can take a price hike accordingly. Since we are already paying taxes, the additional increase will be a net increase in our top-line.

Bijal Shah No sir, but the question is do you see people paying up so much?

Jawahar Goel There are already 30-40 million DTH subscribers who are paying in the same fashion. Now the cable subscriber will also pay.

Moderator Our next question is from Hiren Dasani of Goldman Sachs, please go ahead.

Hiren Dasani What is the gross debt you said, Rs. 1250 crores, right?

Rajeev Dalmia 1250 based on the current exchange rate.

Hiren Dasani And what would be the cash balances?

Rajeev Dalmia It should be around Rs. 375 crores, there is no change.

Hiren Dasani And last quarter it was 1140 and 390 if I am not wrong. I mean we are seeing that we are free cash flow positive but the debt seems to be increasing still. So how does it work?

- Rajeev Dalmia** It is very marginal, and because most of our debts are on buyers credit basis there is always a rotation happening. If you notice this 1200 figure is constant for the last 5-6 quarters when we did not have free cash flow positive also.
- Hiren Dasani** Sir I mean when you say free cash flow it is after the working capital and after the CAPEX, right?
- Rajeev Dalmia** Mainly after the CAPEX.
- Hiren Dasani** No, just for understanding purpose when you say you are free cash flow positive, it is only after CAPEX?
- Rajeev Dalmia** Yeah CAPEX and all the operational expenses and interest, except the repayment of term loan.
- Moderator** Thank you. Our next question is from Swati Nangalia of IDFC, please go ahead.
- Swati Nangalia** I had a question on digitization or the distribution industry in general. If you look at the digital universe in the country today, DTH today has a market share upwards of 90% while cable will be sub 10%. What I wanted to get sense from you is do you see this ratio changing going forward? Do we think that the incremental market share will trend towards the 50-50 with DTH having 50% and cable 50%.
- RC Venkateish** Certainly I think digital cable will gain market share from an overall perspective. If we look at it they are putting boxes through the cable operators. They are actually operationalizing the business model for the first time but in the longer run as we actually said earlier, DTH will have significant share of subscribers in Phase-2,

3 and 4 whereas in Phase-1 the cable companies will stand to gain because they have a strong existing infrastructure. At the end of the digitization period we expect that DTH will have close to about 70 to 75 million subscribers and digital cable will have about 30 to 35 million which gives a market share of about 60% to DTH, about 30% to digital cable, up from 10%.

Moderator Due to time constraints, we will take our last question from Rajiv Sharma of HSBC Securities, please go ahead.

Rajiv Sharma Sir, what is the loan repayment for next year, what is the amount?

Rajeev Dalmia It is around Rs. 650 crores next year.

Moderator I would now like to hand the conference over to Mr. Tarun Nanda for closing comments.

Tarun Nanda Thank you once again for joining us ladies and gentleman. We soon hope to have the transcript of this call on our website - www.dishtv.in. We look forward to speak to you again at the end of the third quarter of fiscal 2013 or even earlier on a one-on-one basis.

This transcript has been suitably edited for ease of reading.