



## DISH TV INDIA LIMITED

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EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2011

**DISH TV MOVES INTO A NEW BRAND SPACE**

**ACQUIRES 740 THOUSAND NEW SUBSCRIBERS; CONTINUES LEAD IN INCREMENTAL SHARE**

**AVERAGE REVENUE PER USER (ARPU) MAINTAINED AT Rs.152**

**SUBSCRIBER ACQUISITION COST (SAC) TRENDS LOWER AT Rs. 2,124**

**RUPEE CONTINUED TO PLAY SPOILSPORT, NET LOSS IMPACTED BY FOREX LOSS OF Rs. 156 MILLION**

### Highlights

- ❖ Dish TV added 740 thousand new subscribers in the quarter ended December 31, 2011 achieving a total of 12.5 million gross and 9.5 million net subscribers at the end of the period.
- ❖ Total operating revenues for the third quarter stood at Rs. 4,905 million, recording a growth of 31.4% as compared to the corresponding period last fiscal.
- ❖ Subscription revenues for the quarter stood at Rs. 4,254 million, recording a growth of 37.6% as compared to the corresponding period last fiscal. Other operating revenues included lease rent of Rs. 449 million, bandwidth revenues of Rs. 112 million, and teleport and trading income of Rs. 49 million.
- ❖ EBITDA at Rs. 1,202 million recorded a growth of 81.5% as compared to the corresponding period last fiscal. EBITDA margin for the quarter was 24.5%.
- ❖ Net loss of Rs. 430 million negatively impacted by foreign exchange loss of Rs. 156 million.

**NOIDA, India; January 19, 2012** - Dish TV India Limited (Dishtv) (BSE: 532839, NSE: DISHTV) today reported third quarter fiscal 2012 results. Operating revenues were Rs. 4,905 million, representing a 31.4% growth over the corresponding period last fiscal. EBITDA for the quarter stood at Rs. 1,201 million, compared to Rs. 662 million in the corresponding period last fiscal. EBITDA margin stood at 24.5%. Continued foreign exchange loss hiked net loss by Rs. 156 million.

The Board of Directors in its meeting held today, has approved and taken on record the unaudited financial results of Dish TV for the quarter ended on December 31, 2011.

Mr. Subhash Chandra, Chairman, Dish TV India Limited, said, "As the world at large continues to stare at economic uncertainty in the face, India remains cautiously optimistic but vulnerable to the risks associated with a slowing global economy."

"Despite a challenging macroeconomic environment and resultant price sensitivity, subscriber additions across the DTH industry have been encouraging. With digitalization expected to boost subscriber additions, Dish TV is well-entrenched to further build on its supremacy while also targeting larger uptake of ARPU accretive HD subscribers," he added.

Mr. Jawahar Goel, Managing Director, Dish TV, said, "The festival quarter ending December has traditionally been a bigger contributor in terms of subscriber additions and revenue compared to the other quarters. This year, though the category outperformed on a year-on-year basis in the month of October being 'Diwali' time, subscriber additions thereafter witnessed a slowdown. Notwithstanding the fallout in terms of lower additions what is heartening is that Dish TV, followed by much of the industry, was able to initiate and sustain a significant price hike at the entry level. The price hike was taken to offset the unprecedented rupee depreciation in the last few months. Dish TV continued to maintain its lead in incremental share in a six player market."

Commenting on mandatory digitalization, Mr. Goel added, "While on-ground activity in terms of subscriber demand is yet to catch up speed, Dish TV endeavors to retain its market share in an expanding digital universe. We believe that Dish TV with its strong brand equity and field infrastructure is likely to be one of the preferred choices of the potential digital consumer."

Talking about the third quarter results, Mr. Goel said, "A larger base contributed to a flat ARPU in this quarter. However, the recent price hike is likely to filter through and add to the ARPU in the coming quarters."

"Due to a further 8% depreciation of the rupee against the US dollar in this quarter, there is an additional foreign exchange loss of Rs. 156 million. The foremost reason for this loss is significant foreign currency debt which needs to be reported using the closing exchange rate. However, despite a significant portion of the capital equipment being dollar denominated, SAC remained within expectation largely due to the substantial inventory and higher entry price. Bottom line profitability remains realistic but for the notional loss due to foreign exchange fluctuation," he elaborated.

Dish TV continues to invest in new technologies and content. The platform added 8 new channels during the quarter and remains the only DTH provider in the country to have a fail proof twin satellite arrangement. Enjoying significant advantage over its peers, Dish TV with its existing bandwidth can accommodate the highest number of High Definition channels on its platform. With mandatory digitization flowing through urban markets in the first two phases of implementation, High Definition service is likely to generate significant consumer interest.

At Dish TV, enhancing customer experience remains a key focus; the company in its endeavor to reach out far and wide is always on the look-out for increasing consumer touch points. During the quarter ended December '11, Dish TV added close to ten thousand such locations.

Dish TV India Limited continues to be the largest DTH Company in India and the whole of Asia Pacific and is ranked the third largest DTH platform in the World.

## Dish TV moves into a new Brand space

Ever since its launch, Dish TV has stood out as the market leader in the DTH category in India. As it geared up to take the next big leap with digitalization, it was time for it to move to a new brand space to further enhance its bonding with the television viewer.

The thought was to position Dish TV as a brand which enables the passionate television viewer to keep his passion alive by not compromising with his television viewing experience. The new base line of the brand, 'Dish Sawaar Hai' (Dish TV is on your mind), is a reflection of the viewers passion for watching entertainment through Dish TV.

The newly launched brand song is capturing the mindshare of television consumers across the country.

From an advertising standpoint the 360 degree campaign, which is actively supported by Digital and Social media initiatives, is intended to showcase a DTH platform that meets aspirations and gets the endorsement of the passionate television viewer.

## Condensed statement of operations

The table below shows the condensed statement of operations for Dish TV India Limited for the third quarter ended December '11 compared to the quarter ended September '11.

|                            | Quarter ended | Quarter ended | % Growth |
|----------------------------|---------------|---------------|----------|
| Rs. million                | December-11   | September-11  | Q o Q    |
| Operating revenues         | 4,905         | 4,822         | 1.7      |
| Expenditure                | 3,703         | 3,604         | 2.7      |
| EBITDA                     | 1,202         | 1,218         | (1.3)    |
| Other Income               | 78            | 92            | (15.2)   |
| Depreciation               | 1,232         | 1,162         | 6.0      |
| Financial expenses         | 476           | 634           | (24.9)   |
| Profit / (Loss) before tax | (430)         | (486)         | -        |
| Provision for tax          | 0             | 0             | -        |
| Profit / (Loss) after tax  | (430)         | (486)         | -        |

## Expenditure

Dish TV's primary expenses include cost of goods and services, personnel cost, administrative cost, advertisement expenses and selling expenses. The table below shows each as a percentage of total revenue.

| Rs. million                           | Quarter ended<br>Dec - 2011 | % of Gross<br>revenue | Quarter ended<br>Sept - 2011 | % of Gross<br>revenue | % Growth<br>Q o Q |
|---------------------------------------|-----------------------------|-----------------------|------------------------------|-----------------------|-------------------|
| Cost of goods<br>& services           | 2540                        | 51.8                  | 2,380                        | 49.3                  | 6.7               |
| Personnel cost                        | 173                         | 3.5                   | 171                          | 3.5                   | 1.2               |
| Administrative<br>cost                | 232                         | 4.7                   | 235                          | 4.9                   | (1.3)             |
| Advertisement<br>expenses             | 192                         | 3.9                   | 181                          | 3.7                   | 6.0               |
| Selling &<br>distribution<br>expenses | 566                         | 11.5                  | 637                          | 13.2                  | (11.1)            |
| <b>Total Expenses</b>                 | <b>3,703</b>                | <b>75.5</b>           | <b>3,604</b>                 | <b>74.7</b>           | <b>2.7</b>        |



This earnings release contains 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 India's biggest media conglomerate - the 'Zee' Group. Dish TV has on its platform more than 330 channels & services including 22 audio channels and over 40 HD services with more than 12.5 million subscribers as of December 31, 2011. Dish TV uses the NSS-6 satellite platform which is unique in the Indian subcontinent owing to its automated power control and contoured beam which makes it suitable for use in ITU K and N rain zones ideally suited for India's tropical climate. The company has also acquired transponders on the Asiasat 5 platform thus increasing its bandwidth capacity by 216 MHz to reach a total of 648 MHz, the largest held by any DTH player in the country. The Company has a vast distribution network of over 1400 distributors & over 75,000 dealers that span across 7,500 towns in the country. Dish TV customers are serviced by four 24\* 7 call centres with over 1600 seats in 11 different languages to take care of subscriber requirements at any point of time. For more information on the company, please visit [www.dishtv.in](http://www.dishtv.in)

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