



## DISH TV INDIA LIMITED

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EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2013

DISH TV ADDS 220 THOUSAND NET SUBSCRIBERS IN Q3 FY14

GENERATES FREE CASH FLOW (FCF) OF Rs. 583 MILLION

DEBT PAID BY A FURTHER Rs. 3,281 MILLION IN Q3; AVERAGE PAYOFF OF Rs. 626 MILLION PER MONTH IN THE CURRENT FISCAL, UPTO Q3 FY14

### Highlights

- ❖ 220 thousand subscribers added in the quarter ended December 31, 2013 taking net subscriber base to 11.2 million at the end of the period.
- ❖ Subscription revenues for the quarter stood at Rs. 5,529 million, recording a growth of 11.9% as compared to the corresponding quarter last fiscal.
- ❖ Bandwidth revenues of Rs. 180 million, up 83.6% compared to the corresponding quarter last fiscal.
- ❖ Average Revenue per User (ARPU) increases to Rs. 166.
- ❖ Churn steady at 0.6% p.m.
- ❖ EBITDA of Rs. 1,355 million. EBITDA margin at 22.1%.

**NOIDA, India; January 23, 2014** - Dish TV India Limited (Dishtv) (BSE: 532839, NSE: DISHTV) today reported third quarter fiscal 2014 standalone operating revenues of Rs. 6,128 million, recording 9.9% growth over the corresponding period last fiscal. Subscription revenues of Rs. 5,529 million recorded a growth of 11.9% over the corresponding quarter last fiscal. A translational loss, due to foreign exchange fluctuation, of Rs. 70 million and an exchange rate adjustment demand for transponder payments amounting to Rs. 54 million negatively impacted EBITDA of Rs. 1,355 million. Net Loss for the quarter stood at Rs. 382 million compared to Rs. 449 million in the corresponding quarter last fiscal.

The Board of Directors in its meeting held today, has approved and taken on record the unaudited standalone results of Dish TV for the quarter ended on December 31, 2013.

Mr. Subhash Chandra, Chairman, Dish TV India Limited, said, "Global economic prospects seem to be improving with a faster pace of expansion predicted for 2014 going all the way up to 2016. For the Indian economy too, the worst seems to have come to an end and things should gradually start looking better from hereon with a bumper *Kharif* crop harvest expected to further boost sentiments."

"The Indian television distribution sector is not completely out of the woods though. With more than 14 months passed post the rollout of Phase I of mandatory digitization, billing and other

critical requirements have not yet been fully put in place by majority of the MSOs. Though far too delayed, we remain optimistic about the completion of digitization in its true sense," he added.

"Sticking to fundamentals, Dish TV continued to pursue its strategy of self-funded profitable growth. The third quarter was witness to Dish TV announcing some industry leading initiatives that look promising enough to weed out inefficiencies from the television industry," said Mr. Chandra.

Mr. Jawahar Goel, Managing Director, Dish TV, said, "It was an eventful quarter for Dish TV with the rollout of the first of its kind 'On Request Ala-carte' (ORA) scheme on its platform. While a reasonable content cost payout is well adopted, an unjustified increase in payment for content can jeopardize the existence of DTH in the country. With DTH continuing to contribute bulk of the subscription revenue to the broadcasters, it is high time they get started on collecting their share of revenue from close to 5,000 cable companies apart from rationalization of carriage fee payout."

"Further to the 'ORA' scheme, we successfully completed the migration of 22 channels of a content aggregator from respective packages to a-la-carte with effect from January 1. Henceforth these channels would be available, without any extra charge, to only those subscribers who specifically request for them. The current trend of demand for these channels makes us confident of significantly rationalizing our payout for content going forward," he added.

"Dish TV added 220 thousand net subscribers in the quarter and continued to maintain its leadership share. Notwithstanding the festival period, the overall additions for the industry remained muted largely due to the sluggishness in the economy as compared to the corresponding period last fiscal," said Mr. Goel.

"A relatively strong currency resulted in a translational loss, due to foreign exchange fluctuation, of Rs. 70 million on foreign deposits. This along with an exchange rate adjustment demand worth Rs. 54 million, for transponder payments, negatively impacted the EBITDA for the quarter. In line with expectation, higher promotional and marketing expenses and a sports driven content payout also put pressure on the EBITDA of Rs. 1,355 million. ARPU for the quarter increased to Rs. 166 from Rs. 165 in the previous quarter. Subscriber Acquisition Cost (SAC) was recorded at Rs. 1,889 while churn was maintained at 0.6% p.m. Dish TV paid off debt to the tune of Rs. 5,631 million in the nine months ended December 31, 2013," Mr. Goel added.

"Our Sri Lanka subsidiary project is on track and test signals are planned for February end. On the digitization front, TRAI and the government have already started the process for implementation of DAS in Phase III and IV which should give us a significant opportunity going forward. We are confident of acquiring industry leading incremental share while still keeping a tab on the subsidy per box. We have planned a specific differentiated strategy to address these markets, details of which will be unveiled in the next quarter," he added.

Dish TV India Limited continues to be the largest DTH Company in India and the Asia Pacific region and is one of the largest DTH platforms in the World.

### Condensed statement of operations

The table below shows the condensed statement of operations for Dish TV India Limited for the third quarter ended December '13 compared to the quarter ended September '13:

Rs. million	Quarter ended Dec. - 2013	Quarter ended Sept. - 2013	% Change Q o Q
Operating revenues	6,128	5,926	3.4
Expenditure	4,773	4,447	7.3
EBITDA	1,355	1,479	(8.4)
Other Income	97	210	(53.8)
Depreciation	1,534	1,504	2.0
Financial expenses	301	345	(12.8)
Profit / (Loss) before tax	(382)	(160)	-
Provision for tax	0	0	-
Profit / (Loss) after tax	(382)	(160)	-

### Key movements

Rs. million	Quarter ended Dec. - 2013	Quarter ended Sept. - 2013	% Change Q o Q
Programming and other cost	1,989	1,864	6.7
Transponder lease	398	342	16.4
Advertisement expenses	141	113	24.8
Other expenses:			
-Foreign exchange fluctuation	70	-	-
EBITDA	1,355	1,479	(8.4)

## 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 Dec. - 2013	% of Gross revenue	Quarter ended Sept. - 2013	% of Gross revenue	% Change Q o Q
Cost of goods & services	3,384	55.2	3,187	53.8	6.2
Personnel cost	215	3.5	223	3.8	(3.6)
Other expenses	323	5.3	300	5.1	7.7
Advertisement expenses	141	2.3	113	1.9	24.8
Selling & distribution expenses	710	11.6	624	10.5	13.8
<b>Total Expenses</b>	<b>4,773</b>	<b>77.9</b>	<b>4,447</b>	<b>75.0</b>	<b>7.3</b>



### Footnotes:

- 1) This earnings release contains unaudited standalone 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 400 channels & services including 22 audio channels and over 43 HD channels & services. 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 also acquired transponders on the Asiasat 5 platform which increased 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 1,859 distributors & over 167,318 dealers that span across 8,722 towns in the country. Dish TV customers are serviced by six 24\*7 call centres catering to 11 different languages to take care of subscriber requirement at any point of time. For more information on the company, please visit [www.dishTV.in](http://www.dishTV.in)