



DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER & YEAR ENDED MARCH 31, 2014

DISH TV ADDS 810 THOUSAND SUBSCRIBERS IN FY14; REGAINS INCREMENTAL SHARE LEADERSHIP DURING Q4

FY14 SUBSCRIPTION REVENUES HIGHER BY 17.6% YoY

ANNUAL ARPU INCREASES FROM Rs. 158 TO Rs. 170

GENERATES FREE CASH FLOW (FCF) OF ~ Rs. 3,127 MILLION DURING FY14

Highlights

- ❖ Dish TV added 226 thousand net subscribers during the quarter ended March 31, 2014. Total subscriber base of 11.4 million net subscribers at the end of the period.
- ❖ Standalone operating revenues of Rs. 6,369 million recorded a growth of 14.7% over the corresponding quarter last fiscal.
- ❖ Regained incremental share leadership during the quarter; exited with 24% share of gross additions.
- ❖ Average ARPU for the fiscal stood at Rs.170, up 7.6% YoY.
- ❖ Churn maintained at 0.6% p.m.

NOIDA, India; May 27, 2014 - Dish TV India Limited (Dishtv) (BSE: 532839, NSE: DISHTV) today reported fourth quarter fiscal 2014 audited standalone operating revenues of Rs. 6,369 million, recording 14.7% growth over the corresponding period last fiscal. EBITDA for the quarter was Rs. 1,289 million, up 7.4% YoY. Net Loss for the quarter, impacted by a prior period adjustment of Rs. 1,164 million, increased to Rs. 1,490 million compared to Rs. 436 million in the corresponding quarter last fiscal.

The company, today, also reported audited results for the financial year ended on March 31, 2014.

Fiscal 2014 standalone revenues stood at Rs. 25,090 million recording 15.8% growth over the previous fiscal. EBITDA of Rs. 6,261 million was up by 8.0%. Net loss for the year, impacted by a prior period adjustment of Rs. 1,164 million, was Rs. 1,542 million.

The Board of Directors in its meeting held today, has approved and taken on record the audited results for the quarter and year ended on March 31, 2014.

Mr. Subhash Chandra, Chairman, Dish TV India Limited, said, "Fiscal 2014 was a challenging year for the economy. Fortunately however, with a new government backed by a strong mandate at the Centre, there is significant hope of growth coming back on track. While things may take

some time to get out of that state of virtual inertia, I am hopeful of a strong revival in consumer sentiment pretty soon."

"The Media industry too had its share of opportunities and challenges all through the year. Digitization kept the industry on its toes. In an uncertain macro environment, Dish TV pursued its strategy of self-funded growth; deleveraging the business while being selective about its subscriber additions notwithstanding the noise around digitization. The result, a healthier Balance Sheet coupled with the largest subscriber base in the industry and a free cash positive business which is much better equipped to capitalize on the opportunities ahead," he added.

Mr. Jawahar Goel, Managing Director, Dish TV, said, "Unlike fiscal 2013, fiscal 2014 was a disruptive period where we had to choose between immediate benefits and long term sustainability in the hyper competitive DTH industry. Choosing the later, we continued to deleverage while maintaining our subscriber acquisition price point. With a much manageable and scalable debt profile now, we have started 2014 with a significant positive overhaul to our macro parameters."

"With a new government at the Centre, the DTH industry is optimistic about rationalization in the tax regime. As notification of the Goods and Services Tax (GST) is taking time, we look forward to allowance of abatement in Service Tax along with moderation in Entertainment Tax in line with the prevailing structure in Gujarat and other forward looking states. We are also hopeful of an early resolution of the DTH license renewal and payment of license fees matter in the industry's favour. We also expect a firm push to digitization and are confident that encryption, packaging, billing and other critical requirements will be implemented at the last mile," he added.

"Dish TV's fourth quarter subscriber adds are a result of some serious strategic initiatives taken earlier. The 'Zing' sub-brand launched as part of a differentiated strategy to cater to the Phase 3 & 4 markets got a tremendous response and even bolstered the flagship brand's sales. We exited the fourth quarter bagging the highest incremental market share while keeping a check on our churn, which remained at 0.6% per month. Making further headway on our Sri Lanka Project, we launched test signals as per plan," said Mr. Goel.

In line with the matching principle of accounting and in terms of the National Stock Exchange (NSE) advisory regarding life of the Consumer Premises Equipment (CPE) vs. one-time advance contribution towards CPEs in the form of rentals and activation, a prior-period adjustment of Rs. 1,164 million was booked during the quarter.

Condensed statement of operations

The table below shows the condensed statement of operations for Dish TV India Limited for the fourth quarter ended March '14 compared to the quarter ended December '13:

Rs. million	Quarter ended March - 2014	Quarter ended Dec. - 2013	% Change Q o Q
Operating revenues	6,369	6,238	2.1
Expenditure	5,080	4,784	6.2
EBITDA	1,289	1,454	(11.3)
Other income	201	97	107.2
Depreciation	1,491	1,534	(2.8)
Financial expenses	326	301	8.3
Profit / (Loss) before prior period & tax	(327)	(284)	-
Prior period items	(1,164)	-	-
Tax expense/(write back)	-	-	-
Net Profit / (Loss) for the period	(1,490)	(284)	-

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 March - 2014	% of Gross revenue	Quarter ended Dec. - 2013	% of Gross revenue	% Change Q o Q
Cost of goods & services	3,524	55.3%	3,395	54.4%	3.8
Personnel cost	210	3.3%	215	3.4%	(2.3)
Other expenses	513	8.0%	323	5.2%	58.8
Advertisement expenses	104	1.6%	141	2.3%	(26.2)
Selling & distribution expenses	729	11.4%	710	11.4%	2.7
Total Expenses	5,080	79.8%	4,784	76.7%	6.2

Condensed statement of operations

The table below shows the condensed consolidated statement of operations for Dish TV India Limited for FY 2014 versus FY 2013:

Rs. million	FY 2014 (Audited)	FY 2013 (Audited)	% Change Y o Y
Operating revenues	25,090	21,668	15.8
Expenditure	18,849	15,874	18.7
EBITDA	6,241	5,794	7.7
Other income	649	511	27.0
Depreciation	5,974	6,276	(4.8)
Financial expenses	1,327	1,284	3.3
Profit / (Loss) before exceptional items	(412)	(1,254)	-
Exceptional items	-	594	-
Profit / (Loss) before prior period and tax	(412)	(660)	-
Prior period items	(1,164)	-	-
Tax expense/(write back)	0.5	0.1	-
Loss attributable to minority	-	0.1	-
Net Profit / (Loss) for the period	(1,576)	(660)	-

Balance sheet

The table below shows the audited consolidated balance sheet for FY 2014 versus FY 2013:

Rs. million	FY 2014 (Audited)	FY 2013 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	1,065	1,065
(b) Reserves and surplus	(4,191)	(2,621)
	(3,126)	(1,556)
Non-current liabilities		
(a) Long-term borrowings	7,791	8,460
(b) Other long term liabilities	918	1,504
(c) Long-term provisions	142	127
	8,851	10,092
Current liabilities		
(a) Short-term borrowings	658	300
(b) Trade payables	1,357	2,138
(c) Other current liabilities	11,601	14,027
(d) Short-term provisions	8,361	6,547
	21,977	23,012
Total	27,702	31,548

ASSETS

Non-current assets		
(a) Fixed assets		
(i) Tangible assets	13,495	14,273
(ii) Intangible assets	76	67
(iii) Capital work-in-progress	4,226	6,535
	17,797	20,875
(b) Non-current investments	1,500	-
(c) Long-term loans and advances	881	646
(d) Other non-current assets	73	97
	2,454	743
Current assets		
(a) Current investments	500	2,782
(b) Inventories	75	86
(c) Trade receivables	415	304
(d) Cash and bank balances	3,426	3,645
(e) Short-term loans and advances	3,029	3,060
(f) Other current assets	5	53
	7,451	9,929
Total	27,702	31,548



Footnotes:

This earnings release contains audited standalone quarterly results that are prepared as per Indian Generally Accepted Accounting Principles (GAAP). The annual results presented are audited and consolidated.

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 46 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 1,936 distributors & over 170,213 dealers that span across 8,636 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