



DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2013

DISH TV ADDS 164 THOUSAND NET SUBSCRIBERS IN Q2 FY14

EBITDA MARGIN BOUNCES BACK TO REACH 25%

FREE CASH FLOW (FCF) OF Rs. 667 MILLION

DEBT PAID BY Rs. 2,350 MILLION IN H1 FY14

Highlights

- ❖ 164 thousand subscribers added in the quarter ended September 30, 2013 taking net subscriber base to 11 million at the end of the period.
- ❖ Subscription revenues for the quarter were Rs. 5,370 million, recording a growth of 13.6% as compared to the corresponding period last fiscal.
- ❖ EBITDA of Rs. 1,479 million. EBITDA margin recovered sharply to reach 25%.
- ❖ Average Revenue per User (ARPU) of Rs. 165.
- ❖ Subscriber Acquisition Cost (SAC) at Rs. 1,849.
- ❖ Churn maintained at 0.6% p.m.

NOIDA, India; October 23, 2013 - Dish TV India Limited (DishTV) (BSE: 532839, NSE: DISHTV) today reported second quarter fiscal 2014 standalone operating revenues of Rs.5,926 million, recording 11% growth over the corresponding period last fiscal. Subscription revenues of Rs. 5,370 million recorded a growth of 13.6% over the corresponding quarter last fiscal. EBITDA returned to growth trajectory with a margin of 25%. Net Loss was down to Rs. 160 million compared to Rs. 304 million in the previous quarter.

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 September 30, 2013.

Mr. Subhash Chandra, Chairman, Dish TV India Limited, said, "Uncertainty around global growth continues to affect near term consumption and investment climate. Fortunately in India, the television distribution sector is not only fairly insulated but perhaps the only sector where both investment as well as consumption have been going steady. That said however, we strongly believe that irrespective of macroeconomic circumstances, businesses which stick to the basics will be favorably placed when most needed."

"Dish TV's strategy of self-funded responsible growth, with a focus on profitability is clearly in line with that," he added.

Mr. Jawahar Goel, Managing Director, Dish TV, said, "Dish TV has come a long way since it started operations ten years back. As we buckle up to take the journey to the next level, we continue to apply and integrate all our learnings from past experience. We added 164 thousand net subscribers during the quarter and maintained our leadership share. Aided by quality additions, Dish TV's churn remained at 0.6% p.m. while SAC was flattish. This was despite the fact that being seasonally weak, the quarter witnessed brief periods of desperate attempts to undercut prices by select DTH platforms. Dish TV, aware of the subsequent fallout of throw away prices, chose not to jump on the bandwagon."

"With massive opportunity in the form of Phase III and IV of Mandatory Digitization ahead, we are confident of acquiring industry leading incremental share while still keeping a tab on the subsidy per box. We continue to be conscious about self-funded growth with minimal debt on the books. In line with that, we repaid debt to the tune of Rs. 2,350 million in the first half and would be paying off the rupee equivalent of USD 90 million in the second half of the current fiscal," he added.

"We are on track and look forward to acquiring additional transponder capacity to beef up our existing, industry leading bandwidth in the current fiscal. We intend to leverage the additional capacity to distribute localized content as well as strengthen carriage revenues. Moreover, with more than 60% of the broadcasting industries subscription revenues coming from DTH alone, it is now time that the favourable terms, including carriage fees, extended to the MSO's by the broadcasters be either revisited or offered to DTH platforms as well. This becomes all the more imperative considering that, in a digital environment, cable MSO's are now almost there in terms of package wise billing in select 2-3 cities of Phase I & II," said Mr. Goel.

Talking about Dish TV's overseas ventures, Mr. Goel confirmed, "Work on Dish TV Lanka (Pvt.) Limited, the company's subsidiary, is progressing as per plan and it is our endeavor to share positive news on it in the forthcoming months."

Dish TV reported a 13.6% YoY growth in subscription revenues which along with a reduction in programming and marketing cost contributed to an EBITDA of Rs. 1,479 million. A weak rupee impacted the transponder and other programming costs. Despite the forex hit, EBITDA margin for the quarter, jumped back to 25%. Free cash flow generated during the quarter was at Rs. 667 million. Net loss for the quarter stood at Rs. 160 million.

Growing internet penetration, and with majority of it being used to watch video on mobile devices, is a clear indicator of things to come. Anticipating a massive shift in viewing habits where increasing number of viewers would want to watch TV on the go, or watch it on screens other than TV. Dish TV, in technical collaboration with 'Ditto TV', has launched an exclusive OTT (over-the-top) streaming application exclusively for its subscribers.

The application 'DishOnline' can be freely downloaded and would enable Dish TV subscribers to watch *Live TV*, *Catch-up TV* and *Movies on the Go* by paying an additional Rs. 129 or Rs. 49 per month for the fully loaded and basic pack respectively. As a special introductory offer, these are

currently available at Rs. 69 and Rs. 29 per month. The 'DishOnline' service would have a following amongst the tech-savvy viewers in the country and would help increase subscriber stickiness on the platform.

Dish TV India Limited continues to be the largest DTH Company in India and the whole of Asia Pacific 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 second quarter ended September '13 compared to the quarter ended June '13:

Rs. million	Quarter ended Sept. - 2013	Quarter ended June - 2013	% Change Q o Q
Operating revenues	5,926	5,784	2.5
Expenditure	4,447	4,567	(2.6)
EBITDA	1,479	1,217	21.5
Other Income	210	277	(24.2)
Depreciation	1,504	1,444	4.2
Financial expenses	345	354	(2.7)
Profit / (Loss) before tax	(160)	(304)	-
Provision for tax	0	0	-
Profit / (Loss) after tax	(160)	(304)	-

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 Sept. - 2013	% of Gross revenue	Quarter ended June - 2013	% of Gross revenue	% Change Q o Q
Cost of goods & services	3,187	53.8	3,175	54.9	0.4
Personnel cost	223	3.8	242	4.2	(7.6)
Other expenses	300	5.1	249	4.3	20.3
Advertisement expenses	113	1.9	307	5.3	(63.3)
Selling & distribution expenses	624	10.5	593	10.2	5.2
Total Expenses	4,447	75.0	4,567	79.0	(2.6)



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 1,775 distributors & over 165,633 dealers that span across 8,695 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