Dish TV India Limited

Investor Presentation

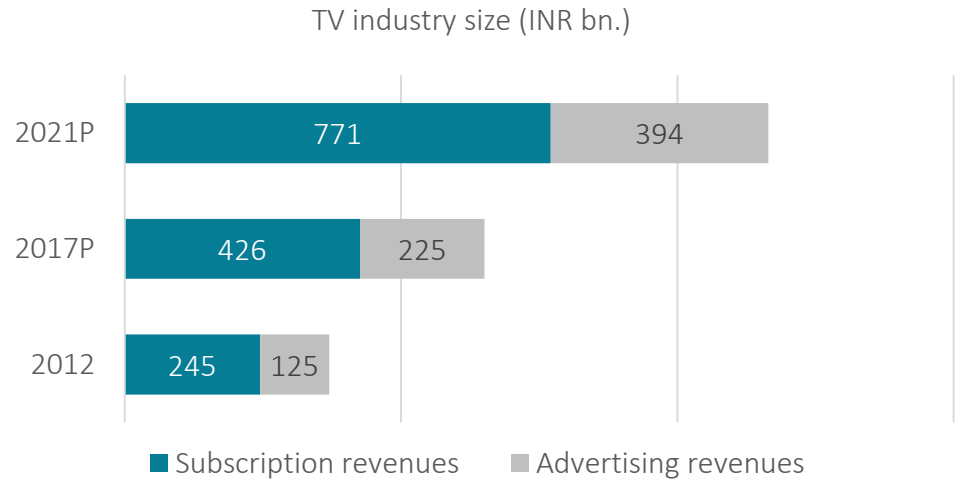
Disclaimer

Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Dish TV India Limited about its business and the industry and markets in which it operates.

These forward-looking statements include, without limitation, statements relating to revenues and earnings. The words “believe”, “anticipate”, “expect”, “estimate", "intend”, “project” and similar expressions are also intended to identify forward looking statements.

These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. Dish TV India Limited does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

Indian M&E Industry Snapshot



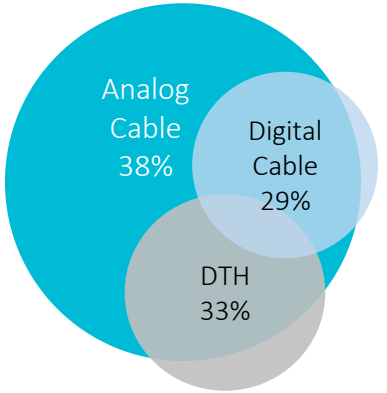
2021 **INR 771 Bn**
TV subscription revenues
CAGR of ~ 16% (2017-2021P)

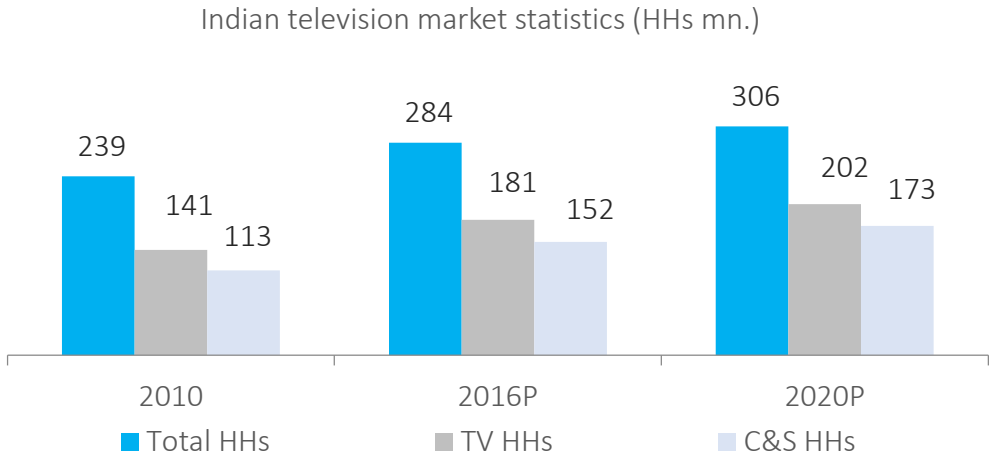
2017 **INR 426 Bn**
TV subscription revenues

Broadcasting industry

Multiple broadcasters producing content in **15 languages** across **7 genres** beaming **~880 channels**

Distribution industry



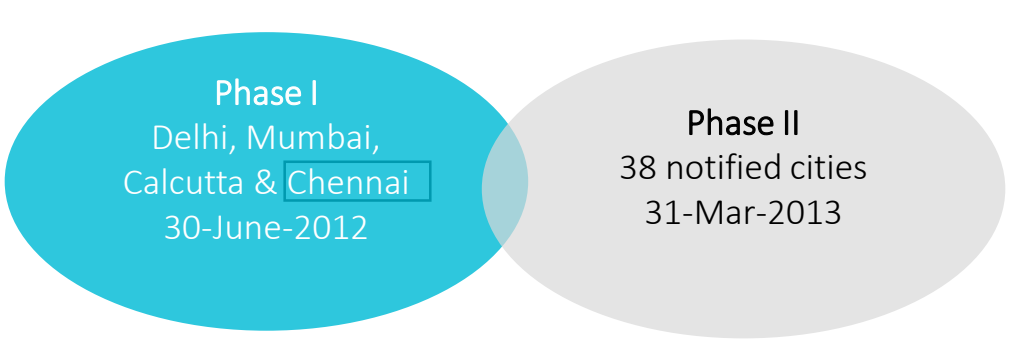


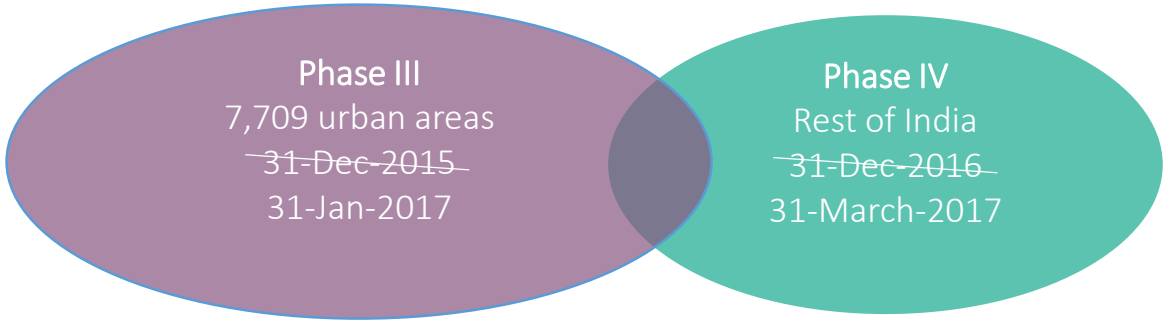
	2016	2020
Total households	284 Mn	306 Mn
Total TV households	181 Mn	202 Mn
TV penetration (of total HHs)	64%	66%
C&S penetration (of TV HHS)	84%	85%

Source: TV industry size : FICCI-KPMG 2017, Indian television market statistics & broadcasting and distribution industry : MPA Report 2016

Distribution Industry

Digital Addressable Systems - DAS





Cable

- Land grab seeding at throw away prices
- No addressability/KYC
- Working backwards to fill critical gaps; packaging-billing-dunning

DTH

- Seeding ground for High-Definition
- Potential subscribers for upselling – high value packs

- Bulk of the potential DAS converts
- Limited coverage by large MSO's due to dispersed population
- Very high DTH recognition; DTH best suited considering terrain
- Key target markets with more than 60% incremental potential for DTH

- Phase III - Close to 100% seeding achieved*
- Phase IV - Total number of HH's to be covered ~ 40 million

Source: * Ministry of Information and Broadcasting Annual Report, 2017

Distribution Industry - Cable

3 Tiered Structure



Pre-DAS

- Analog signal - limited carrying capacity, broadcasters jostling for PCS
- Placement & Carriage fees - bulk of MSOs top-line
- Massive under declaration; ignored, to maintain MSOs 'reach'

No incentive to raise ARPUs

Net Content Cost (per sub p.m.)

MSOs	DTH
~ Rs.14	~ Rs.65

Post-DAS

- Digital signal - fatter pipe, larger carrying capacity
- Placement fees mindset
- B2B Net billing
- 100% postpaid. Element of bad debts?
- Impairment of Set-Top-Box (STB)?

Net Content Cost (per sub p.m.)

MSOs	DTH
~ Rs.14	~ Rs.65

Game Changer?
Tariff Order..

Distribution Industry - DTH



- 100% digital
- Owns last mile subscribers
- Subscription driven top-line
- Fully prepaid subscription; no bad debts
- Tax compliant
- DTH contributes ~ 60% of broadcaster's domestic subscription revenues
- License fees – Will it be 8% AGR instead of 10% GR? (TRAI recommendations on issues related to new DTH licenses – July`14)

DTH Players in India

Dish TV*:
2003
Industry pioneer. Started operations in 2003. Part of the Essel Group

TATA Sky:
Launched in 2006. JV between the TATA Group and News Corp
2006

Sun Direct:
2007
Launched in 2007. JV between Sun Network and Astro, Malaysia

Reliance Digital:
Part of Reliance Communication Ltd, a subsidiary of Reliance ADA group
2008

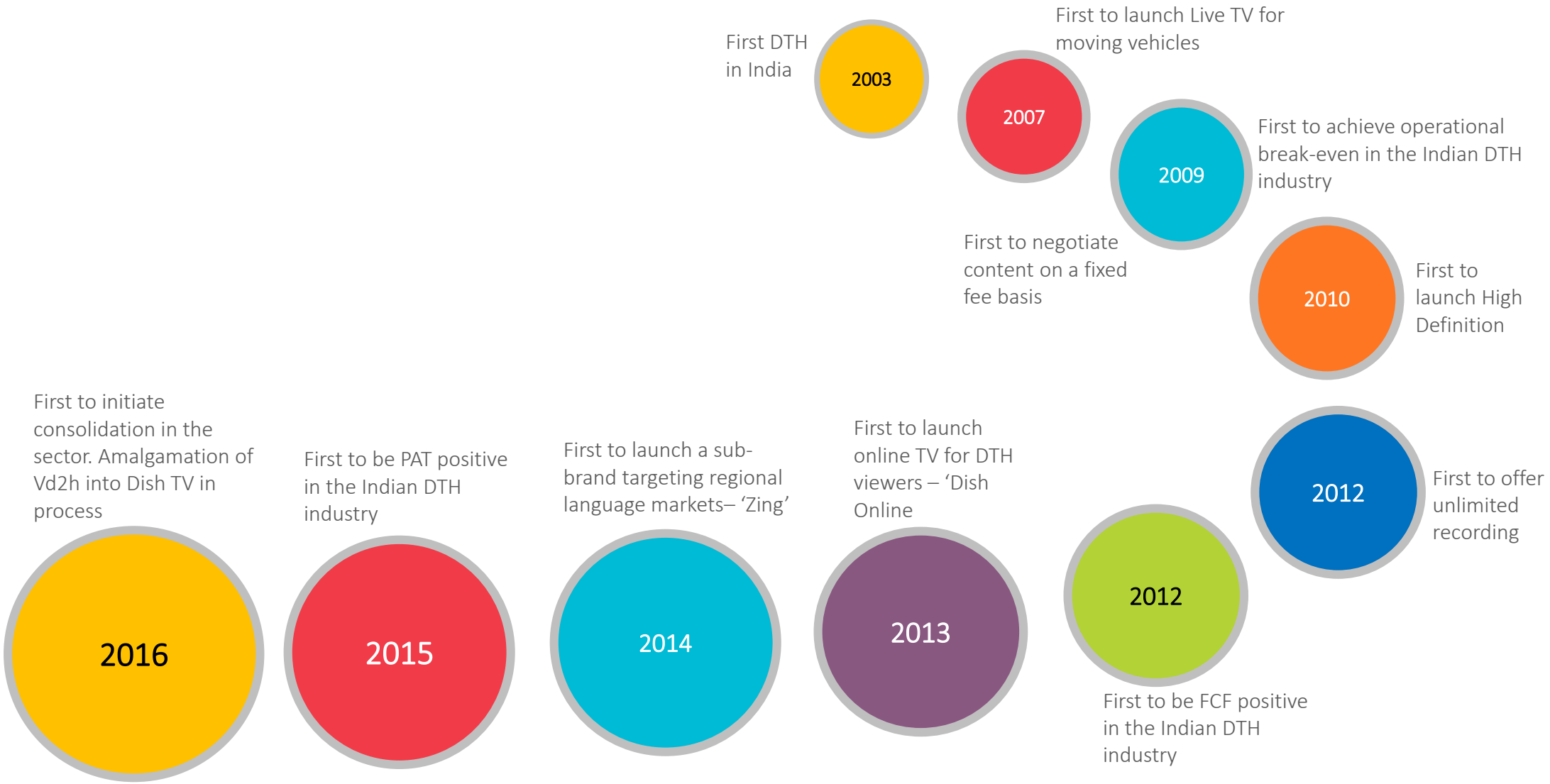
Airtel Digital:
2008
Launched in 2008. Part of the telecom major Bharti Airtel.

Videocon d2h*:
Launched in 2009. Part of the white goods manufacturing Videocon group
2009

Notes: * As per the Scheme of Arrangement, Videocon d2h shall be merged into Dish TV, to form a combined entity to be renamed as Dish TV Videocon Limited


dishtv

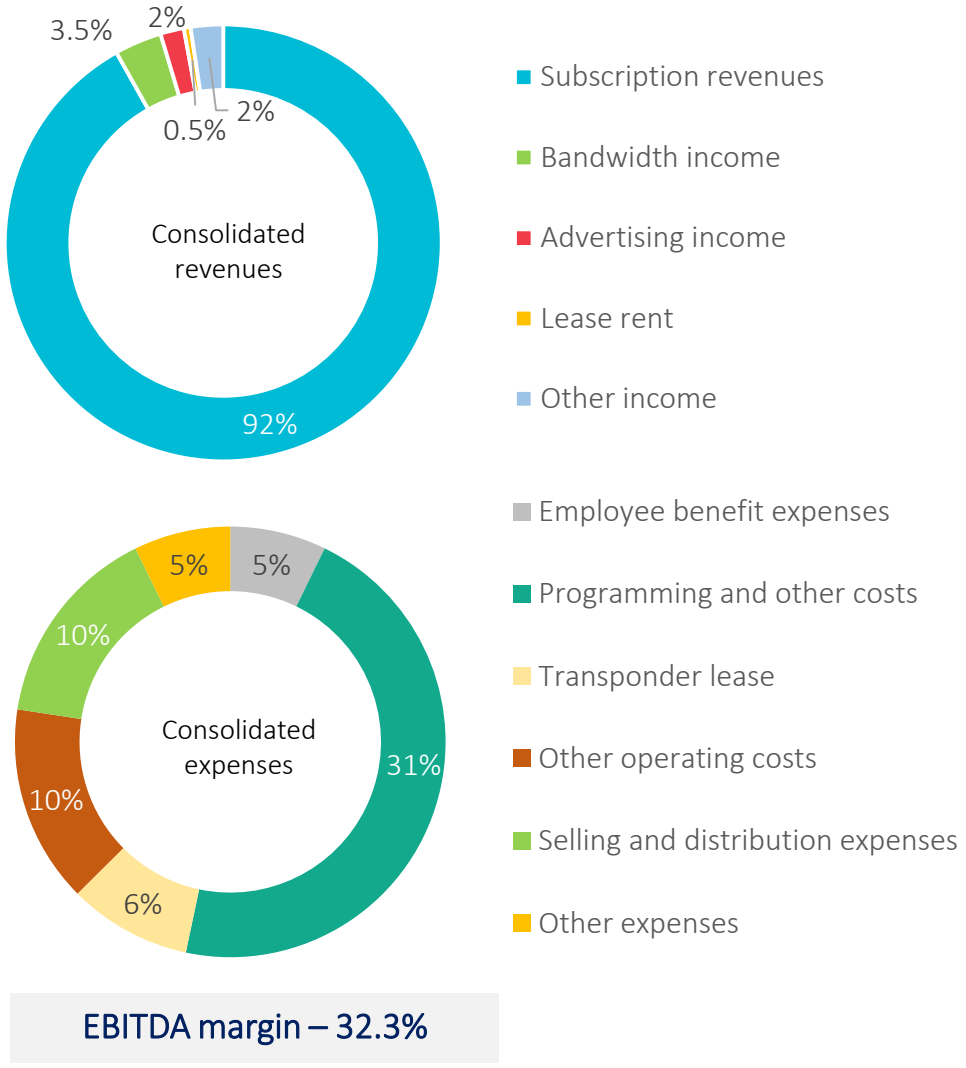
Many Firsts To Its Credit



Business Model

- 100% Prepaid.100% EPRS.
  ~ 35% online transacting subscriber base
- Upfront subsidy on Consumer Premises Equipment (CPE)
- Average ARPU of Rs.154
- Churn at 0.9% p.m.
- Implied average subscriber life of 10 years

P&L structure – FY17

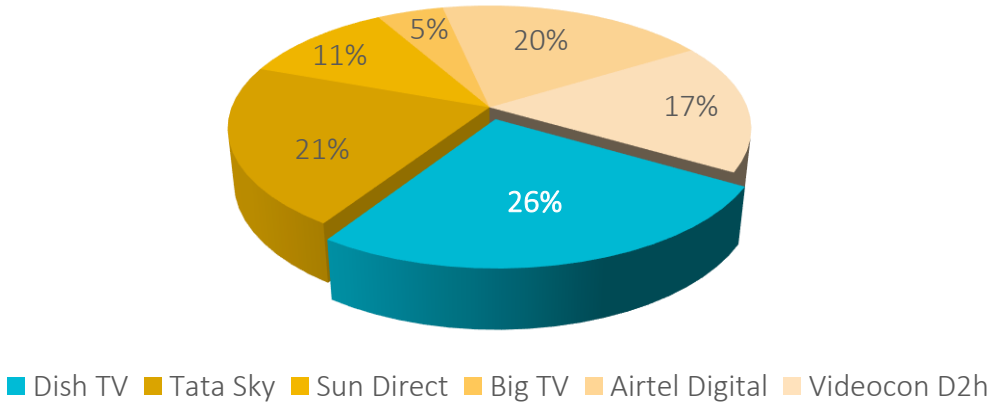


EBITDA margin – 32.3%

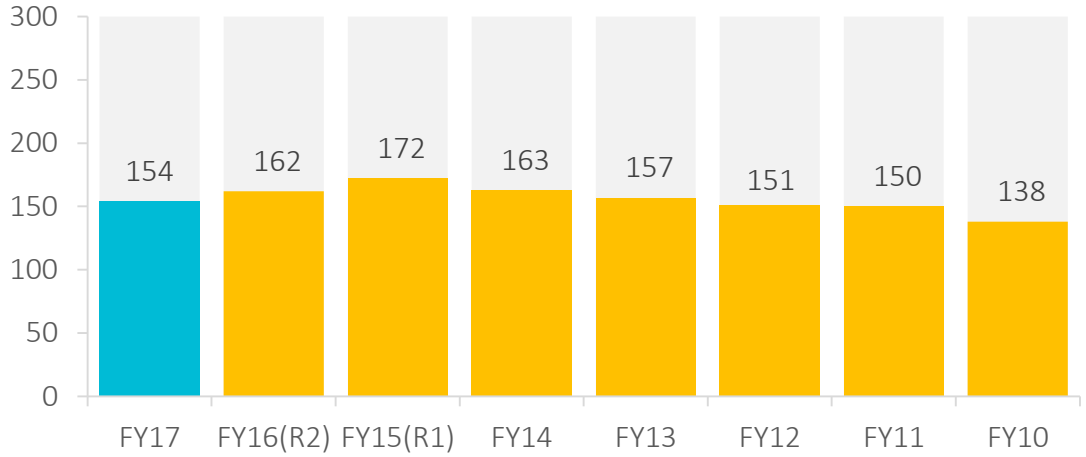
Notes: # EPRS– Electronic Payment Recharge System.

Key Metrics - Annual

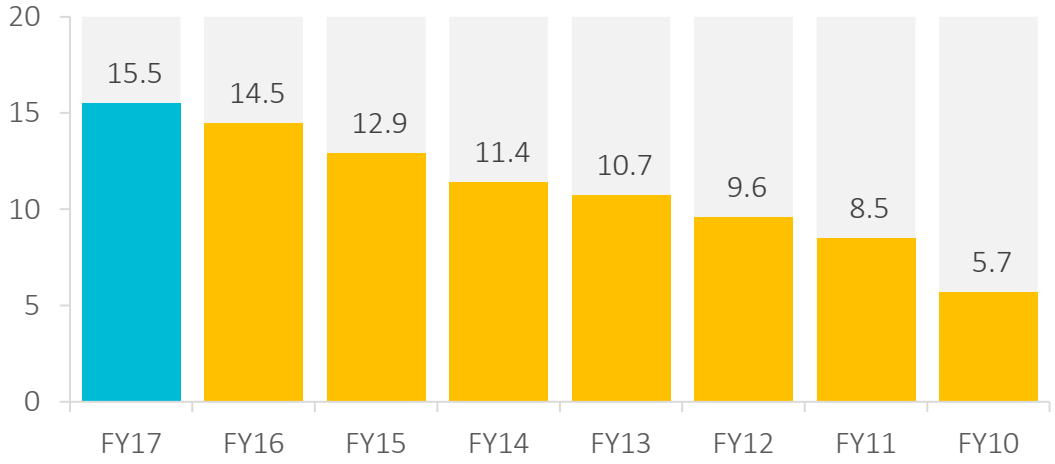
Market share #



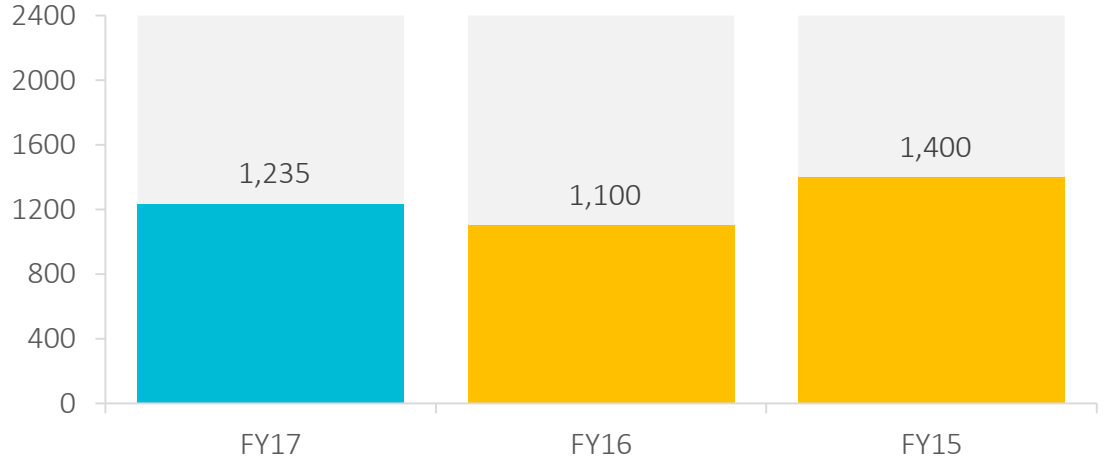
ARPU (Rs.)



Net subscriber base (mn.)



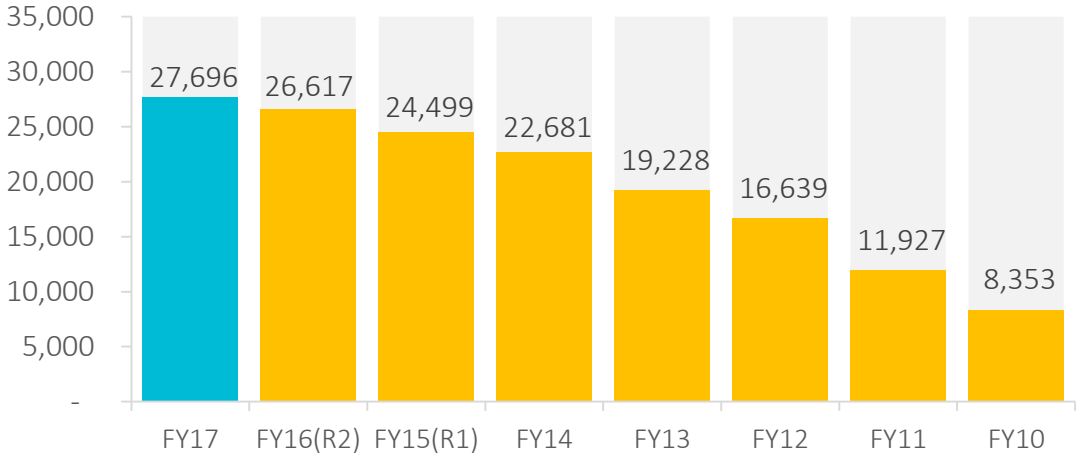
Hardware subsidy (Rs.)



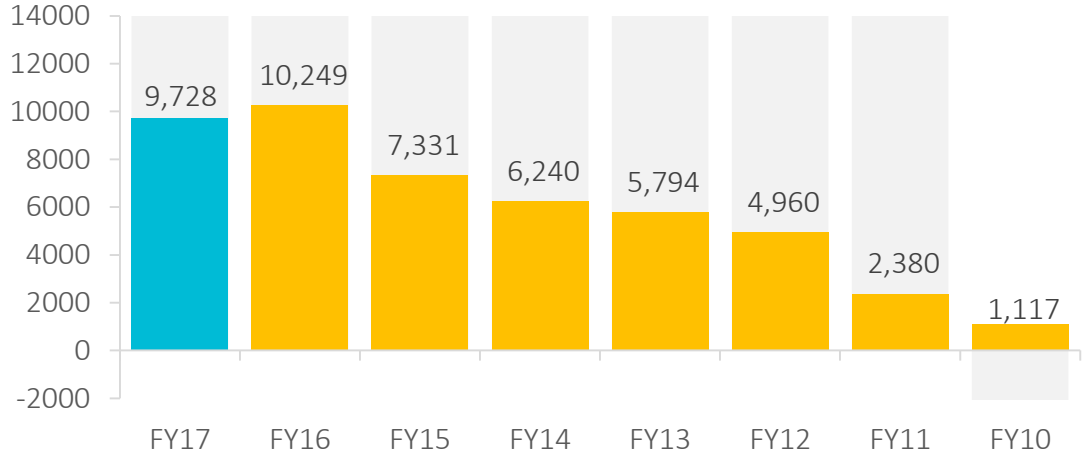
Notes: # Market share based on gross subscribers as on 31st March, 2017 as per market estimates. (R1): Restated post netting off collection charges. (R2): Restated post netting off Entertainment Tax

Key Metrics - Annual

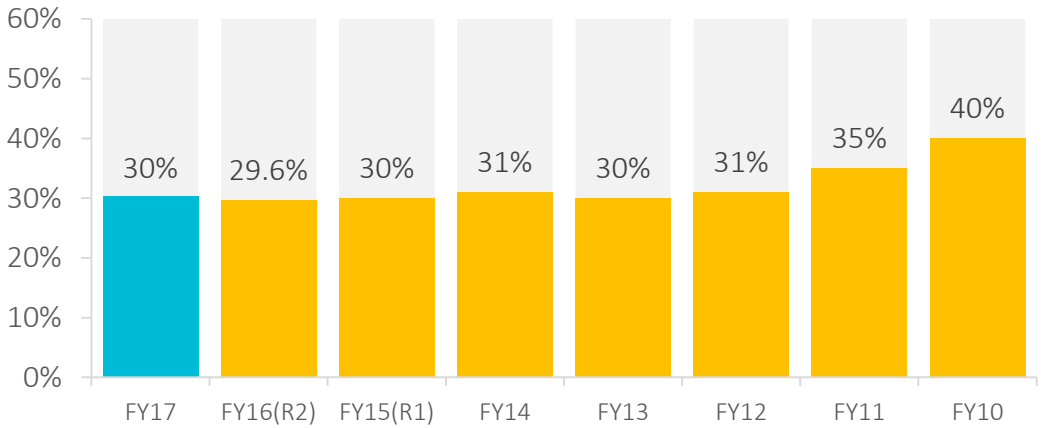
Subscription revenues (Rs. mn.)



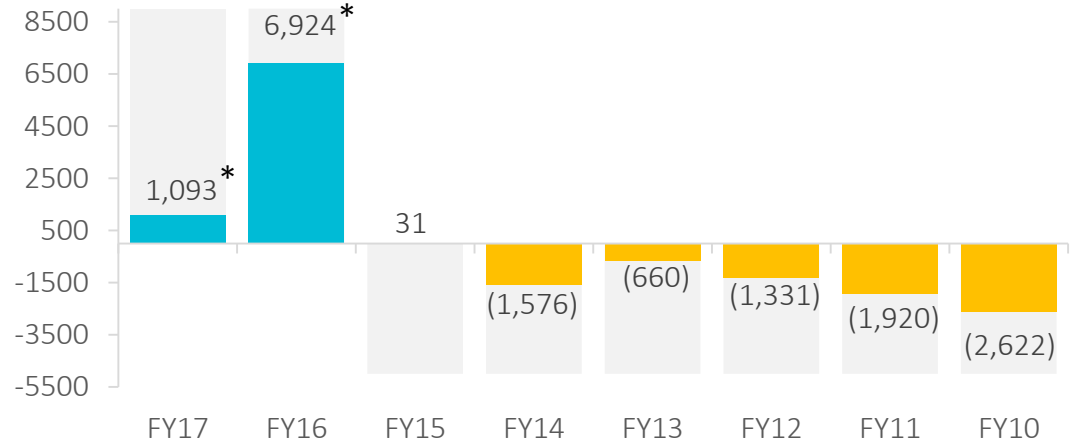
EBITDA (Rs. mn.)



Programming and other costs as % of revenues



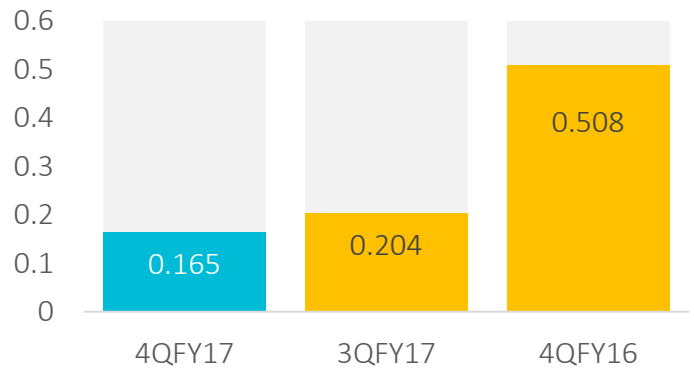
Net profit/(loss) (Rs. mn.)



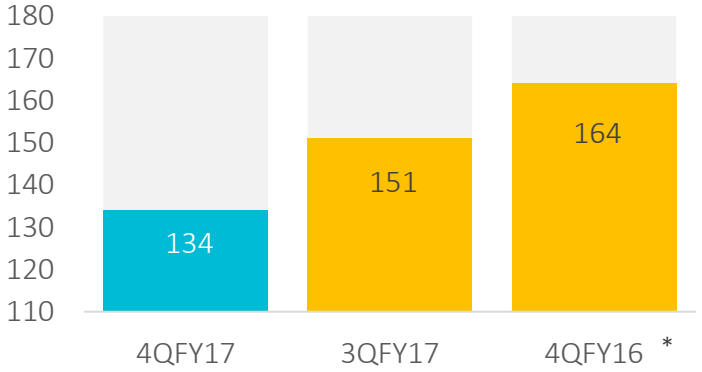
Notes: (R1) Restated, post netting off collection charges. (R2) Restated post netting off Entertainment Tax. * Including deferred tax assets of Rs. 740 and Rs. 4,360 mn. for FY17 and FY16 respectively

Key Metrics - Quarterly

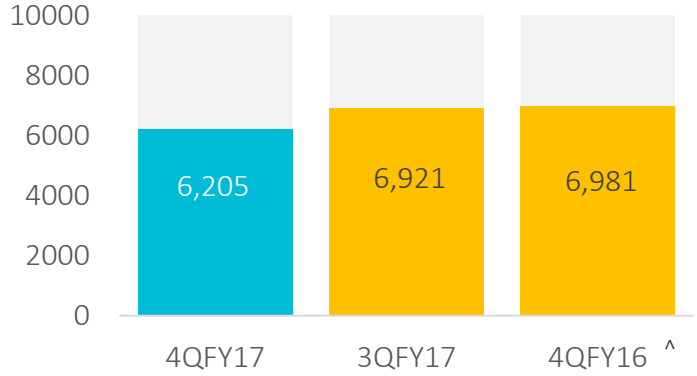
Net subscriber additions (mn.)



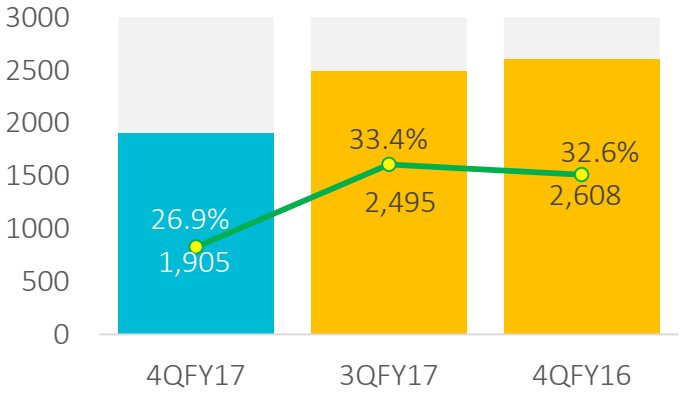
ARPU (Rs.)



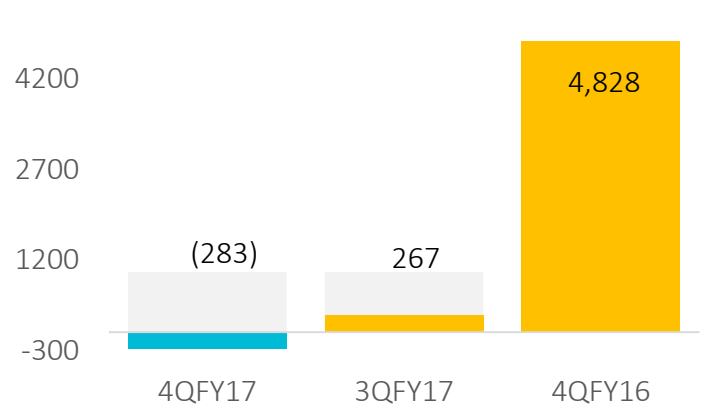
Subscription revenues (Rs. mn.)



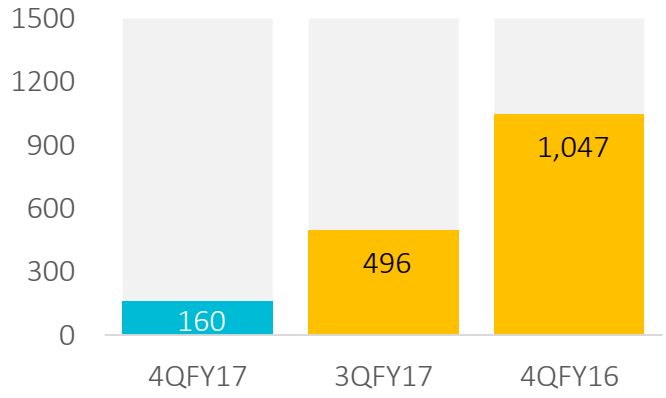
EBITDA (Rs. mn.) & EBITDA margin



Net profit # (Rs. mn.)



FCF (Rs. mn.)



Notes: * Derived post netting-off entertainment tax from subscription revenues. ^ Restated post netting off entertainment tax.
Net Profit includes deferred tax assets of Rs. 130 mn, Rs. 79 mn & Rs. 4,360 mn for 4QFY17, 3QFY17 and 4QFY16 respectively.

Strategy and Outlook

DAS Phase III & IV

Across phase III & IV markets
'Dish 99'

Dish99
Packs starting @ Rs. 99



FTA channels + mandatory subscription to any one of Regional / Hindi entertainment packs

Any of the 'Hindi' entertainment add-on packs @ Rs.62 each p.m

Movie Mix/Entertainment Mix/others

OR

Marathi/Bengali/Oriya/others

Any of the 'Regional' add-on packs @ Rs.40 each p.m.



Easy Transition for first time Digital (Pay) Subscribers

Strong Regional Focus



Zing Kerala Packs starting from Rs.149 (going up to Rs.369)



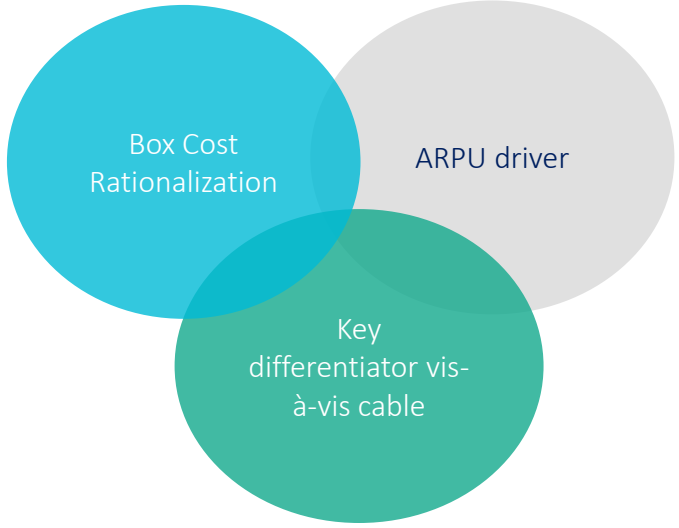


Zing West Bengal/Odisha/Tripura Packs starting from Rs.139 (going up to Rs.369)

- Customized regional content in digital quality
- Value for money offering; digital quality picture at the price of cable
- Uncompromised margins

High Definition





- Panel TV sales volumes to grow by ~9-11% CAGR in between 2016-2021
- Increasing demand for OLED TV sets to drive growth of HD viewership
- Dish TV had ~25% HD incremental market share in FY17

60+
HD Channels

HD ADD-ONS

Game on HD @ ₹ 165
Game on HD Regional @ ₹ 175
(Sports and Hindi entertainment)

Full on HD @ ₹ 220
Full On HD Regional @ ₹ 230
(Complete dose of entertainment)

Being Up To Speed With Technology

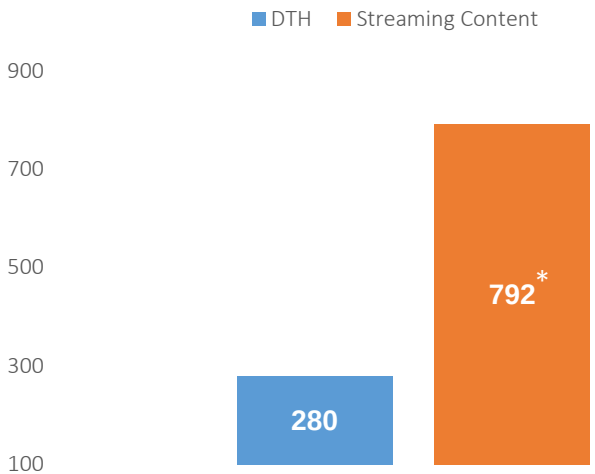




Need Help?
ask
adi

advanced dishtv interface

Worth Considering..



Cost of watching SD Live TV p.m. (Rs.)



..Hybrid Set Top Boxes

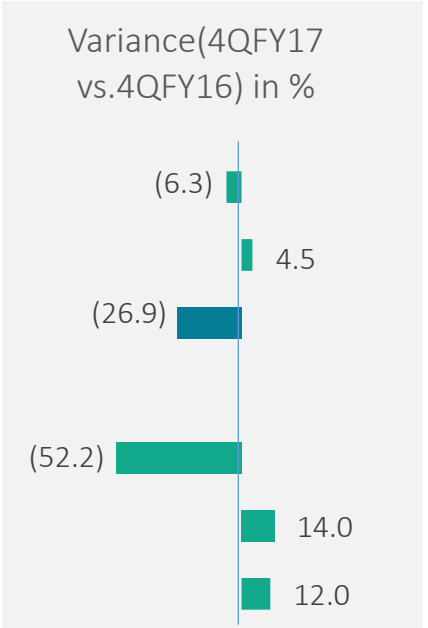
Notes: *Taking data consumption for watching ~100 hours of TV in a month at 71.79 GB. Minimum average current data cost per GB at Rs.11.

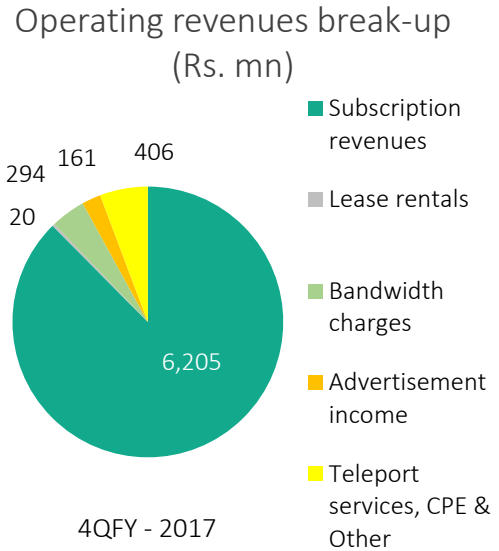
Financials

Summarized Consolidated P&L - Quarterly

4QFY 2017 vs. 4QFY 2016

Rs. million	Quarter ended March 2017	Quarter ended March 2016
Operating revenues	7,086	7,565
Expenditure	5,180	4,957
EBITDA	**1,905**	**2,608**
EBITDA margin (%)	26.9	34.5
Other income	104	218
Depreciation	1,728	1,516
Finance cost	573	511
Profit / (Loss) before tax	**(291)**	**799**
Tax expense:		
- Current Tax	122	331
- Deferred Tax	(130)	(4,360)
- Excess Provision in earlier years	-	-
Net Profit / (Loss) for the period	**(283)**	**4,828**



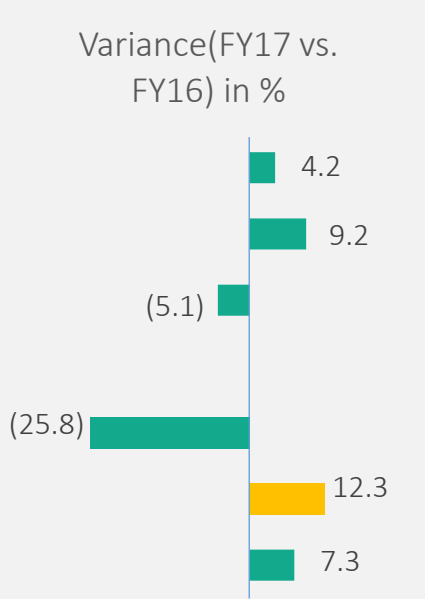


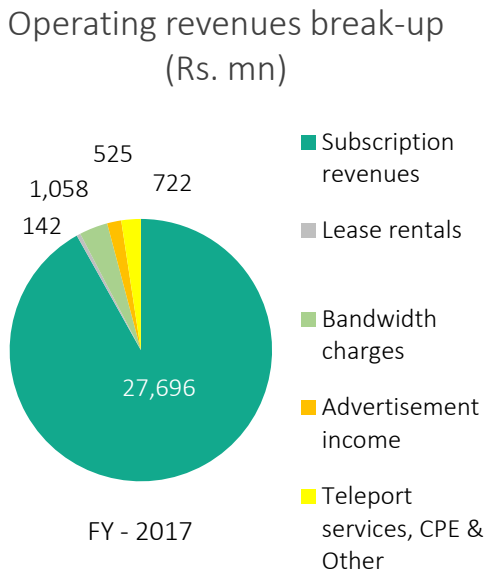
Notes: 4QFY16 revenues and expenditure are restated post netting off entertainment tax

Summarized Consolidated P&L - Annual

FY 2017 vs. FY 2016

Rs. million	Year ended Mar. – 2017	Year ended Mar. – 2016
Operating revenues	30,144	28,941
Expenditure	20,415	18,692
EBITDA	**9,728**	**10,249**
EBITDA margin (%)	32.3	35.4
Other income	475	640
Depreciation	6,631	5,907
Financial expenses	2,239	2,087
Profit / (Loss) before tax	**1,334**	**2,895**
Tax Expense:		
- Current Tax	1035	331
- Deferred Tax	(740)	(4,360)
- Excess Provision in earlier years	(53)	-
Net Profit / (Loss) for the period	**1,093**	**6,924**





Notes: FY16 revenues and expenditure are restated post netting off entertainment tax

Consolidated Balance Sheet

Rs. million	March 2017 (Audited)
EQUITY AND LIABILITIES	
Shareholders' funds	
(a) Share capital	1,066
(b) Reserves and surplus	3,840
	4,906
Non-current liabilities	
(a) Long-term borrowings	5,834
(b) Other long term liabilities	1,000
(c) Long-term provisions	231
	7,064
Current liabilities	
(a) Short-term borrowings	-
(b) Trade payables	1,711
(c) Other current liabilities	14,691
(d) Short-term provisions	14,237
	30,638
Total	**42,609**

Consolidated Balance Sheet (continued)

Rs. million	March 2017 (Audited)
ASSETS	
Non-current assets	
(a) Fixed assets	27,071
(b) Non-current investments	1,500
(c) Deferred tax assets	5,100
(d) Long-term loans and advances	2,012
(e) Other non-current assets	4
	35,687
Current assets	
(a) Current investments	144
(b) Inventories	131
(c) Trade receivables	870
(d) Cash and bank balances	2,922
(e) Short-term loans and advances	2,743
(f) Other current assets	112
	6,922
Total	**42,609**

Annexure

Launched in 1976, Essel Group is one of India's largest business houses, with a dominant presence in Media

- One of India's largest vertically integrated media and entertainment group, and also one of the leading producers, content aggregators and distributors of Indian programming globally
  - One of the largest producers and aggregators of Hindi programming in the world

Founded by Dr. Subhash Chandra

Group Market Cap (Listed entities under Essel Group): Rs 693.8 bn(1)

Essel Group

Media

Content

Zee Entertainment

Launched in 1992

One of India's largest media and general TV entertainment network

Market Cap: Rs 504.2 bn(1)

Zee Media Corp. Ltd.

Launched in 1992

Strong presence in national and regional news genre

Market Cap: Rs 17.9 bn(1)

Distribution

Dish TV

Launched in 2005

Asia's largest DTH service provider

Market Cap: Rs 100.9 bn(1)

SITI Network

Launched in 2006

One of India's largest MSO, presence across 54 cities

Market Cap: Rs 30.8 bn(1)

Daily News & Analysis

Launched in 2005

English broadsheet daily with presence across Mumbai, Bangalore, Pune, Ahmedabad, Jaipur & Indore

Other Businesses

- Packaging (Essel Propack)
  - Market Cap: Rs 40 bn(1)
- Theme Parks: Essel World and Water Kingdom
- Playwin: India's first and largest online gaming company
- Cornership: Animation studio
- Cyquator Technologies: IT Infrastructure outsourcing
- Infrastructure
- Education
- Precious Metals
- Healthy Lifestyle & Wellness

Source: Company websites, BSE, MPA Report 2016

Note: (1) Market capitalization as on 28th April, 2017

Thank you