

DEEN

Corporate Presentation

November 2010



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Sameer Manchanda
*Founder, Chairman &
Managing Director*

Significant Achievements in Three Years Since Our Formation



Strong Leadership



Sameer Manchanda
*Founder, Chairman and
Managing Director*



S.N. Sharma
President, Operations



MG Azhar
*President of Strategy and
Business Development*



Vikas Bali
*President, Digital Service
and Corporate Strategy*



Rajesh Kaushal
CFO

A Leading Indian Cable Industry Player

- **Acquisitions:** One of India's largest cable players
 - Successfully acquired and integrated 78 MSOs since inception
- **Unique Content Partnership:** Star DEN JV differentiates DEN from other MSOs
- **Experienced Management Team:** Professionals with extensive industry experience and execution track record



- **Delivered strong performance in FY Mar-2010**
 - \$201m Revenue, 29% growth
 - \$21m EBITDA, 11% margin
 - \$16m cable EBITDA, 16% margin
 - \$8m Net Income, 4% margin
- **Strong growth continues with margin expansion in 6M Sept-2010**
 - \$110m Revenue
 - \$15m EBITDA, 14% margin
 - \$13m cable EBITDA, 22% margin
 - \$7m Net Income, 7% margin



Note: INR to USD conversion based on INR / USD exchange rate of 46.0



- #1 Favourable Indian Demographics
- #2 Strong Industry Fundamentals and Favorable Regulatory Environment
- #3 Strong Market Position
- #4 Proven Track Record of Delivering Rapid Growth
- #5 Diversified Offerings Across Value Chain
- #6 Significant Growth Opportunities Ahead
- #7 Delivering Strong Growth and Expanding Profitability



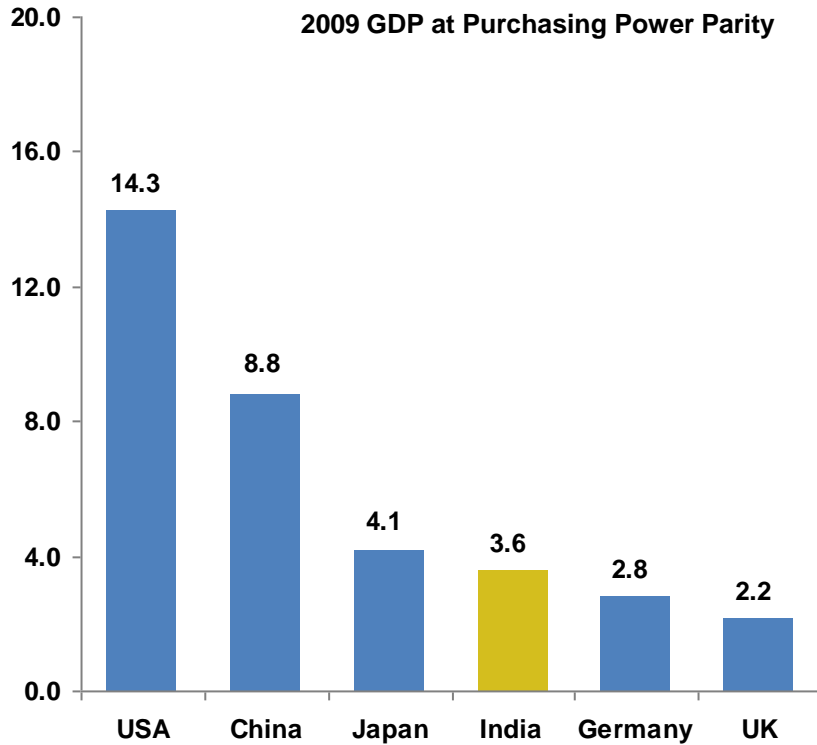
#1 Favourable Indian Demographics

Compelling Macroeconomic and Demographic Trends



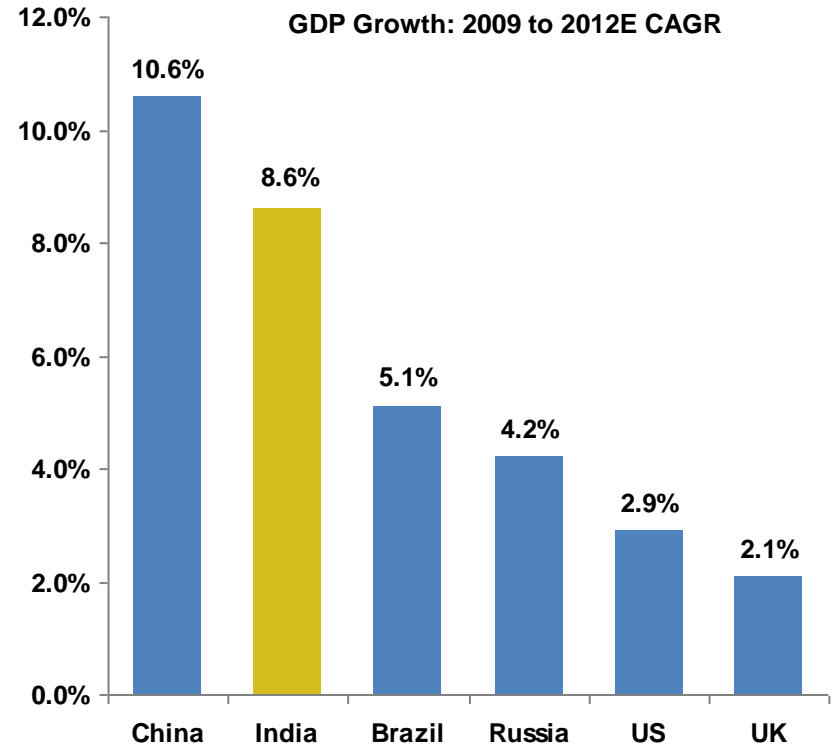
India is the 4th Largest Economy by GDP Globally⁽¹⁾

(US\$ Tn)



And Among the Fastest Growing Globally⁽²⁾

(US\$ Tn)



#1

Favourable Indian Demographics

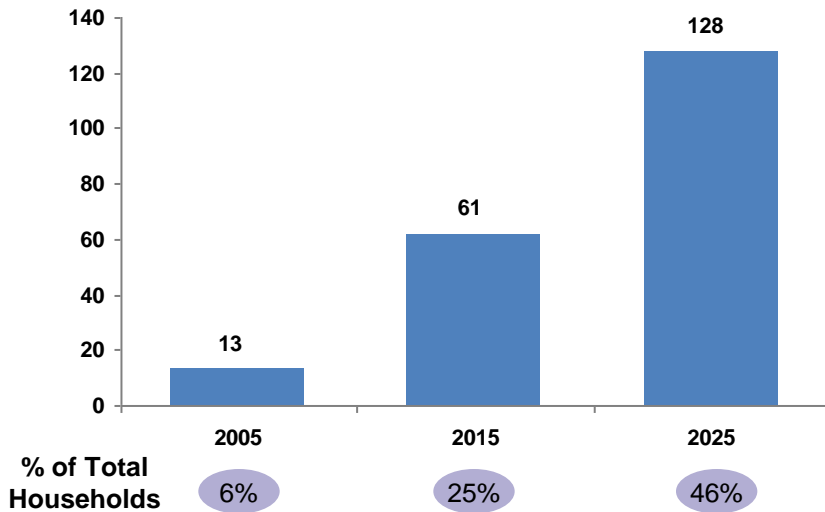
Growing Middle Class and Rising Incomes



Rapidly Growing Indian Middle Class

(mm Households)

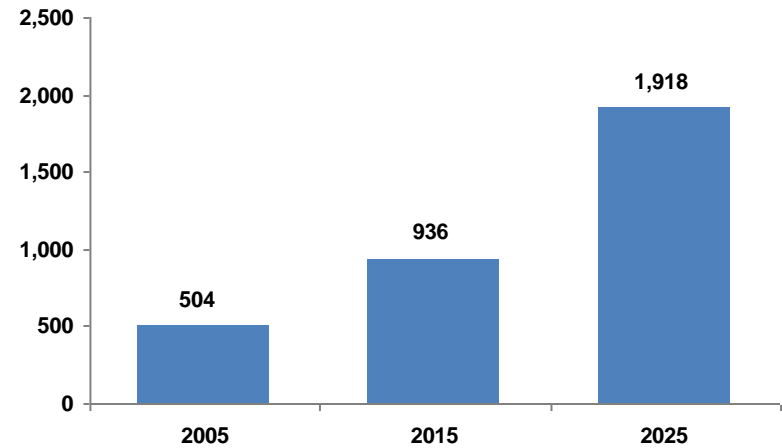
Indian Households with Annual Income Between \$4,300 and ~\$22,000



Rising Disposable Income

(US\$ bn)

Aggregate Disposable Income



~10x increase in Middle Class population to 128mm by 2025

#2 Strong Industry Fundamentals

Large And Underpenetrated Market With Room for Growth



Snapshot of Indian TV Market¹

Total Households

223 MM

TV Households

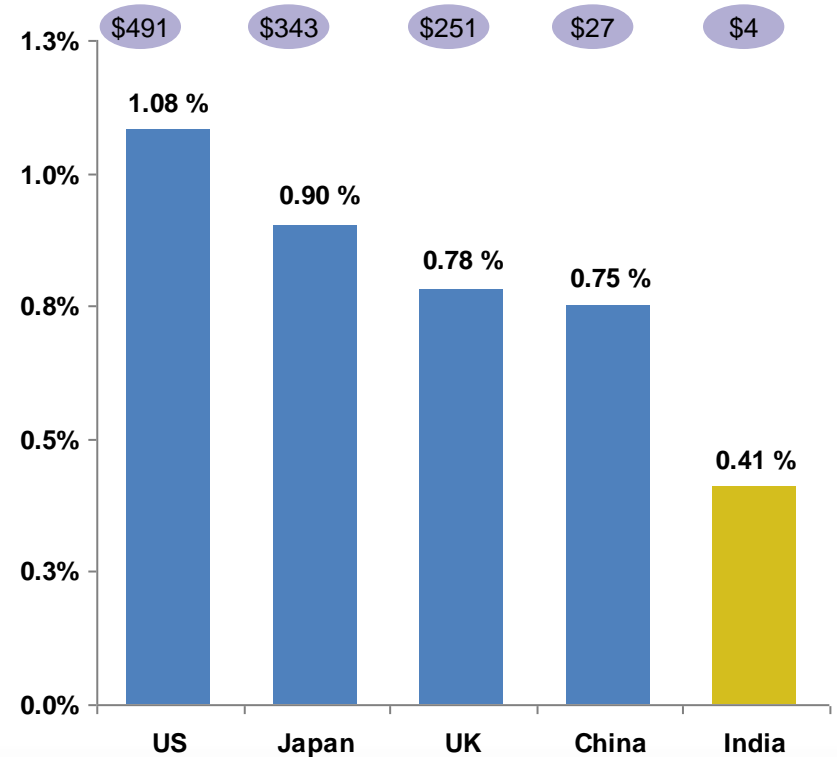
134MM

Cable & Satellite Households

105 MM

Media Spend Lags Global Economies

(% of GDP)



■ Media Spend as % of GDP ● Media Spend Per Capita (US\$)

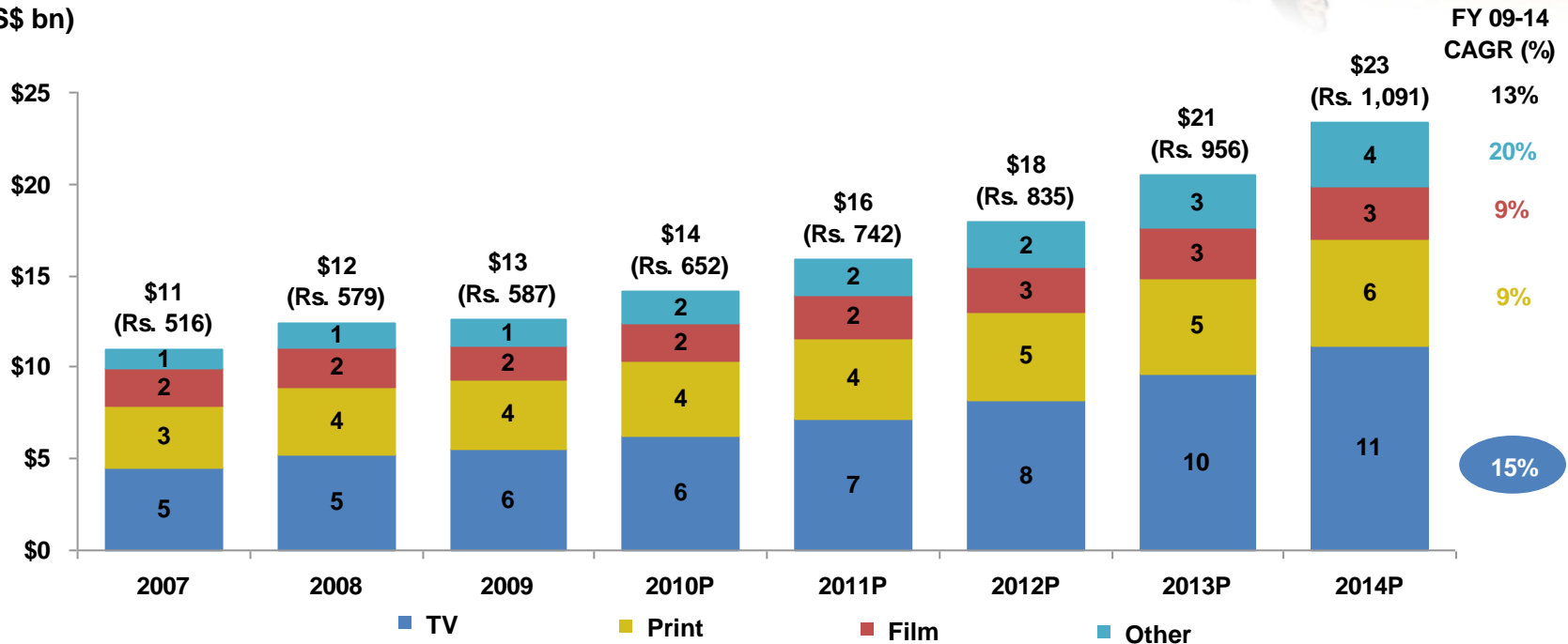
Strong Industry Fundamentals

Television Expected to be One of the Fastest Growing Media & Entertainment Segments



India's Entertainment and Media Industry Revenues

(US\$ bn)



TV revenues expected to reach \$11 bn by 2014

#2 The TV Industry Value Chain in India Today



Broadcaster

- Presently over 460 channels being aired in the country
- Primarily advertisement supported business model plus limited subscription revenue
- Major Players – Star TV (News Corp), Zee Group, Network 18, MSM (formerly Sony Entertainment), and NDTV

Content Aggregator

- Distribution agent for one or more broadcasters' TV channels
- Four major aggregators – Star-DEN, Zee Turner, MSM Discovery, Sun 18
- Commissions charged to broadcasters based on % of subscription revenue

Multi System Operator (MSO)

- Receive broadcaster signal and transmit to LCOs for subscription fee
- Subscription + Carriage driven model
- Fragmented market with ~1,000 MSOs
- Major MSOs – DEN, Hathway, WWIL, InCable, Digicable and You Broadband and Cable

Local Cable Operator (LCO)

- LCOs, acting as distributor of MSOs, service the last mile
- Extremely fragmented market with >60,000 LCOs
- Mainly subscription based model

DTH

- Mainly subscription based model
- 7 DTH operators today
- Major operators – Dish TV, Tata Sky, Sun Direct

IPTV

- TV distribution over internet Connection
- 4 leading providers today

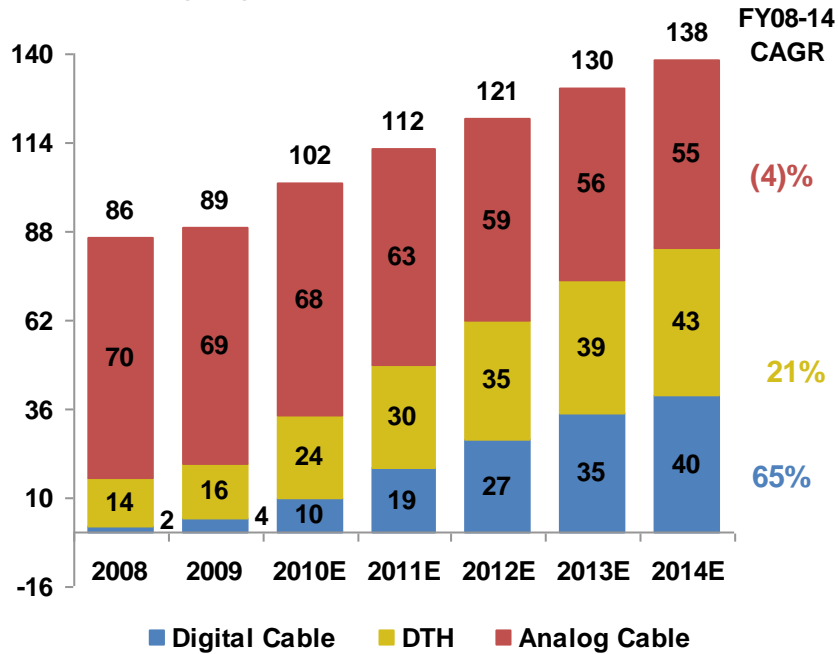


#2 Indian Cable & Satellite Market is Set for Transformation



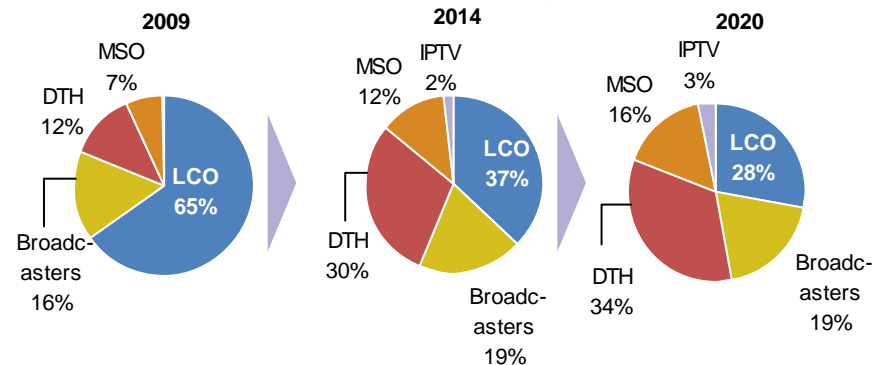
Digitization Driving Cable Sub Growth⁽¹⁾...

Households (mm)

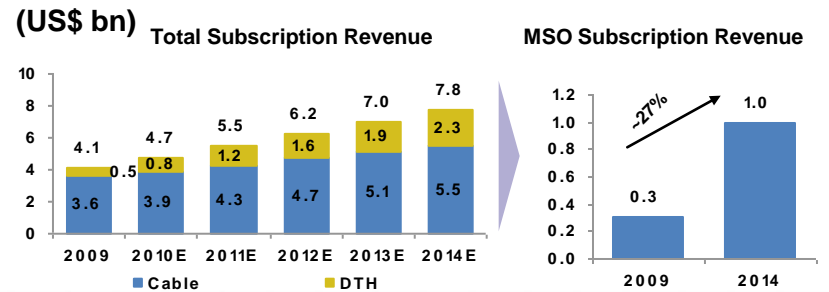


~10x growth in digital cable HHs from 2009-14

... And Increasing Share of Subscription Pie⁽²⁾...



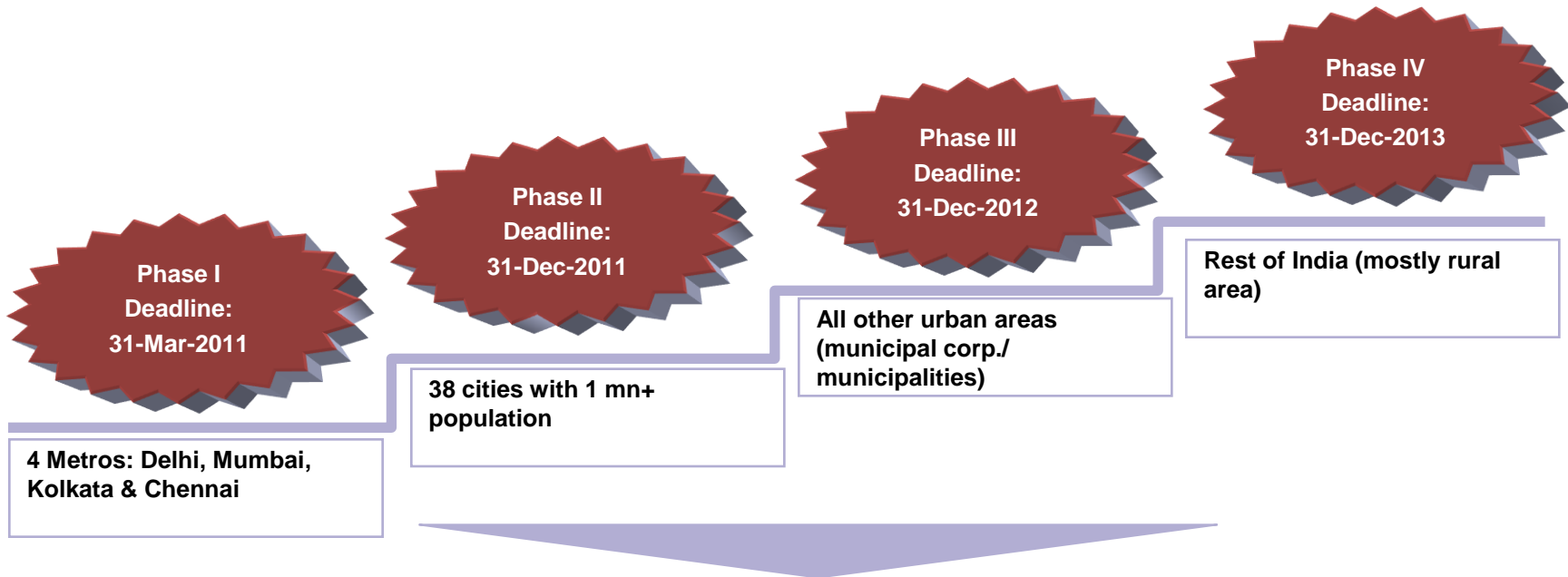
...Leading to Robust Subscription Revenue Growth⁽²⁾



#2 Regulatory Impetus For Digitization Sunset of Analog Cable



Industry regulator, TRAI⁽¹⁾, has proposed a 4-phase migration from analog cable TV to fully digital addressable systems



Sunset date for analog cable across India: 31 December 2013

Note:

1. TRAI: Telecom Regulatory Authority of India.

2. Source: TRAI

Regulatory Impetus For Digitization

Lower Costs and Access to Capital



TRAI Has Recommended Several Incentives for Cable Companies To Promote Digitalization

Incentive

Income Tax Holiday

- Cable companies that invest in addressable digitisation to get tax holiday till 31.03.2019

Customs Waiver on Headends & STBs

- Duties on digital head-end equipment and set-top-boxes recommended to be waived

Right of Way For Cable

- MSO/LCOs to be eligible for seeking Right of Way on a non-exclusive basis for laying optical fiber / cable network
- Process of laying intra-city cable infrastructure would become easier

Increased Foreign Investment

- Recommended increase in foreign investment limit from 49% to 74% for MSOs going digital

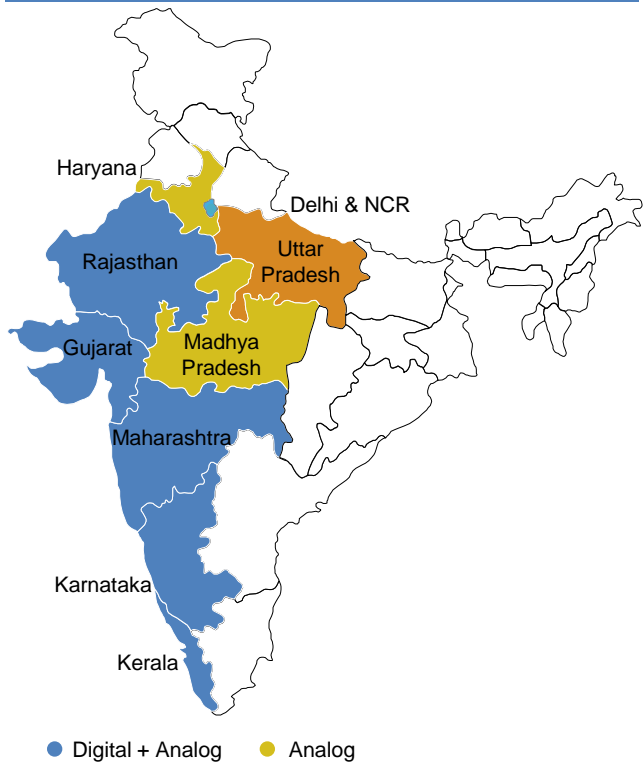
Description



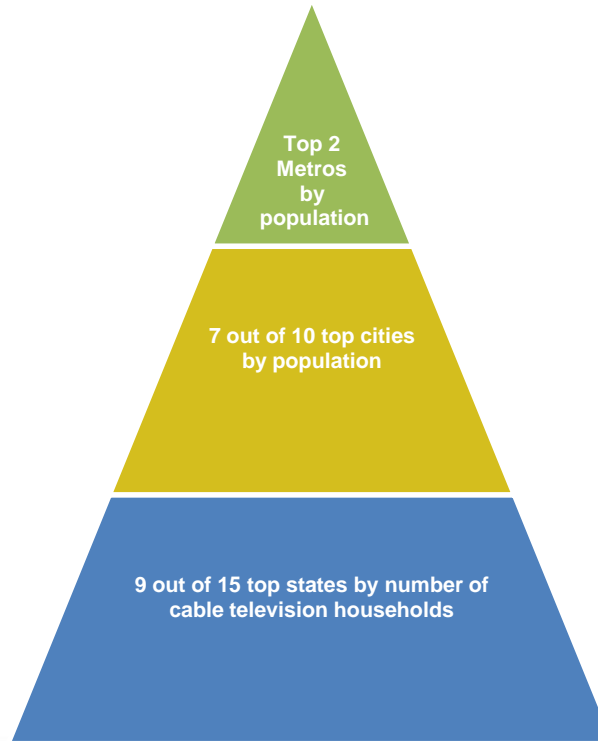
#3 Strong Market Position: Cable TV



Broad Geographic Footprint



Presence in Key Markets⁽¹⁾



Strong Brand

10mn Households⁽²⁾



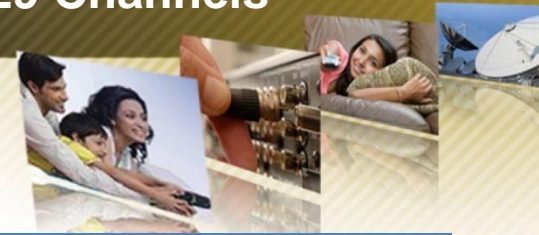
SN Sharma accepting the Best Indian Cable TV MSO award on behalf of DEN at the Indian Telly Awards, 2010



#3

Strong Market Position: Distribution

Star DEN JV has Exclusive Distribution Rights to 29 Channels



Select Channels

General Entertainment



Movies / Music / Lifestyle



News



Regional



Other Channels



#4 Proven Track Record of Delivering Rapid Growth



Strong Market Position in Three Years

DEN Today

- Controlling Stake in 78 MSOs
- 10.0 MM Households¹
- Presence in 84 Cities
- 98 Analog Headends
- 17 Digital Headends



Comments

- Successful acquisition and integration of MSOs
- Presence across 84 cities with digital cable offered in 47 cities
- 100% of homes passed are digital ready and only require STB
- Marginal capex per home required to roll out digital and broadband services

Partnering With Global Players to Build Network Infrastructure to Support Growth



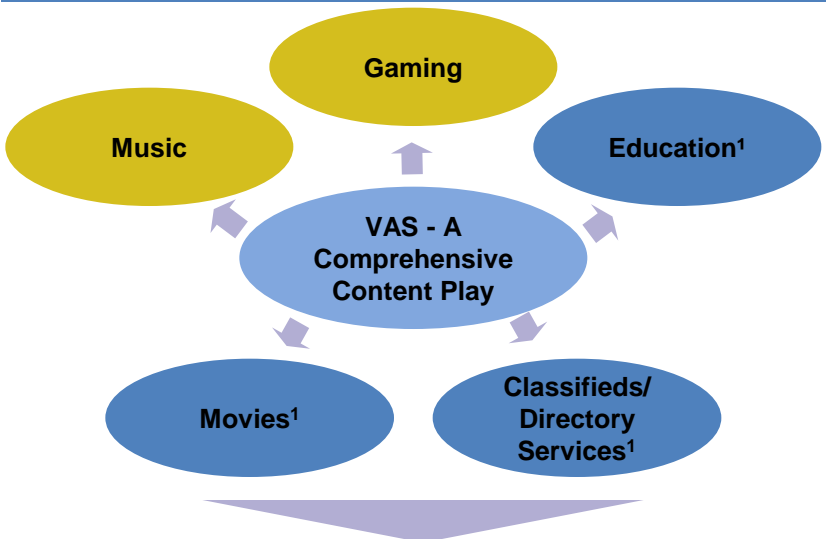
Source

1. Data as of December 2009 from MPA Report 2010.

#5 Diversified Offerings Across Value Chain



DEN's VAS: Consumer-Focused, Value-Added Content



- Sticky Services for Consumers
- DEN plans to introduce “On Demand” services: VOD, Games on Demand (GOD), exclusive content, digital archives
 - PPV/ NVOD: Premier movies, serials, time shift TV
 - Above services to create incremental revenue opportunity

Music & Blogging: Differentiated Apps for Indian TV



- Non-stop, radio-style music service
- Choice of 10 genres, including local content
- Visual details of all songs as they play - Singer names, album, etc.
- ‘blog.telly’ – micro blogging service for DEN subscribers
- Viewers can blog on TV through SMS (text) or via DEN’s website

Digital Cable



47 Cities

180 Channels

VAS

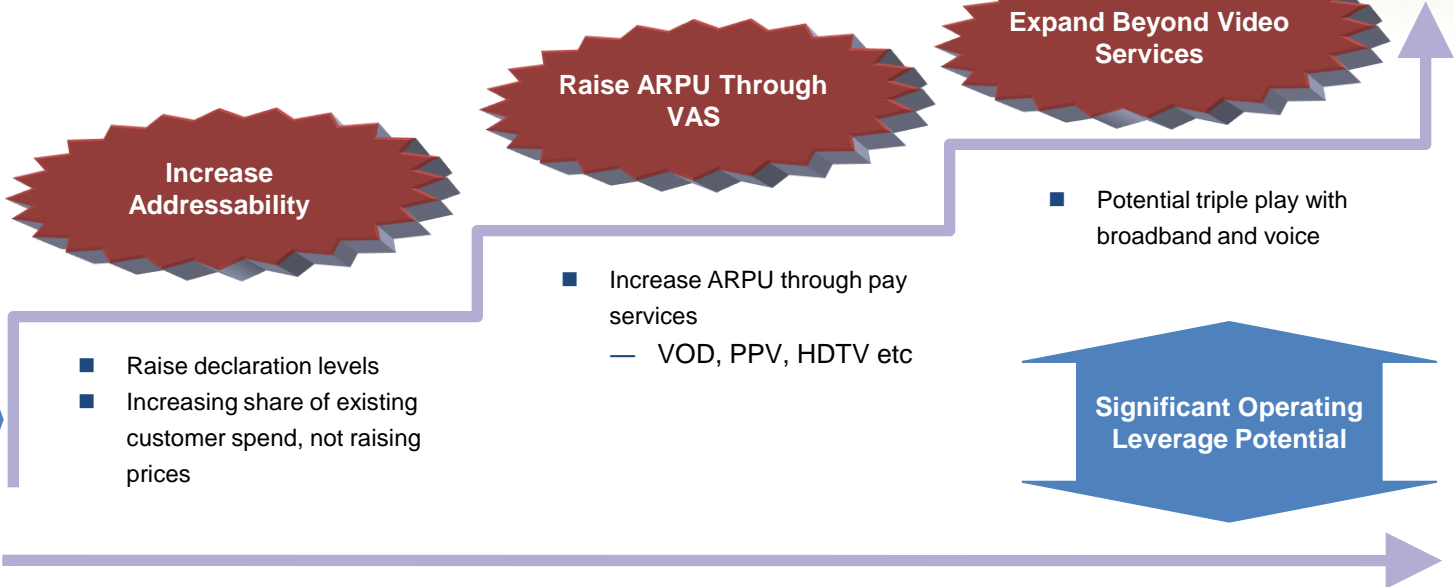


Note
1. Offerings under development.





Significant Growth Opportunities Ahead Exploit Operating Leverage in Business Model



Revenue Opportunity

- Raise declaration levels
- Increasing share of existing customer spend, not raising prices

Raise ARPU Through VAS

- Increase ARPU through pay services
 - VOD, PPV, HDTV etc

Expand Beyond Video Services

- Potential triple play with broadband and voice

Significant Operating Leverage Potential

Associated Incremental Costs

- 100% of homes digital ready
- Marginal capex required for incremental STB

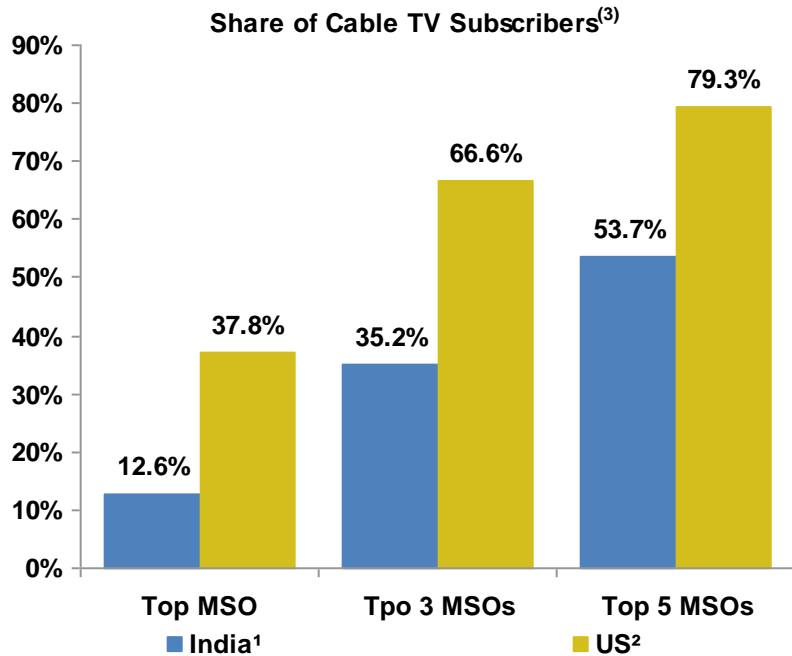
- Marginal expenditure required to develop and rollout VAS

- Marginal capex per home required to enable new services

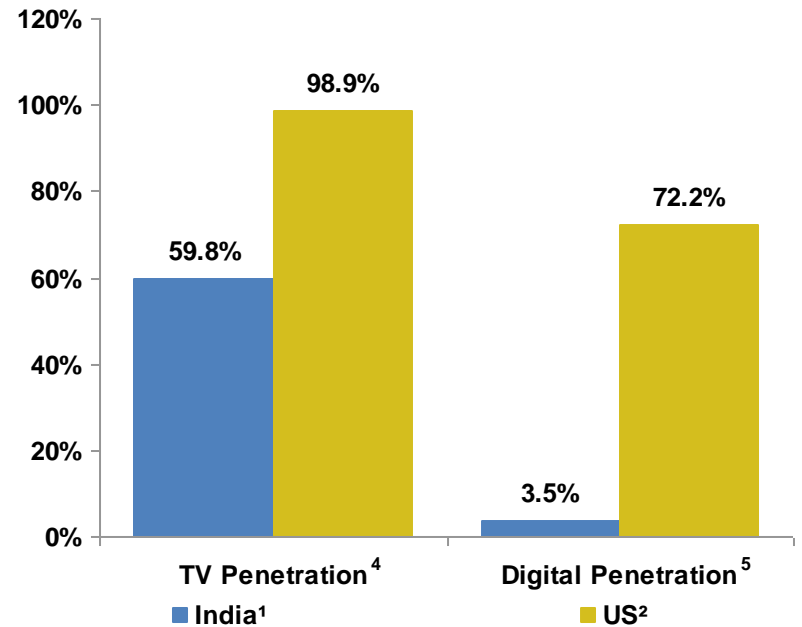
Significant Growth Opportunities Ahead Consolidation



The Indian Cable Market is Still Fragmented..



... And Significantly Under Penetrated



India's cable industry evolution could mirror the US cable story

Note:

1. Source: MPA Report 2010

2. Source: Cable TV subscribers data and digital penetration data from National Cable & Telecommunications Association (NCTA). TV penetration data from TVB

3. Defined as the cable TV household reach for a player as a % of the total cable TV subscribers in the country. For US data, numbers of subscribers for Top 1, Top 3 and Top 5 players as of March 2010 and for total cable TV subscribers as of December 2009.

4. Defined as TV households as a % of total households

5. Defined as digital cable subscribers as a % of basic cable subscribers



Cable TV & Converged Services

- A leading cable distribution company
- Digital cable & VAS
- Converged services play with potential expanded broadband/ triple play offerings

A Leading Player in TV Broadcasting & Distribution

- Broadcasting 40-50 own brand local cable channels across India
- Leverage strategic distribution venture (Star-DEN)

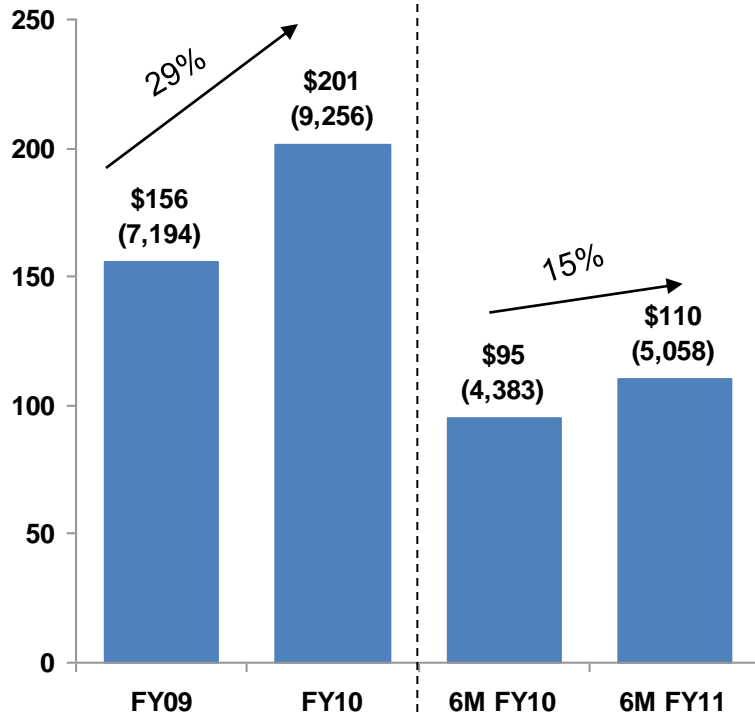
A Diversified Cable and Media Group





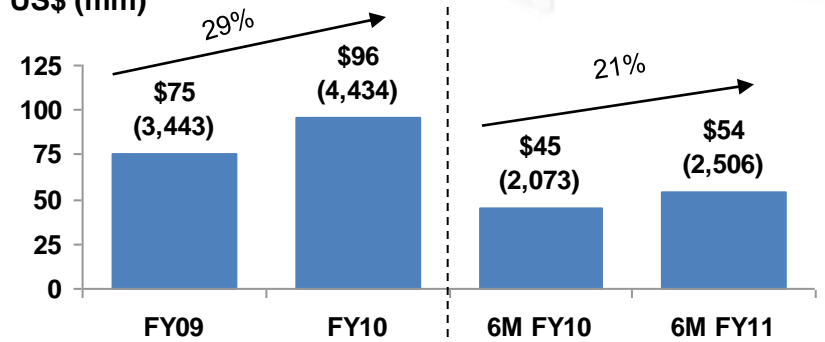
Consolidated Revenues

US\$ (mm)



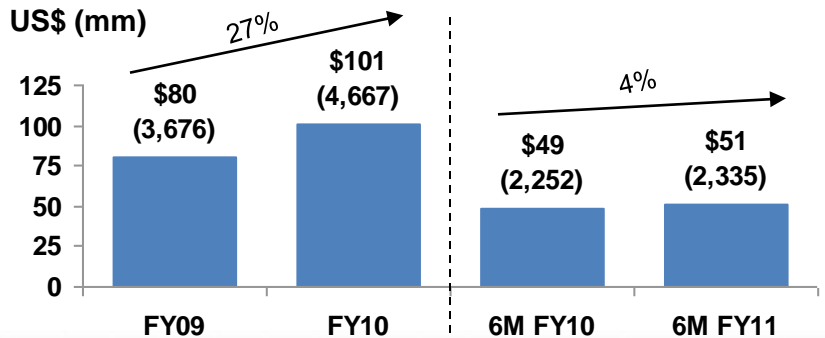
Cable Revenues

US\$ (mm)



DEN's Share of Star-DEN Revenues

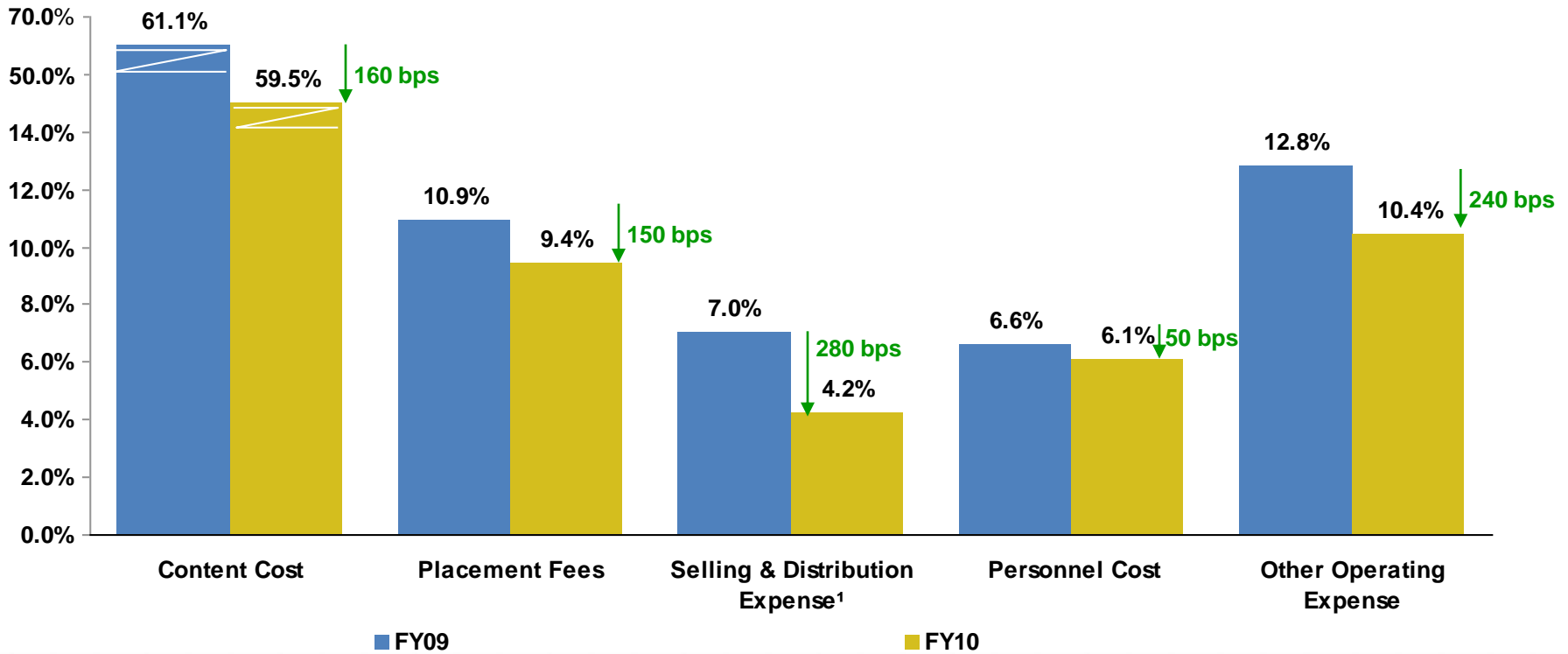
US\$ (mm)



Note: DEN reports financials in INR, for convenience, financial data has been converted to USD based on INR / USD exchange rate of 46.0. Difference between consolidated revenues & sum of cable and Star-DEN revenues is on account of other income. Numbers in brackets represents the values in INR mm.



Consolidated Operating Expenses as a % of Total Revenue

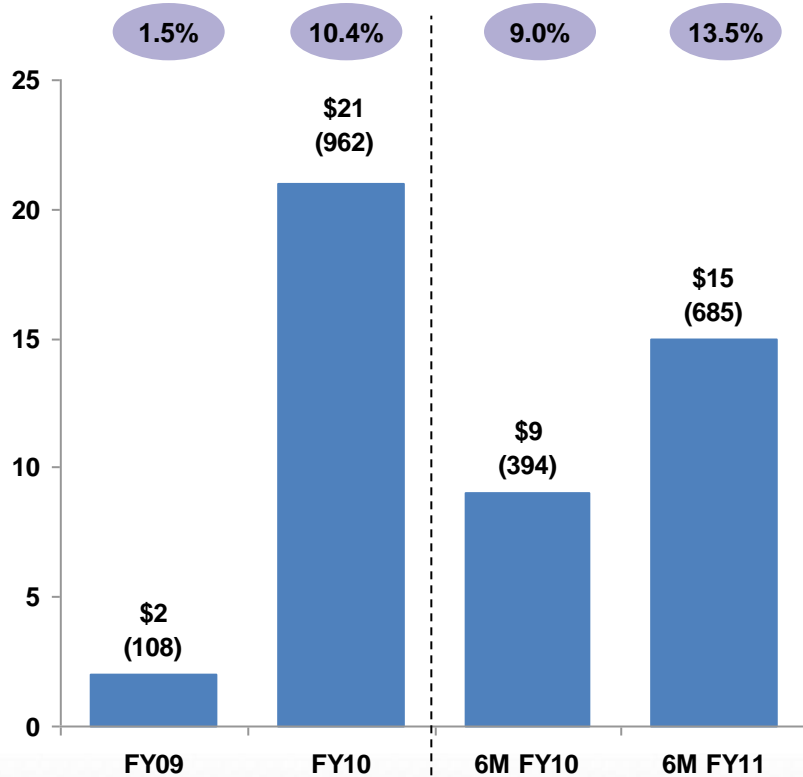


#7 Financial Profile ... Driving Profitability



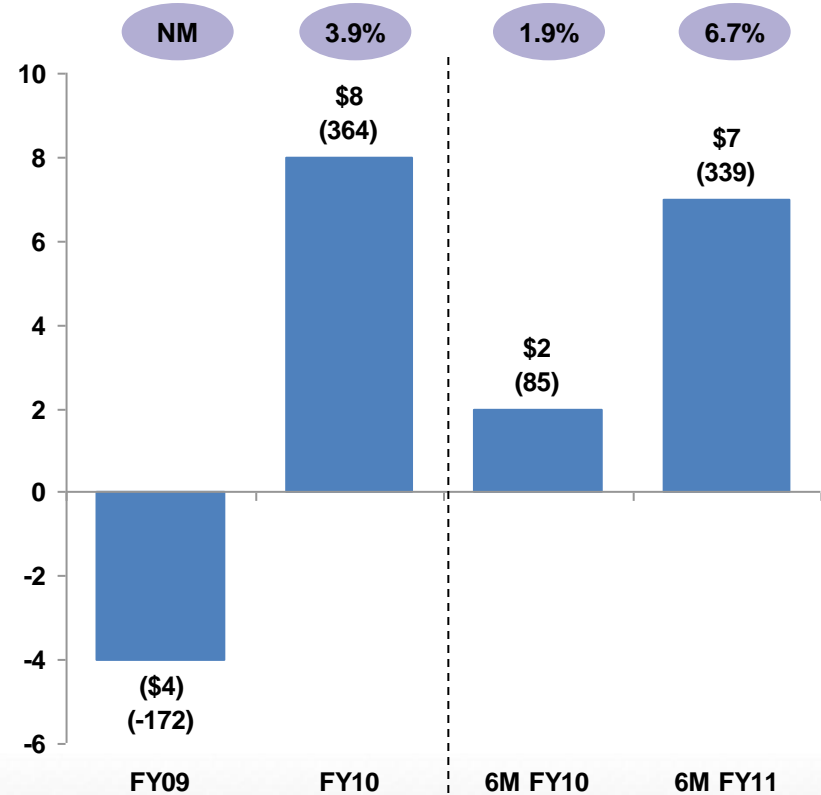
Consolidated EBITDA & Margins

US\$ (mm)



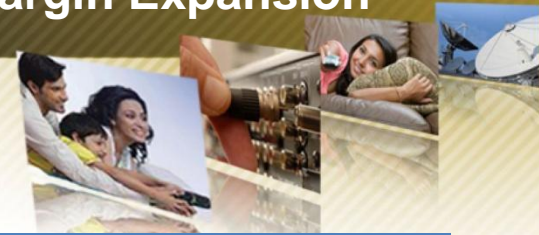
Consolidated Net Income & Margins

US\$ (mm)

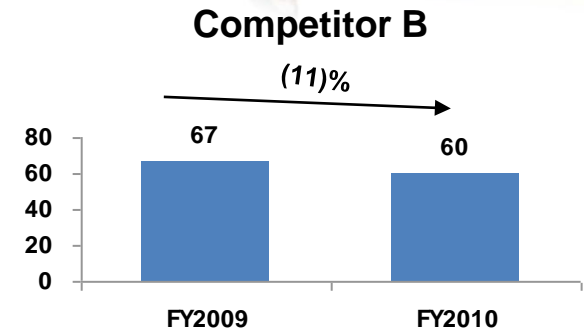
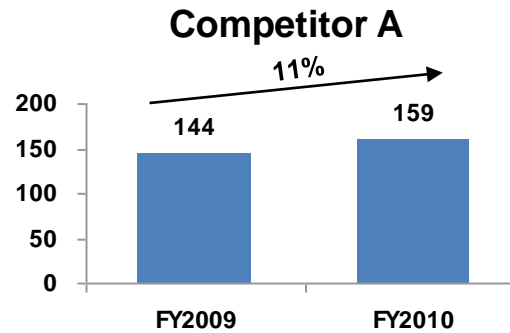
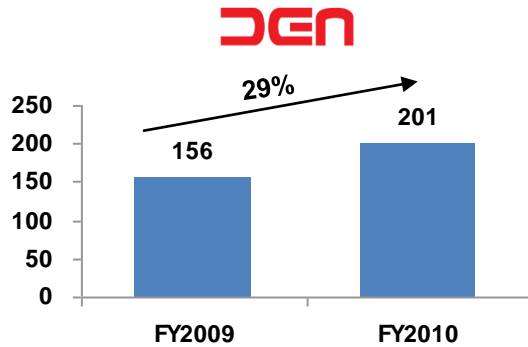


Note:

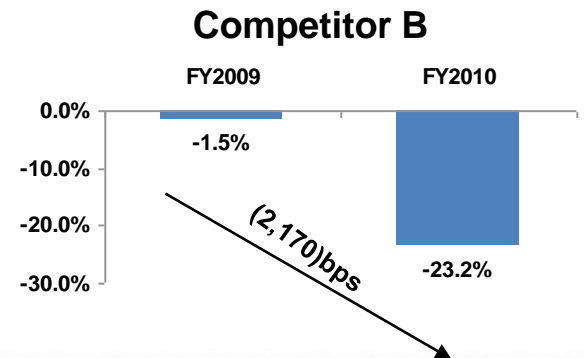
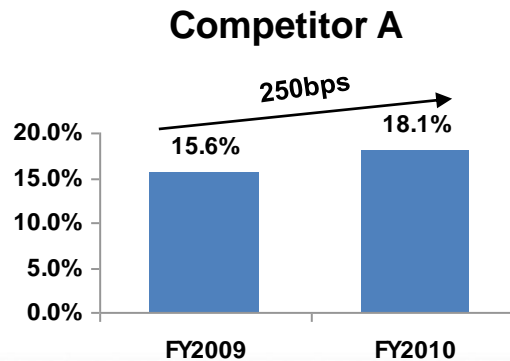
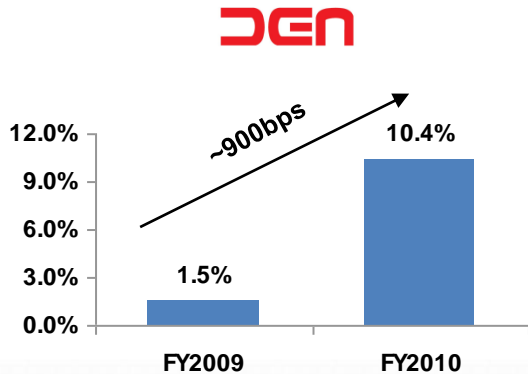
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FY2010 Revenue Growth (US\$ MM) Comparison With Listed Players



FY2010 EBITDA Margin Expansion (bps) With Listed Players





Thank You