



DEN Networks Limited Investor Update – Full Year & Q4 FY2010-11

I) Industry Developments

Full Digitalisation: In April 2011, the Hon'ble Ministry of Information & Broadcasting (MIB) issued its final views on the implementation of Digital Addressable Cable Systems in India, prescribing December 31, 2014 as the final sunset date for analog cable TV services across India, subject to the approval of the Cabinet.

- **MIB's Final Timeline:** The MIB's final views on the 4-phase staggered time frame for digitalisation, which it arrived at after taking into consideration views of the concerned industry associations, is as follows:
 - **Phase I** (4 Metros) by March 31, 2012
 - **Phase II** (All 1 mn+ cities) by March 31, 2013
 - **Phase III** (All urban areas – municipal corporations, municipalities) by September 30, 2014
 - **Phase IV** (Rest of India) by December 31, 2014
- **Task Force for Full Digitalisation:** The MIB has also announced the constitution of a 'Task Force on Implementation of Digital Addressable Cable TV Systems' to oversee and facilitate the implementation of digital addressable cable TV systems in the country.

The Task Force will be constituted with representatives from government ministries and bodies and industry associations.

II) Business Update

Over FY 2010-11, DEN consolidated its rapid growth over the last two years. Revenues gained traction from increasing declarations and stable ARPUs. Economies of scale delivered cost efficiencies that saw the company maintain healthy profitability.

Preparing for Full Digitalisation

DEN views digital as the future of the industry and has been gearing up for a massive push in offering digital cable across its markets.

The company has installed robust digital infrastructure and has developed one of the leading digital cable offerings for Indian consumers.

- **Digital Infrastructure:** A strong backbone of digital headends across its markets and access to a wide fibre optic network (leased and owned) positions it well for serving digital cable services to households across its territories.



- **DEN Digital:** A high quality digital cable offering with a large number of channels (180), a feature rich EPG and cutting edge value added services (VAS) including ‘blog.TV’ and DEN’s digital music service makes DEN’s digital cable offering the benchmark for the industry.

DEN remains confident on its future growth which is expected to be driven by increasing digitalisation and a burgeoning broadcasting market where more and more channels will continue to expand and grow the market.

III) Financial Update

Full Year FY 2010-11 - Consolidated Financials

- **Revenues:** Rs 1061.0 crore; Y-o-Y Revenue growth of 15%
- **EBITDA:** Rs 136.0 crore; Y-o-Y EBITDA growth of 28%; EBITDA Margin jump of 200 basis points
- **PAT:** Rs 37.8 cr; PAT growth of 26%

Q4 FY 2010-11 (Jan-Mar, 2011) - Consolidated Financials

- **Revenues:** Rs 287.0 crore; Y-o-Y Revenue growth of 15%



DEN Networks Limited – Consolidated Income Statement

FY2010-11 vs FY2009-10

(Figures in Rs crores)

	FY'10-'11	FY'09-'10	% Change
Revenue	1,061.0	925.6	15%
Expenditure	925.0	819.4	13%
EBITDA	136.0	106.2	28%
<i>EBITDA Margin</i>	<i>13%</i>	<i>11%</i>	
One time cost charged off	7.4	10.0	-26%
Employee stock compensation expenses	0.2		
Provision for doubtful advances	1.3		
Depreciation	45.5	32.9	38%
Interest and other financial charges	19.2	19.4	-1%
Earnings Before Tax & Exceptional Items	62.4	43.8	42%
Exceptional expense - Provision for diminution in value of Investment	0.5	-	
Provision for tax	17.4	7.4	135%
Net Profit/ (Loss) after Tax, before Minority Interests	44.5	36.4	22%
Share of Minority Interest	7.0	6.3	11%
Share in (loss)/ Profit of associates	0.4	-	
Net Profit / (Loss) - PAT	37.8	30.1	26%