



Den Networks Ltd.

IH'16 and 2Q'16 Results

Investors Update

05 November 2015



Safe Harbour

This presentation may contain “forward-looking statements” which are statements that refer to expectations and plans for the future and include, without limitation, statements regarding Den’s future results of operations, financial condition or business prospects as well as other statements based on projections, estimates and assumptions. In some cases, these statements can be identified by terms such as “expect,” “intend,” “plan,” “believe,” “estimate,” “may,” “will,” “should” and comparable words (including the negative of such words). These forward-looking statements, reflect the current expectations and plans of the directors and management of Den, which may not materialize or may change. Many risks, uncertainties and other factors, some of which are unpredictable and beyond Den’s control, could affect the matters discussed in these forward-looking statements. These factors include, without limitation, economic and business conditions globally and in the countries where we operate, Den’s ability to predict and respond quickly to market developments, consumer demand, pricing trends and competition; changes in applicable laws and regulations (including applicable tax and tariff rates). Any variance from the expectations or plans on which these forward-looking statements are based could cause Den’s actual results or actions to differ materially from those expressed or implied in these statements. These forward-looking statements are not guarantees of future performance and you are cautioned not to place undue reliance on these statements. Den undertakes no obligation to update any forward-looking statements in this presentation, whether as a result of new information or any subsequent change, development or event. All forward-looking statements in this presentation are qualified by reference to this paragraph.

2Q'16 Highlights



Cable

- ✓ Seeded 350k STBs in 2Q vs 185k in 1Q; 2.6 million STBs deployed in DAS 3 markets, ahead of Dec'15 deadline
- ✓ Secured Digital foot print in majority of priority states in Phase 3 Markets
- ✓ Subscription Revenues Maintained vs 1Q'16



Broadband

- ✓ Added 21k Subscribers vs 12k in 1Q; taking total subbase to 57k
- ✓ Added 115K Homes Passed vs 157k in 1Q, taking total HPs to 601k
- ✓ Improved ARPU
- ✓ Increased Monthly Average conversion rate to 1.4% vs 1.1% in 1Q



TV Shop

- ✓ Total reach 38 million; added Videocon DTH to the distribution reach
- ✓ Monthly GMV run rate of INR 17 Cr vs INR 12 Cr in 1Q

Group KPIs

2Q'16 Additions

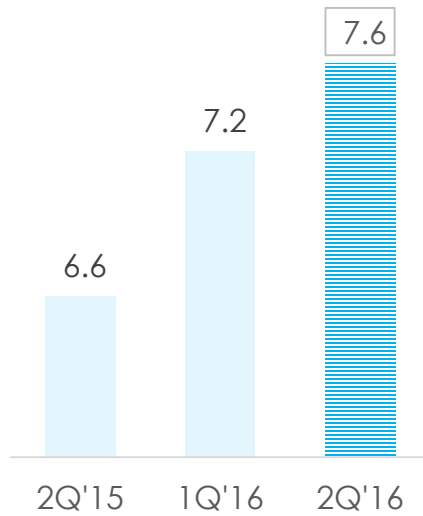
+350k

-1%

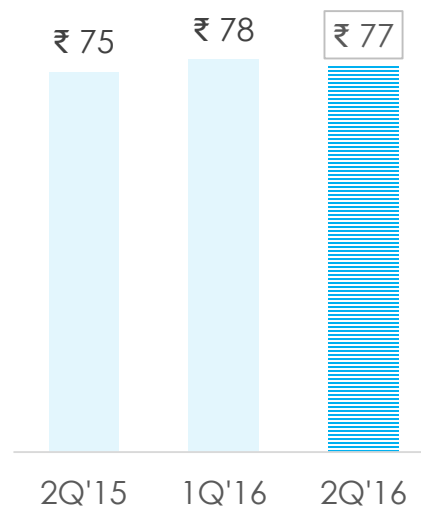
+115k

+21k

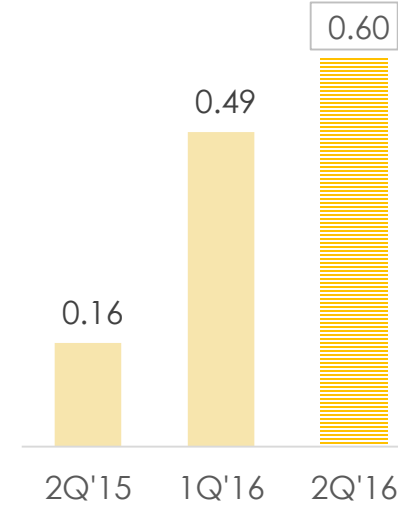
Cable Digital Subscribers (Mn)



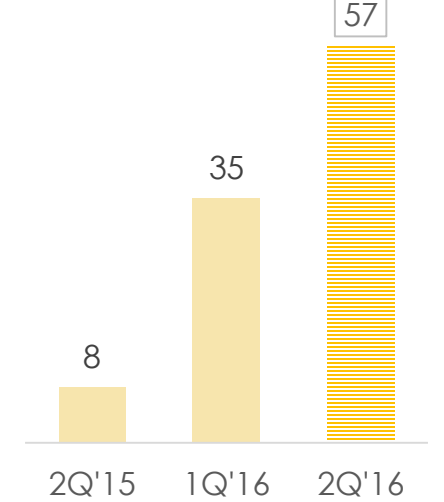
Cable DAS ARPU Per STB (Net of LCO, Net of Taxes)



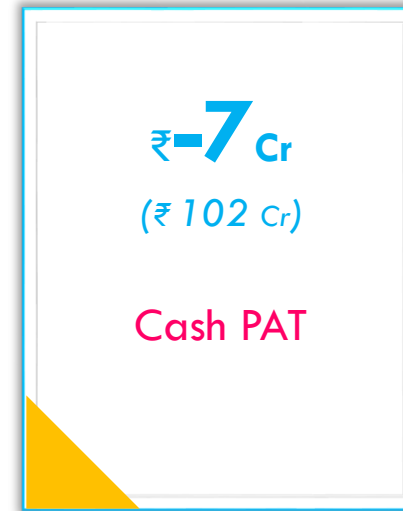
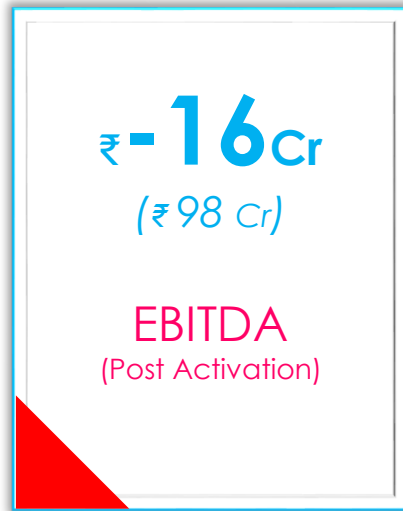
Broadband Homes Passed (Mn)



Broadband Subscribers ('000)



Group 1H'16 Financial Highlights



Numbers in Brackets represent 1H'15 other than Net Debt; Net Debt figure in represent as on 30 June'15

* Revenues adjusted for LCO Share of INR 63 Cr in 1H'15, EBITDA Neutral

Group 1H'16 Segment View

INR Crore

| | | Cable | Broadband | Soccer | TV Commerce | Distribution | Consolidated |
|----------------------------|-------|-------|-----------|--------|-------------|--------------|--------------|
| Revenues (Post Activation) | 1H'16 | 515 | 13 | 0.9 | 5.0 | 2.7 | 537 |
| | 1H'15 | 509* | 3 | - | 0.0 | 16.4 | 528 |
| EBITDA (Post Activation) | 1H'16 | 40 | (38) | (8.7) | (8.7) | (0.6) | (16) |
| | 1H'15 | 123 | (19) | (8.6) | (0.0) | 1.8 | 98 |
| EBITDA (Pre Activation) | 1H'16 | (2) | (38) | (8.7) | (8.7) | (0.6) | (59) |
| | 1H'15 | 87 | (19) | (9) | (0) | 2 | 62 |
| PBT | 1H'16 | (49) | (44) | (11.2) | (8.8) | 0.1 | (113) |
| | 1H'15 | 32 | (20) | (8.8) | (0.0) | 2.8 | 6 |
| PAT | 1H'16 | (63) | (44) | (11.2) | (8.8) | 0.1 | (127) |
| | 1H'15 | 7 | (20) | (8.8) | (0.0) | 2.3 | (19) |

* Revenues adjusted for LCO Share of INR 32 Cr in 2Q FY'15 and 63 Crore in 1H'15, for like to like comparison; EBITDA Neutral

Group 2Q'16 Segment View

INR Crore

| | | Cable | Broadband | Soccer | TV Commerce | Distribution | Consolidated |
|----------------------------|-------|-------|-----------|--------|-------------|--------------|--------------|
| Revenues (Post Activation) | 2Q'16 | 259 | 8 | - | 3.3 | 1.3 | 271 |
| | 1Q'16 | 256 | 5 | 0.9 | 1.8 | 1.3 | 266 |
| | 2Q'15 | 255* | 1 | - | 0.0 | 3.7 | 260 |
| EBITDA (Post Activation) | 2Q'16 | 22 | (20) | (8.6) | (4.3) | (0.4) | (11) |
| | 1Q'16 | 18 | (18) | (0.1) | (4.4) | (0.2) | (5) |
| | 2Q'15 | 54 | (10) | (4.5) | (0.0) | 1.5 | 41 |
| EBITDA (Pre Activation) | 2Q'16 | (5) | (21) | (8.6) | (4.3) | (0.4) | (39) |
| | 1Q'16 | 3 | (18) | (0) | (4) | (0) | (20) |
| | 2Q'15 | 38 | (10) | (4.5) | (0) | 1.5 | 24 |
| PBT | 2Q'16 | (28) | (24) | (9.8) | (4.4) | (0.1) | (66) |
| | 1Q'16 | (20) | (20) | (1.4) | (4.4) | 0.2 | (46) |
| | 2Q'15 | 7 | (11) | (4.6) | (0.0) | 2.0 | (6) |
| PAT | 2Q'16 | (37) | (24) | (9.8) | (4.4) | (0.1) | (75) |
| | 1Q'16 | (26) | (20) | (1.4) | (4.4) | 0.2 | (52) |
| | 2Q'15 | (6) | (11) | (4.6) | (0.0) | 1.5 | (20) |

* Revenues adjusted for LCO Share of INR 32 Cr in 2Q FY'15 and 63 Crore in 1H'15, for like to like comparison, EBITDA neutral

Consolidated Income Statement

| | INR Crore | | | | | | Y-o-Y | Q-o-Q Change | 1H'16 |
|--------------------------------|-------------|-------------|-------------|--------------|-------------|--------------|-------------|-----------------|-------|
| | Actual | | | Actuals | | | | | |
| | 2Q'16 | 1Q'16 | 2Q'15 | 1H'16 | 1H'15 | | | | |
| Revenues | 271 | 266 | 260* | 537 | 528* | 4% | 2% | 2% | |
| Content Costs | 137 | 136 | 109 | 273 | 215 | 26% | 1% | 27% | |
| Personnel Costs | 35 | 34 | 26 | 70 | 54 | 37% | 4% | 28% | |
| Other Opex | 102 | 91 | 68* | 193 | 129* | 50% | 12% | 49% | |
| Provision for doubtful debts | 9 | 9 | 17 | 18 | 31 | -46% | -2% | -42% | |
| Total Expenses | 283 | 270 | 219 | 553 | 430 | 29% | 5% | 29% | |
| EBITDA | (11) | (5) | 41 | (16) | 98 | -128% | 141% | -116% | |
| EBITDA % | -4.2% | -1.8% | 16% | -3.0% | 18.6% | | | | |
| Treasury/Other Income | 19 | 27 | 22 | 45 | 41 | -17% | -30% | 10% | |
| Dep & Amort | 52 | 50 | 47 | 103 | 90 | 12% | 5% | 14% | |
| Finance Costs | 21 | 18 | 23 | 40 | 43 | -6% | 16% | -7% | |
| Profit Before Tax (PBT) | (66) | (46) | (6) | (113) | 6 | 952% | 43% | -1862% | |
| Provisions for Tax | 5 | 3 | 7 | 9 | 11 | -25% | 49% | -23% | |
| Minority Interest | 4 | 2 | 7 | 6 | 15 | | | | |
| Net Income | (75) | (52) | (20) | (127) | (19) | 268% | 45% | 558% | |

* Revenues and other opex adjusted for LCO Share of INR 32 Cr in 2Q FY'15 and 63 Crore in 1H'15, for like to like comparison

Consolidated Balance Sheet

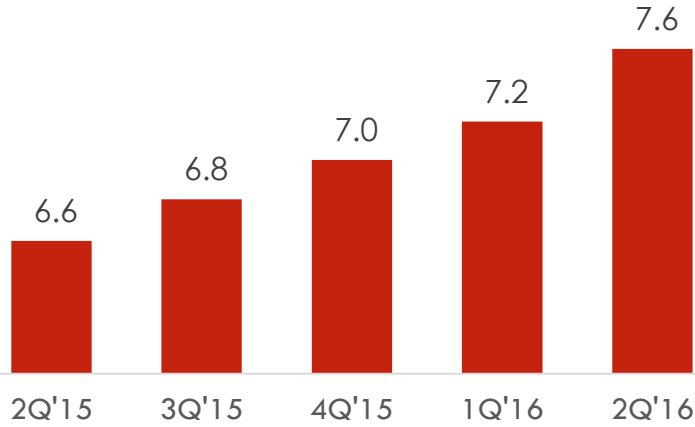
| | <i>INR Crore</i> | |
|---------------------------------------|------------------|---------------|
| | Sep'15 | Mar'15 |
| Share Capital | 178 | 178 |
| Reserves & Surplus | 1,403 | 1,532 |
| Pref. Capital | 3 | 3 |
| Minority Interest | 168 | 165 |
| Networth | 1,751 | 1,877 |
| Short & Long Term Debt | 1,127 | 1,043 |
| Trade Payables | 363 | 277 |
| Other Liabilities | 182 | 165 |
| Total Equity & Liabilities | 3,423 | 3,362 |
| Fixed Assets, Net | 1,175 | 1,126 |
| Capital work-in-progress | 97 | 110 |
| Goodwill on consolidation | 301 | 299 |
| Fixed Assets | 1,574 | 1,535 |
| Trade receivables | 479 | 398 |
| Cash and Cash Equivalents | 892 | 984 |
| Other Assets | 479 | 445 |
| Total Assets | 3,423 | 3,362 |

Balance sheet regrouped for presentation purposes

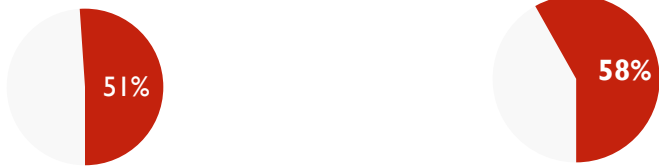
Cable Subscribers – 13M



Total Digital Subscribers (Million)

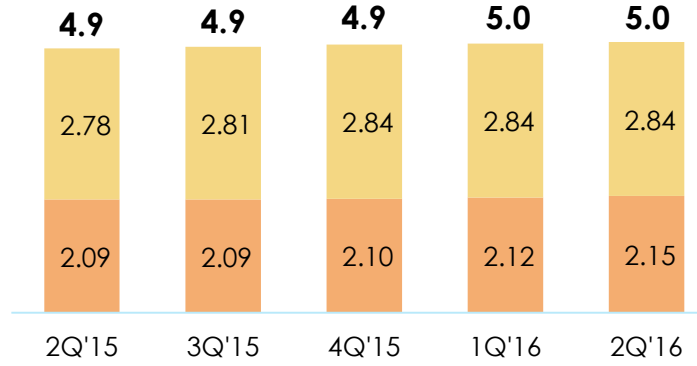


Digital Subscribers % in Total Subscriber Base



DAS 1 and 2 Markets (Million STBs)

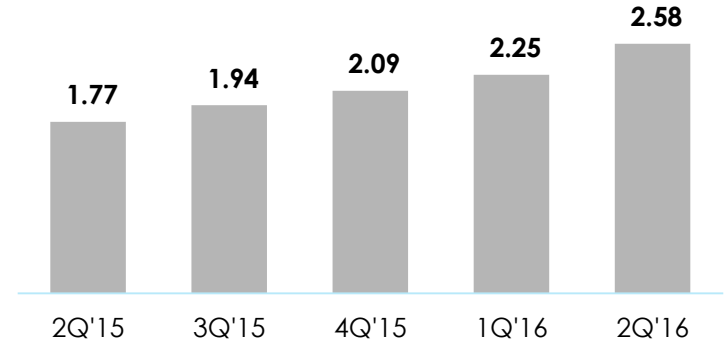
Phase 1 Phase 2



DEN Market Share* in DAS 1 & 2 Markets



DAS 3 Markets (Million STBs)



✓ Big push expected with DAS 3 deadline in December 2015

Cable 2Q'16 Highlights



13m

Subscribers

58%

Digital Customers

(56%)

₹259 Cr

Revenues (Post Activation)

(₹256Cr)

34%

Gross Margin

(34%)

₹22 Cr

EBITDA Post
Activation

(₹18cr)

₹-5 Cr

EBITDA Pre
Activation

(₹3cr)

₹21 Cr

Cash PAT

(₹31cr)



Cable Income Statement

| | Actual | | | Actual | | Y-o-Y | Q-o-Q Change | 1H'16 |
|-----------------------------------|-------------|-------------|------------|-------------|------------|--------------|-----------------|---------------|
| | 2Q'16 | 1Q'16 | 2Q'15* | 1H'16 | 1H'15 | | | |
| Subscription (Net of LCO Share) | 115 | 119 | 115* | 234 | 230* | 0% | -3% | 2% |
| Placement | 111 | 118 | 118 | 229 | 234 | -6% | -6% | -2% |
| Other Operating Income | 6 | 4 | 5 | 10 | 8 | 12% | 36% | 25% |
| Revenues Pre Activation | 231 | 241 | 238 | 473 | 472 | -3% | -4% | 0% |
| Activation Revenues | 27 | 15 | 17 | 42 | 36 | 64% | 80% | 16% |
| Revenues (Post Activation) | 259 | 256 | 255 | 515 | 509 | 1% | 1% | 1% |
| Content Costs | 136 | 136 | 109 | 272 | 215 | 25% | 0% | 26% |
| Personnel Costs | 26 | 26 | 21 | 52 | 42 | 25% | 0% | 26% |
| Other Opex | 65 | 68 | 54* | 133 | 103* | 19% | -5% | 28% |
| Provision for doubtful debts | 9 | 9 | 16 | 18 | 25 | -46% | -3% | -29% |
| EBITDA (Post Activation) | 22 | 18 | 54 | 40 | 123 | -59% | 27% | -68% |
| EBITDA % | 8.7% | 6.9% | 21.3% | 7.8% | 24.3% | | | |
| EBITDA (Pre Activation) | (5) | 3 | 38 | (2) | 87 | -113% | -287% | -103% |
| EBITDA % | -2.0% | 1.0% | 15.8% | -0.5% | 18.4% | | | |
| Other Income | 18 | 26 | 22 | 45 | 40 | -17% | -31% | 11% |
| Dep & Amort | 50 | 48 | 46 | 98 | 90 | 7% | 4% | 9% |
| Finance Costs | 19 | 16 | 22 | 36 | 42 | -13% | 19% | -15% |
| Profit Before Tax | (28) | (20) | 7 | (49) | 32 | -480% | -39% | -252% |
| Provisions for Tax | 5 | 3 | 6 | 9 | 11 | -21% | 50% | -19% |
| Minority Interest | 4 | 2 | 7 | 6 | 15 | -49% | 71% | -60% |
| Net Income | (37) | (26) | (6) | (63) | 7 | -494% | -43% | -1021% |

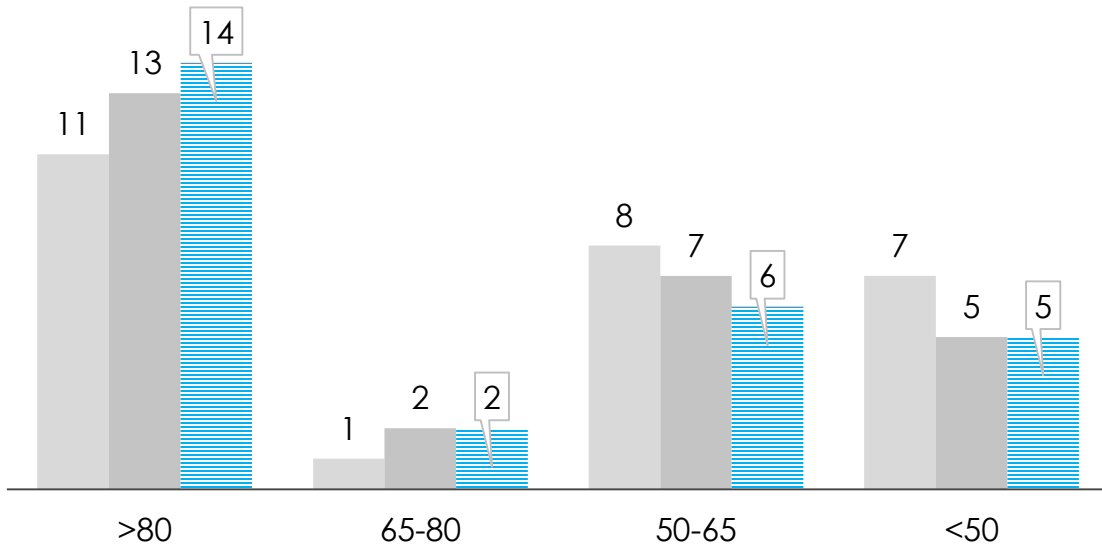
* Revenues and expenses Adjusted for LCO Share of INR 32 Cr in 2Q FY'15 and 63 Crore in 1H'15, for a like to like comparison

Billing, *Net of Taxes*, Across DAS Markets

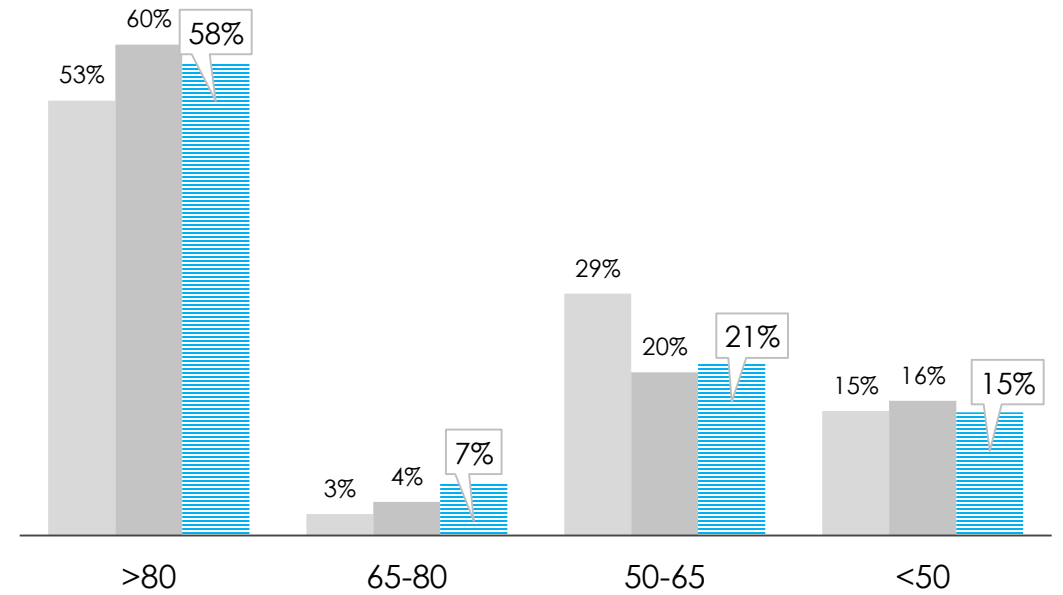


Number of Cities with Billing, *Net of Taxes*, Range

■ 2Q'15 ■ 1Q'16 ■ 2Q'16



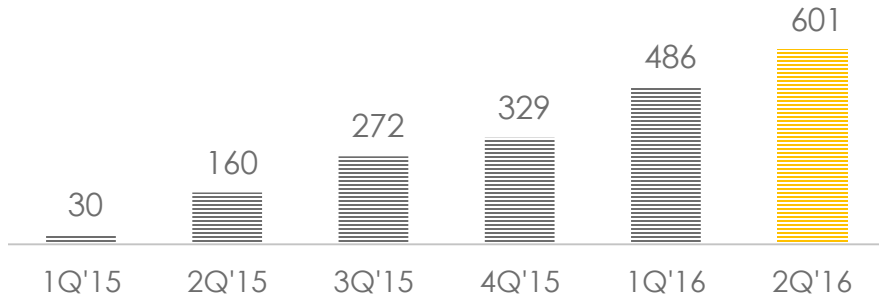
% of Paying DAS Subscribers with Billing, *Net of Taxes*, Range



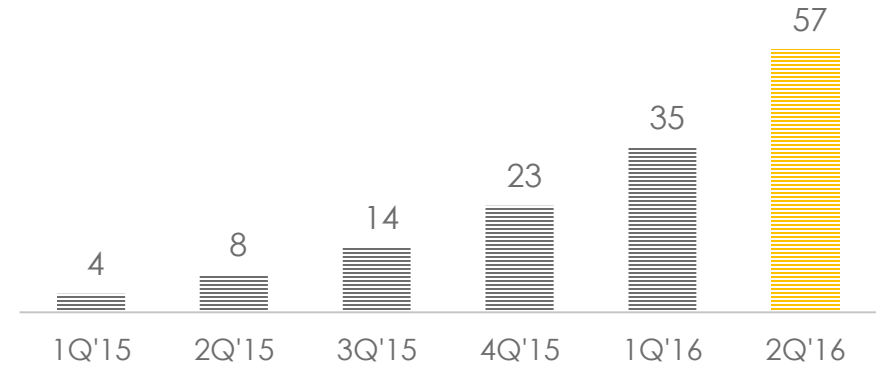
Broadband Highlights



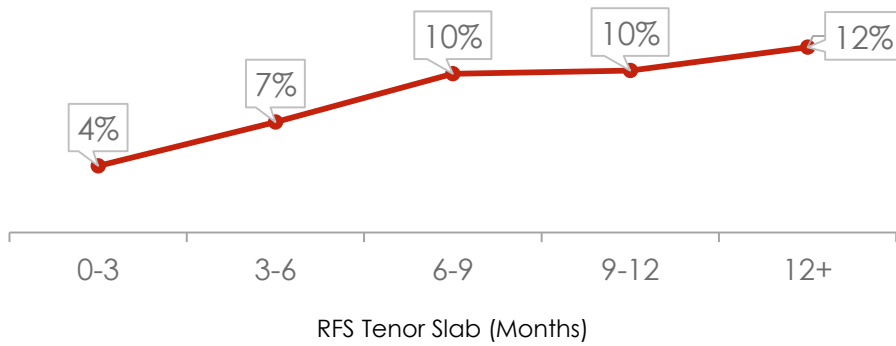
Homes Passed ('000)



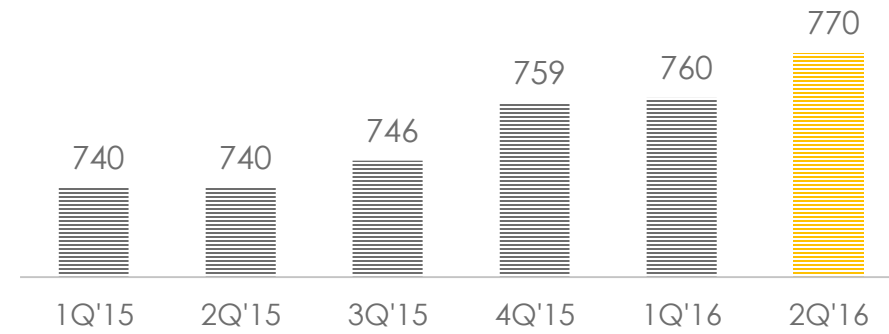
Subscribers ('000)



Cohort Analysis



ARPU INR



Broadband Financials



| | INR Crore | | | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|
| | Actuals | | | Actuals | | Change | | |
| | 2Q'16 | 1Q'16 | 2Q'15 | 1H'16 | 1H'15 | Y-o-Y | Q-o-Q | 1H'16 |
| Subscription | 8.0 | 5.0 | 1.4 | 13.0 | 2.4 | 458% | 61% | 436% |
| Other Operating Income | 0.00 | 0.01 | 0.01 | 0.0 | 0.0 | -22% | -70% | 51% |
| Revenues (Pre Activation) | 8.0 | 5.0 | 1.4 | 13.0 | 2.4 | 456% | 61% | 434% |
| Activation | 0.2 | 0.2 | - | 0.4 | 0.1 | 0% | -7% | 548% |
| Revenues (Post Activation) | 8.2 | 5.2 | 1.4 | 13.4 | 2.5 | 470% | 58% | 437% |
| Personnel Costs | 8 | 7 | 4 | 14 | 7 | 116% | 15% | 111% |
| Other Opex | 21 | 16 | 8 | 37 | 14 | 157% | 29% | 159% |
| Total Expenses | 29 | 23 | 12 | 51 | 21 | 145% | 25% | 144% |
| EBITDA (Post Activation) | (20) | (18) | (10) | (38) | (19) | -99% | -15% | -105% |
| EBITDA % | -247% | -339% | -708% | -282% | -742% | | | |
| EBITDA (Pre Activation) | (21) | (18) | (10) | (38) | (19) | -101% | -15% | -106% |
| EBITDA % | -256% | -358% | -708% | -295% | -765% | | | |
| Dep & Amort | 3 | 2 | 0 | 5 | 1 | 442% | 35% | 653% |
| Finance Costs | 1 | 1 | 0 | 1 | 0 | 82% | -6% | 213% |
| Profit Before Tax (PBT) | (24) | (20) | (11) | (44) | (20) | -114% | -16% | -124% |
| Taxes | - | - | - | - | - | 0% | 0% | 0% |
| Profit After Tax (PAT) | (24) | (20) | (11) | (44) | (20) | -114% | -16% | -124% |

TV Commerce Key Takeaways

₹ **199** Cr
(₹144Cr)

Annualised GMV
on Current Rate

38mn
(33mn)

Reach (Million Homes)

2,254
(1,526)

Average Daily Transactions

33%
(32%)

Conversion Ratio
of Calls Received

20%
(16%)

Repeat Customers



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