



Den Networks Ltd.

IH'16 and 2Q'16 Results

Investors Update

05 November 2015



Safe Harbour

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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

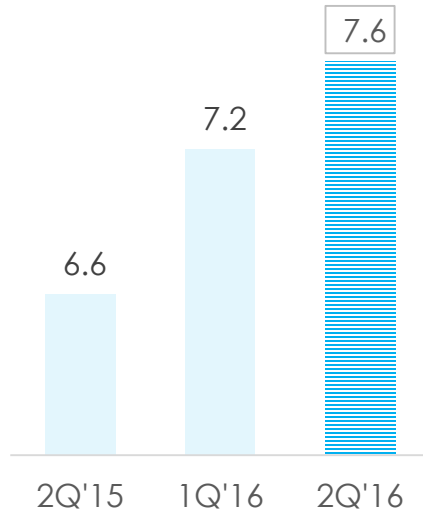
+350k

-1%

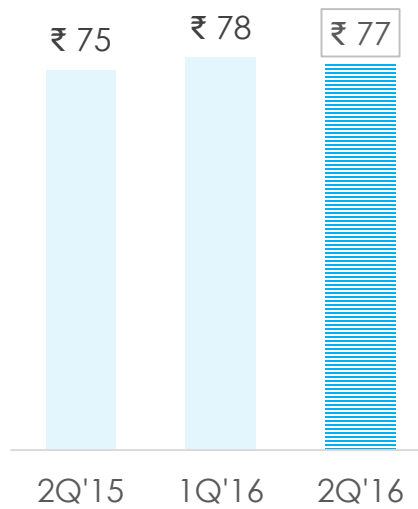
+115k

+21k

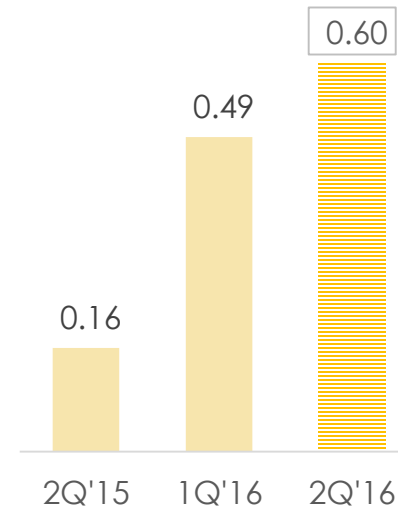
Cable Digital Subscribers (Mn)



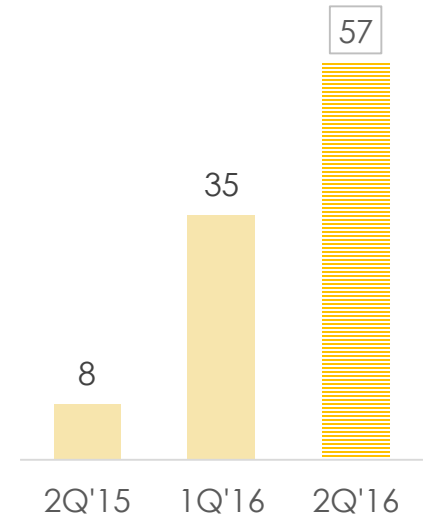
Cable DAS ARPU Per STB (Net of LCO, Net of Taxes)



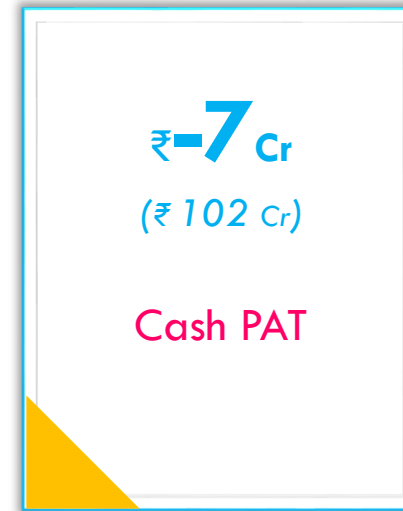
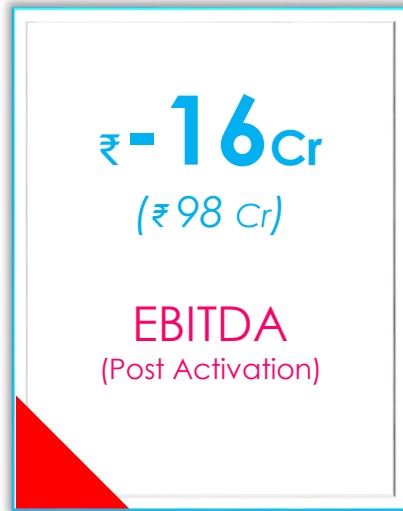
Broadband Homes Passed (Mn)



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

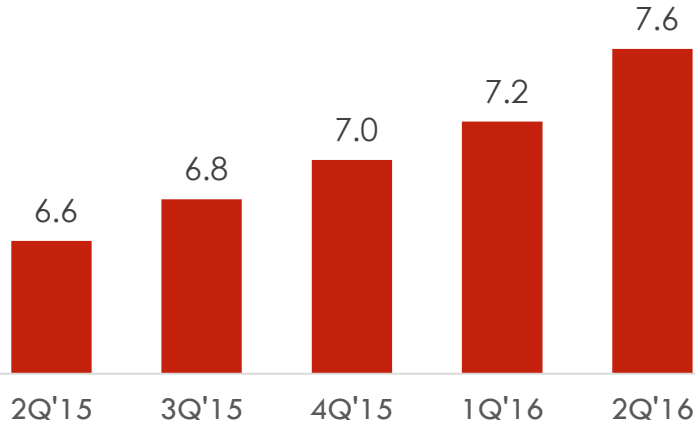
	<i>INR Crore</i>	
	Sep'15	Mar'15
Share Capital	178	178
Reserves & Surplus	1,403	1,532
Pref. Capital	3	3
Minority Interest	168	165
Networth	1,751	1,877
Short & Long Term Debt	1,127	1,043
Trade Payables	363	277
Other Liabilities	182	165
Total Equity & Liabilities	3,423	3,362
Fixed Assets, Net	1,175	1,126
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)

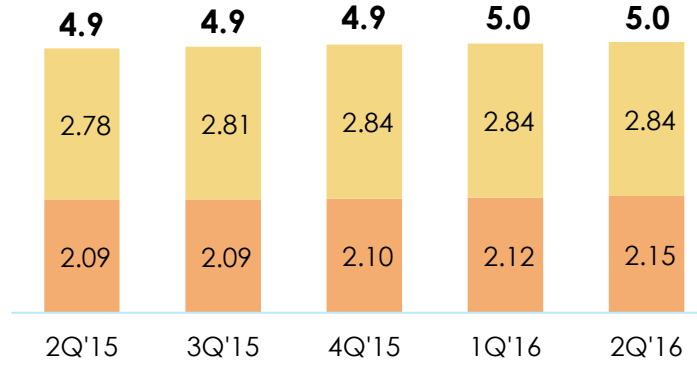


Digital Subscribers % in Total Subscriber Base



DAS 1 and 2 Markets (Million STBs)

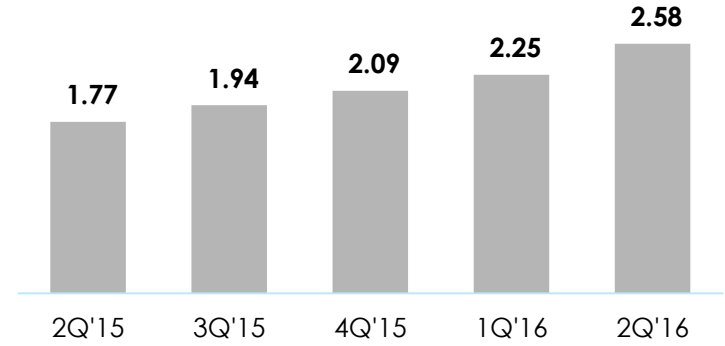
Phase 1 Phase 2



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%

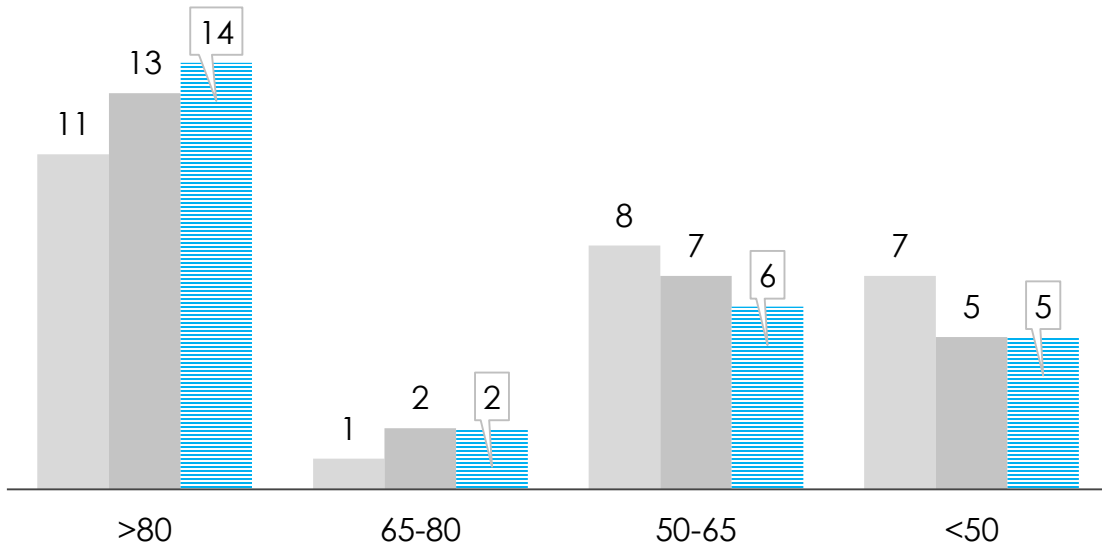
* Revenues and expenses Adjusted for LCO Share of INR 32 Cr in 2Q FY'15 and 63 Crore in 1H'15, for a like to like comparison

Billing, *Net of Taxes*, Across DAS Markets

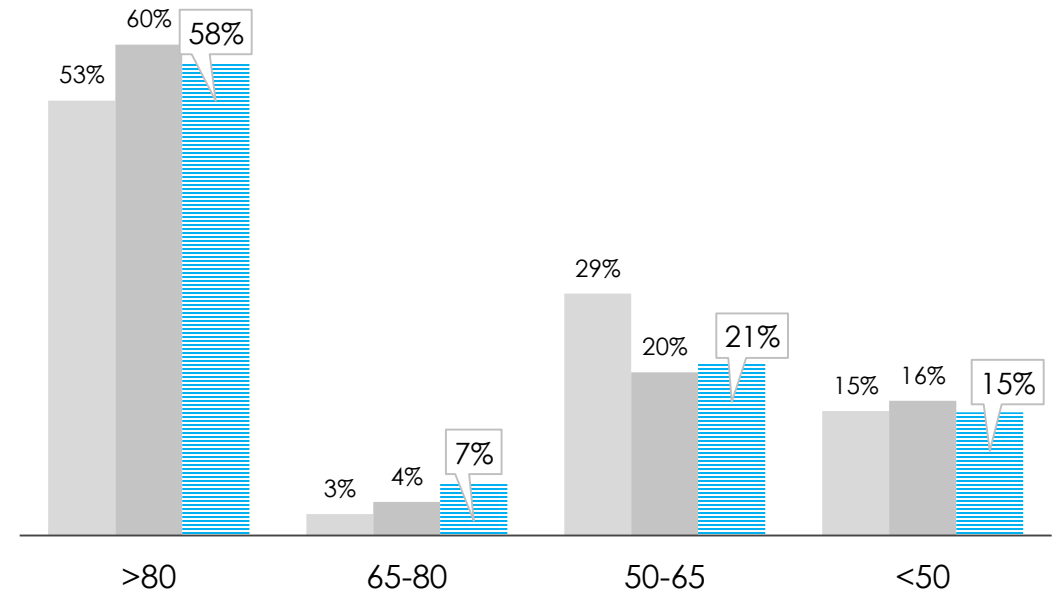


Number of Cities with Billing, *Net of Taxes*, Range

■ 2Q'15 ■ 1Q'16 ■ 2Q'16



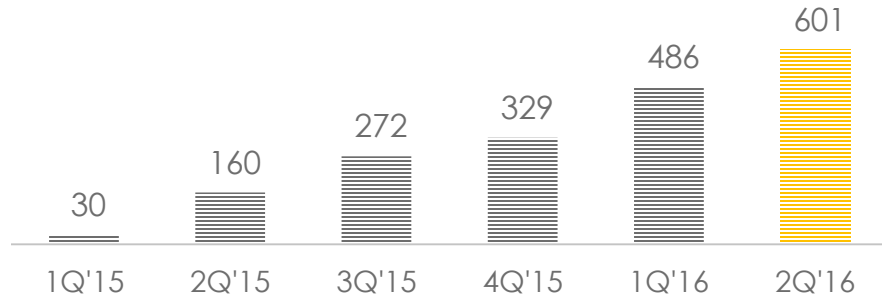
% of Paying DAS Subscribers with Billing, *Net of Taxes*, Range



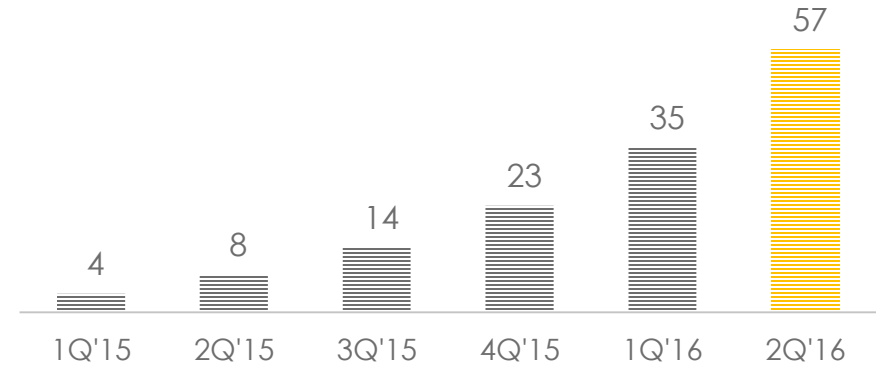
Broadband Highlights



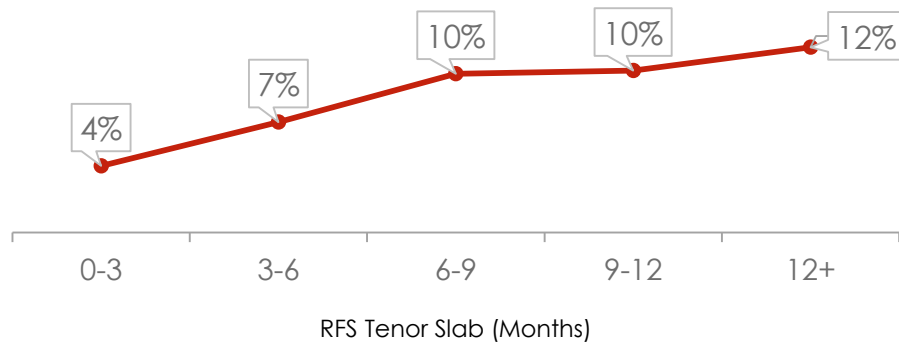
Homes Passed ('000)



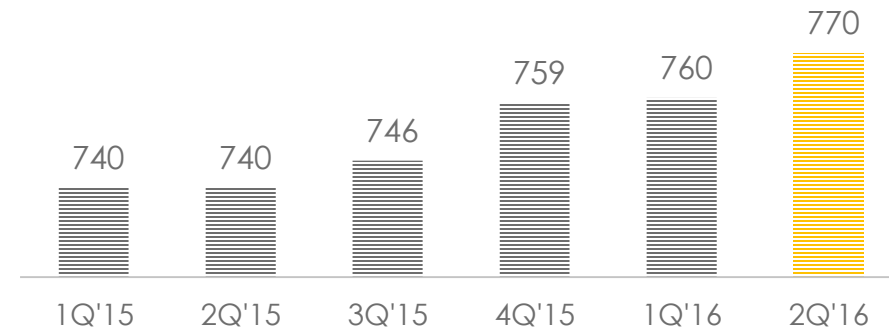
Subscribers ('000)



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

38 mn

(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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