



DEN Networks Limited Investor Update – Q3 FY2010-11

I) Industry Developments

1) The Ministry of Information & Broadcasting (MIB) agrees with the TRAI's roadmap on implementation of full digitalisation with addressability in India's cable TV industry; proposes new time frame for rollout¹.

- MIB suggests a new, staggered time frame for implementation of full digitalisation, taking into consideration the industry's feedback:
 - **Phase I by March 31, 2012:** 4 Metros - Delhi, Mumbai, Kolkata, Chennai (Cumulative population: 36 mn²)
 - **Phase II by March 31, 2013:** All 1 mn+ cities: by March 31, 2013 (Cumulative population: 70 mn²)
 - **Phase III by November 30, 2014:** – All urban areas (Municipal Corps/ Municipalities): by November 30, 2014
 - **Phase IV by March 31, 2015:** – Rest of India
- The MIB is in agreement with all other recommendations made by the TRAI in its report on the 'Implementation of Digital Addressable Cable Systems in India'
- The MIB has now asked the TRAI for further recommendations to enable it to seek the approval of the Cabinet.

2) TRAI announces National Broadband Plan – Cable seen as the largest broadband delivery platform³.

- In December 2010, the TRAI announced brought out a recommendation paper for a National Broadband Plan that envisages a government backed initiative to take broadband internet access to all corners of India
- In the report, the TRAI estimates that cable distribution networks will be the largest broadband delivery platform, serving 72 million homes by 2014
- The TRAI sees the implementation of its proposals on full digitalisation with addressability as a necessary precursor to the broadband plan.

¹ Source: Letter (ref. DO No 9/16/2004-BP&L Vol-VI) dated January 28, 2011 from the Secretary, MIB to the Chairman, TRAI

² Source: TRAI recommendation report on "Implementation of Digital Addressable Cable TV Systems in India", August 5, 2010

³ Source: TRAI recommendation report on "National Broadband Plan", December 8, 2010



II) Business Update

1) Investing in Digitalisation Readiness

DEN has been gearing up to take on the task of digitalising its entire household base. It has invested in creating the infrastructure needed to support millions of digital households across its markets.

- **Digital Headends:** DEN operates 17 digital headends that have the capacity to carry a large number of digital channels.
- **Fibre Network:** DEN serves its markets through a strong optical fibre network, a combination of leased and owned fibre.
- **Geographic Spread:** DEN's digital cable service is already available in several cities across its markets and the company is in the process of rolling the service out to more towns and cities.
- **Digital Set-Top-Box (STB):** DEN is working with new vendors for sourcing digital STBs at considerably lower prices.

2) Strong Portfolio of Digital Offerings

DEN's digital cable service carries 180 channels. DEN's digital platform also offers consumers India's only digital music service on television and 'blog.telly', India's first and only micro-blogging service through TV.

III) Consolidated Financials

- Revenues: Rs 268.2 crore; Y-o-Y Revenue growth of 13%
- EBITDA: Rs 32.5 crore; Y-o-Y EBITDA growth of 13%; EBITDA Margin jump of 3.4 basis points
- PAT: Rs 9.2 cr; PAT growth of 19%



DEN Networks Limited – Consolidated Income Statement

Q3 FY2010-11

Figures in Crores

	Q3 FY'10-11	Q3 FY'09-10	% Change
Revenue	268.2	237.5	13%
Expenditure	235.8	208.8	13%
EBITDA	32.5	28.7	13%
<i>EBITDA Margin</i>	<i>12%</i>	<i>12%</i>	
One time cost charged off	1.9	2.5	-26%
Depreciation	11.7	8.6	36%
Interest and other financial charges	4.7	5.0	-7%
Earnings Before Tax & Exceptional Items	14.2	12.5	13%
Exceptional items			
Provision for tax	3.8	2.9	32%
Net Profit/ (Loss) after Tax, before Minority Interests	10.4	9.7	8%
Share of Minority Interest	1.4	1.9	-28%
Share in Loss/ (Profit) of associates	(0.2)	-	
Net Profit / (Loss) - PAT	9.2	7.7	19%