



DEN Networks Limited
Investor Update: Q4 & Full Year FY 2013-14

FACT SHEET

I. FINANCIALS

(Figures in Rs crores)

Particulars	Annual	Current Quarter
Consolidated Revenues	1,174.92	325.67
Cable Revenues	1,115.39	308.23
• Subscription Revenues	406.9	126.0
• Placement Revenues	465.2	119.2
• Digital Activation & Other Operating Revenues	187.2	40.5
• Other Income	56.0	22.6
Consolidated EBITDA	367.71	92.38
Consolidated PBT	135.4	32.9

II. SET TOP BOXES DEPLOYED: Current Qtr 450K STBs

III. LOAN FUNDS & LIQUIDITY (Cable Business)

- **Gross Debt:** Rs 1,002 crores
- **Total Cash & Cash Equivalents:** Rs 1,186 crores
- **Net Debt:** Negative Net Debt/Debt Free

IV. CONSOLIDATED NET WORTH: Rs 1,858 crores

FULL YEAR FINANCIALS

1. Consolidated (FY 2013-14 vs. FY 2012-13)

- **Consolidated Full Year Revenues up 26%**

Consolidated revenues at Rs. 1174.92 crores in FY '14 rose 26% Y-o-Y from Rs 934.64 crores in FY' 13

- **Consolidated Full Year EBITDA Jumps 52% Y-o-Y**

Consolidated Full Year EBITDA for FY'14 was Rs. 367.71 crores, a 52% jump from Rs 242.70 crores in FY'13. The Company has incurred expenses of Rs 15.0 crores (approx.) towards broadband and DAS Phase 3&4 cities in this year, which have been considered in the EBITDA

- **Consolidated Full Year PBT Rise 18% Y-o-Y to Rs 135.40 crores; PAT at Rs 38.40 crores**

Consolidated Full Year PBT in FY'14 was Rs 135.40 crores vs. Rs 114.50 crores in FY'13, a 18% jump

2. Cable Business (FY 2013-14 vs. FY 2012-13)

- **Cable Business Full Year Revenues up 26% Y-o-Y**

Full Year Revenues for FY'14 were Rs 1,115.39 crores, a 26% rise Y-o-Y from Rs 884.86 crores in FY'13.

- **Cable Business Full Year EBITDA jumps 54% Y-o-Y**

Full Year EBITDA for FY'14 Rs 357.51 crores, a 54% jump from Rs 231.72 crores in FY'13
EBITDA margins stood at 32.1%

- **Cable Business Full Year PBT up 21% Y-o-Y to Rs 125.64 crores**

Full Year PBT in FY'14 was Rs 125.64 crores vs. Rs 104.01 crores in FY'13, a 21% jump.

QUARTER FINANCIALS

I. CONSOLIDATED

1. Quarter on Quarter (Q4 FY 2013-14 vs. Q3 FY 2013-14)

- **Consolidated Revenues at Rs 325.67 crores, Up 10% Q-o-Q**

Consolidated Revenues for Q4 FY'14 were Rs 325.67 crores vs. Rs 297.25 crores in Q3 FY'14.

- **Consolidated EBITDA of Rs 92.38 crores; Remains Stable despite incurring expenses on broadband and DAS 3&4 cities**

Consolidated EBITDA for Q4 FY'14 was Rs 92.38 crores vs. Rs 95.25 crores in Q3 FY'14, Q-o-Q. EBITDA Margins stood at 28.4%.

- **Consolidated PAT Rises 43%**

Consolidated PAT in Q4 FY'14 was Rs 10.04 crores vs. Rs 7.03 crores in Q3 FY'13, Rise 43% Q-o-Q.

II. CABLE BUSINESS

1. Quarter on Quarter (Q4FY 2013-14 vs. Q3 FY 2013-14)

- **Cable Revenues at Rs 308.23 crores, Rises 10% Q-o-Q**

Cable revenues for Q4 FY'14 were Rs 308.23 crores vs. Rs 281.00 crores in Q3 FY'14, a 10% rise Q-o-Q.

- **Cable EBITDA Remains Steady despite incurring expenses on broadband and DAS 3&4 cities**

Cable EBITDA for Q4 FY'14 at Rs 90.29 crores vs. Rs 91.95 crores in Q3 FY'14.

- **Cable PAT Jump by 148%**

Cable PAT in Q4 FY'14 was Rs 14.64 crores vs. Rs 5.90 crores in Q3 FY'13, Jump 148% Q-o-Q.

QUARTER HIGHLIGHTS

III. INDUSTRY UPDATES

TRAI Issues Direction to MSOs to Ensure Implementation of Gross Billing in DAS Areas

The TRAI issued a direction to MSOs on May 27, 2014 regarding consumer gross billing in DAS areas. The salient features of the direction are as follows:

- a. The MSO should ensure delivery of the bill to each subscriber by hand/post or e-mail (as opted by the subscriber)
- b. The SMS (subscriber management system) of the MSO should provide for an option of online payment of bills by subscribers effective mid July 2014
- c. An electronic acknowledgement should be sent by the MSO to the subscriber on his registered mobile number/email ID immediately on receipt of his payment effective end June 2014.

These regulatory changes will help realise the true B2C potential of the cable business.

IV. COMPANY UPDATES

2. DEN Starts Rollout of its High Speed Broadband Services

Over the last few months, DEN has been gearing up to launch its high speed broadband service on DOCSIS 3.0 technology. The Company has now soft launched its service in parts of Delhi and is in the process of scaling up rapidly in other parts of Delhi and select cities of UP.

A leading global strategy consulting firm is on board to provide overall project management including market identification, rollout strategy, technological inputs and providing global expertise.

3. Digitisation Update

a) DEN's Digital Subscriber Base Crosses 6.1 Million:

DEN has now digitised approximately 6.1 million homes of its total subscriber base of 13 million homes.

b) DAS Phases 3 & 4:

DEN has an estimated analog base of 7 million homes in its Phase 3 & 4 markets. The Company is well capitalised to meet the deployment requirements of its existing analog subscriber base in these cities.

DEN is continually adding more cities to its digital platform by expanding its fibre connectivity and has started seeding digital set top boxes in these markets.

Income statement – Consolidated
Q4 FY 2013-14

(Figures in Rs crores)

Particulars	Cable Business (A)	Distribution Business (B)	Consolidated Business (A+B)
Revenue	308.23	17.44	325.67
Income from Operations	281.69	648.65	930.34
Less: Cost of Distribution Rights	-	<u>633.57</u>	<u>633.57</u>
Net Income from Operations	281.69	15.08	296.77
Other Operating Income	3.92	1.17	5.08
Other Income	22.62	1.19	23.82
Expenditure	217.94	15.35	233.29
Operational, Administrative and Other Costs	195.95	11.39	207.34
Personnel Cost	21.98	3.96	25.95
EBITDA	90.29	2.09	92.38
EBITDA Margins	29.3%	12.0%	28.4%
Depreciation	40.38	0.11	40.49
Interest and Other Financial Charges	19.03	-	19.03
Profit Before Tax	30.88	1.98	32.86
Provision for Tax	13.94	6.58	20.52
Share of Minority Interest	5.16	-	5.16
Profit After Tax (Before Exceptional Items)	11.78	(4.60)	7.18
Exceptional One Time Expenses*	1.75	-	1.75
Foreign Exchange (Gain)/Loss	(4.62)	-	(4.62)
Profit After Tax (After Exceptional Items)	14.64	(4.60)	10.04

*Note: Exceptional One Time Expenses include DEN's share in post acquisition reserve in Dewshree Rs 1.3cr arise on account of consolidation of "Dewshree" till previous years; and the Company has decided to charge off the same in consolidation as the investment is sold last Qtr.

Income Statement – Consolidated

Quarter on Quarter – Q4 FY 2013-14 vs. Q3 FY 2013-14

(Figures in Rs crores)

Consolidated Financials		
Particulars	Quarter ended March 31, 2014	Quarter ended Dec 31, 2013
Revenue	325.67	297.25
Income from Operations	296.77	269.31
Other Operating Income	5.08	4.95
Other Income	23.82	22.98
Expenditure	233.29	202.00
Operational, Administrative and Other Costs	207.34	173.97
Personnel Cost	25.95	28.03
EBITDA	92.38	95.25
EBITDA Margins	28.4%	32.0%
Depreciation	40.49	36.64
Interest and Other Financial Charges	19.03	24.39
Profit Before Tax	32.86	34.22
Provision for Tax	20.52	8.88
Share of Minority Interest	5.16	9.06
Profit After Tax (Before Exceptional Items)	7.18	16.28
Exceptional One Time Expenses*	1.75	9.25
Foreign Exchange (Gain)/Loss	(4.62)	-
Profit After Tax (After Exceptional Items)	10.04	7.03

*Note: Exceptional One Time Expenses include DEN's share in post acquisition reserve in Dewshree Rs 1.3cr arise on account of consolidation of "Dewshree" till previous years; and the Company has decided to charge off the same in consolidation as the investment is sold last Qtr.

Income statement – Cable Business

Quarter on Quarter – Q4 FY 2013-14 vs. Q3 FY 2013-14

(Figures in Rs crores)

Cable Business		
Particulars	Quarter ended March 31, 2014	Quarter ended Dec 31, 2013
Revenue	308.23	281.00
Income from Operations	281.69	255.51
Other Operating Income	3.92	2.89
Other Income	22.62	22.60
Expenditure	217.94	189.06
Operational, Administrative and Other Costs	195.95	165.64
Personnel Cost	21.98	23.42
EBITDA	90.29	91.95
EBITDA Margins	29.3%	32.7%
Depreciation	40.38	36.52
Interest and Other Financial Charges	19.03	24.39
Profit Before Tax	30.88	31.03
Provision for Tax	13.94	6.82
Share of Minority Interest	5.16	9.06
Profit After Tax (Before Exceptional Items)	11.78	15.15
Exceptional One Time Expenses*	1.75	9.25
Foreign Exchange (Gain)/Loss	(4.62)	-
Profit After Tax (After Exceptional Items)	14.64	5.90

*Note: Exceptional One Time Expenses include DEN's share in post acquisition reserve in Dewshree Rs 1.3cr arise on account of consolidation of "Dewshree" till previous years; and the Company has decided to charge off the same in consolidation as the investment is sold last Qtr.

Income statement – Full Year Consolidated
FY 2013-14 vs. FY 2012-13

(Figures in Rs crores)

Consolidated Financials		
Particulars	FY 2013-14	FY 2012-13
Revenue	1,174.92	934.64
Income from Operations	1,098.02	896.52
Other Operating Income	18.66	17.53
Other Income	58.24	20.60
Expenditure	807.21	691.94
Operational, Administrative and Other Costs	701.19	597.13
Personnel Cost	106.01	94.81
EBITDA	367.71	242.70
EBITDA Margins	31.3%	26.0%
Depreciation	147.39	81.12
Interest and Other Financial Charges	84.93	47.08
Profit Before Tax	135.40	114.50
Provision for Tax	37.90	29.42
Share of Minority Interest	36.74	15.63
Share in Profit of Associates	-	-
Profit After Tax (Before Exceptional Items)	60.75	69.45
Cost of Stock Options	-	4.02
Exceptional One Time Expenses	11.00	3.12
Foreign Exchange (Gain)/Loss	11.35	-
Profit After Tax (After Exceptional Items)	38.40	62.31

*Note: Exceptional One Time Expenses include DEN's share in post acquisition reserve in Dewshree Rs 1.3cr arise on account of consolidation of "Dewshree" till previous years; and the Company has decided to charge off the same in consolidation as the investment is sold last Qtr.

Income statement – Full Year Cable Business

FY 2013-14 vs. FY 2012-13

(Figures in Rs crores)

Cable Business		
Particulars	FY 2013-14	FY 2012-13
Revenue	1,115.39	884.86
Income from Operations	1,045.43	855.88
Other Operating Income	13.92	11.61
Other Income	56.04	17.38
Expenditure	757.88	653.14
Operational, Administrative and Other Costs	669.35	574.36
Personnel Cost	88.54	78.78
EBITDA	357.51	231.72
EBITDA Margins	32.1%	26.2%
Depreciation	146.94	80.65
Interest and Other Financial Charges	84.93	47.07
Profit Before Tax	125.64	104.01
Provision for Tax	27.14	24.99
Share of Minority Interest	36.74	15.63
Profit After Tax (Before Exceptional Items)	61.75	63.38
Cost of Stock Options	-	4.02
Exceptional One Time Expenses	11.00	3.12
Foreign Exchange (Gain)/Loss	11.35	-
Profit After Tax (After Exceptional Items)	39.40	56.24

*Note: Exceptional One Time Expenses include DEN's share in post acquisition reserve in Dewshree Rs 1.3cr arise on account of consolidation of "Dewshree" till previous years; and the Company has decided to charge off the same in consolidation as the investment is sold last Qtr.

Consolidated Balance Sheet as on 31st March 2014

(Figures in Rs crores)

Particulars		Year ended 31.03.2014 (Audited)	Year ended 31.03.2013 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholder's fund		
	(a) Share capital	178	133
	(b) Reserves and surplus	1,678	742
		1,856	875
2	Share application money pending allotment	0	6
3	Preference Shares Issued By Subsidiary Company Outside The Group	3	3
4	Minority interest	134	91
5	Non-current liabilities		
	(a) Long-term borrowings	446	401
	(b) Deferred tax liabilities (net)	5	5
	(c) Other long-term liabilities	1	2
	(d) Long-term provisions	8	7
		460	415
6	Current liabilities		
	(a) Short-term borrowings	71	227
	(b) Trade payables	311	349
	(c) Other current liabilities	726	314
	(d) Short-term provisions	1	1
		1,110	892
	TOTAL	3,562	2,281
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	1,068	732
	(ii) Intangible assets	12	18
	(iii) Capital work in progress	94	66
	(b) Goodwill on consolidation	275	295
	(c) Non-current investments	-	0
	(d) Deferred tax assets (net)	45	31
	(e) Long-term loans and advances	209	166
	(f) Other non-current assets	23	43
		1,726	1,352
2	Current assets		
	(a) Current investments	379	131
	(b) Trade receivables	392	326
	(c) Cash and bank balances	863	336
	(d) Short-term loans and advances	103	89
	(e) Other current assets	98	47
		1,836	929
	TOTAL	3,562	2,281