Den Networks Ltd.

1H'16 and 2Q'16 Results

Investors Presentation

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 vs157k 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

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Group KPIs

2Q'16 Additions

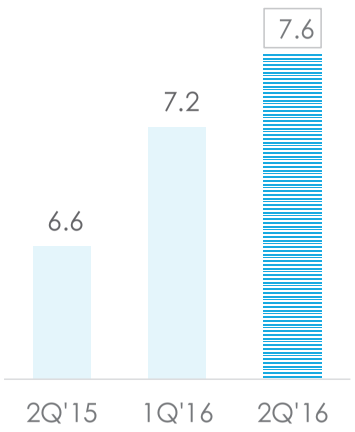
+350k

-1%

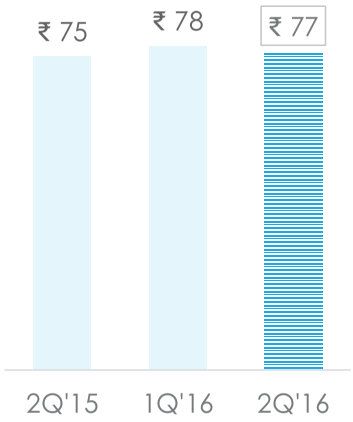
+115k

+21k

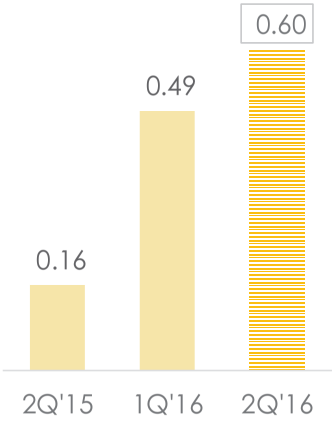
Cable Digital Subscribers (Mn)



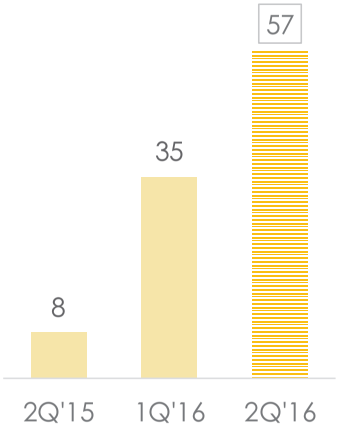
Cable DAS ARPU Per STB (Net of LCO, Net of Taxes)



Broadband Homes Passed (Mn)



Broadband Subscribers ('000)



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Group 1H'16 Financial Highlights

₹537Cr	₹-16Cr	₹-59Cr	₹-7 Cr	₹236Cr
(₹560* Cr)	(₹98 Cr)	(₹62Cr)	(₹ 102 Cr)	(₹ 183 Cr)
Revenues	EBITDA (Post Activation)	EBITDA (Pre Activation)	Cash PAT	Net Debt

Numbers in Brackets represent 1H'15

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

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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	48.2	560
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*

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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	35.5	292
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*

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Consolidated Income Statement

INR Crore

	Actual			Actuals		Y-o-Y	Q-o-Q	1H'16
	2Q'16	1Q'16	2Q'15	1H'16	1H'15		Change	
Revenues	**271**	**266**	**292***	**537**	**560***	**-7%**	**2%**	**-4%**
Content Costs	*137*	*136*	*109*	*273*	*215*	*26%*	*1%*	*27%*
Personnel Costs	*35*	*34*	*26*	*70*	*54*	*37%*	*4%*	*28%*
Other Opex	*102*	*91*	*99**	*193*	*161**	*2%*	*12%*	*20%*
Provision for doubtful debts	*9*	*9*	*17*	*18*	*31*	*-46%*	*-2%*	*-42%*
Total Expenses	**283**	**270**	**251**	**553**	**461**	13%	5%	20%
EBITDA	**(11)**	**(5)**	**41**	**(16)**	**98**	**-128%**	**141%**	**-116%**
EBITDA %	*-4.2%*	*-1.8%*	*14%*	*-3.0%*	*17.5%*			
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*

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Consolidated Balance Sheet

INR Crore

	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

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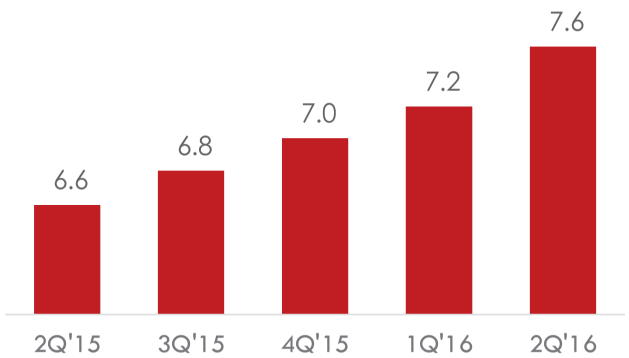
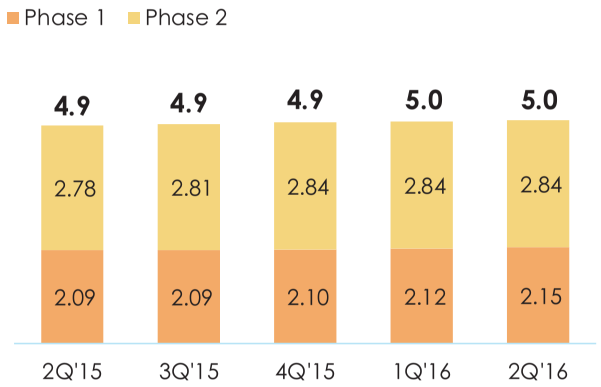
Cable Subscribers – 13M

Total Digital Subscribers (Million)



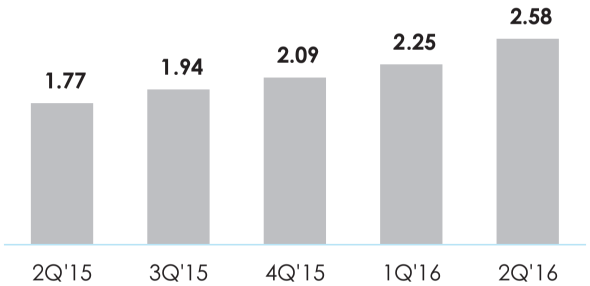
Digital Subscribers % in Total Subscriber Base

DAS 1and 2 Markets (Million STBs)



DEN Market Share* in DAS 1 & 2 Markets

DAS 3 Markets (Million STBs)



✓ Big push expected with DAS 3 deadline in December 2015

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Cable 2Q'16 Highlights

13m	58%	₹259Cr	34%	₹22Cr	₹-5Cr	₹21Cr
Subscribers	Digital Customers	Revenues (Post Activation)	Gross Margin	EBITDA Post Activation	EBITDA Pre Activation	Cash PAT
	(56%)	(₹256Cr)	(34%)	(₹18Cr)	(₹3Cr)	(₹31Cr)

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Cable Income Statement

INR Crore

	Actual			Actual		Y-o-Y	Q-o-Q	1H'16
	2Q'16	1Q'16	2Q'15	1H'16	1H'15		Change	
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*

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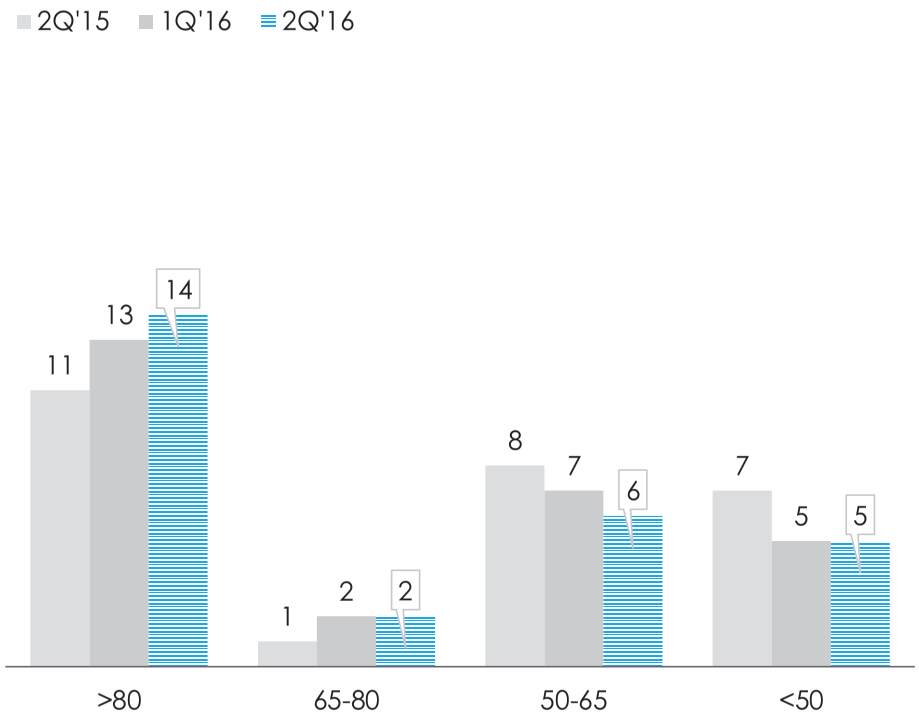
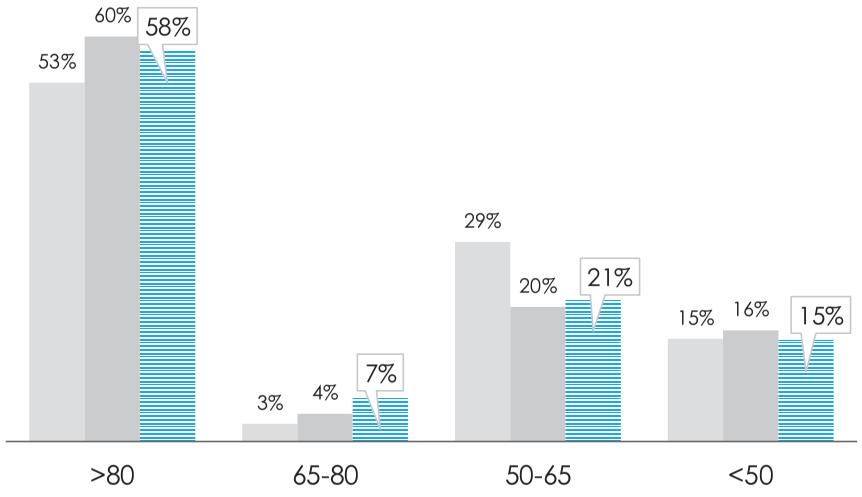
Billing, *Net of Taxes*, Across DAS Markets

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



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



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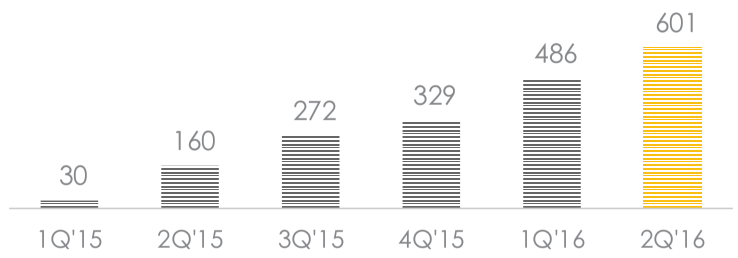
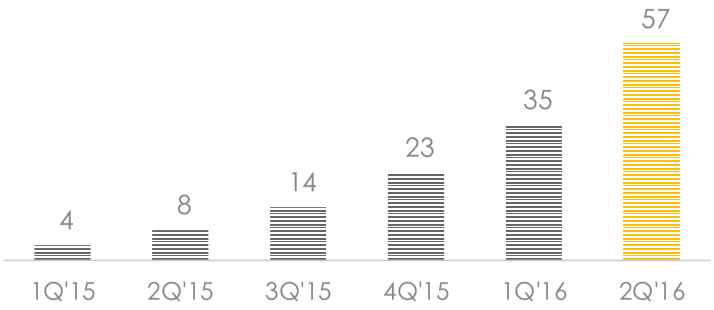
Broadband Highlights

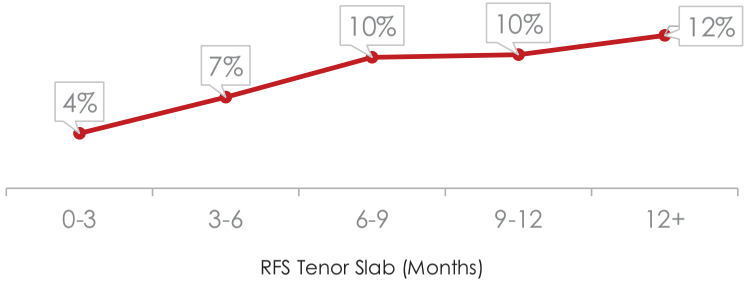
Homes Passed ('000)



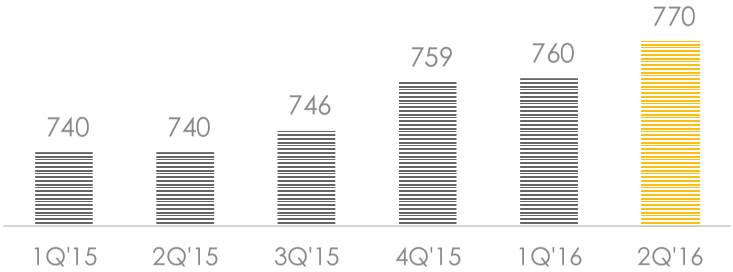
Subscribers ('000)



Cohort Analysis



ARPU INR



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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%**

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TV Commerce Key Takeaways

DEN snapdeal.com

₹199Cr	38mn	2,254	33%	20%
(₹144Cr)	(33mn)	(1,526)	(32%)	(16%)
Annualised GMV on Current Rate	Reach (Million Homes)	Average Daily Transactions	Conversion Ratio *of Calls Received*	Repeat Customers

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