



INDIA'S FASTEST GROWING  
DTH SERVICE  
HAS GROWN TO BECOME  
THE MOST VALUED  
INDIAN COMPANY  
ON



## INVESTOR UPDATE

For the Quarter Ended  
June 30, 2015

July 22, 2015

# Disclaimer

## Forward Looking Statements

This presentation includes “forward looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate”, “believe”, “expect”, “estimate”, “plan”, “outlook”, and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward looking statements are based on current expectations that are subject to risks and uncertainties.

## Industry and Market Data

In this presentation, Videocon d2h relies on and refers to information and statistics regarding market shares in the sectors in which it competes and other industry data. Videocon d2h obtained this information and statistics from third-party sources, including reports by market research firms, such as Media Partners Asia, Ltd. Videocon d2h has supplemented this information where necessary with information from discussions with Videocon d2h customers and its own internal estimates, taking into account publicly available information about other industry participants and Videocon d2h’s management’s best view as to information that is not publicly available.

## Earnings before interest, tax and depreciation & amortization (EBITDA)

EBITDA presented in this presentation, is a supplemental measure of performance and liquidity that is not required by or represented in accordance with IFRS. Furthermore, EBITDA is not a measure of financial performance or liquidity under IFRS and should not be considered as an alternative to profit after tax, operating income or other income or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardized term, hence direct comparison between companies using the same term may not be possible. Other companies may calculate EBITDA differently from Videocon d2h, limiting their usefulness as comparative measures. Videocon d2h believes that EBITDA helps identify underlying trends in its business that could otherwise be distorted by the effect of the expenses that are excluded calculating EBITDA. Videocon d2h believes that EBITDA enhances the overall understanding of its past performance and future prospects and allows for greater visibility with respect to key metrics used by its management in its financial and operational decision-making.

# 1st Indian media company to ring the opening bell at NASDAQ



India's fastest growing  
PayTV company is  
now .....

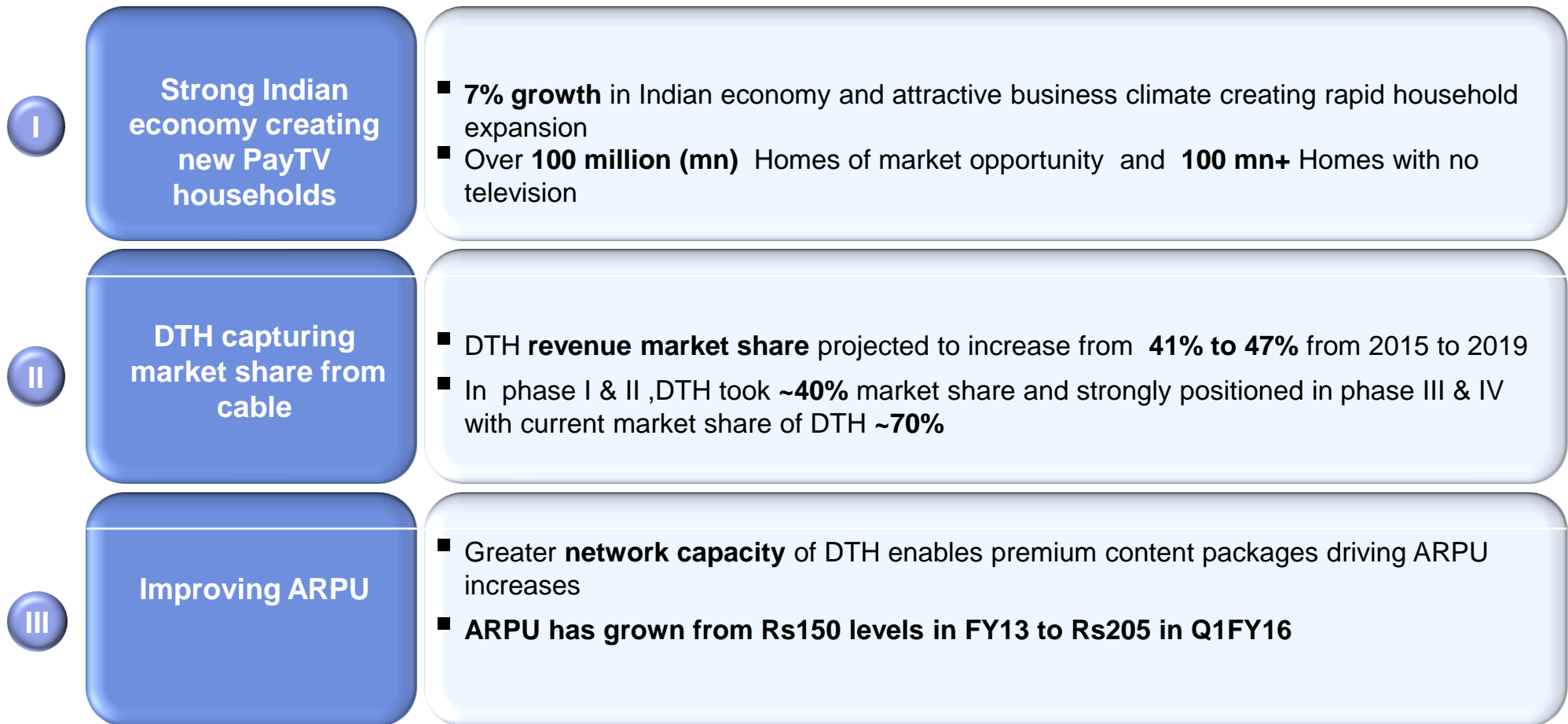
.... also the most valued  
Indian company listed on  
NASDAQ





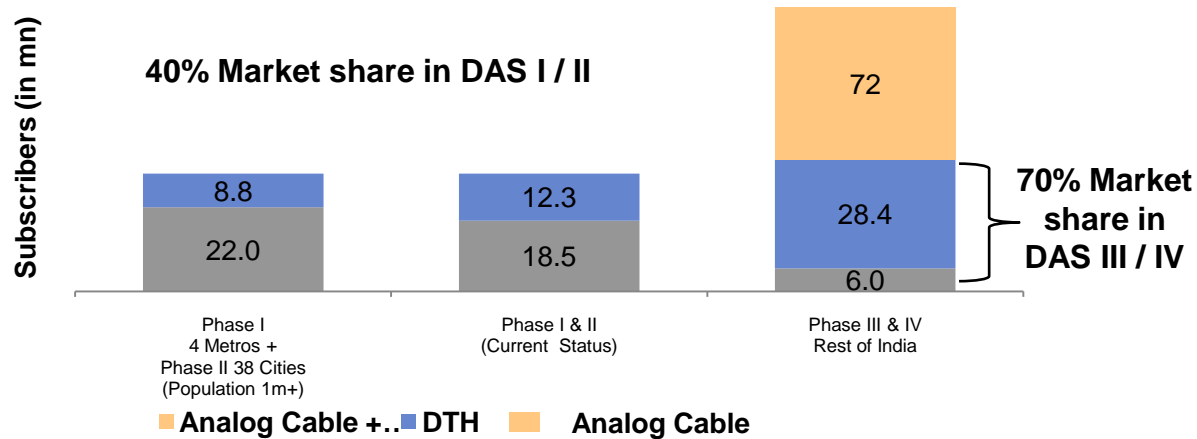
# India is the World's Fastest Growing PayTV Market

## Key Pillars of Growth



# Digital PayTV Connections :100mn Plus Opportunity

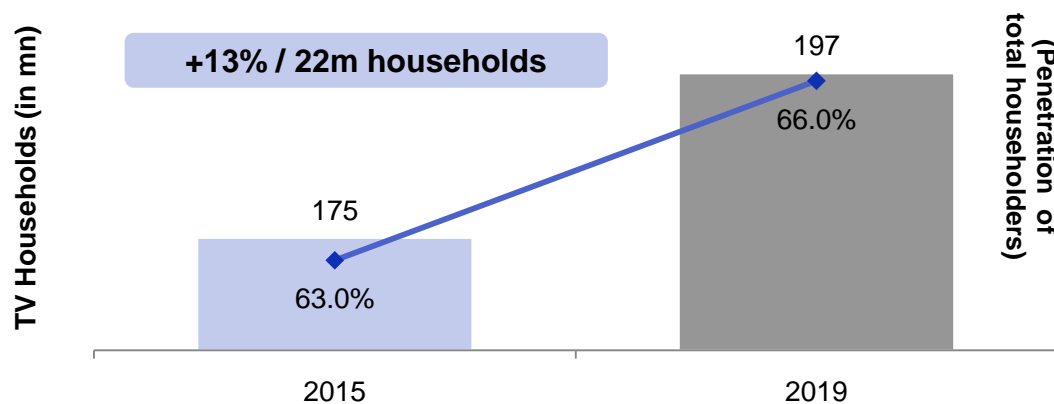
## Share of DTH vs. Digital Cable



**~75 mn Homes to be Digitized**



## Significant increase in TV households...



**~25 mn New TV Homes to be Added**

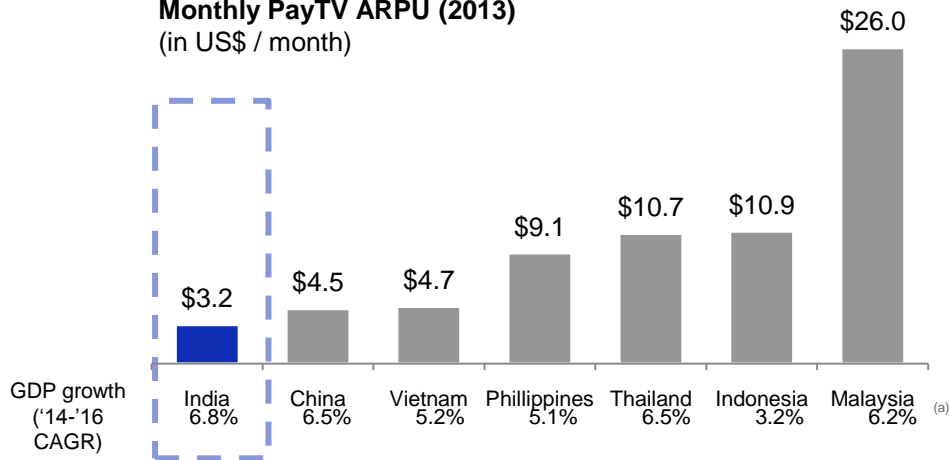
**100 mn+ Market Opportunity**

# Significant ARPU Upside

## Substantial upside in Indian PayTV ARPU given strong economy

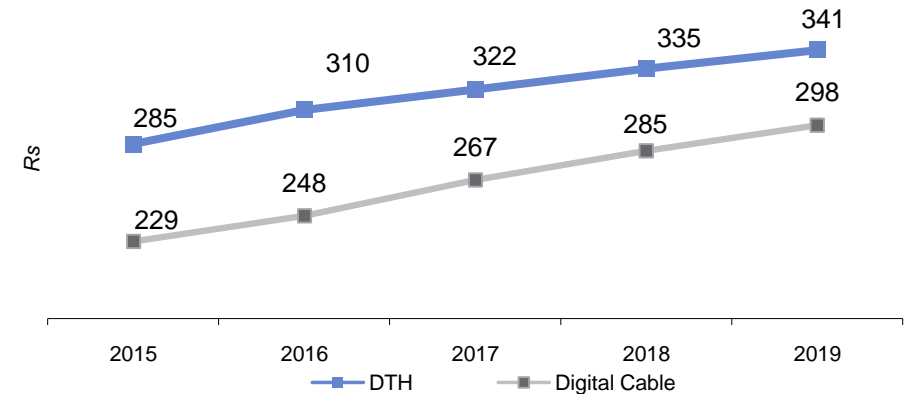
### Monthly PayTV ARPU (2013)

(in US\$ / month)

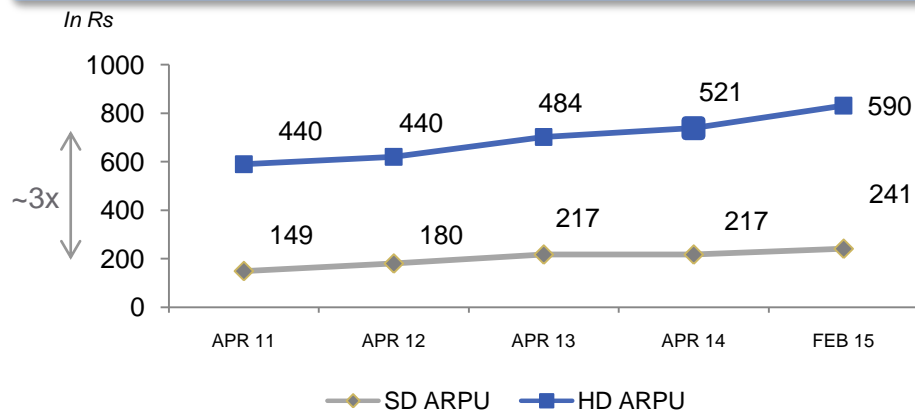


## ARPU growth (based on paying subs) likely to exceed market forecasts

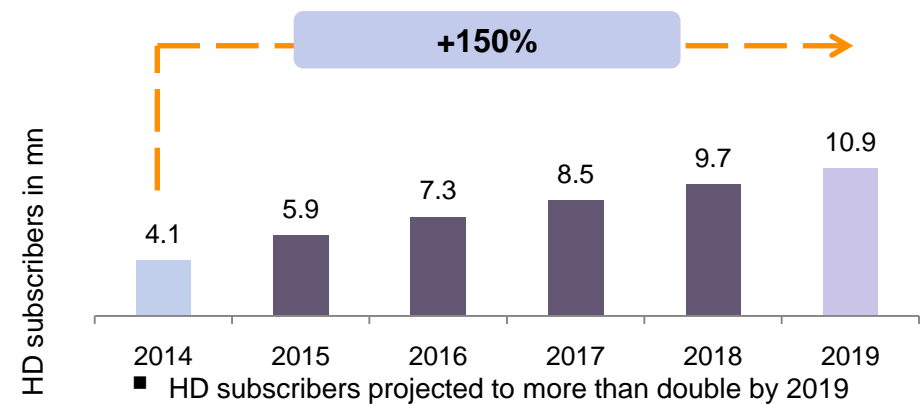
- Market forecasts for DTH ARPU to grow near inflation ~6%
- But driven by base pack price, increases in HD subscribers and value added services, we believe **ARPU may grow even faster**



## Significantly higher pricing on HD



## Fast growing HD subscribers represent meaningful uptick in ARPU



# Deep and Experienced Management Team

## Videocon d2h



**Saurabh Dhoot**

**Executive Chairman**

- Visionary behind Videocon d2h
- Board member of Videocon d2h since 2007
- Responsible for strategic direction of Videocon d2h



**Anil Khera**

**Chief Executive Officer**

- Nearly 30 years of experience with the Videocon Group
- CEO of Videocon d2h since 2008
- Previously CEO of Sansui India
- Deep expertise in sales and distribution of consumer products



**Rohit Jain**

**Deputy Chief Executive Officer**

- Over 20 years of experience in consulting, finance and business management
- Deputy CEO of Videocon d2h since 2010
- Previously worked at PwC and Hewitt Associates (India)
- Responsible for financial and programming strategy



**Himanshu Patil**

**Chief Operating Officer**

- Over 27 years of experience in marketing and operations.
- COO of Videocon d2h since 2008
- Previously worked at Onida, Bajaj Electricals and Videocon Industries Limited
- Responsible for operational and technology strategy

# India's fastest growing DTH company

## Videocon d2h : Competitive Advantage

Maximum no of channels and services



Widespread sales & distribution presence



Quality customer service



Pioneer in Technology & Product Innovations



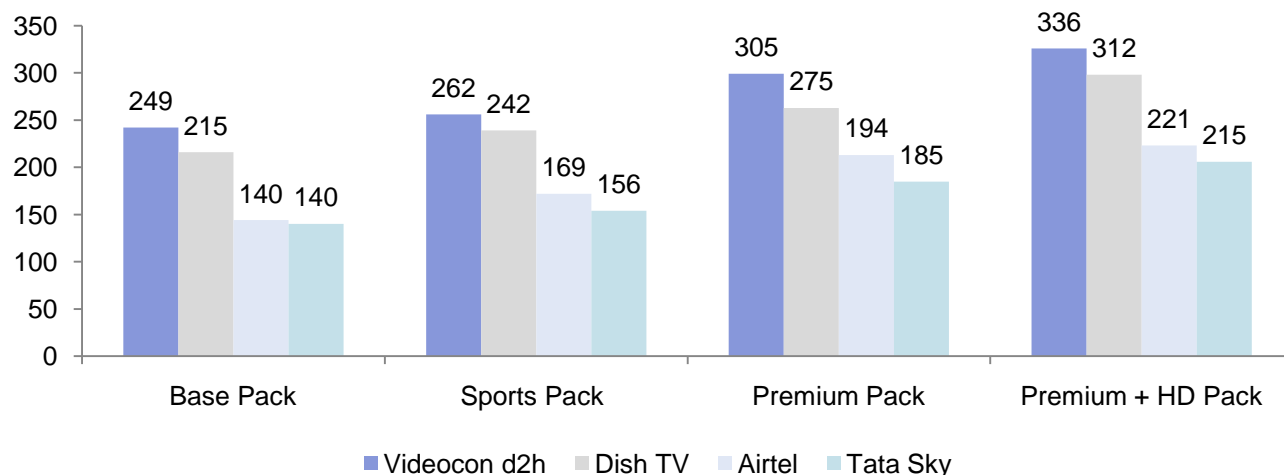
### Key milestones





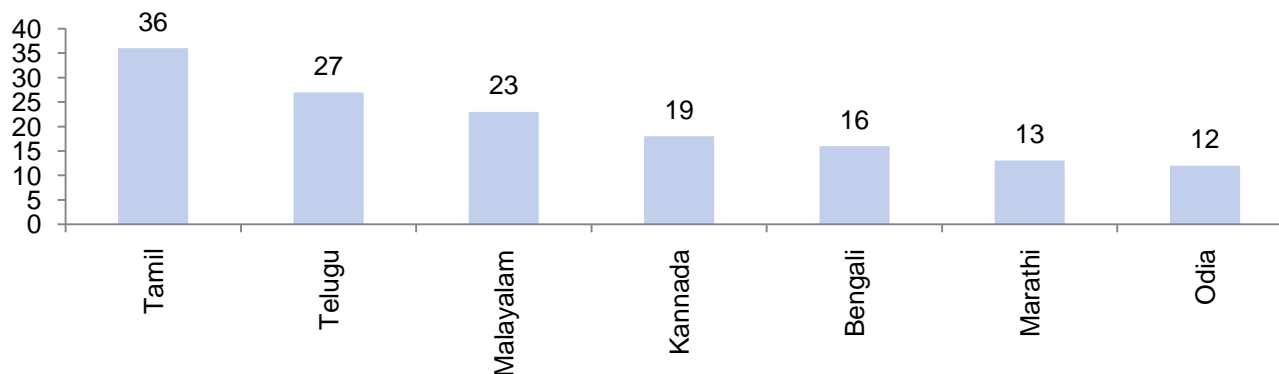
# Channel and Regional Content Offering

## Videocon d2h offers highest number of channels



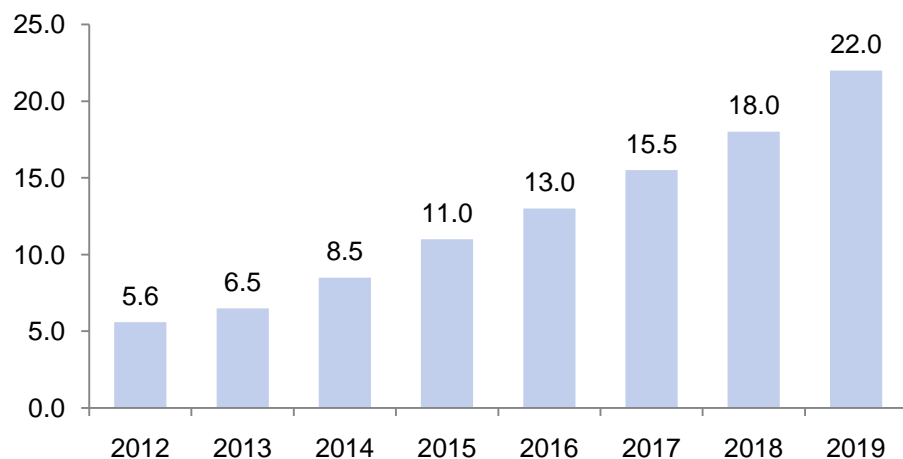
- ✓ Highest number of Channels & Services : 533
- ✓ Highest number of Regional Channels : 191
- ✓ Pioneer of Simplified packages to consumers
- ✓ Strongest offering at every price point to consumer
- ✓ Strong focus on Regional Content

## Highest number of regional channels available on Videocon d2h

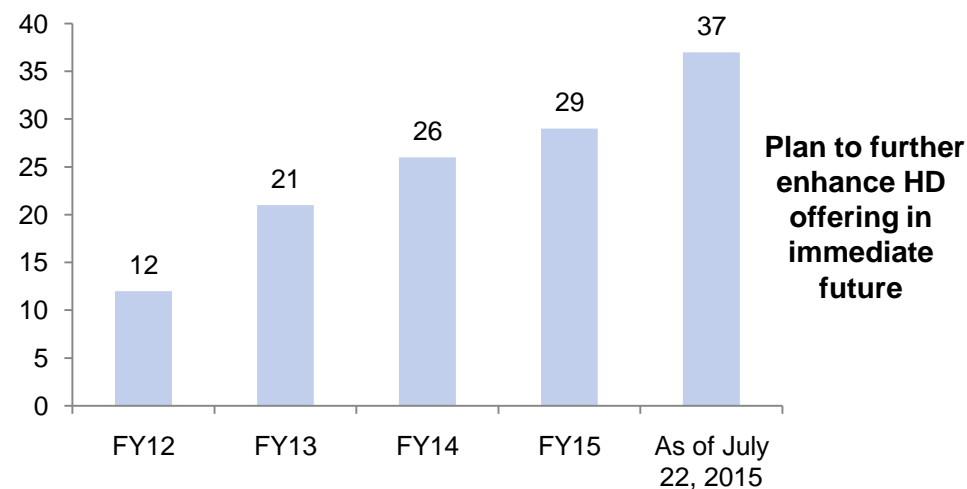


# Strong High Definition Offerings

Rising Sale of Panel TV in India (mn)



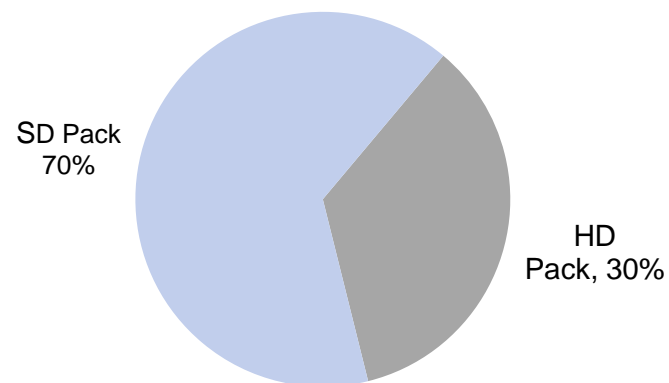
HD Channel Count on Videocon d2h



Several channels were first to launch on Videocon d2h



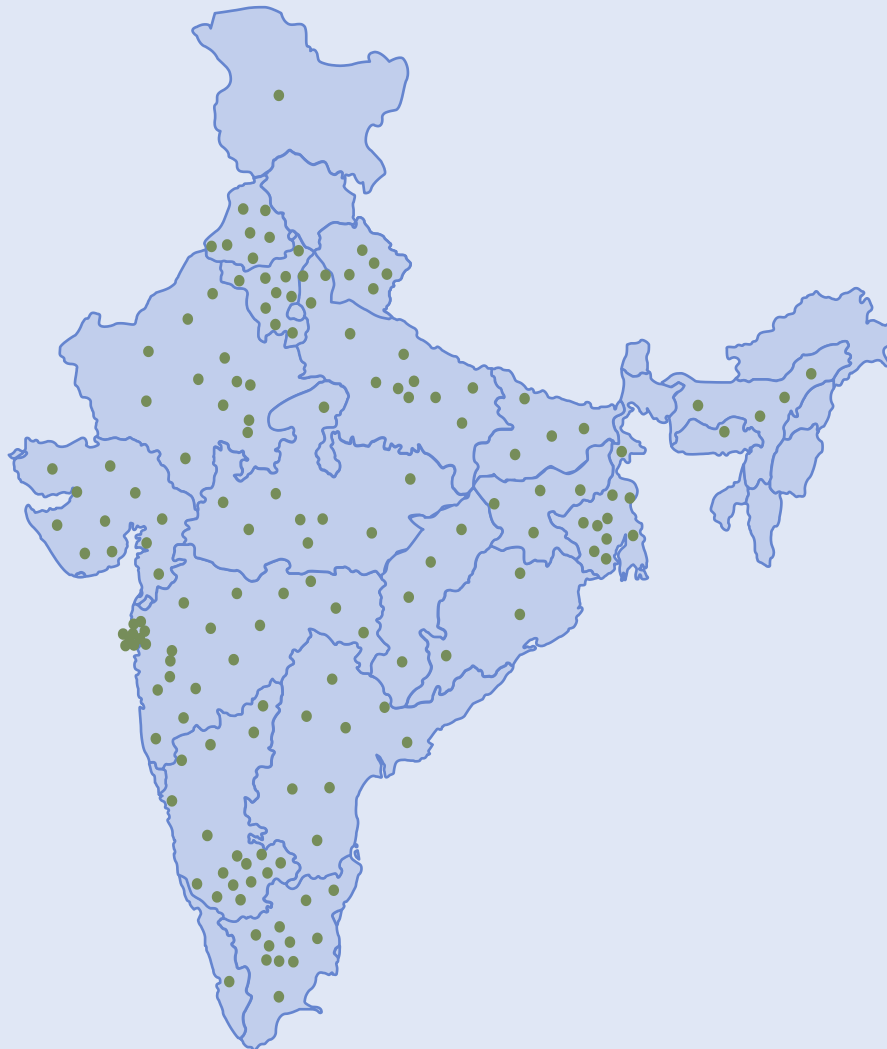
Videocon d2h Subscriber Split in FY15



Source: MPA report 2014, Company data

# Nationwide Distribution & Leading customer service

- ✓ Extensive nationwide network leveraging Videocon Group's distribution expertise
- ✓ Extensive nationwide network driving sales
- ✓ Over 2,800 distributors and direct dealers
- ✓ Over 200,000 sub-dealers and recharge counters
- ✓ 365 sales executives in 25 offices

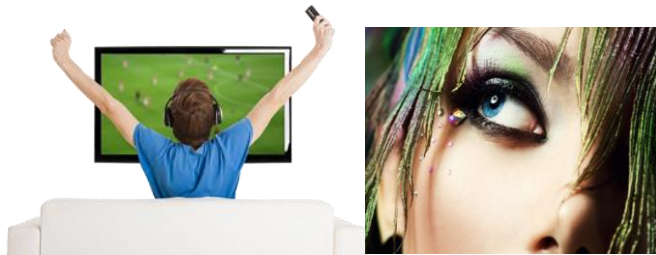


- ✓ 97%+ installations within 4 hours
- ✓ 85%+ fault repair within 6 to 8 hours
- ✓ Strong after-sales services
- ✓ 300+ direct service centers plus 700+ service franchises
- ✓ Over 6,650 customer support staff

# Technology and Innovation in Products & Offerings

## Technology & Innovations

### Latest Technology



**MPEG4  
DVB S2**

**HEVC  
DVB S2**

### New Offering



**4K**

**Direct to  
Mobile**

### Product Innovation



**1000 GB HD  
DVR**

**Wireless DTH  
Headphone**



**In house Channels  
& Services**



**RF Remote**



# Strong Brand Partnerships & Associations





# Brand Recognitions & Awards



WE'RE RECOGNISED AS THE  
**BEST** BRAND  
AS WE ONLY SERVE THE  
**BEST**



Asia's Most Promising Brand  
2013 & 2014  
Validated by consumers & industry  
Audited by KPMG



1st Indian Digital TV  
Honours 2014 - Technological  
Innovation



BCS Ratna Award 2014 -  
Best Customer Experience



Product of the year 2010



India's Fastest  
Growing DTH Service 2011

# VIDEOCON

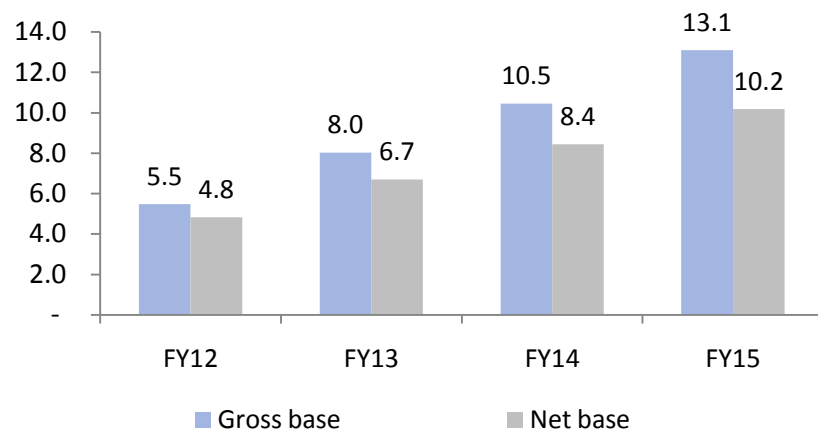
*Digital DTH Service*



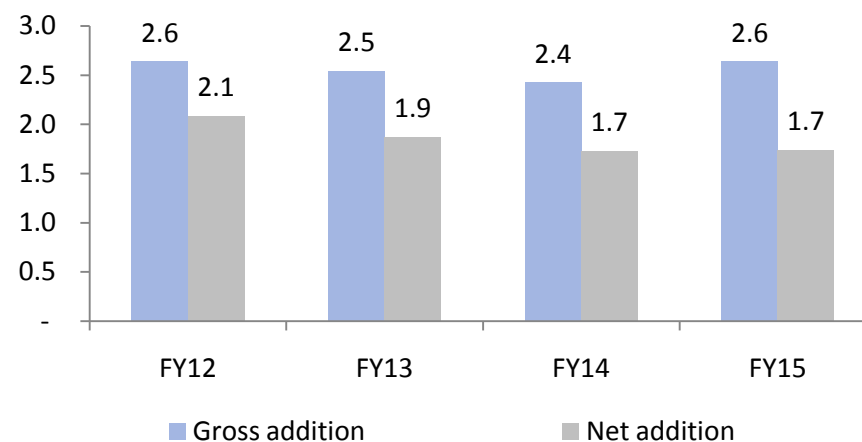
## Key Metrics

# Gross and Net Subscribers

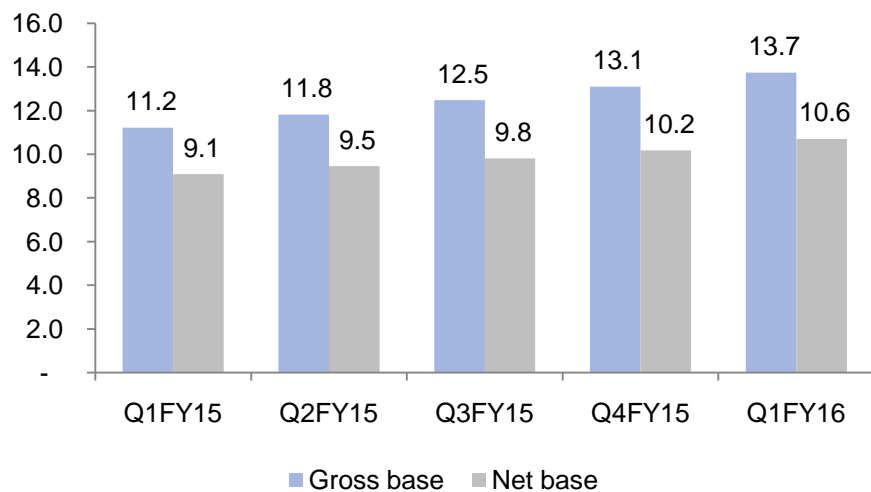
Gross and Net Subscriber Base (mn)



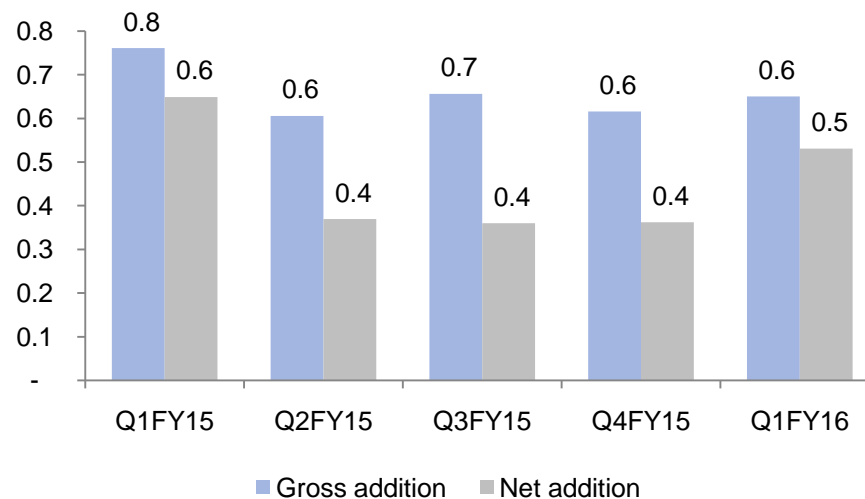
Gross & Net Subscriber Additions (mn)



Gross and Net Subscriber Base (mn)



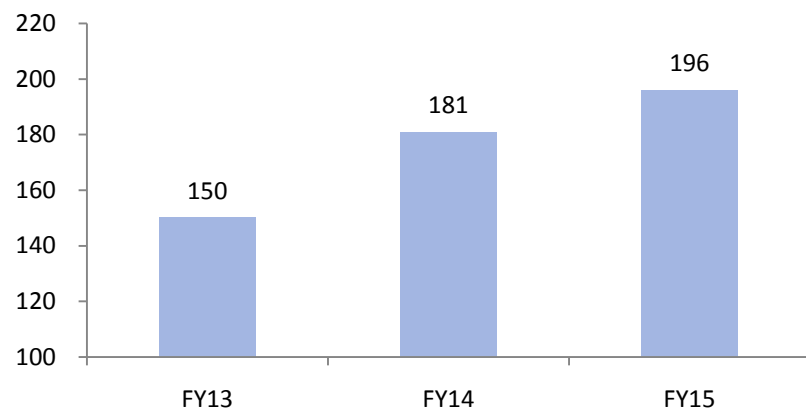
Gross & Net Subscriber Additions (mn)



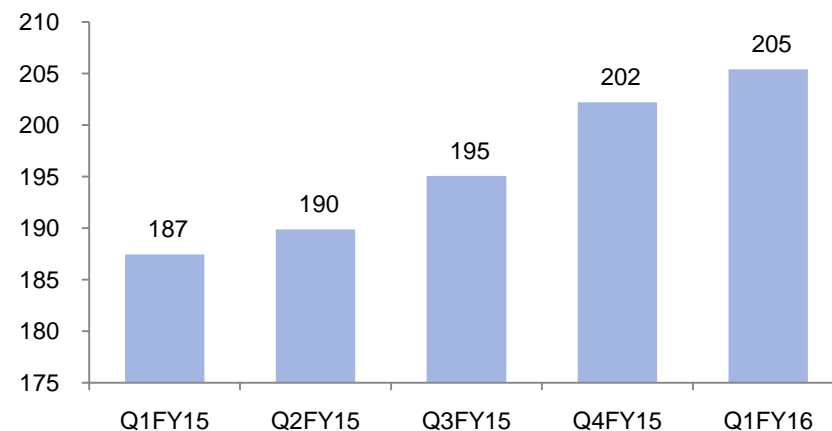
Source: Company data

# ARPU and Churn

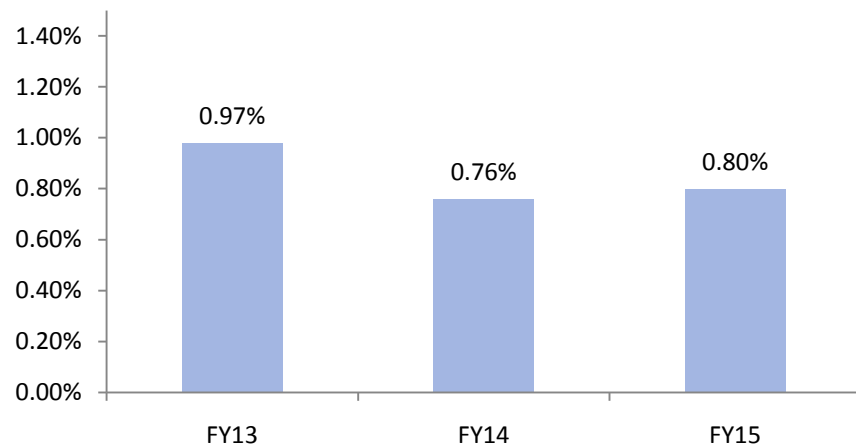
## Annual ARPU (Rs)



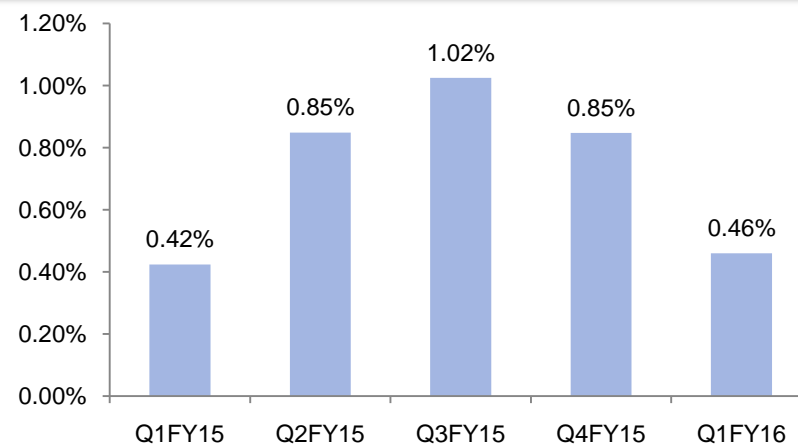
## Quarterly ARPU (Rs)



## Monthly Churn (%)

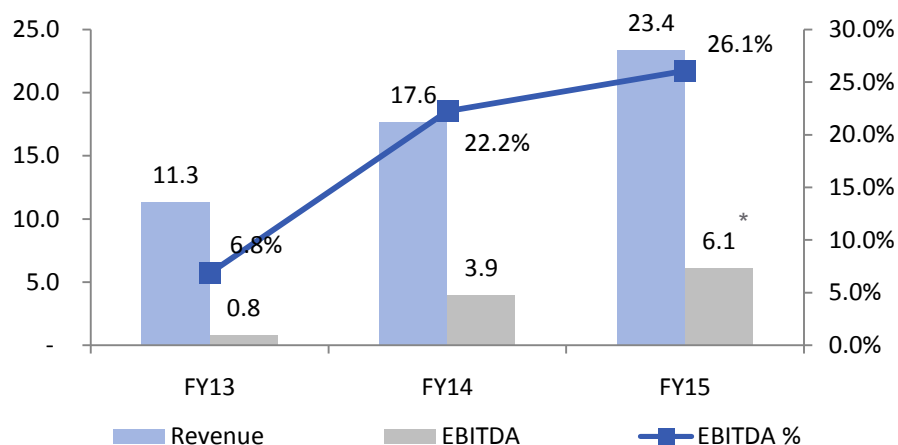


## Monthly Churn (%)

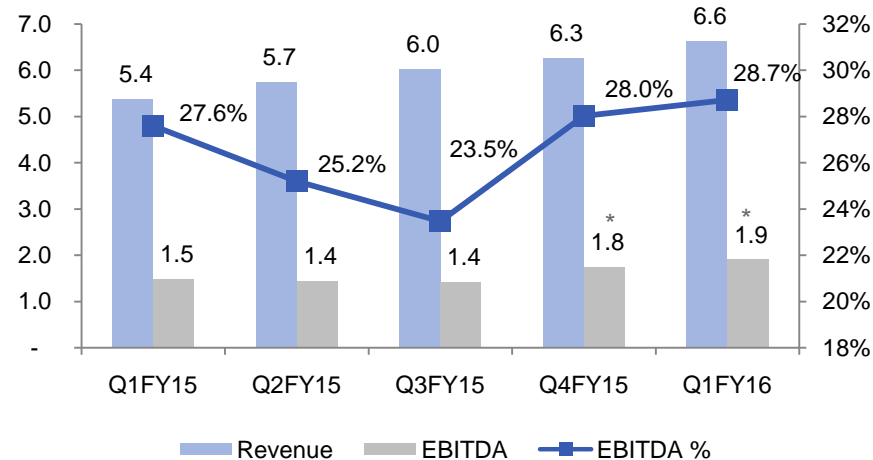


# Revenue and EBITDA

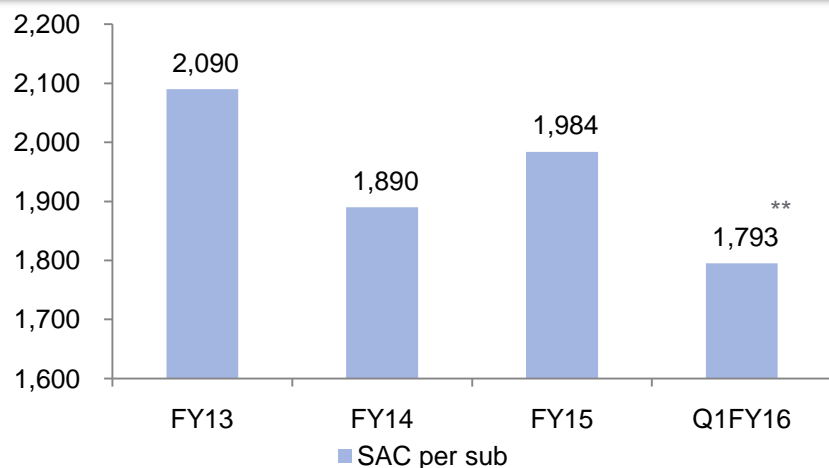
## Annual Revenue & Adjusted EBITDA (Rs billion)



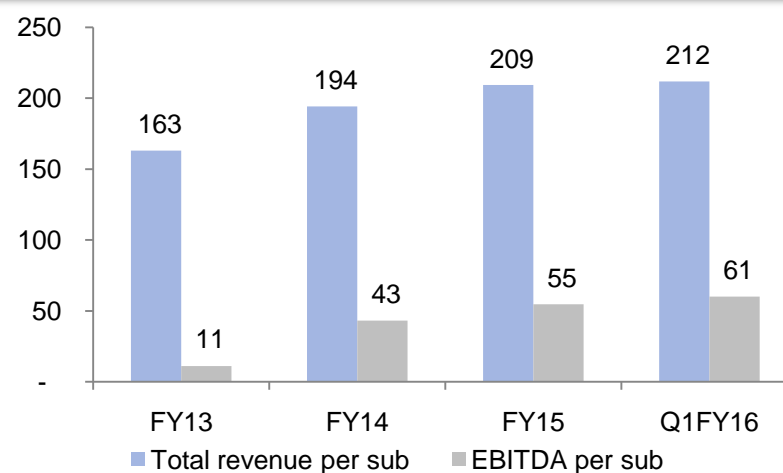
## Quarterly Revenue & Adjusted EBITDA (Rs billion)



## SAC per sub (Rs)



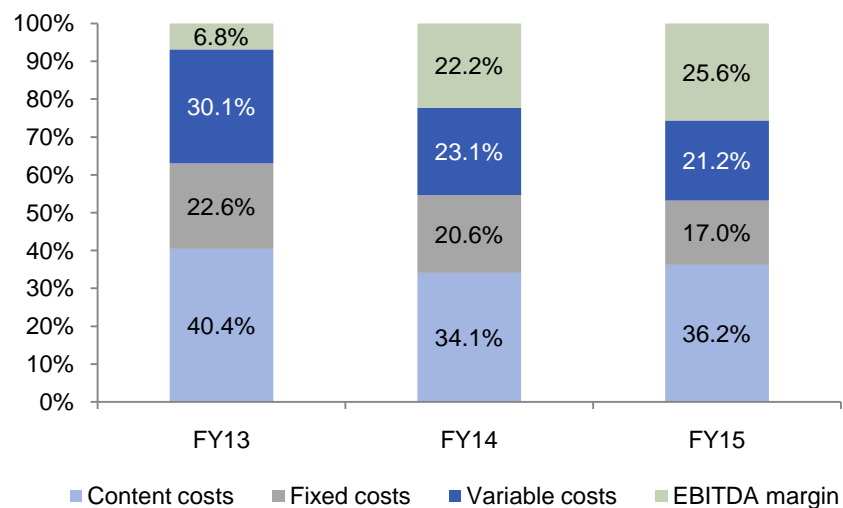
## Revenue and EBITDA per avg. net sub (Rs per month)



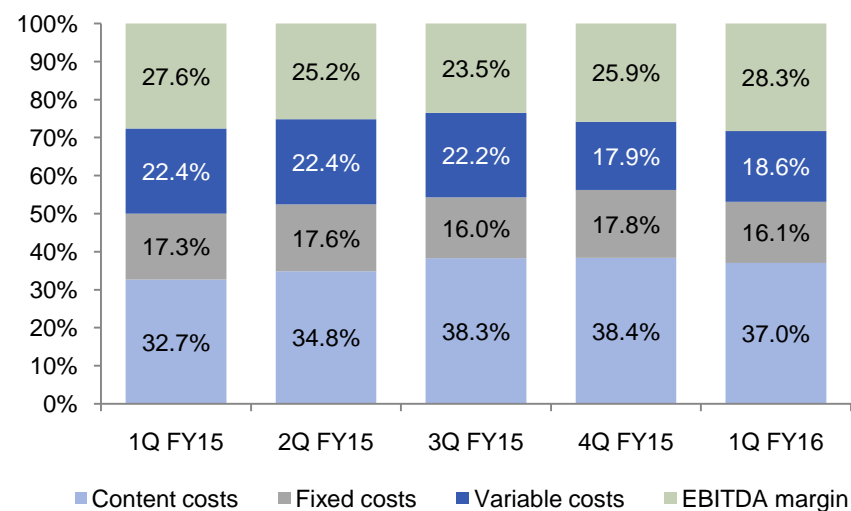


# Operating Leverage

Fixed, Variable and Content Cost (% of Revenue)



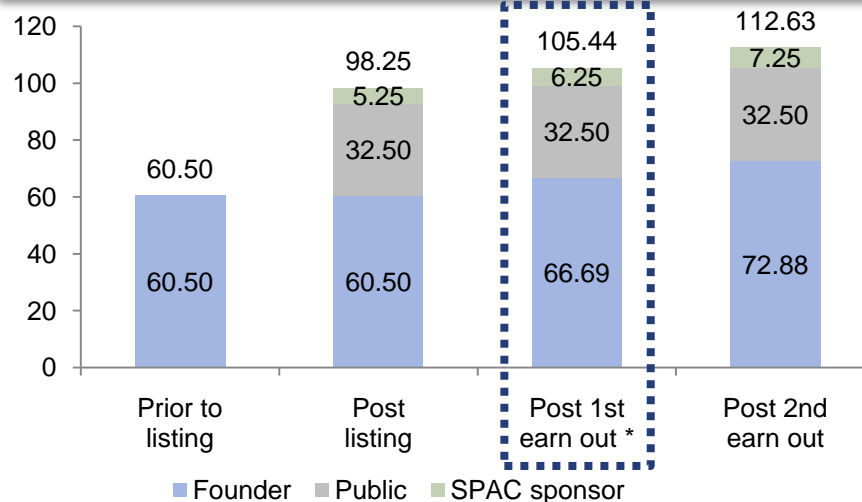
Fixed, Variable and Content Cost (% of Revenue)



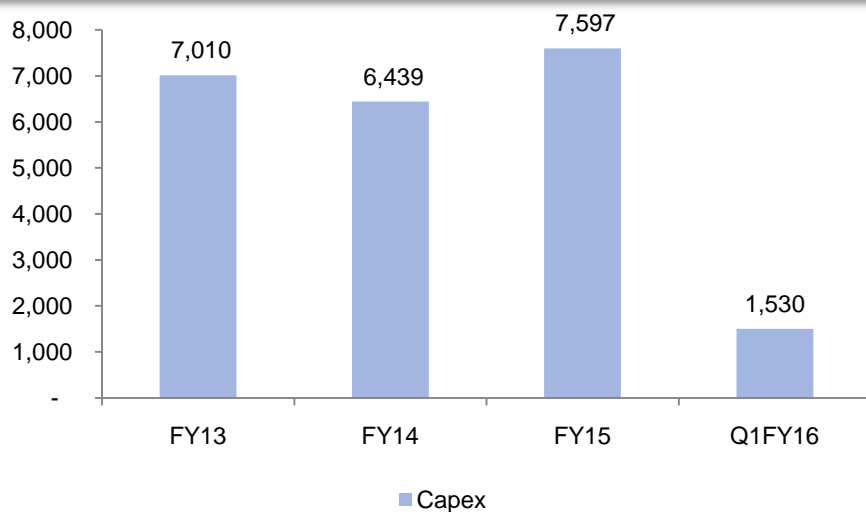
- ✓ Content agreements locked in for 3 years on average
- ✓ Bulk of the content contracts were renewed in H2FY15

# Balance sheet and cash flows

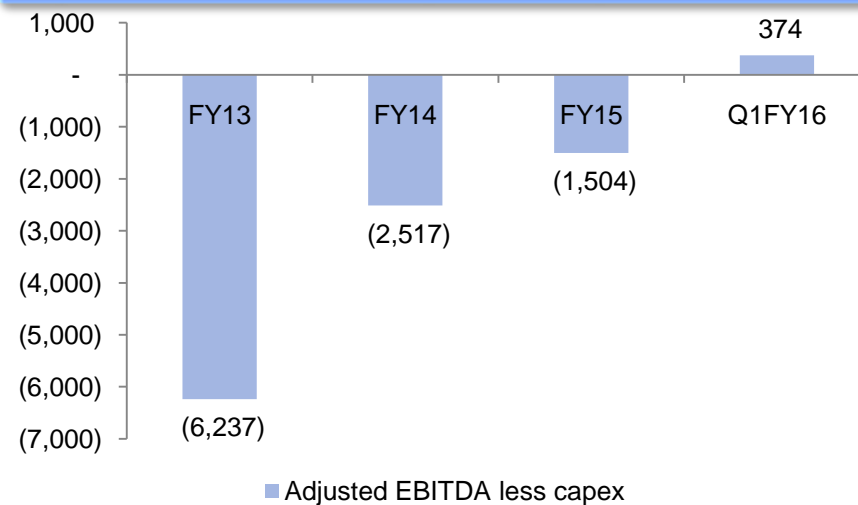
ADS equivalent outstanding (mn)



Capex (Rs mn)



Adjusted EBITDA\*\* less capex (Rs mn)



Source: Company data

Note: \* 1st earn out milestone achieved

\*\* FY15 and Q1FY16 Adjusted EBITDA is before accounting for one off securities issue expenses and Employee Share based Compensations costs towards provision of ESOP plan of 2014

## Key financial and operating parameters (US\$)

	FY14	FY15	Q1FY15	Q2FY15	Q3FY15	Q4FY15	Q1FY16
INR-USD rate	62.59	62.59	62.59	62.59	62.59	62.59	62.59
<b>Financial metrics</b>							
Subscription Revenue (US\$ mn)	237.7	328.8	72.5	79.1	84.9	92.4	95.8
Other revenue (US\$ mn)	44.2	44.7	13.4	12.5	11.2	7.5	10.1
<b>Revenue (US\$ mn)</b>	<b>281.9</b>	<b>373.5</b>	<b>85.9</b>	<b>91.6</b>	<b>96.1</b>	<b>99.9</b>	<b>105.9</b>
<b>EBITDA (US\$ mn)</b>	<b>62.7</b>	<b>97.3*</b>	<b>23.7</b>	<b>23.1</b>	<b>22.6</b>	<b>28.0*</b>	<b>30.4*</b>
EBITDA margin (%)	22.2%	26.1%*	27.6%	25.2%	23.5%	28.0%*	28.7%*
Content cost (% of revenue)	34.1%	36.2%	32.7%	34.8%	38.3%	38.4%	37.0%
<b>Operational metrics</b>							
Gross subs (mn)	10.5	13.1	11.2	11.8	12.5	13.1	13.7
Gross adds (mn)	2.4	2.6	0.8	0.6	0.7	0.6	0.6
<b>Net subs (mn)</b>	<b>8.4</b>	<b>10.2</b>	<b>9.1</b>	<b>9.5</b>	<b>9.8</b>	<b>10.2</b>	<b>10.6</b>
Net adds (mn)	1.7	1.7	0.6	0.4	0.4	0.4	0.5
Monthly churn (%)	0.76%	0.80%	0.42%	0.85%	1.02%	0.85%	0.46%
<b>ARPU (US\$)</b>	<b>2.89</b>	<b>3.13</b>	<b>2.99</b>	<b>3.03</b>	<b>3.12</b>	<b>3.23</b>	<b>3.28</b>
SAC (US\$ per sub)	30.2	31.7		31.7			28.6

Exchange rate of 1US\$ to INR at 62.59 as of March 31, 2015 (Source: Reserve Bank of India);  
Constant currency used to reflect the actual business performance



## Financial overview

## Financial Results (Unaudited) – Quarterly profit and loss

Rs in mn	Q1FY15	Q2FY15	Q3FY15	Q4FY15	Q1FY16
<b>INCOME</b>					
Revenue from operations	5,375	5,734	6,015	6,253	6,628
	5,375	5,734	6,015	6,253	6,628
<b>EXPENSE</b>					
Operating expense	3,090	3,381	3,746	3,637	3,791
Employee benefits expense	244	245	250	285	309
Administration and other expenses	127	157	152	253	146
Selling and distribution expenses	432	507	457	461	509
Depreciation, amortization and impairment	1,245	1,284	1,348	1,410	1,427
<b>Total Expenses</b>	<b>5,137</b>	<b>5,573</b>	<b>5,952</b>	<b>6,045</b>	<b>6,181</b>
<b>Profit / (Loss) from operations</b>	<b>238</b>	<b>161</b>	<b>63</b>	<b>207</b>	<b>447</b>
Finance costs/Finance Income (Net)	(1,045)	(1,049)	(1,219)	(1,301)	(765)
Other Income	0	0	0	(1)	12
<b>Profit/(loss) before tax</b>	<b>(807)</b>	<b>(888)</b>	<b>(1,155)</b>	<b>(1,094)</b>	<b>(307)</b>
<b>Income tax expense</b>					
Current tax	-	-	-	-	-
Deferred tax	(249)	(275)	(357)	(337)	(63)
<b>Profit/(Loss) after tax</b>	<b>(558)</b>	<b>(614)</b>	<b>(798)</b>	<b>(757)</b>	<b>(244)</b>



# Financial statements – Profit and loss

Rs in mn	FY2015 (Audited)	FY2014 (Audited)
<b>INCOME</b>		
Revenue from operations	23,377	17,644
	<b>23,377</b>	<b>17,644</b>
<b>EXPENSE</b>		
Operating expense	13,853	10,715
Employee benefits expense	1,023	864
Administration and other expenses	688	539
Selling and distribution expenses	1,856	1,606
Depreciation, amortization and impairment	5,287	4,212
<b>Total Expenses</b>	<b>22,708</b>	<b>17,936</b>
<b>Profit / (Loss) from operations</b>	<b>670</b>	<b>(291)</b>
Finance costs / Finance Income (Net)	(4,614)	(4,351)
Other Income	0	17
<b>Profit / (loss) before tax</b>	<b>(3,945)</b>	<b>(4,625)</b>
<b>Income tax expense</b>		
Current tax	-	-
Deferred tax	(1,218)	(1,430)
<b>Profit / (Loss) after tax</b>	<b>(2,727)</b>	<b>(3,195)</b>

# Financial statements - Balance Sheet

Rs. in mn (Audited)	As of March 31, 2015	As of March 31, 2014
<b>Assets</b>		
<b>Non-current Assets</b>		
Property, Plant and equipment & Capital WIP	25,315.45	22,774.61
Intangible Assets	1,072.53	1,250.93
Other Financial Assets	861.32	2,225.01
Deferred Tax Assets (Net)	7,708.19	6,490.26
<b>Total non-current assets</b>	<b>34,957.49</b>	<b>32,740.81</b>
<b>Current Assets</b>		
Inventories	341.25	317.13
Trade Receivables	1.63	4.24
Other Financial Assets	3,168.34	747.16
Other Non-Financial Assets	907.93	1,721.45
Cash and cash equivalents	9,888.77	184.90
<b>Total current assets</b>	<b>14,307.92</b>	<b>2,974.88</b>
<b>Total Assets</b>	<b>49,265.41</b>	<b>35,715.69</b>

# Financial Statements - Balance Sheet

Rs. in mn (Audited)	As of March 31, 2015	As of March 31, 2014
<b>Equity</b>		
Share Capital	3,930.00	2,420.00
Share Premium	21,380.88	5,840.00
Retained earnings	(17,300.70)	(14,574.06)
<b>Total Equity</b>	<b>8,010.18</b>	<b>(6,314.06)</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
Long-term borrowings	23.13	-
Other Non-Financial Liabilities	2,869.14	2,668.99
Post employment benefits	44.99	29.87
Others employment benefits	26.10	18.19
<b>Total non-current liabilities</b>	<b>2,963.36</b>	<b>2,717.05</b>
<b>Current Liabilities</b>		
Short-term borrowings	-	2,250.00
Trade Payable	4,338.03	2,203.87
Other Non-Financial Liabilities	7,199.90	5,597.46
Other Financial Liabilities	26,747.99	29,256.55
Post employment benefits	2.53	1.81
Others employment benefits	3.42	3.01
<b>Total current liabilities</b>	<b>38,291.87</b>	<b>39,312.70</b>
<b>Total Liabilities</b>	<b>41,255.23</b>	<b>42,029.75</b>
<b>Total equity and liabilities</b>	<b>49,265.41</b>	<b>35,715.69</b>

# Thank You

## Investor Relation Contact

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