



## **DEN Networks Limited** **Investor Update (Q1 FY2011-12)**

### **I) Quarter Financials**

#### **1. Cable Business**

##### **Year-on-Year**

- **Strong year-on-year revenue growth**
- **Revenues at Rs 158 cr in Q1 FY'12 vs Rs 132 cr in Q1 FY'11; up 19% Y-o-Y**
- **EBITDA was at Rs 26.1 cr in Q1 FY'12 vs Rs 29.8 cr in Q1 FY'11.**
- **Net Profit<sup>1</sup> (before ESOP costs) was Rs 6.8 cr in Q1 FY'12 vs Rs 7.5 cr in Q1 FY'11.**
- **Other operating income in Q1 FY'11 contained a non-recurring income of Rs 4 cr.**
  - **EBITDA in Q1 FY'12 was Rs 26.1 cr vs Rs 25.7 cr in Q1 FY'11 (when adjusted for the non-recurring item)**
  - **Net Profit<sup>1</sup> is up 22% in Q1 FY'12 vs Rs 5.5 cr in Q1 FY'11 (when adjusted for the non-recurring other operating income.)**

##### **Quarter-on-Quarter**

- **Strong rise in profitability quarter-on-quarter**
- **EBITDA stood at Rs 26.1 cr in Q1 FY'12 vs Rs 23.6 cr in Q1 FY'11; up 11%**
- **Net Profit<sup>1</sup> (before ESOP costs) was Rs 6.8 cr vs Rs 5.2 cr in Q1 FY'11; up 31%**

#### **2. Consolidated**

- **Revenues at Rs 287 cr in Q1 FY'12 vs Rs 249 cr in Q1 FY'11; up 15% Y-o-Y**
- **Net Profit<sup>1</sup> (before ESOP costs) was Rs 7.7 cr in Q1 FY'12 vs Rs 10.0 cr in Q1 FY'11**
- **Net Profit in Q1 FY'11 was Rs 8 cr when adjusted for the non-recurring income vs Rs 7.7 cr in Q1 FY'12**

#### **3. Performance Analysis**

- **DEN sees strong growth continuing in the analog cable market**
- **At the same time, the Company sees digitalisation rising and continues to invest heavily in digital infrastructure and in its digital cable offerings.**

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<sup>1</sup> Net Profit: Profit after Tax, before employee stock compensation expenses



## II) Quarter Highlights

### 1) Media Pro

- **STAR DEN and Zee turner formed a 50:50 joint venture called Media Pro for jointly distributing channels of the two entities across India.**
- **The J-V marks a historic move in India's television landscape. It will distribute 68 pay channels from the Star, Zee, Turner and other broadcasting groups. The J-V has commenced operations.**

### 2) Geographic Expansion

- **DEN has stepped up its geographic expansion since Q1 with entry into two new states West Bengal (Kolkata) and Jharkhand (Ranchi, Hazaribagh, etc.).**
- **It is also bolstering its presence in UP and other states by expanding into new towns.**

### 3) Digitalisation

- **The Hon'ble Ministry of Information & Broadcasting (MIB) reiterated its goal of digitalising India by 2014.**
- **Recent statements from senior MIB officials underscore their commitment to the proposed roadmap which awaits the approval from the Union Cabinet.**



## Income Statement – Cable Business

Year-on-Year - Q1 FY2011-12 vs Q1 FY2010-11

Particulars	Cable Business	
	Quarter ended June 30, 2011	Quarter ended June 30, 2010
<b>Revenue</b>	<b>157.50</b>	<b>131.82</b>
Income from operations	149.73	119.41
Other operating income	4.13	9.24 <sup>2</sup>
Other income	3.64	3.18
<b>Expenditure</b>	<b>131.39</b>	<b>102.04</b>
Operational, administrative and other costs	117.10	88.24
Personnel cost	13.67	12.66
Provision for doubtful debts/ advances	0.62	1.14
EBITDA	26.11	29.78
Depreciation	12.18	10.86
Interest and other financial charges	5.12	4.95
Provision for tax	1.00	-0.50
Share of Minority Interest	1.44	6.93
Share in profit of associates	0.40	-
<b>Net Profit</b>	<b>6.77</b>	<b>7.54</b>
Cost of Stock Options	5.89	-
<b>Profit after Tax - PAT</b>	<b>0.88</b>	<b>7.54</b>

*(Figures in Rs crores)*

<sup>2</sup> Other Operating Income in Q1 FY'11 contains a non-recurring item of Rs 4 cr (approx.) accounted for in a J-V



## Income Statement – Cable Business

Quarter-on-Quarter- Q1 FY2011-12 vs Q4 FY2010-11

Particulars	<b>Cable Business</b>	
	Quarter ended June 30, 2011	Quarter ended March 31, 2011
<b>Revenue</b>	<b>157.50</b>	<b>162.41</b>
Income from operations	149.73	154.35
Other operating income	4.13	3.36
Other income	3.64	4.71
<b>Expenditure</b>	<b>131.39</b>	<b>138.87</b>
Operational, administrative and other costs	117.10	123.46
Personnel cost	13.67	12.87
Provision for doubtful debts/ advances	0.62	2.54
EBITDA	26.11	23.55
Depreciation	12.18	11.19
Interest and other financial charges	5.12	5.05
Exceptional expense - Provision for diminution in value of investment	-	0.50
Provision for tax	1.00	9.56
Share of Minority Interest	1.44	-7.76
Share in profit of associates	0.40	0.18
<b>Net Profit</b>	<b>6.77</b>	<b>5.17</b>
Cost of Stock Options	5.89	0.19
<b>Profit after Tax - PAT</b>	<b>0.88</b>	<b>4.98</b>

*(Figures in Rs crores)*



## Income Statement – Consolidated

Year-on-Year - Q1 FY2011-12 vs Q1 FY2010-11

Particulars	Consolidated	
	Quarter ended June 30, 2011	Quarter ended June 30, 2010
<b>Revenue</b>	<b>286.76</b>	<b>249.27</b>
Income from operations	278.63	236.51
Other operating income	4.29	9.47 <sup>3</sup>
Other income	3.84	3.29
<b>Expenditure</b>	<b>259.13</b>	<b>215.43</b>
Operational, administrative and other costs	238.55	196.56
Personnel cost	17.79	15.59
Provision for doubtful debts/ advances	2.79	3.28
EBITDA	27.63	33.84
Depreciation	12.26	10.93
Interest and other financial charges	5.12	4.95
Provision for tax	1.48	1.01
Share of Minority Interest	1.44	6.93
Share in profit of associates	0.40	-
<b>Net Profit</b>	<b>7.74</b>	<b>10.02</b>
Cost of Stock Options	5.90	-
<b>Profit after Tax - PAT</b>	<b>1.84</b>	<b>10.02</b>

*(Figures in Rs crores)*

<sup>3</sup> Other Operating Income in Q1 FY'11 contains a non-recurring item of Rs 4 cr (approx.) accounted for in a J-V