



DEN Networks Ltd.

Q3 Revenues Up 21% Year-on Year, EBITDA Jumps 18%

Quarter Highlights

- **Cable Revenues Up 20.7% Year on Year to Rs 168.62 cr; Cable EBITDA Jumps 18.4% Y-o-Y to Rs 31.02 cr.**
- **DEN Remains PAT Positive Despite Higher Depreciation & Interest Expenses Driven by Continuing Investments in Digitisation. PAT before ESOP Grows 6.6% to Rs 6.52 cr. PAT stood at Rs 3.08 cr.**
- **Consolidated Revenues Higher by 5.2% Year-on-Year to Rs 282.16 cr; Consolidated EBITDA jumps 4.9% Y-o-Y to Rs 32.13 cr. Consolidated PAT before ESOP stands at Rs 6.98 cr. Consolidated PAT at Rs 3.53 cr.**
- **DEN gears up to meet digitisation deadlines; launches brand marketing campaigns and affiliate (LCO) education programme.**

New Delhi, February 13, 2012: DEN Networks Ltd (“DEN” or “the Company”) announced its results for the third quarter of financial year 2011-12 ending December 31, 2011.

The Company’s cable business revenues for Q3 FY’12 at Rs 168.62 jumped 20.7% year on year from Rs 139.68 crores in Q3 FY’11. Cable business EBITDA at Rs 31.02 crores rose 18.4% Y-o-Y from Rs 26.19 crores in Q3 FY’11. EBITDA for the current quarter excluded one-time expenses of Rs 1.28 cr.

The cable business remained PAT positive despite higher depreciation & interest expenses in the current quarter as it continues to invest for digitising its markets to meet the deadlines as per the digitisation mandate. PAT (before ESOP expenses) stood at Rs 6.52 crores up 6.6% Y-o-Y from Rs 6.12 crores in Q3 FY ’11. PAT after ESOP expenses was Rs 3.08 crores.

Consolidated revenues for the quarter stood at Rs 282.16 crores, up 5.2% year on year from Rs 268.24 crores in Q3 FY ’11. Consolidated EBITDA (before one-time expenses of Rs 1.28 cr) stood at Rs 32.13 crores up 4.9% year-on-year. Consolidated PAT (before ESOP expenses) stood at Rs 6.98 crores for Q3 FY’12. Profit after Tax (PAT) stood at Rs 3.53 crores.

(Note: Consolidated financials of the past year (Q3 FY’11) are not strictly comparable with the financials of Q3 FY’12. Current consolidated financials of DEN effectively consolidate 25% of MediaPro financials which is not comparable to the figures of the corresponding quarter of the previous financial year that consolidated 50% of Star DEN financials.)

The quarter saw the enactment of the cable digitisation act which was cleared by both houses of Parliament and signed into law by the Hon’ble President of India. The law mandates the full conversion of all analog cable homes to digital addressable platforms in a four phase conversion process. The first deadline is for the four metros where the deadline for analog switch off is June 30, 2012.

DEN has been gearing up for the drive for digitisation and the company is readying itself for a fully digital environment. The Company launched a large scale brand marketing campaign across



DEN Networks Limited – Media Release

February 13, 2012

television, print, radio and outdoor on leading media outlets to create awareness about the company's digital cable service and to advertise offers for its digital set-top box.

The Company has also launched a programme to educate its affiliate partners / LCOs on the implications of the digitisation law. The programme educates LCOs on the features of digital cable, benefits and selling points to disseminate among consumers, and addresses their concerns on the large scale shift from analog to digital and their continuing role and importance in a fully digital environment. DEN has tied up with the global consulting firm Ernst & Young for this exercise.

DEN has secured adequate supplies of set-top-boxes necessary for digitising its subscriber base in the initial phases and has invested heavily in a nationwide digital footprint with digital headends operating in seventeen locations across the country and capable of serving subscribers across markets. DEN has built a comprehensive customer services platform with multiple touch points including a toll free call centre that addresses consumer queries on digitisation and helps subscribers in DEN territories obtain set-top-boxes for their homes. DEN has also strengthened its online presence with a consumer focused website that educates consumers about digitisation and the Company's offerings.

Mr S.N. Sharma, CEO, DEN Networks Ltd., said, "We are very pleased with the Company's performance during the past quarter. DEN exhibited strong revenue growth of 21% and robust EBITDA margins in a tough economic environment while the Company continues to invest in digitisation. We are working actively with our partners in making full digitisation a reality."

About DEN Networks Limited:

DEN Networks Limited is India's leading cable TV distribution company reaching an estimated 11 million households across India in states like Delhi, Uttar Pradesh, Karnataka, Maharashtra (including Mumbai), Gujarat, Rajasthan, Haryana, Kerala, West Bengal, Jharkhand and Bihar.

DEN's digital cable service offers up to 180 digital channels and services broadcasted in DVD quality picture and sound and a range of cutting edge value added services and applications. DEN's digital cable platform offers subscribers an easy to use and feature rich interactive Electronic Programming Guide (EPG) and a suite of interactive value added services (VAS) applications.

DEN has a 50-50 joint venture with News Corp's Star TV Group called Star DEN for the distribution of television channels in India. In 2011, Star DEN formed a 50-50 J-V with Zee Turner combining the distribution assets of the Star, Zee and Turner groups in India into a single entity called MediaPro. DEN is an effective 25% shareholder in MediaPro through its stake in Star DEN.