



August 1, 2017

The National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G- Block
Bandra Kula Complex
Bandra (E), Mumbai – 400051
NSE Trading Symbol- DEN

BSE Limited
15th Floor, P J Towers
Dalal Street, Mumbai - 400001
Scrip Code- 533137

Sub: - Investor Presentation

Dear Sir/ Madam,

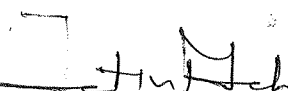
Please find enclosed the investor presentation on the unaudited financial results for the quarter ended 30th June, 2017.

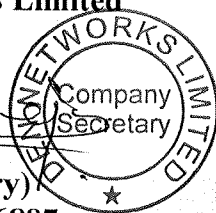
You are requested to take note of the same.

Thanking You,

Yours faithfully

For DEN Networks Limited


Jatin Mahajan
(Company Secretary)
Membership No. F6887



DEN Networks Limited

CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase – III, New Delhi – 110 020.

Landline: +91 11 40522200 || Facsimile: +91 11 40522203 || E-Mail: den@denonline.in || www.dennetworks.com

Den Networks Ltd.



FY / Q1'18 Results Investor Presentation

1st Aug, 2017



FY18 Q1 Performance highlights (IGaap)

- *Strong turnaround at PBT level during the quarter :*
 - *Consolidated PBT at Rs 6 crs for the quarter Vs. Rs (-) 35 crs in FY 17 Q4*
 - *Cable PBT at Rs 15 crs Vs Rs (-) 25 crs in FY 17 Q4*
- *Cable PAT significant improvement*
 - *For the Quarter PAT at Rs. 4 cr. Vs Rs (-) 44 crs in FY17 Q4*
 - *Cash PAT (Depreciation + PAT) for the quarter at Rs 65 crs ; Rs 29 crs in Q4 FY17*
- *Cable subscription revenue growth of 34% on Y-o-Y*
- *Broadband continues EBITDA breakeven performance*
- *Net Debt (June'17) at Rs 134 crs Vs Rs 181 crs in Mar'17*

The numbers in the presentation are on continuing business basis

Consolidated P&L highlights (IGaap Vs Ind. AS)



Rs in crs

	Ind. AS		
	FY18 Q1	FY17 Q4	FY17 Q1
Revenue (Post Activation)	313	314	269
EBITDA (Post Activation)	61	59	43
EBITDA (Pre Activation)	39	36	8
PBT	(5)	(45)	(37)
PAT	(15)	(66)	(52)

	I Gaap		
	FY18 Q1	FY17 Q4	FY17 Q1
Revenue (Post Activation)	356	358	290
EBITDA (Post Activation)	85	80	50
EBITDA (Pre Activation)	49	46	15
PBT	6	(35)	(38)
PAT	(5)	(55)	(52)

Cable P&L highlights (IGaap Vs Ind. AS)



Rs in crs	Ind. AS			I Gaap		
	FY18 Q1	FY17 Q4	FY17 Q1	FY18 Q1	FY17 Q4	FY17 Q1
Revenue (Post Activation)	291	293	251	335	336	272
EBITDA (Post Activation)	61	59	53	85	78	59
EBITDA (Pre Activation)	38	36	17	49	45	25
PBT	3	(26)	(22)	15	(25)	(23)
PAT	(7)	(47)	(37)	4	(44)	(38)
Cash PAT (PAT + Dep)	47	17	24	65	29	31



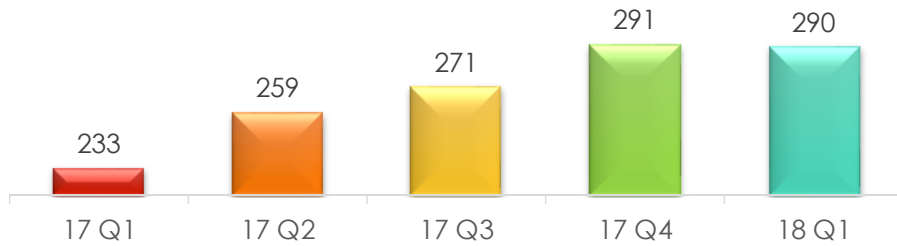
Healthy Balance sheet (Ind. AS)

Particulars	June'17	Mar'17	Mar'16
Gearing Ratio (Net)	0.14	0.19	0.33
Gross Debt	519	522	869
Net Debt	123	169	319
Subscription Sales O/s	74	70	95

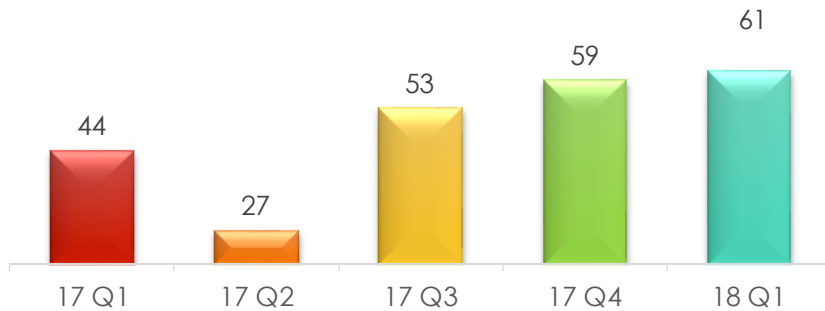
Consol (Ind.AS)* Highlights

Rs in crs

Quarterly Revenue (Pre- Activation)

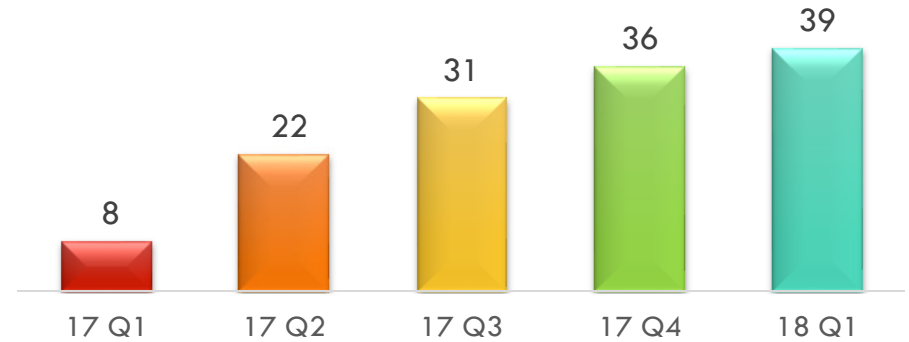


Quarterly EBITDA (Post- Activation)

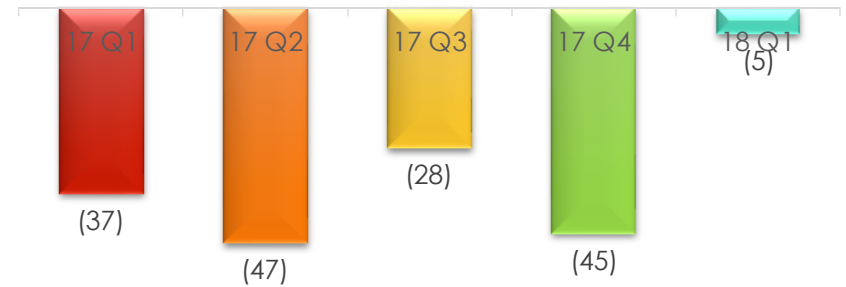


Rs in crs

Quarterly EBITDA (Pre- Activation)



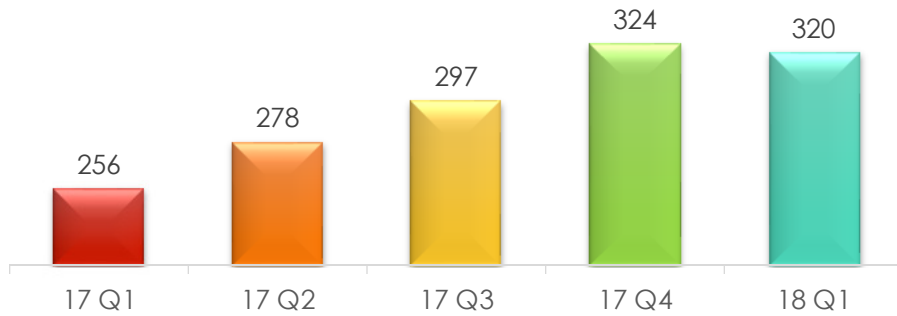
Quarterly PBT



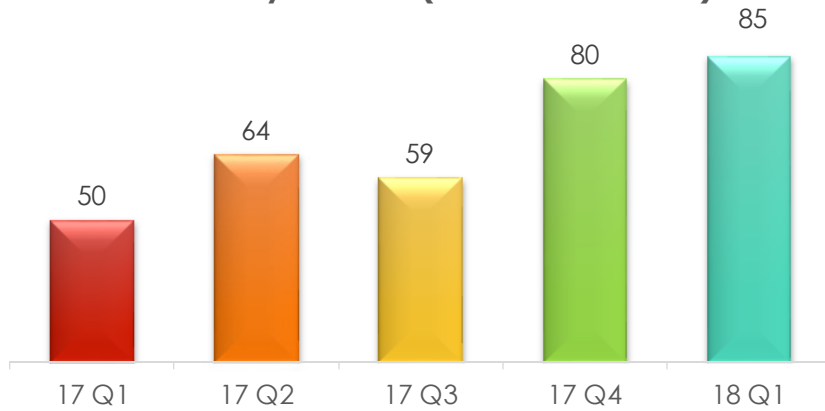
Consol (Igaap)* Highlights

Rs in crs

Quarterly Revenue (Pre- Activation)

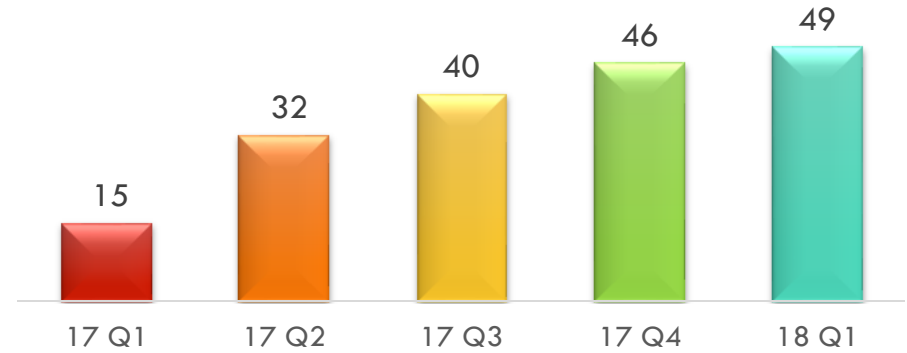


Quarterly EBITDA (Post- Activation)

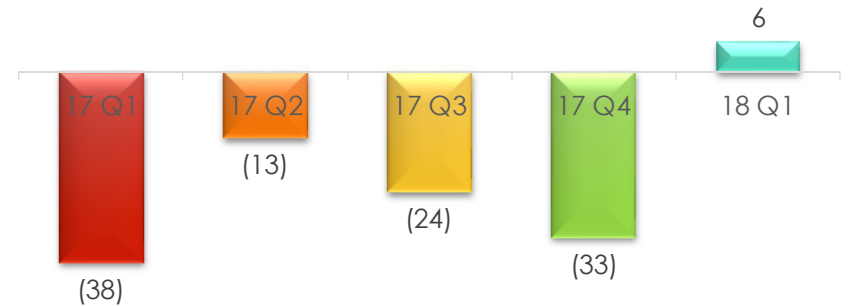


Rs in crs

Quarterly EBITDA (Pre- Activation)



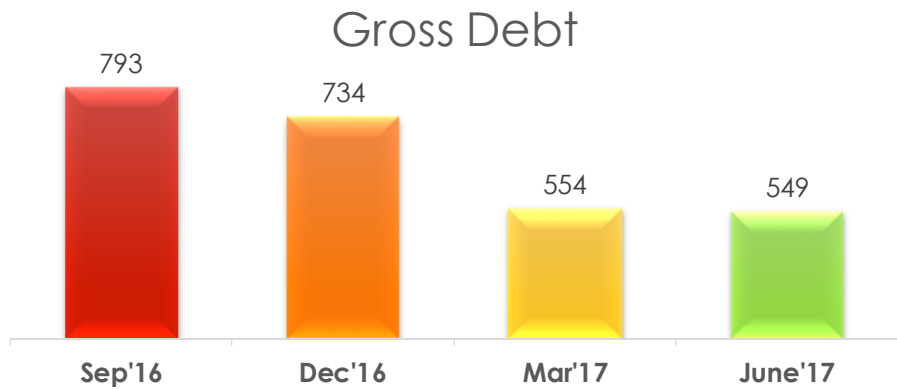
Quarterly PBT



Consolidated Debt position



IGaap

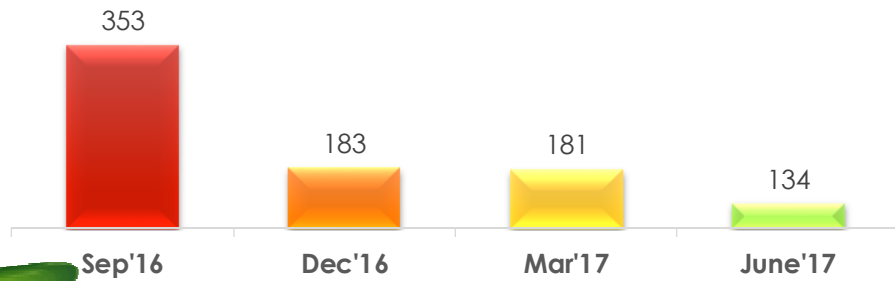


Ind. AS

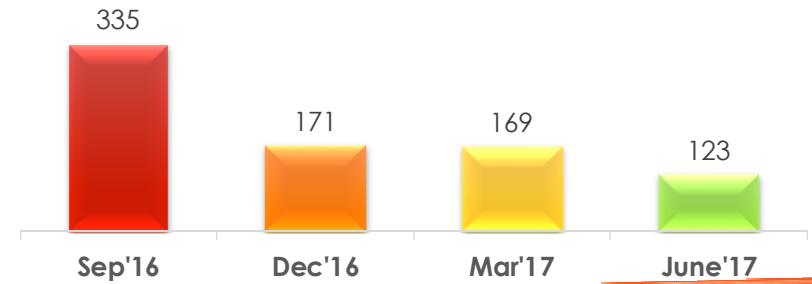
In crs



Net Debt



Net Debt



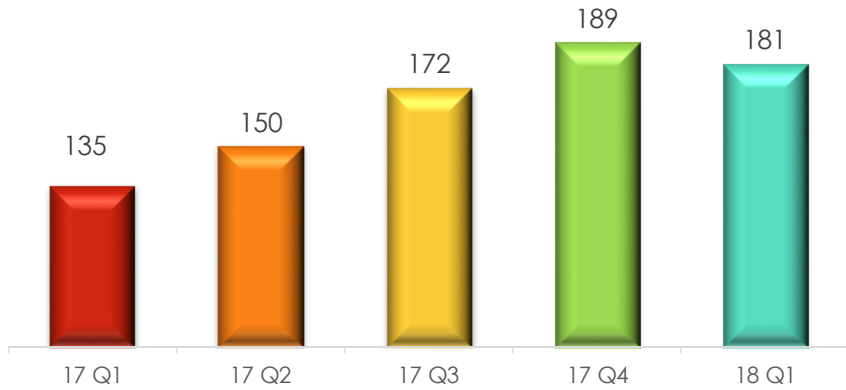
FY18 Q1 – Cable Highlights (IGaap)

- PAT positive for the quarter at Rs 4 crs ,
- EBITDA for the quarter at :
 - Rs 85 cr Vs Rs. 59 cr. in Q1 17
 - Rs 49 crs Vs Rs 25 crs Q1'17 and Rs 45 crs in FY17 Q4 (Pre activation)
- Phase wise EBITDA (pre- activation)
 - DAS 1 : 32 % Vs 28 % in Q1 FY17
 - DAS 2 : 21 % Vs 18% in Q1 FY17
 - DAS 3 : 5 % Vs (-)15% in Q1 FY17
- Boxes deployed : ~ 3 lacs boxes deployed in Phase 3/4, Total Digital subscriber base 10.7 mn

Cable Highlights (IGAAP)

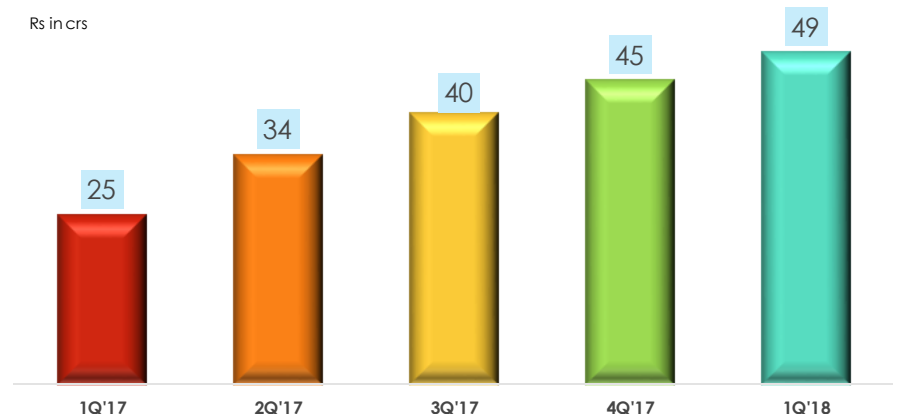
Rs in crs

Subscription Revenue

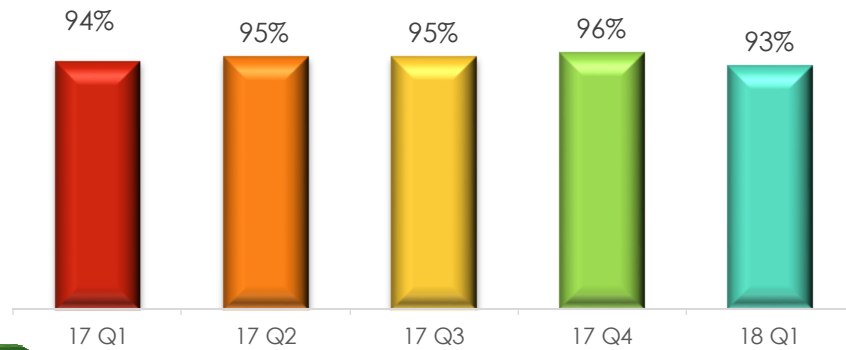


Rs in crs

Cable Quarterly EBITDA²

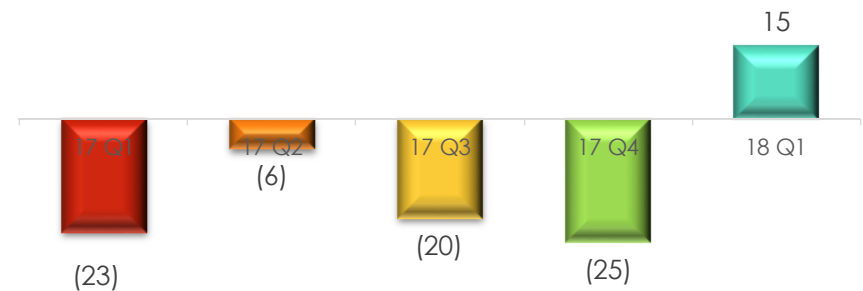


Collection efficiency



Rs in crs

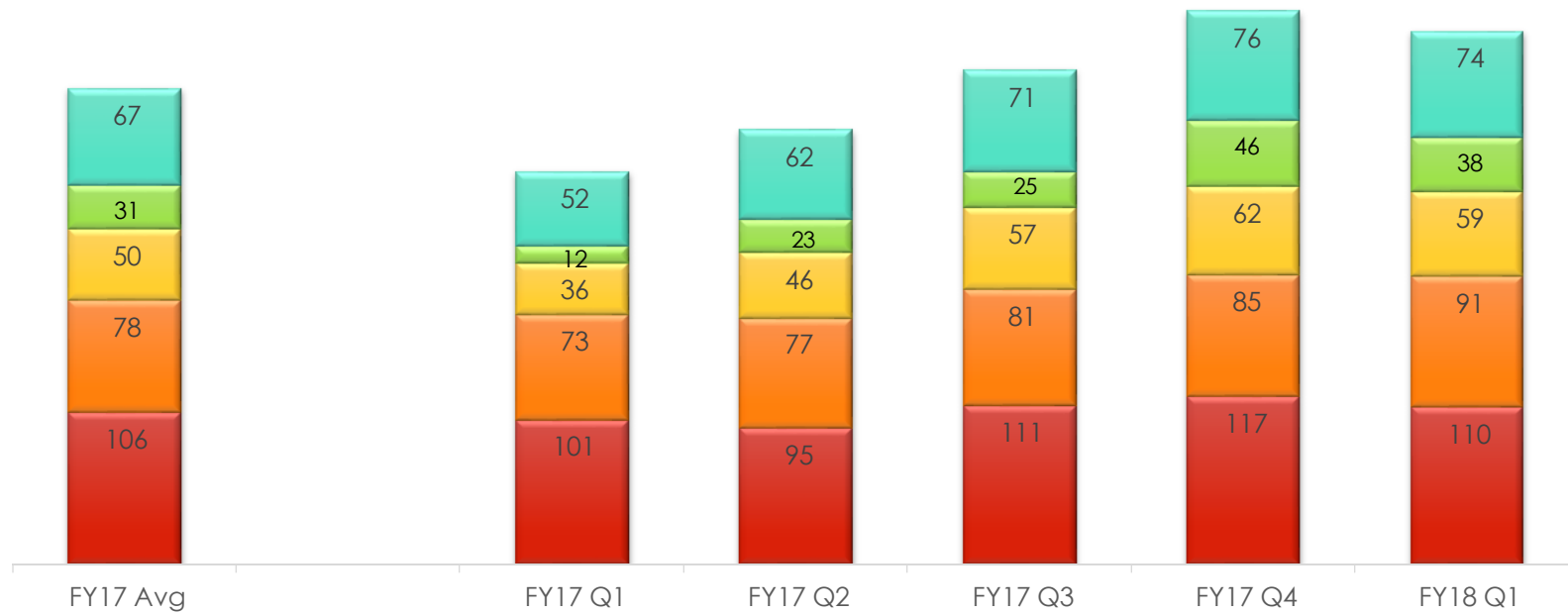
PBT



²Pre activation

Phase wise Per Box Subscription Revenue - I Gaap

■ DAS 1 ■ DAS 2 ■ DAS 3 ■ DAS 4 ■ Total



Consolidated Balance Sheet (Ind. AS)



INR Crore	Ind. AS		
	Jun'17	Mar'17	Mar'16
Share Capital	194	194	178
Reserves & Surplus	707	718	792
Networth	901	912	970
Minority Interest	94	90	71
Short & Long Term Debt	519	522	869
Deferred Revenue	519	508	497
Trade Payables	346	333	287
Other Liabilities	185	145	239
Total Equity & Liabilities	2,564	2,509	2,931
Fixed Assets, Net	1,123	1,142	1,225
Capital work-in-progress	41	45	129
Goodwill on consolidation	247	247	249
Fixed Assets	1,411	1,435	1,603
Non - Current Investment	77	74	74
Trade receivables	286	240	263
Cash and Cash Equivalents*	396	353	550
Other Assets	394	337	443
Total Assets	2,564	2,509	2,931

*Includes Rs 194 Crs under lien for credit facilities



Consolidated Income Statement (Ind. AS)

	Actuals			Quarterly Gr%		INR Crores	
	1Q'18	4Q'17	1Q'17	Q-o-Q (Gr%)	Y-o-Y (Var%)	FY17	FY16
	Subscription - Cable	154	157	111	-2%	38%	544
Subscription - Broadband	21	22	18	-3%	19%	81	40
Placement	89	89	87	0%	3%	351	371
Other Operating Income	26	24	17	8%	50%	79	78
Total Income Pre Activation	290	291	233	0%	24%	1,055	893
Activation	23	23	36	-1%	-36%	86	55
Total Income Post Activation	313	314	269	-1%	16%	1,141	948
Content Costs	131	123	112	7%	16%	471	473
Personnel Costs	31	31	25	1%	24%	117	123
Other Opex	83	88	81	-6%	3%	333	392
Provision for doubtful debts	7	14	7	-52%	-10%	37	37
IND . As Adjustment				0%	0%	-	34
Total Expenditure	251	256	225	-2%	11%	958	1,060
EBITDA Pre activation	39	36	8	8%	413%	97	(167)
<i>EBITDA pre activation %</i>	13%	12%	3%			9%	-19%
EBITDA Post Activation	61	59	43	4%	42%	183	(112)
<i>EBITDA post activation %</i>	20%	19%	16%			16%	-12%
Treasury Income	8	7	10	13%	-21%	36	58
Dep & Amort	63	74	66	-15%	-5%	277	206
Exceptional Items	0	31	-			31	65
Share in (loss)/ profit of associates	3	3	(1)	-5%	NA	(3)	(6)
Finance Costs	14	9	22	62%	-36%	65	79
Profit Before Tax (PBT)	(5)	(45)	(37)	NA	NA	(156)	(409)
Provisions for Tax	5	17	8	-73%	-45%	33	22
Minority Interest share	5	4	7	18%	-20%	21	0
Net Income after MI	(15)	(66)	(52)	NA	NA	(210)	(431)

Cable Income Statement (Ind. AS)



	Actuals			Quarterly Gr Quarterly		INR Crore	
	1Q'18	4Q'17	1Q'17	Y-o-Y	Gr%	FY17	FY16
	Subscription	154	157	111	38%	-2%	544
Placement	89	89	87	3%	0%	351	371
Activation	23	23	36	-37%	-4%	85	54
Other Operating Income	26	24	17	50%	8%	79	62
Total Income post activation	291	293	251	16%	-1%	1,059	891
Total Income pre activation	269	270	215	25%	0%	974	838
Content Costs	131	123	112	16%	7%	471	473
Personnel Costs	28	27	21	34%	4%	101	96
Other Opex	66	71	58	15%	-6%	257	260
Provision for doubtful debts	6	14	7	-16%	-55%	37	37
IND . As Adjustment						-	34
Total Expenditure	231	234	198	17%	-1%	866	900
EBITDA Pre activation	38	36	17	121%	6%	108	(63)
<i>EBITDA pre activation %</i>	14%	13%	8%			11%	-7%
EBITDA Post Activation	61	59	53	15%	2%	193	(9)
<i>EBITDA post activation %</i>	21%	20%	21%			18%	-1%
Treasury Income	8	7	10	-21%	13%	36	58
Dep & Amort	54	65	61	-12%	-17%	249	193
Exceptional Items	0	29		0%		29	107
Share in (loss)/ profit of associates	3	10	(1)	-329%	NA	1	(3)
Finance Costs	14	8	22	-34%	74%	63	76
Profit Before Tax (PBT)	3	(26)	(22)	NA	NA	(110)	(330)
Provisions for Tax	5	17	9	-46%	-72%	33	22
Minority Interest	5	5	7	-20%	18%	21	0
Net Income	(7)	(47)	(37)	NA	NA	(164)	(353)

Consolidated Income Statement (IGaap)

	Actuals			Quarterly Gr%		FY17	FY16
	1Q'18	4Q'17	1Q'17	Q-o-Q (Gr%)	Y-o-Y (Var%)		
Subscription- Cable	181	189	135	-4%	34%	646	487
Subscription - Broadband	21	22	18	-3%	19%	81	40
Placement	100	99	97	1%	4%	390	439
Other Operating Income	18	14	6	26%	180%	38	46
Total Income Pre Activation	320	324	256	-1%	25%	1,155	1,011
Activation	36	34	35	7%	4%	119	233
Total Income Post Activation	356	358	290	0%	23%	1,274	1,245
Content Costs	139	129	118	8%	18%	490	508
Personnel Costs	34	35	28	-2%	23%	129	134
Other Opex	91	97	87	-6%	5%	361	408
Provision for doubtful debts	7	18	8	-61%	-10%	41	47
Total Expenditure	271	278	240	-3%	13%	1,022	1,096
EBITDA Pre activation	49	46	15	7%	220%	134	(85)
<i>EBITDA pre activation %</i>	15%	14%	6%			12%	-8%
EBITDA Post Activation	85	80	50	7%	71%	253	148
<i>EBITDA post activation %</i>	24%	22%	17%			20%	12%
Treasury Income	7	14	9	-49%	-23%	43	67
Dep & Amort	70	83	73	-15%	-4%	305	230
Exceptional Items	0	32	-			31	65
Finance Costs	15	14	23	11%	-34%	73	85
Profit Before Tax (PBT)	6	(35)	(38)	NA	NA	(117)	(165)
Provisions for Tax	4	13	9	-65%	-51%	31	43
Minority Interest	6	7	5	-4%	23%	21	31
Net Income	(5)	(55)	(52)	NA	NA	(169)	(239)

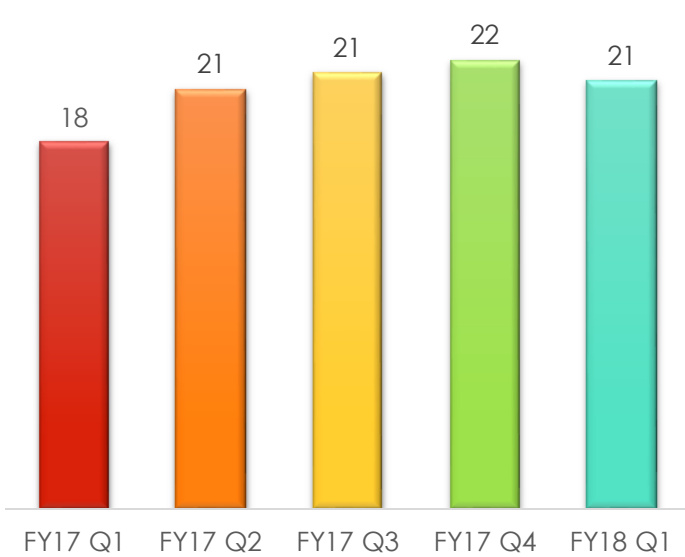
Cable Income Statement (IGaap)

	Actuals			Quarterly Gr%		FY17 YTD P 12		FY16 YTD P 12	
	1Q'18	4Q'17	1Q'17	Q-o-Q	Y-o-Y				
	INR Crore								
Subscription	181	189	135	-4%	34%	646	487		
Placement	100	99	97	1%	4%	390	435		
Activation	36	34	34	7%	5%	118	232		
Other Operating Income	18	14	6	27%	180%	37	29		
Total Income post activation	335	336	272	0%	23%	1,192	1,183		
Total Income pre activation	299	302	238	-1%	26%	1,074	951		
Content Costs	139	129	118	8%	18%	490	508		
Personnel Costs	31	32	23	-4%	32%	114	105		
Other Opex	74	80	64	-7%	16%	286	272		
Provision for doubtful debts	7	18	8	-63%	-18%	41	47		
Total Expenditure	250	258	213	-3%	17%	931	932		
EBITDA Pre activation	49	45	25	9%	96%	144	18		
<i>EBITDA pre activation %</i>	16%	15%	10%			13%	2%		
EBITDA Post Activation	85	78	59	8%	43%	262	251		
<i>EBITDA post activation %</i>	25%	23%	22%			22%	21%		
Treasury Income	7	14	9	-49%	-23%	40	65		
Dep & Amort	61	73	69	-16%	-10%	277	218		
Finance Costs	15	13	23	16%	-33%	71	75		
Exceptional Items	0	30		-100%	0%	29	107		
Profit Before Tax (PBT)	15	(25)	(23)	NA	NA	(75)	(84)		
Provisions for Tax	4	13	9	-64%	-51%	31	43		
Minority Interest	6	7	5	-4%	23%	21	31		
Net Income	4	(44)	(38)	NA	NA	(127)	(157)		

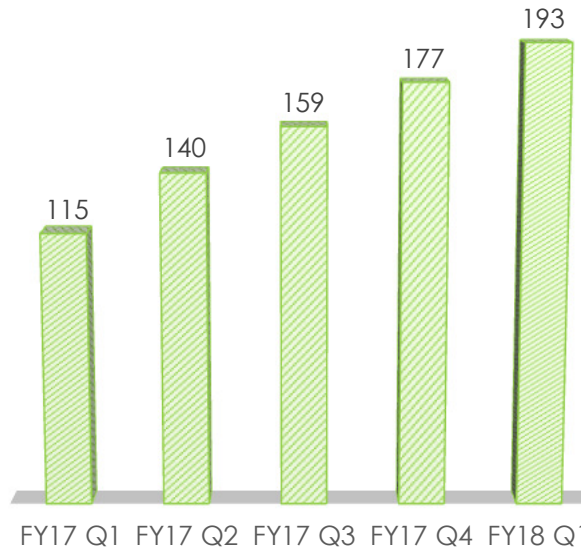
Broadband

1Q'18 – Highlights (Broadband Results)

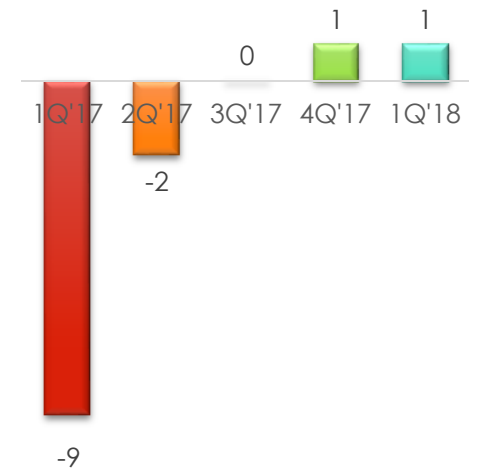
Quarterly Revenue*
(in crs)



**No of Gross
Subscribers ('000)**



Quarterly EBITDA *
(Rs in crs)

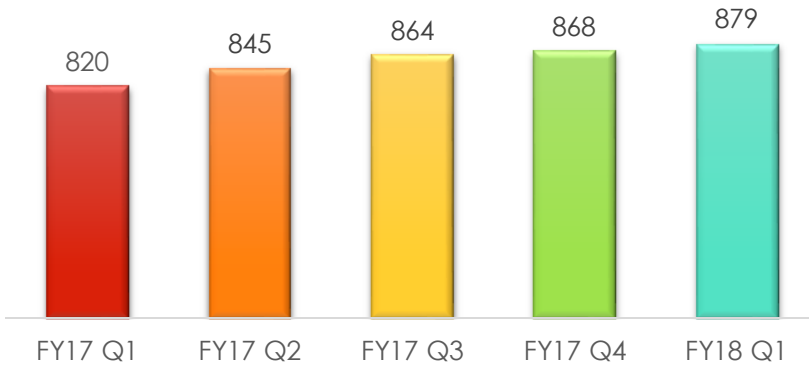


*Pre- Activation

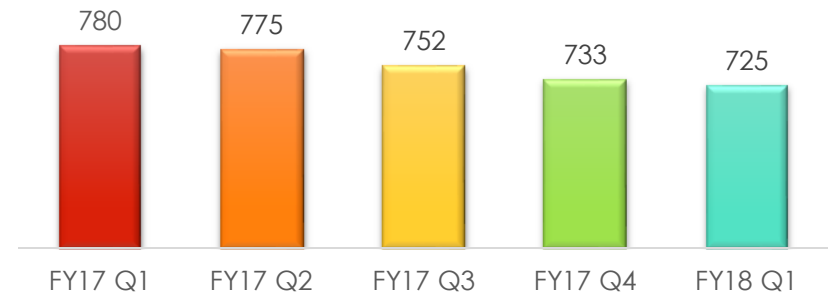
Broadband Highlights



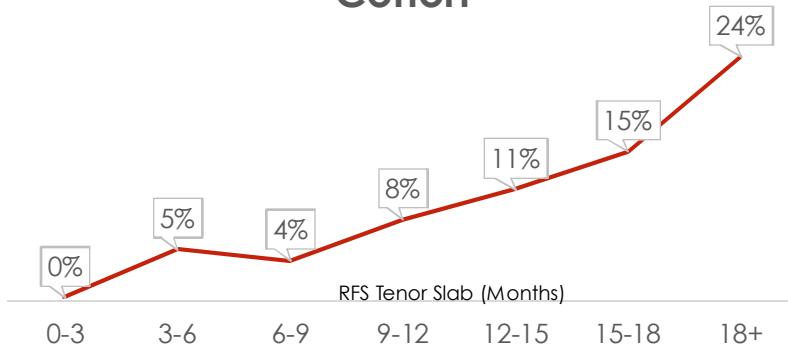
Homes passed ('000)



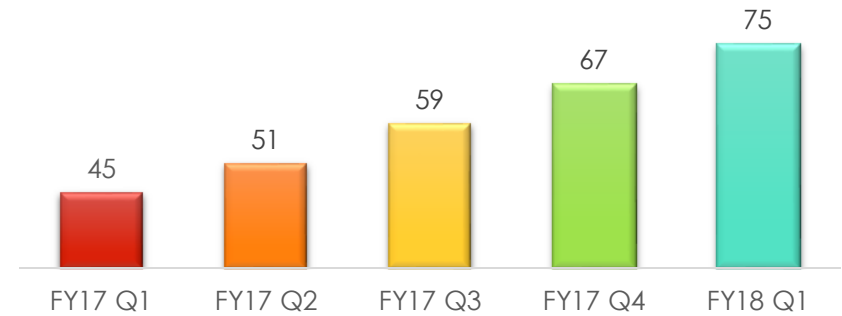
APRU (INR)



Cohort



Avg consumption / Household (in GB)





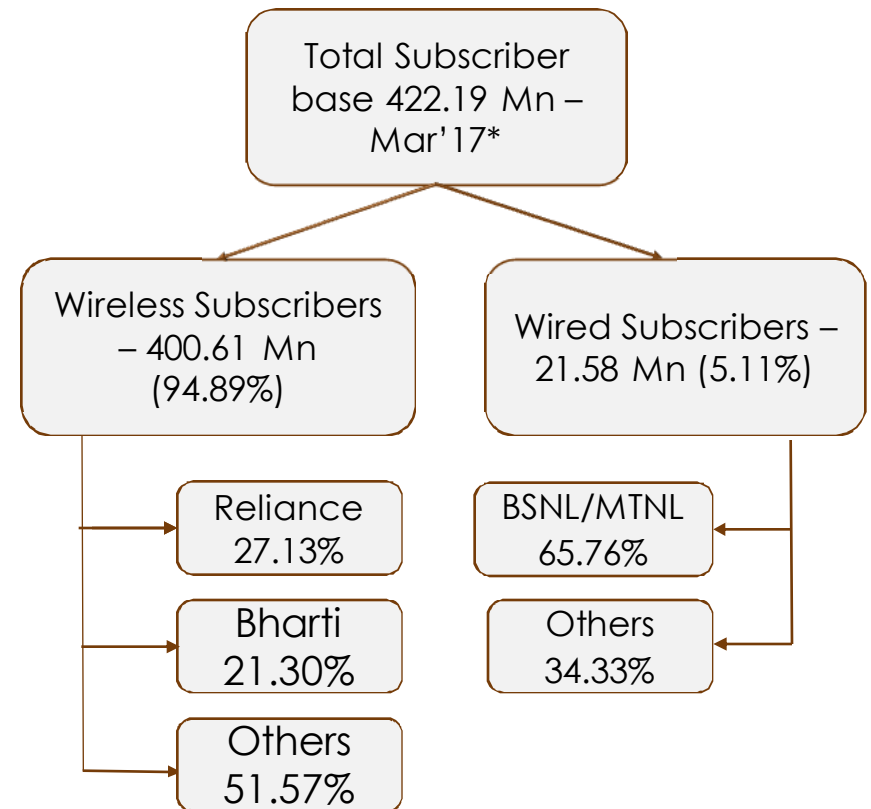
Broadband Income Statement

				Quarterly Gr%		Actuals		FY
	1Q'18	4Q'17	1Q'17	Q-o-Q	Y-o-Y	FY17	FY16 YTD P12	Gr%
	INR Crores							
Total income (Pre Activation)	21	22	18	-3%	19%	81	40	105%
Activation	0	0	0	-19%	-25%	1	1	-17%
Total income (Post Activation)	21	22	18	-3%	18%	82	41	102%
Personnel Costs	3	3	4	15%	-25%	15	25	-39%
Other Opex	17	17	23	0%	-24%	75	81	-7%
Provision for doubtful debts		0	(0)			0	0	625%
Total Expenditure	20	20	27	1%	-25%	91	106	-14%
EBITDA (Post Activation)	1	1	(9)	NA	NA	(9)	(65)	86%
EBITDA %	3%	7%	-52%			-11%	-161%	
EBITDA (Pre Activation)	1	1	(9)	NA	NA	(10)	(66)	85%
EBITDA %	2%	6%	-54%			-12%	-167%	
Dep & Amort	9	9	5	NA	83%	28	13	121%
Finance Costs	0	1	1	NA	-100%	2	3	-39%
Profit Before Tax (PBT)	(8)	(9)	(15)	2%	43%	(39)	(81)	52%
Exceptional item	-	1			0%	1	-	0%
Net Income	(8)	(10)	(15)	15%	43%	(40)	(81)	51%

TIER II Cities – Broadband plan (Wired Broadband has huge potential)

Huge Potential

- Substantial growth witnessed in Internet subscriber base during FY16-17 – 23%.
- 7 fold increase in wireless internet consumption during FY 17 due to emerging user behavior thanks to
 - Digital India initiative by Government
 - Increased E-Commerce, social media & OTT penetration
 - Initial freebies from Telecom providers.
 - significant scope that it extends to wired internet consumption
- Wired internet comprise only of 5% of 422 mn subscribers. “Wired” internet is preferred for following reasons:
 - **Data consumption** - 1 GB consumption per user per month in wireless Vs. 70 GB in wired
 - **Wired substantially higher**
- Out of total wired line internet, majority is still owned by BSNL/MTNL in semi urban areas with significant customer dissatisfaction. (66% market share as of Mar' 17)

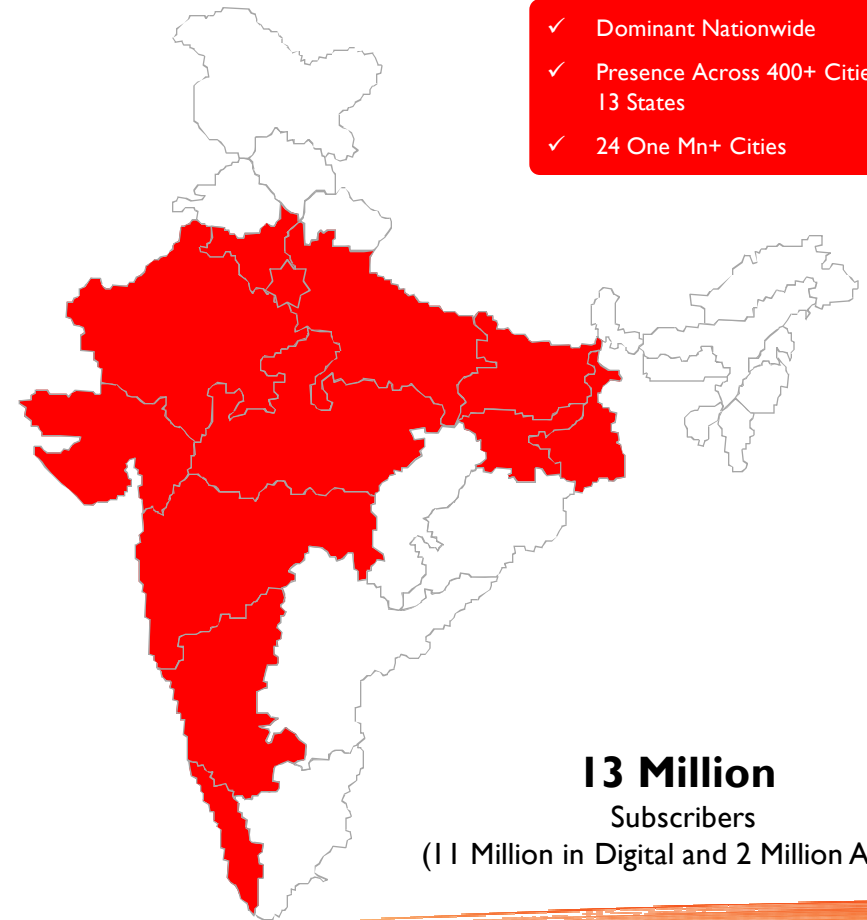




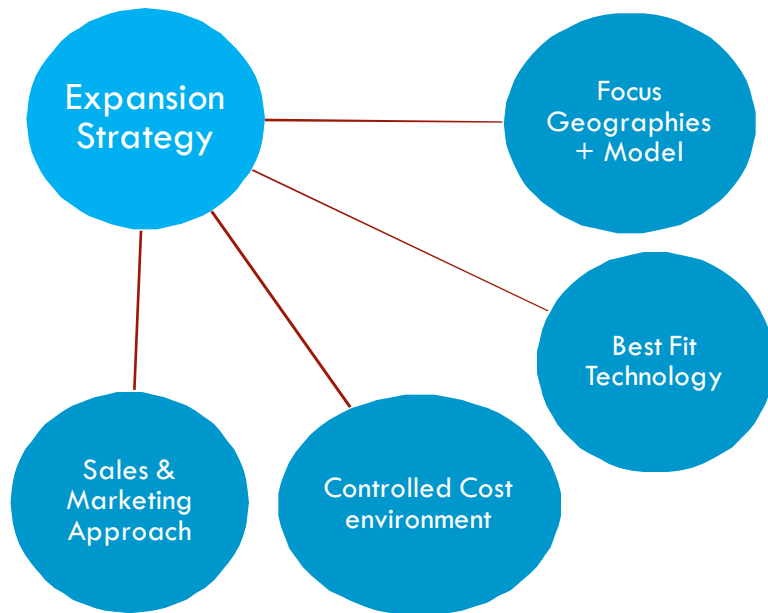
TIER II Cities – Broadband plan (Wired Broadband has huge potential)

How DEN is well placed to tap the potential

- DEN available in 400+ towns (Cable) across 13 states (Delhi, UP, Uttarakhand, Bihar, Jharkhand, Haryana, Rajasthan, Maharashtra, Gujarat, Karnataka, Kerala, West Bengal). “Ready home access” to 13 million homes (cable subscriber base)
- Ability to develop franchise model with the local business partners to accelerate penetration.
- Expertise in different Technologies – DOCSIS, Metro Ethernet, PON which allows us to adopt technologies as per geographical / business requirement.
- Tie-ups with Google, Facebook, other major content providers to enhance customer experience and optimization of Internet Bandwidth.
- Shared operating costs – Technical, Network maintenance, Customer service organization already in place. Economies of scale allows optimization of costs.



Expansion Strategy



- Business Model – Combination of direct & franchise model to build scale
- Focus on Tier 2 cities with strong cable presence
- Target 15-20 cities in a year

- Metro Ethernet for High Density, low-mid affluence areas
- PON for Vertical, high affluence, weather prone areas

- Capex costs substantially reduced over the past two years (from Rs. 1000 per Home pass to currently Rs. 250 -300 per Home pass)
- Shared operating costs resulting in 20-25% lower per unit costs

- Multi-channel approach – Retail, Digital, DST, DSA
- Marketing on our in-house digital properties (Digital STB EPG)
- Innovative pricing plans to maximize penetration

Forward Looking Statements

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For Further Information Please Contact

Jatin Mahajan

InvestorRelations@DenOnline.in

+91 11 4052 2200

DEN Networks Ltd.

(CIN No. L92490DL2007PLC165673)

Shogun Jain / Payal Dave

jshogun@sgapl.net / dpayal@sgapl.net

+91 77 3837 7756 / +91 98 1991 6314

Strategic Growth Advisors Pvt. Ltd.

(CIN No. U74140MH2010PTC204285)