Overview & Consumer Orientation of the DTH

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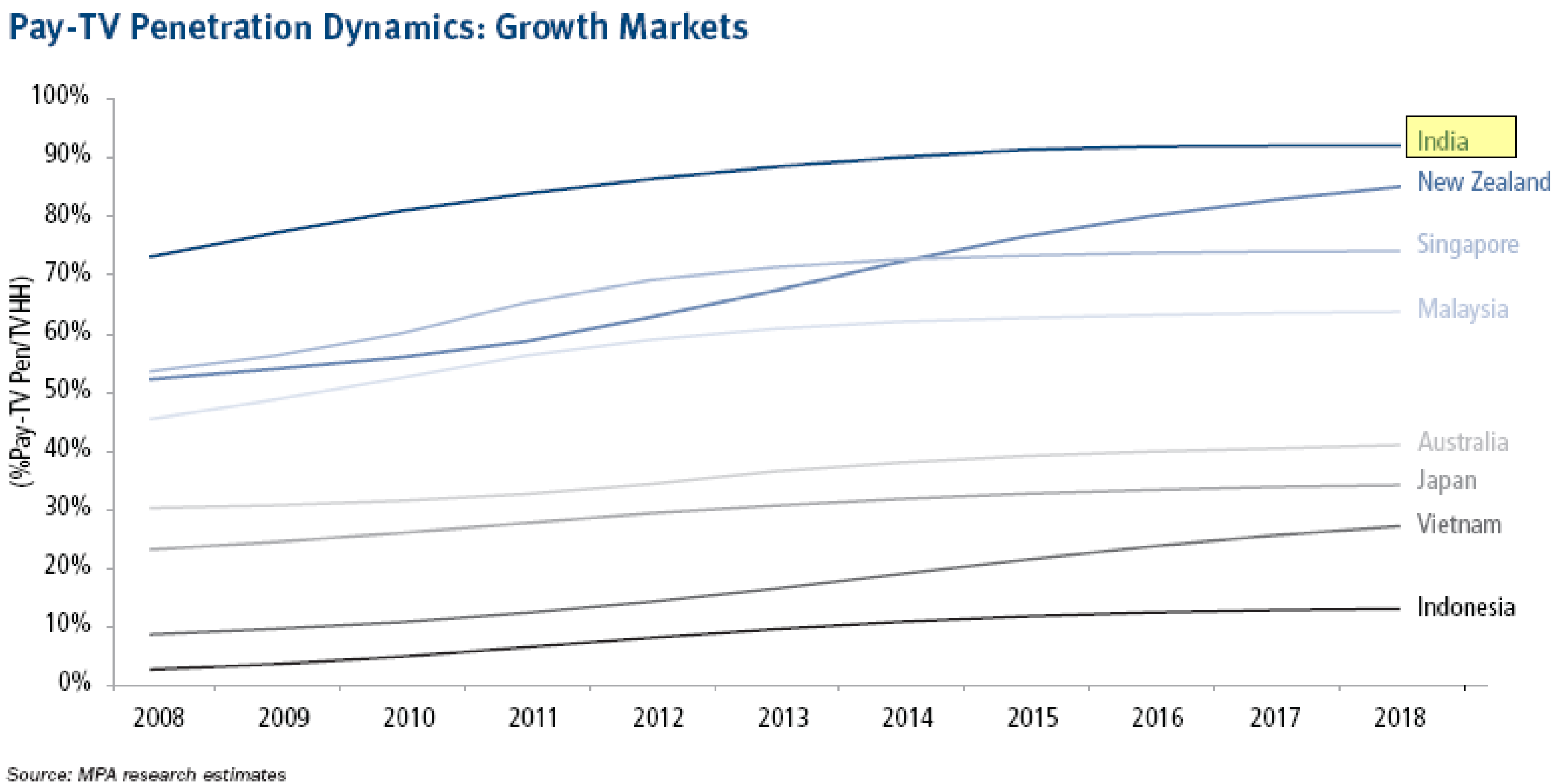
Pay TV Platforms & the DTH

Year - 2008

	HHs Crs	Penetration	Comments
Total	23		
Televison	13	57%	of total HHs
Pay Televison	9.5	73%	of Television HHs
Analog Cable	8.1	85%	of Pay Television HHs
Digital Cable	0.2	2%	of Pay Television HHs
Pay DTH	1.2	13%	of Pay Television HHs

INDIA….leading Pay-TV penetration



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Source :
MPA report, 2009

INDIA… 153 Mn Pay TV HHs by 2018

Figures in '000

Ranking	Market	2008
1	China	162,799
2	India	94,264
3	Korea	17,637
4	Japan	11,055
5	Taiwan	6,327
6	Malaysia	2,646
7	Australia	2,369
8	Hong Kong	1,794
9	Vietnam	1,736
10	Philippines	1,166
11	Thailand	908
12	Indonesia	830
13	New Zealand	803
14	Singapore	583

Ranking	Market	2013
1	China	208,266
2	India	137,097
3	Korea	19,193
4	Japan	14,860
5	Taiwan	7,109
6	Malaysia	4,011
7	Vietnam	3,656
8	Indonesia	3,412
9	Australia	3,034
10	Hong Kong	2,202
11	Thailand	1,862
12	Philippines	1,593
13	New Zealand	1,100
14	Singapore	806

Ranking	Market	2018
1	China	236,445
2	India	152,508
3	Korea	19,673
4	Japan	16,700
5	Taiwan	7,362
6	Vietnam	6,475
7	Indonesia	5,048
8	Malaysia	4,474
9	Australia	3,539
10	Hong Kong	2,396
11	Thailand	2,291
12	Philippines	1,905
13	New Zealand	1,436
14	Singapore	859

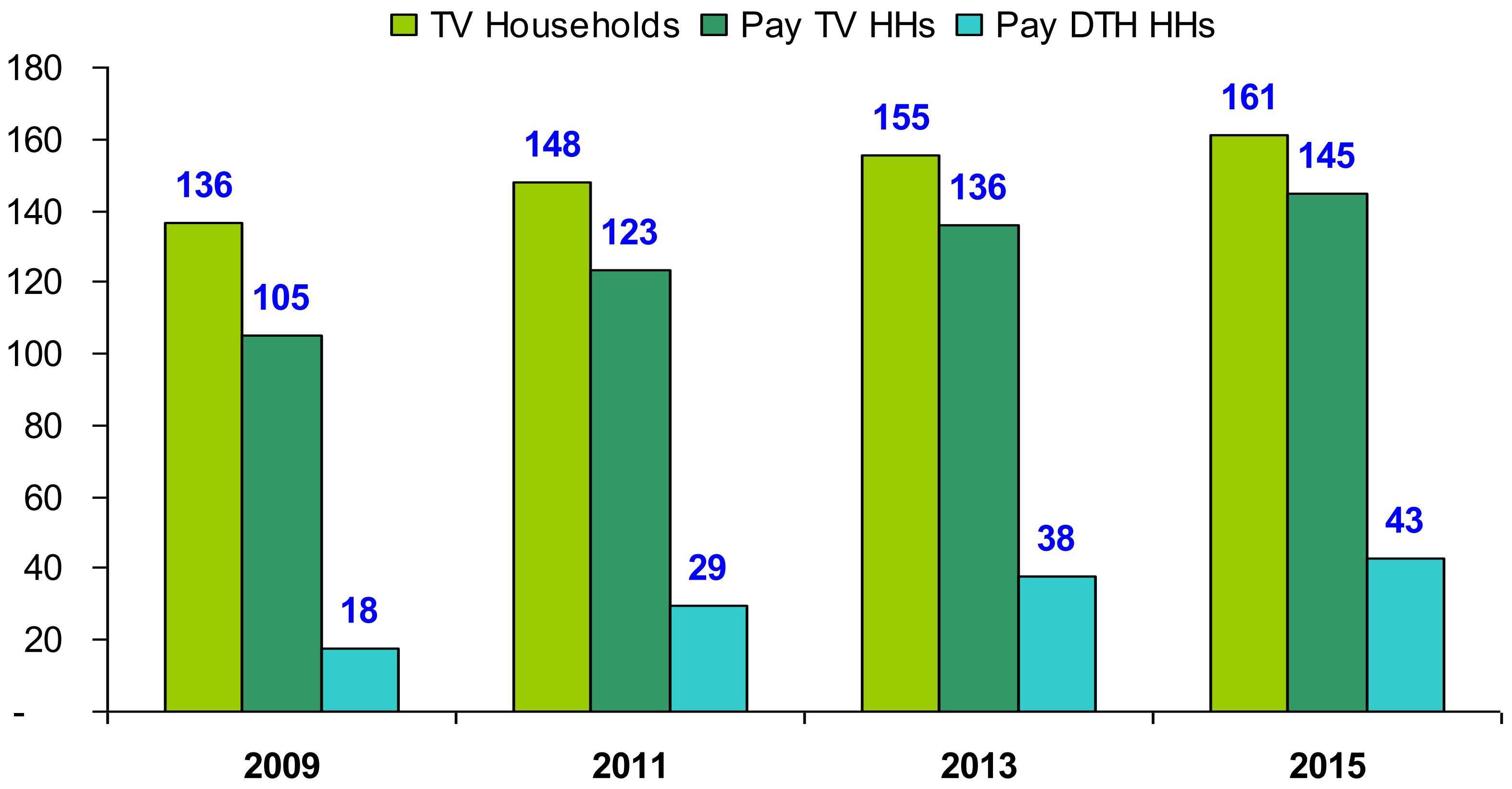
From 94 Million in 2008 to 153 Million in 2018

Growth of more than 65% in 10 years

Source :
MPA report, 2009

India – DTH potential

• Pay DTH to grow from 3.2 mn in 2007 to 43 mn by 2015, with 30% share of Pay TV



Source : MPA report, 2009

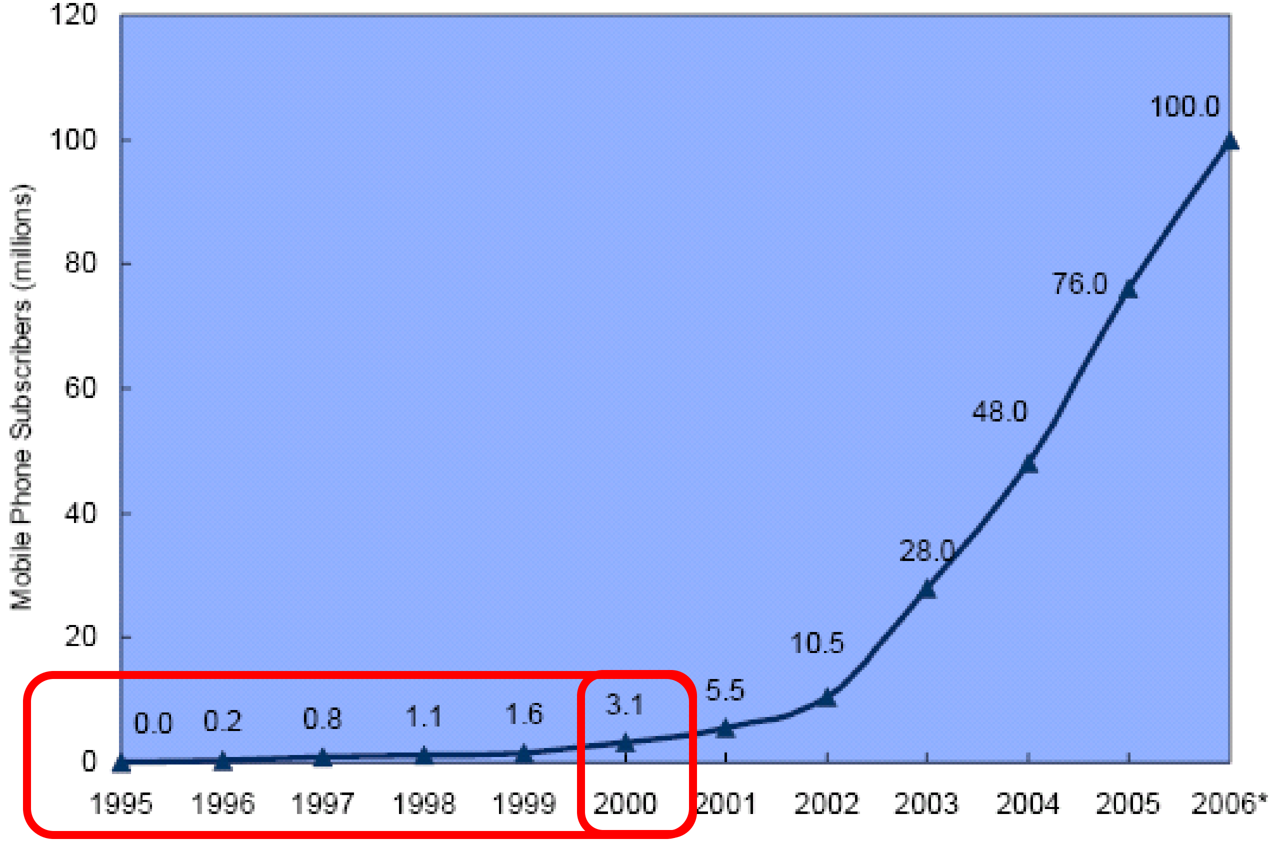
INDIA….Pay DTH Evolution

2003	Dish TV launch- 1st Entrant in the DTH space	
Aug 2006	Tata Sky launch – 2 player market	Together added 3 mn subs in the year
Dec 2007	Sun Direct launch – 3 player market	Market adds 4.5 mn subs in the year
2008	Airtel & Big TV launch – 5 player market	Further expansion - 6 mn adds in the year
2009	Pay DTH expected to add 8 to 10 mn sub	

TATA Sky

TO PUT THINGS IN PERSPECTIVE…

The Indian Telecom miracle took 6 years to reach 3 Million



Wireless Subscriber Growth

It has taken only DTH 5 years to get to 10 million plus subscribers in India !

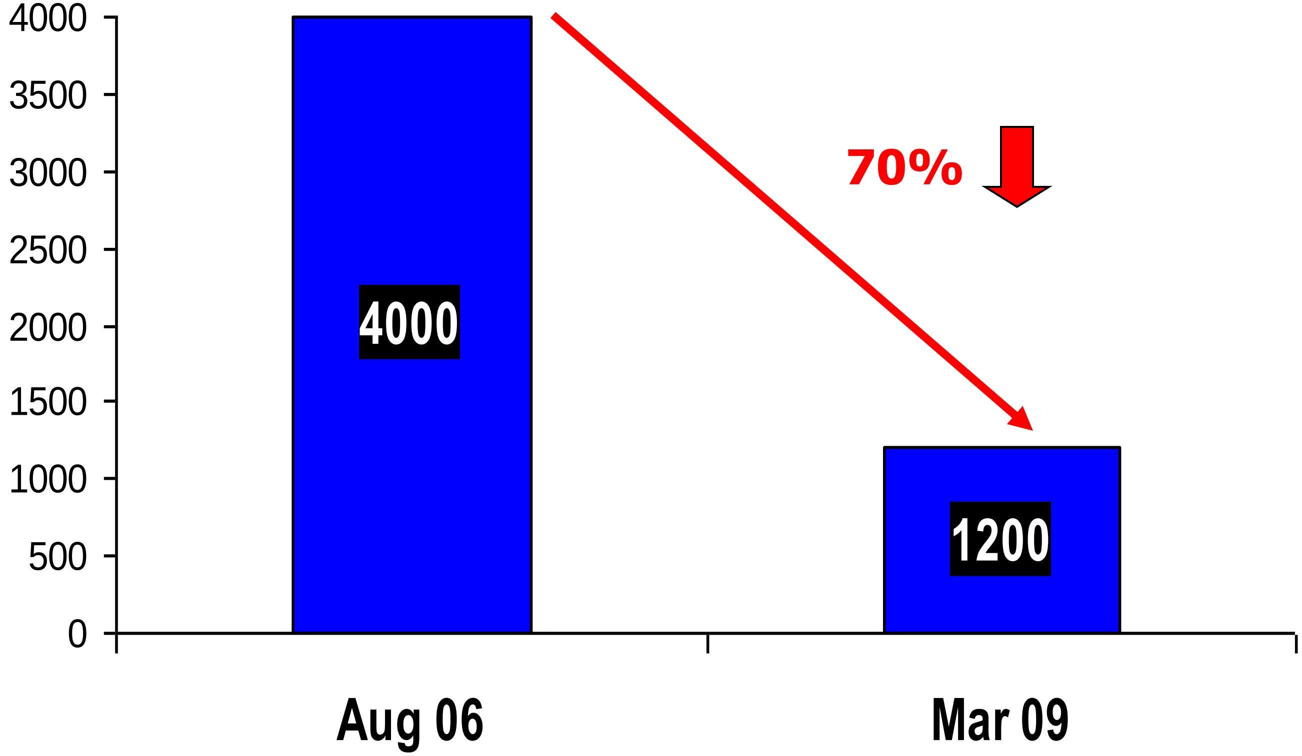
Considering the growth trends and acceptance of the category we estimate the Pay DTH market to be around <u>55 to 60 mn</u> by 2015

Drivers for Expansion

- Increased marketing by new players resulting in higher awareness of the category
- Continuous drop in Upfront Charges (hardware & installation)
- Increased choice thru introduction of consumer friendly packages
- Drop in subscription prices

Upfront Charge to Subscribers

Figures in Rs



More Choice and Increased Affordability

Figures in Rs

Packages	Aug 06	Feb 07	July 07	June 08	Oct 08
Intro Pack	200	-	-	-	-
Super Saver	-	300	300	260	260
South Starter	-	-	160	175	125
Family	-	-	250	200	200
South Value	-	-	250	260	260
South Jumbo	-	-	350	310	310
Super Hit	-	-	-	-	99

Consumer Orientation of the DTH :

Tata Sky Quality of Service

Contact Center

24 x 7, 3 call centers, 1150 executives
Answered % - 95

QoS benchmark- 80% calls within 60 secs

Tata Sky Service level - 80% calls within 20 secs.

Complaint resolution

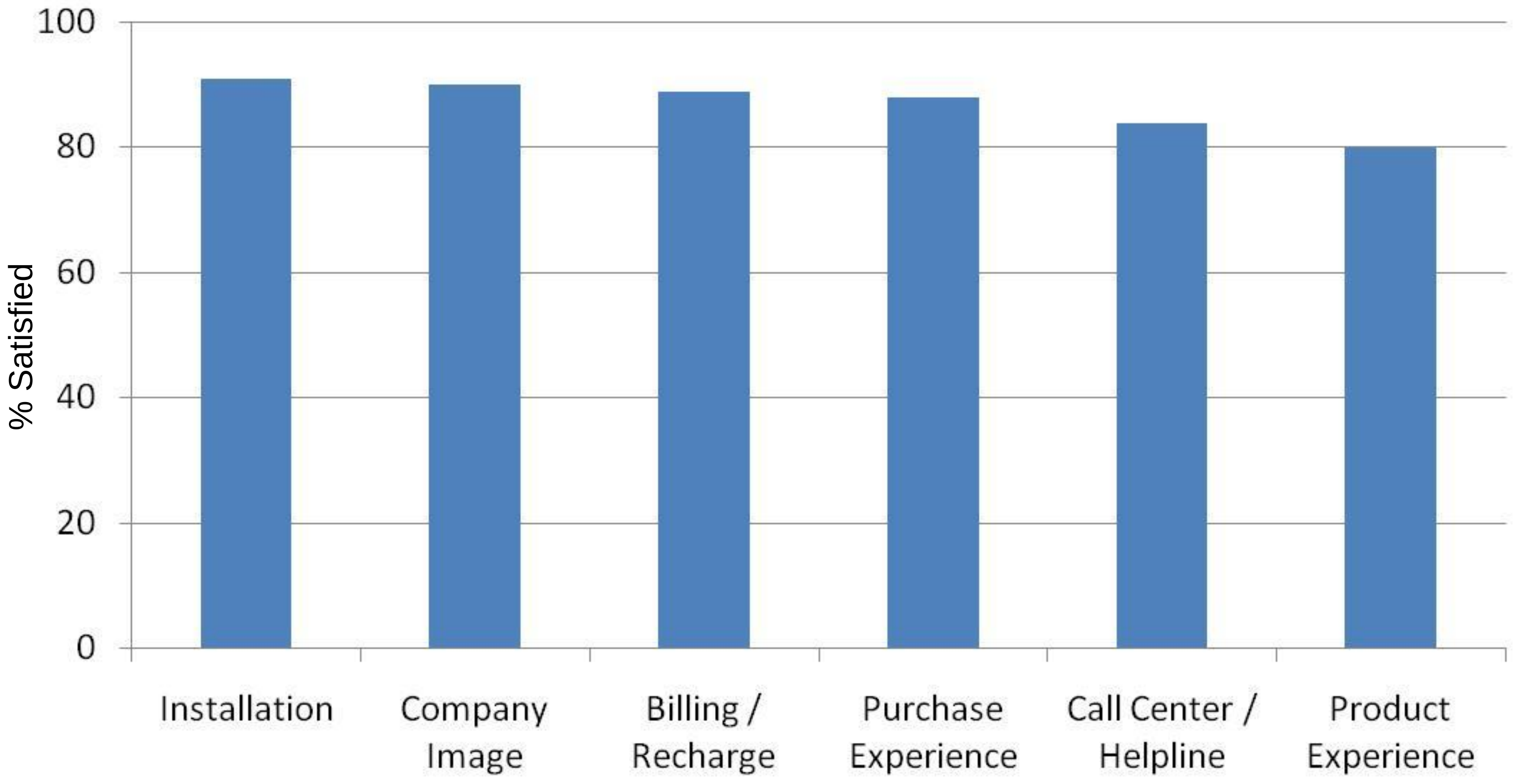
QoS benchmark- 90% within 48 hours

Tata Sky Resolution– 98% within 48 hours

Customer Satisfaction (External)

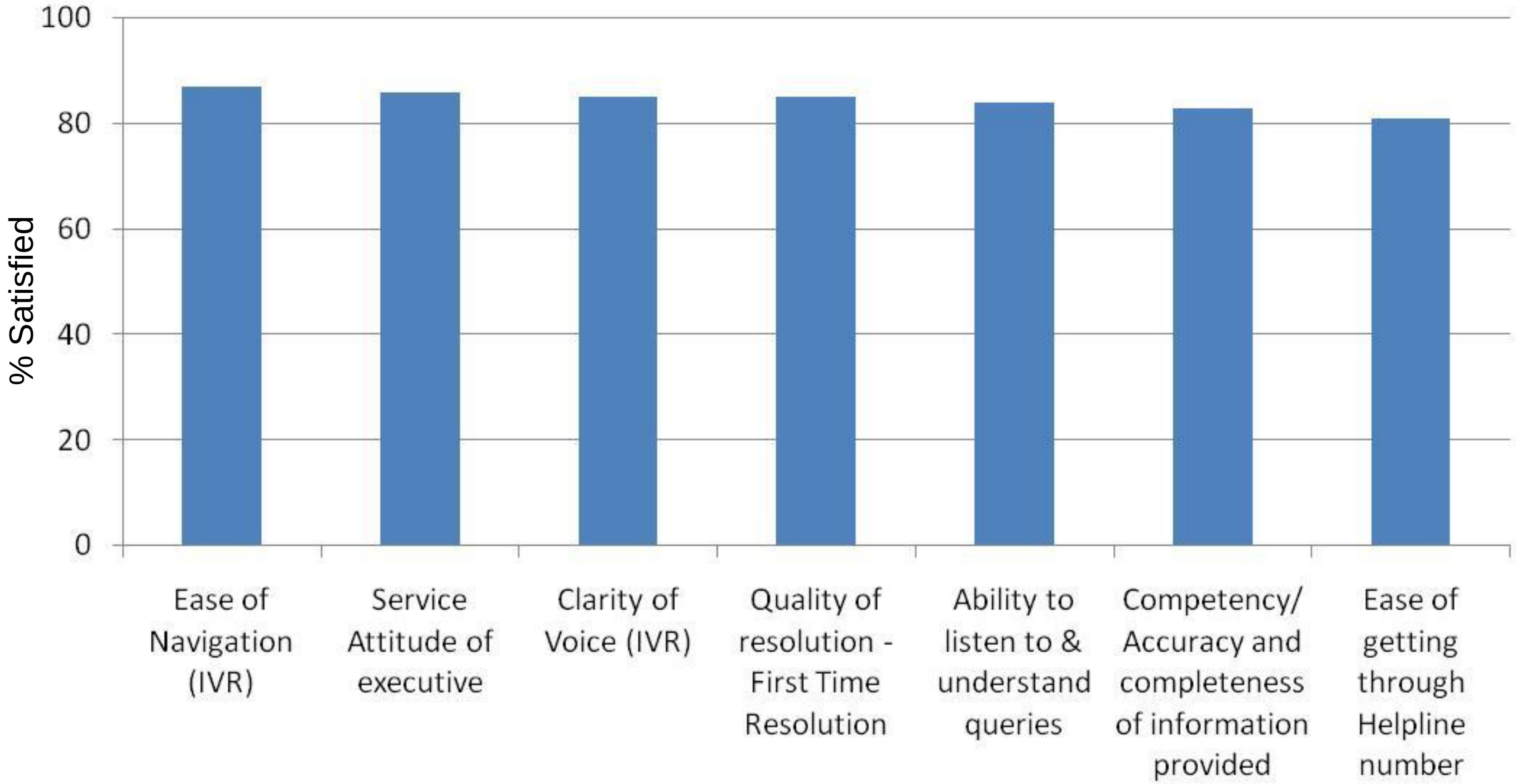
Subscriber satisfaction Study – Nielsen

Tata Sky CSAT Scores



Source: Subscriber CSat Measurement – W3 Jan09 - Nielsen. Base: Tata Sky Subscribers (1520)

Tata Sky CSAT Call Center / Helpline Scores



Source: Subscriber CSat Measurement – W3 Jan09 - Nielsen. Base: Tata Sky Subscribers (1520)

However this functionality is at a huge cost to DTH ….

- All incumbents are in red on the back of:
  - Heavy investment in subsidies
  - Low ARPUs
  - High content cost
  - Excessive taxation on the category (license fees, Service tax, Ent tax, Excise, VAT)

Key Regulatory Challenges

- License Fee needs to be rationalisation (same as Telecom and IPTV)
- Harmonization of taxation regime , particularly state levied entertainment tax
- Technology Neutrality as a policy needs to be consistently followed by the Government
- Content differentiation through bringing in a Self regulatory regime and technological controls
- Moderation of Content Cost for DTH to make it a level playing field

Thank You

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