Hinduja Ventures
Inspiring Growth

incubating success...

INDUSIND MEDIA & COMMUNICATIONS LTD.
(Hinduja Group)

The Hinduja Group : Introduction

- One of India's premier transnational conglomerates
- Been in existence for over 90 years
- Present in 10 business sectors
- Present in 32 countries
- Employs over 35,000 personnel
- 6 major Listed Companies in the Group
- Turnover of the Group is over USD 2.5 billion worldwide

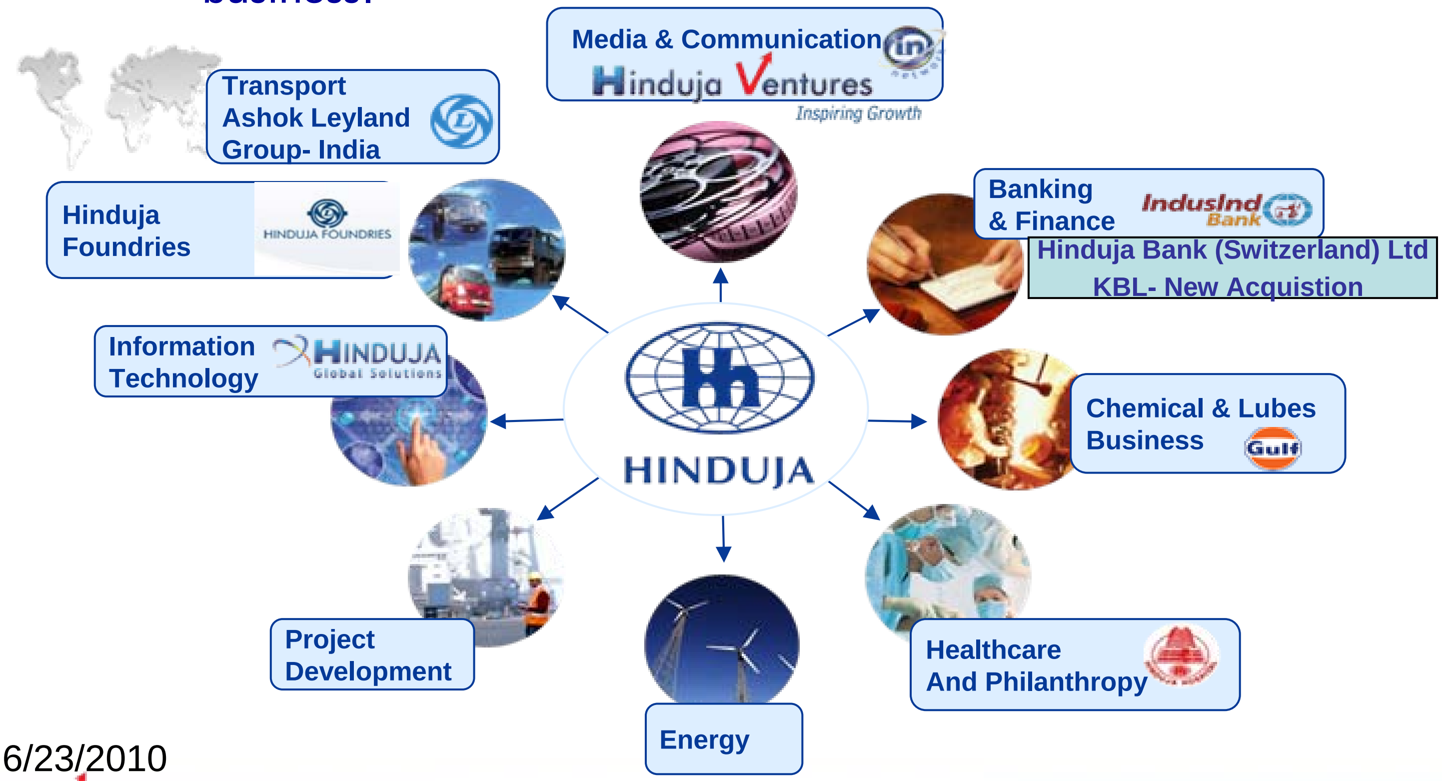
Business Activities

- Global Investments
  - 10 key business sectors
  - Long term strategic investments with international growth potential
  - Majority ownership by the Group
- Investment Banking
  - Independent capability to support Group businesses
  - Arranges Equity & Debt Underwriting
  - M&A and Corporate Finance Advice
  - Real Estate / Leisure projects capability
- International Trading
  - Commodity trading – Primary & Specialty products
  - Counter trade, buybacks and trade finance in support of Group companies

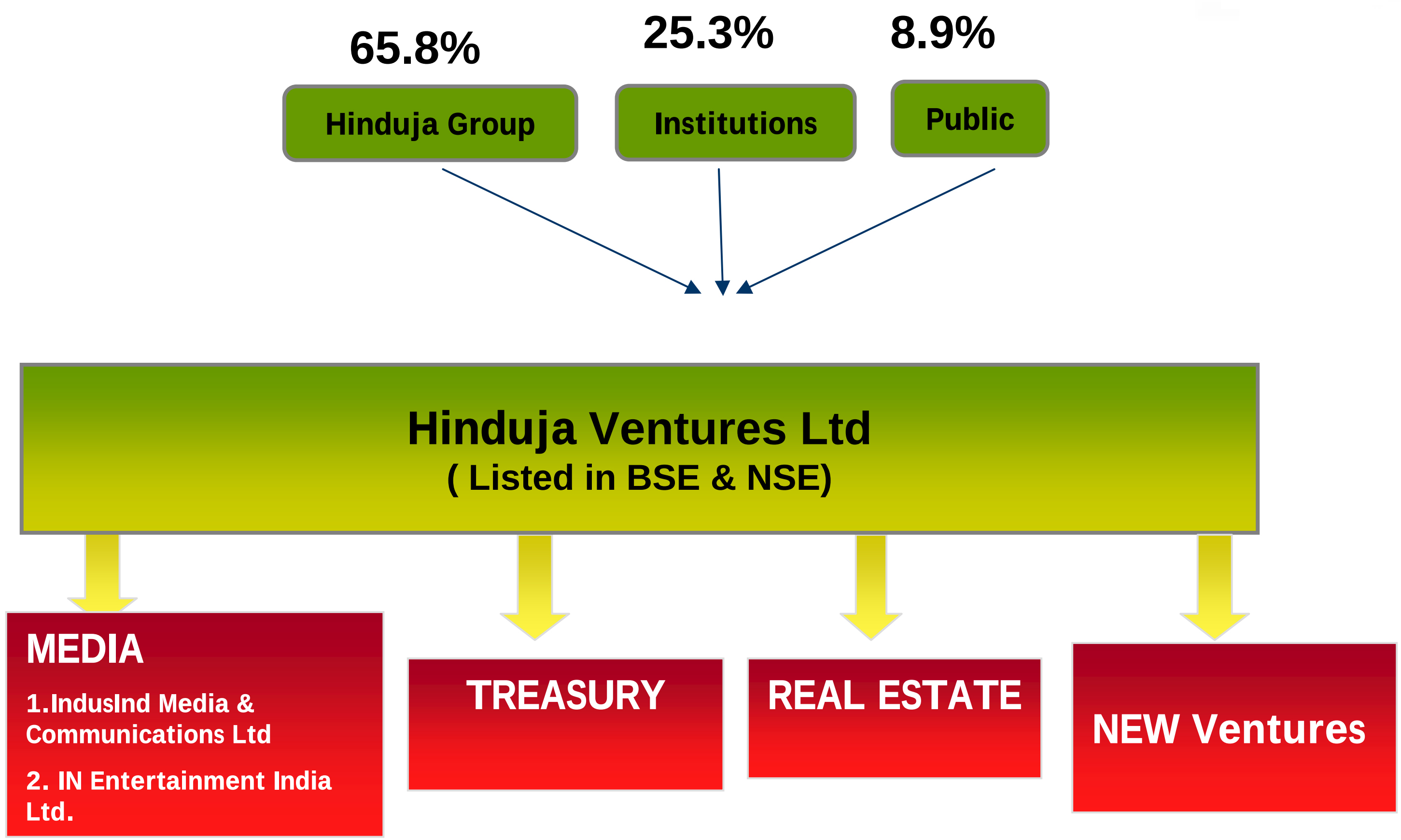
Hinduja Group – Overview

- The **Financial Services Group** operates amongst the leading banks in Switzerland and India with specialization in Corporate, Retail, Private Banking, Trust Services and Merchant Banking

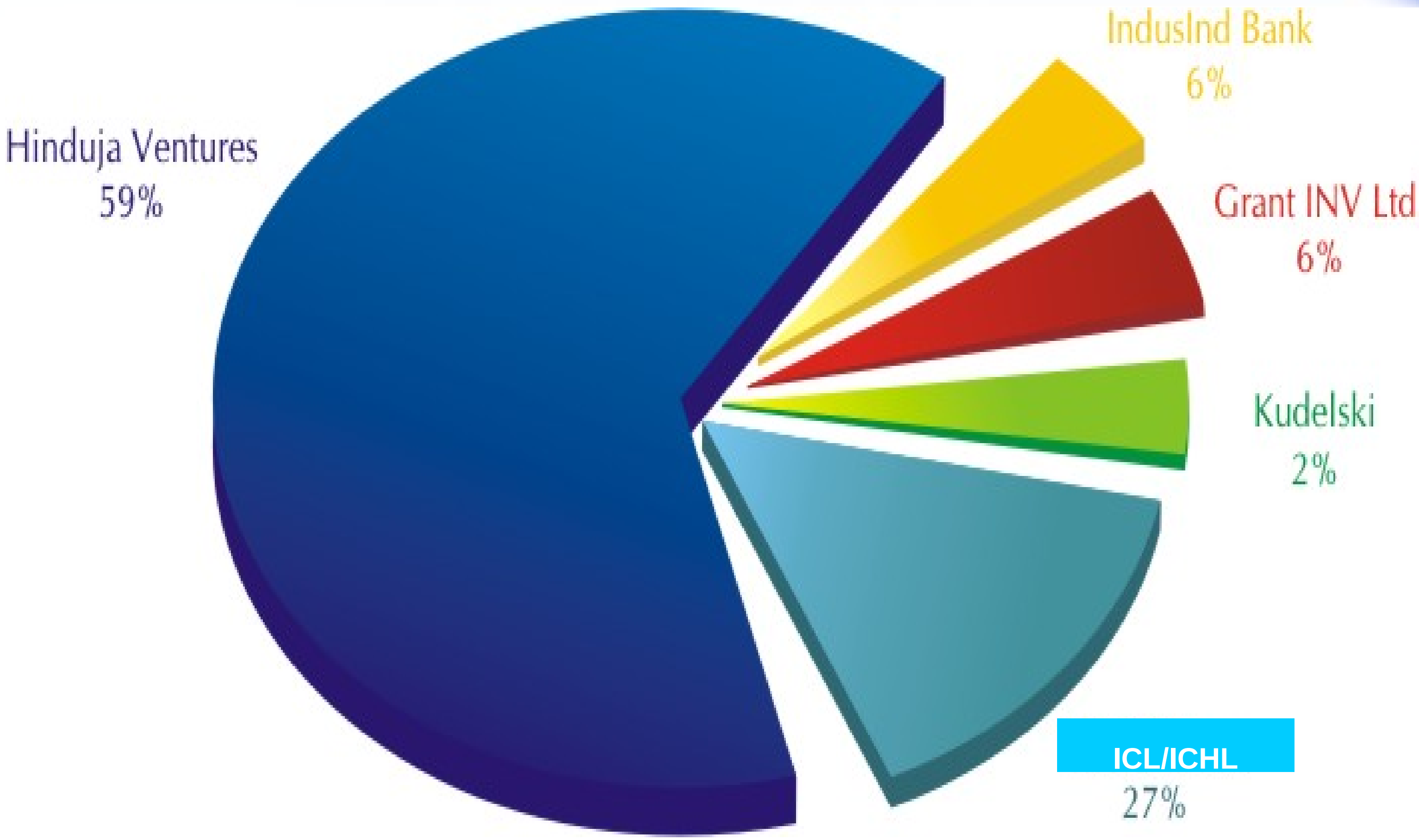
- The **Global Investments Group** has eight investment divisions. Each of these, in turn, has individual companies within the defined area of business.



Hinduja Ventures Limited –
The Holding Media Company-Structure



IndusInd Media & Communications Limited (IMCL) Shareholding Pattern



Media : Companies & Businesses

INDUSIND MEDIA AND COMMUNICATIONS LTD

Analog Cable

Internet on cable

Digital Cable

VOIP/ Internet Telephony

OTHER SERVICES:

- Foreign Channels Aggregation
- Ad Free Channels on Digital Cable
- Commercial and Domestic Channel Distribution

IN ENTERTAINMENT INDIA LTD

Hindi Movie Channel

Interactive Music Channel

"Ad Free"- Classic Movie Channel

Movie Distribution

Co- Production

IMCL Platform utilises best technology from the global technology partners

Subscriber Management System (SMS)

MagnaQuest
Committed to deliver value

CAS System

NAGRAVISION
KUDELSKI GROUP

IMCL has invested in developing a strong technical foundation partnering With global cable TV and convergence leaders like Magna Quest, NAGRAVISION, Motorola etc which provides them a differentiator in quality and scalability of operations

Set top Boxes

TechnoTrend

RADIX

Other technology partners

MOTOROLA

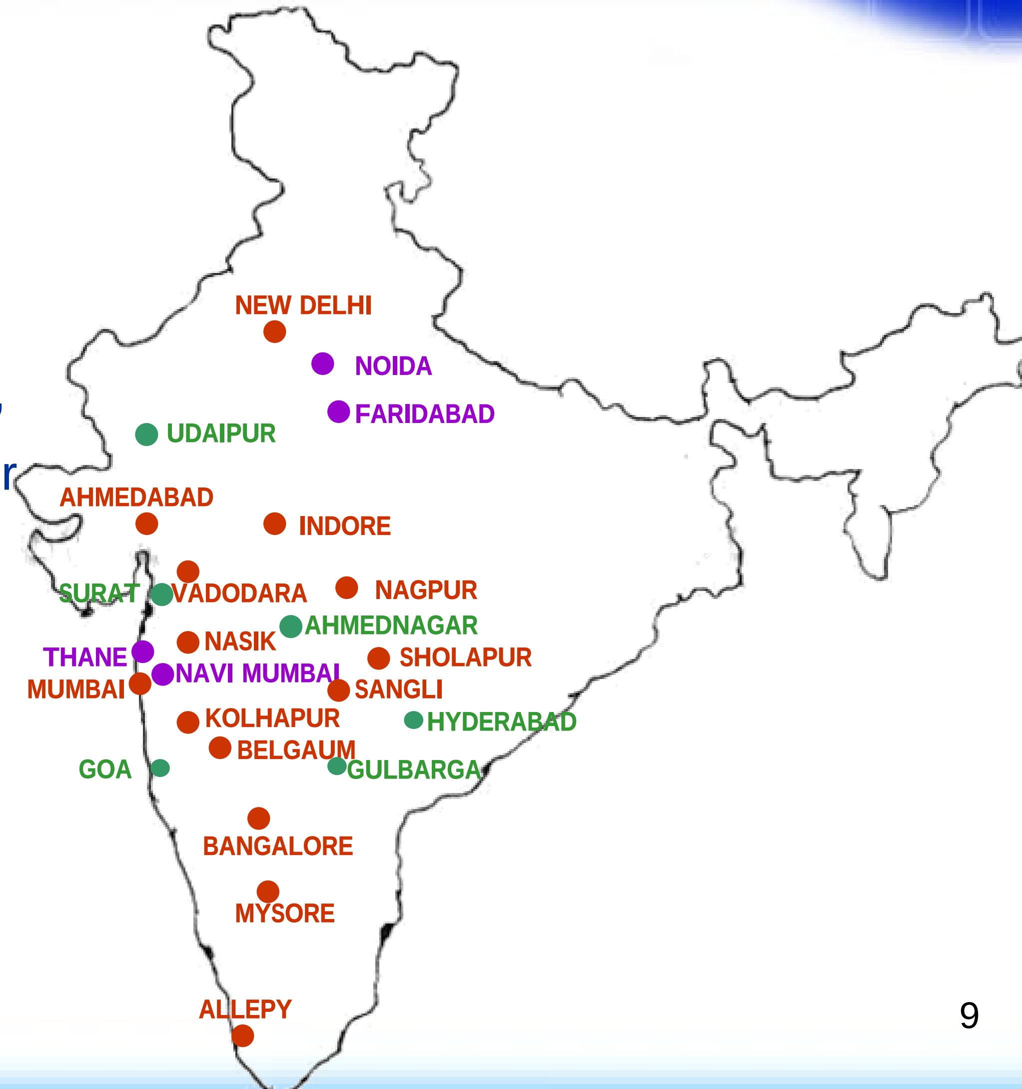
TANDBERG
See: performance

BARCO

IMCL – Geography and Reach

<u>Network :</u>

- 27 centres, out of which 17 are main cities
- 12 digital Cable cities : Mumbai, Delhi,Bangalore,Thane,Navi Mumbai,NOIDA,Ahmedabad, Vadodra, Belgaum, Nagpur, Nasik and Kolhapur
- Estimated subscribers reach in analogue : over 8 million homes
- Digital Cable subscribers: around 400,000
- 14 Broadband cities



IMCL (Incablenet) Today: Assets

Infrastructure in Place:

- Pioneer and leading multi-system Cable & Broadband operator in India and currently in over 27 cities
- In key cities - over 40% market share .
- Only MSO to have extensive intra-city fiber networks
- *Around 10,000 km of trunk and access HFC networks—80% of which is 2-way enabled (including JVs)*
- *Over 2000 Kms of underground Fibre networks in key cities (including JVs)*
- Digital systems implemented in 12 cities and STB roll out commenced. Digital Headends IPTV ready
- Over 1200 employees
- 2,400 affiliated local cable operators—LCO
- Over 240 channels in Digital cable and over 90 channels in Analogue
- LCO averages 6 employees = effective service network 14,440

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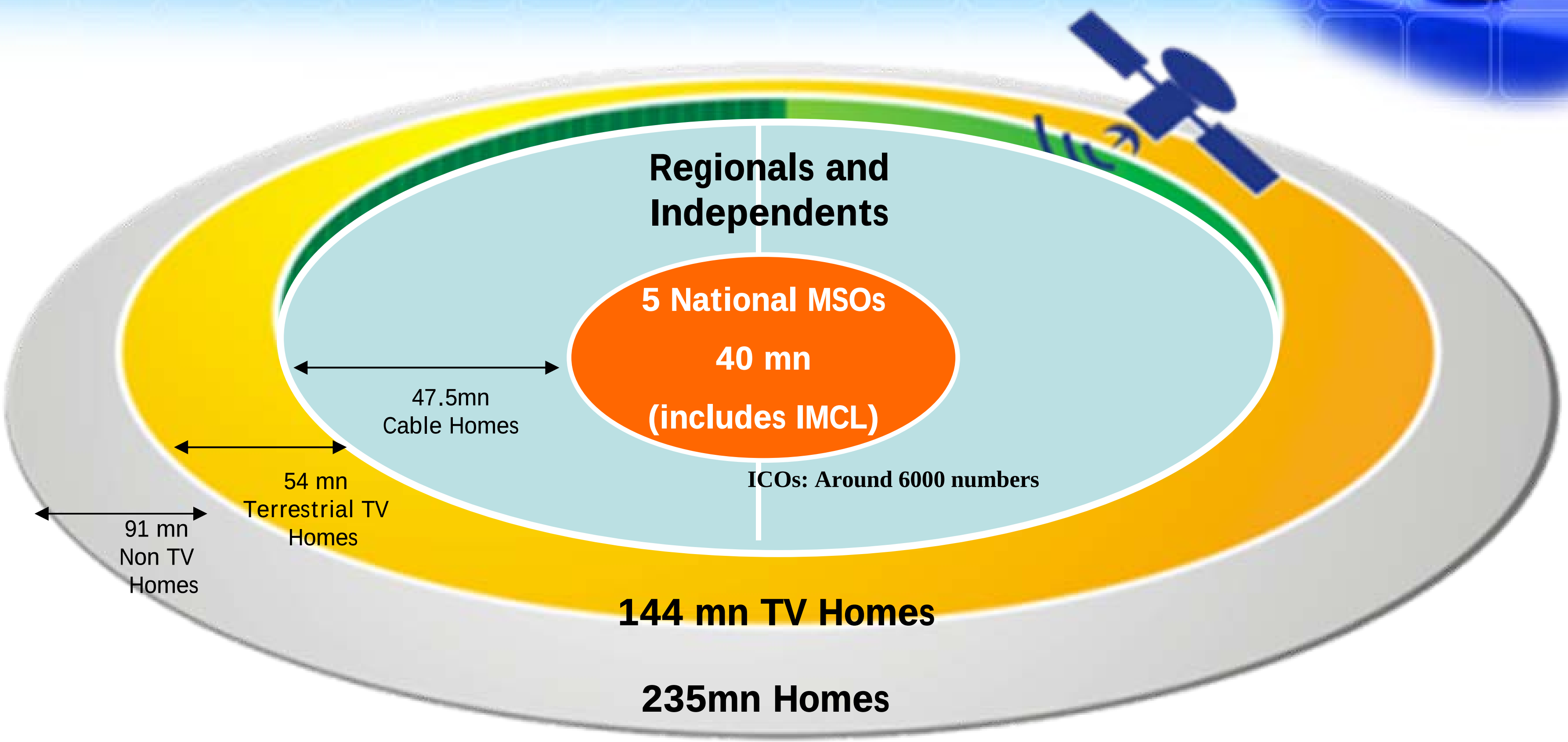
IMCL- PIONEERING CABLE BUSINESS IN INDIA

India Cable TV Market Composition

TV Homes / Total Homes : 57 %   Cable Homes/ TV Homes : 61%

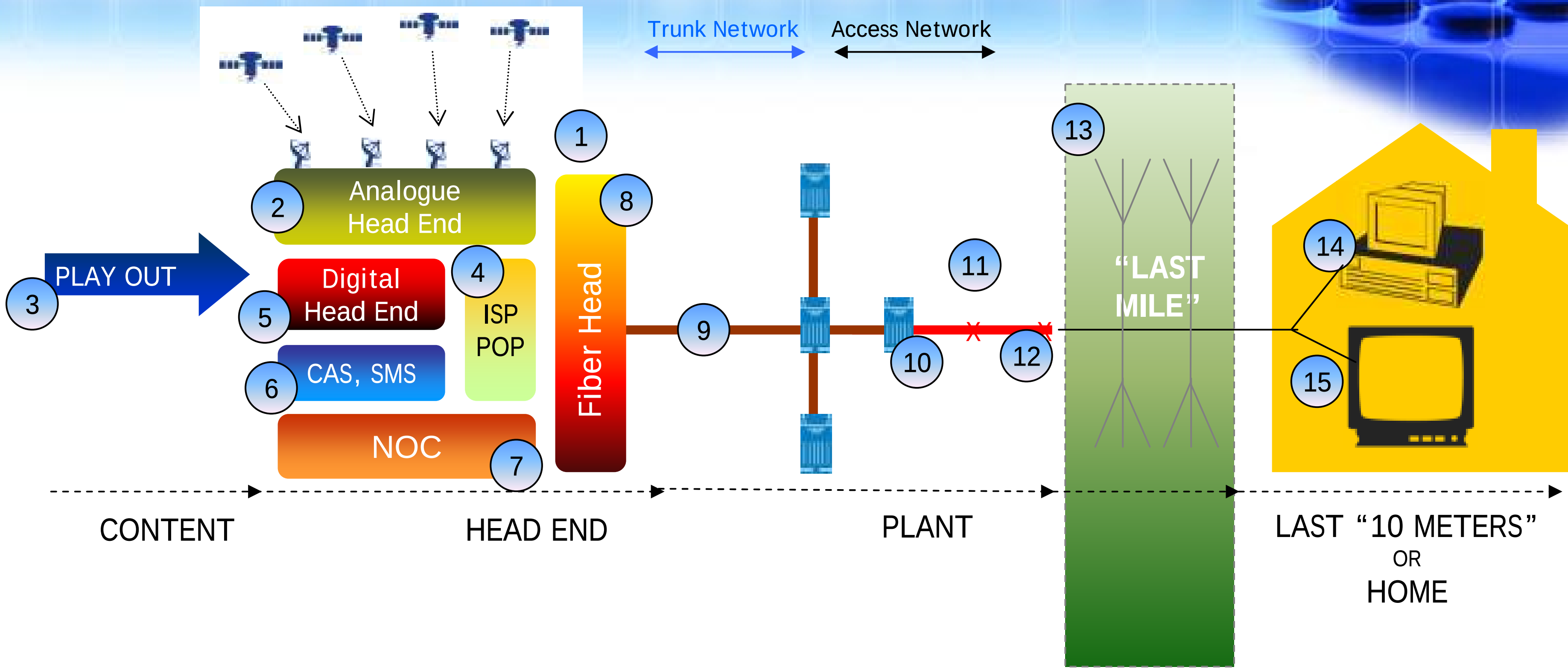


- 5 National MSOs (IMCL, Hathway and WWIL-Zeegroup),DEN,DigiCable, control around 40 million subscribers
- Regional MSOs like Ortel , SCV , Bhaskar, etc. control possibly another 8 million subscribers
- Independent Cable Operators (ICO's) with their own analog headend (around 6000) control another 50 million homes

Source: Media Partners Asia Pacific(MPA) Report 2009

www.media-partners-asia.com

Cable TV --Network Schematic



1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIS H	**ANA LOG UE H/E**	**PLAY OUT EQUIP MENT**	**CAB LE ISP POP**	**Digi tal H/E**	**CAS Incl SMS & Billin g**	**NO C**	**FIBE R H/E**	**FIBER PLAN T**	**FIB ER NO DE**	**TRU NK COA X**	**AM P**	**RG 11**	**CAB LE MOD EM**	**DIGIT AL STB**

A Typical HFC network

Hybrid fibre-coaxial (**HFC**) is a telecommunications industry term for a broadband network which combines optical fibre and coaxial cable. It has been commonly employed globally by cable TV operators since the early 1990s. See diagram below for a typical architecture for an HFC Network.

HFC Network Diagram

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IMCL's growth areas over last year - I

- **Financials**
  - Financial growth ,both topline and bottom-line
- **Growth (Cable)**
  - Consolidation in existing cities
  - Expansion in new territories
- **Digitalisation**
  - Digital services by Fibre networks intercity
  - Activated : Mumbai to Nashik
  - Under Implementation: Mumbai to Goa
  - *Present Digital cities- Mumbai,Navi Mumbai,Thane,Vadodra, Ahmedabad,Delhi, NOIDA,Belgaum,Bangalore,Kolhapur, Nashik,Goa,Sholapur*
  - Plan to expand more digital cities
- **New RGUS and business areas**
  - New avenues of revenue in distribution of content (channels, movies)

IMCL’s growth areas over last year - II

- **Fibre -Infrastructure Business**
- **Leasing of Fibre Optics**

(Additional revenue Streams on Existing Assets)

- Completion of Fibre in Ahmedabad, Vadodra
- New routes started in Karnataka
- TELCOS: Vodafone,Aircell, Loop Mobile
- ISP’s: Tulip, SIFY,
- INFRASTRUCTURE: Railtel, Powergrid
- COMPETITION: Den, WWIL, DigiCable, Spectranet
- DUCTS SOLD/SWAPPED: Tata , Vodafone

IMCL’s growth areas 2009-10

- **Content**
  - “Interactive” Music channel in digital cable
  - “Pay Event channel” in digital cable
- **Collection Mechanism**
  - Pre Paid Cards for Digital Pay services – Going forward
    - Starting with direct points
- **Broadband Growth**
  - Focus on Broadband services for doubling subscriber base:
    - Internet for Incable subscribers in all major markets
    - Aggressive Commercial and Retail customer base expansions
    - VOIP revenue opportunities
    - Upgradation of Existing networks to Two way networks for complete interactivity and true triple play services

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International

- Exploring International collaborations on revenue share models for services on :
  - TV channels – from India to overseas and vice-versa
  - TV Content distribution opportunities abroad
  - Foreign Channels aggregation and distribution on all platforms
  - Content for customized channels in digital channel pay services

Future Plans-

Future Growth Areas-

- **Delivery- Distribution**
  - Digital Cable TV services
  - Analog Cable TV services
  - Broadband/Internet services
  - Internet Telephony services
- **Content**
  - VAS contents, Indigital Premium Channels, Interactive Channels
  - Foreign Channel Aggregation ,Channel Distribution for Retail and Commercial
- **Infrastructure- Fibre**
  - Leasing of Fibre Optics to Telcos, Competition, ISP providers
  - Building a large fibre infrastructure in select geographic areas

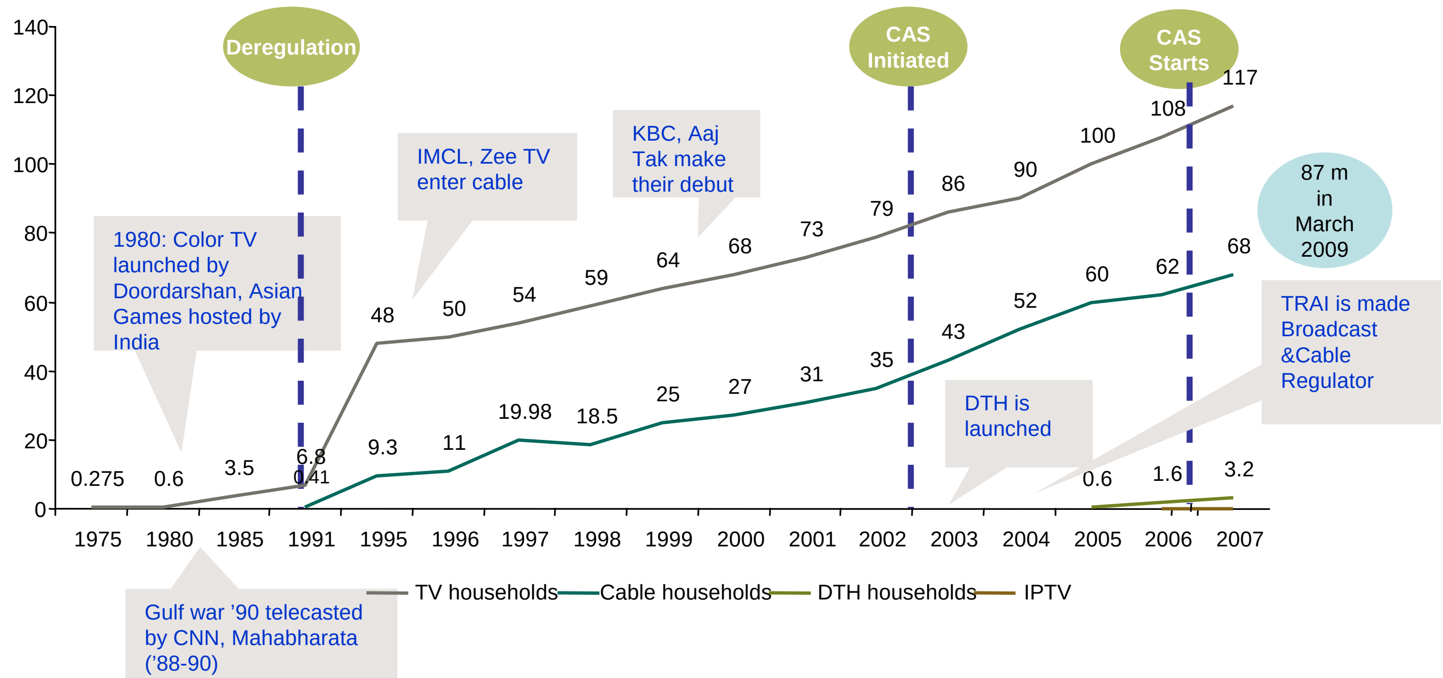
MARKET UPDATE

Evolution of the Indian TV C&S Industry-

From Single channel terrestrial to 500+ Channel Digital Cable & IPTV

- *TV households have grown at 8% CAGR from 1995-2007 and C&S households at an impressive 20% CAGR for the same period*
- *De-regularization has been the key driver in growth in the C&S household in India*
- *During 2005-07 the debate and decisions on CAS rollout limited the pace of TV households adopting cable*

Cable & Satellite households have grown at a CAGR of 19.4% from 1995-2008 reaching 87 mn households in March 2009



Source: ddindia.gov.in, Assocham, NRS, CRIS Infac, Industry

The Indian TV Market Today

India Has a Large Television Market, Dominated by Cable

Millions of Homes Served

- **133.6 million TV households**
- **87.5 million cable TV homes**
- **17.1 million DTH homes.**

A Thriving Consumer Driven Market

Great Service at Nominal Cost

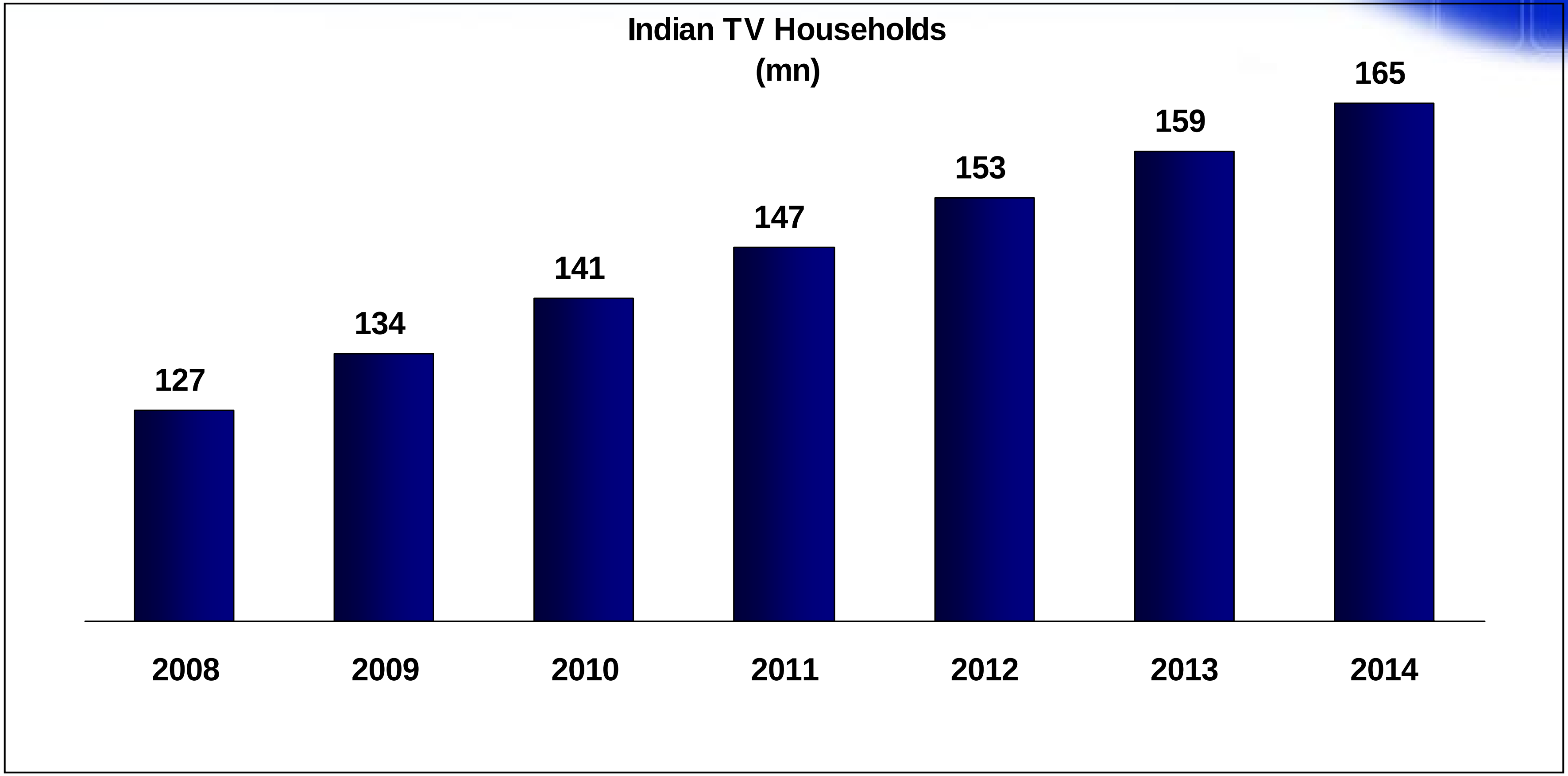
- **Over 500 TV channels**
- **Average payments per household:**

  Rs. 150/-

Source: Media Partners Asia (MPA),Hong Kong Report 2010- Figures as on Dec.2009

Growth of TV Homes to Continue

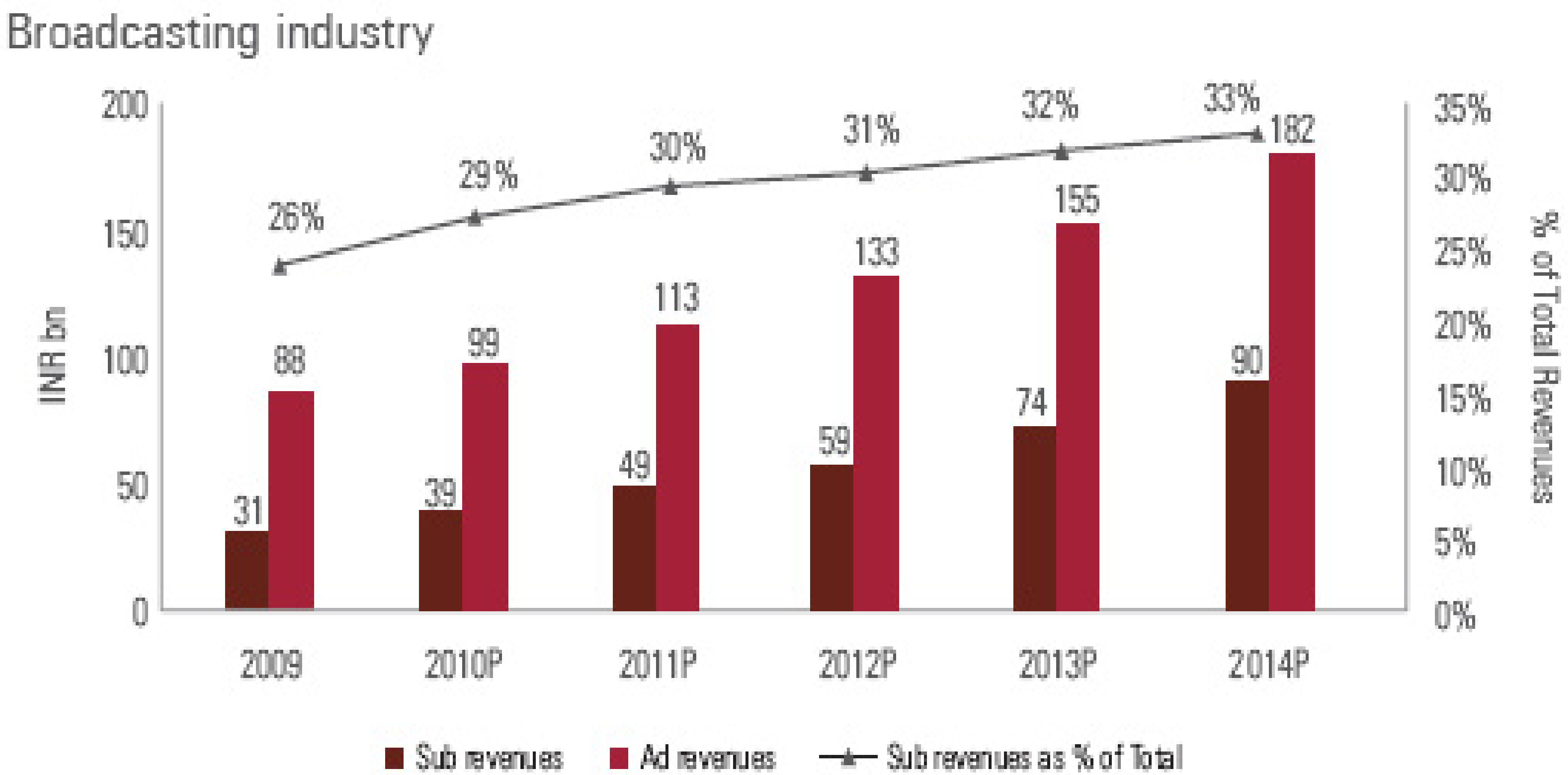
Steady Growth in TV Homes Expected in The Next Few Years…



…Into a Huge Market over 165 mn Households

Source: MPA, 2010 report

Revenues in TV Broadcasting Industry- Present and Potential

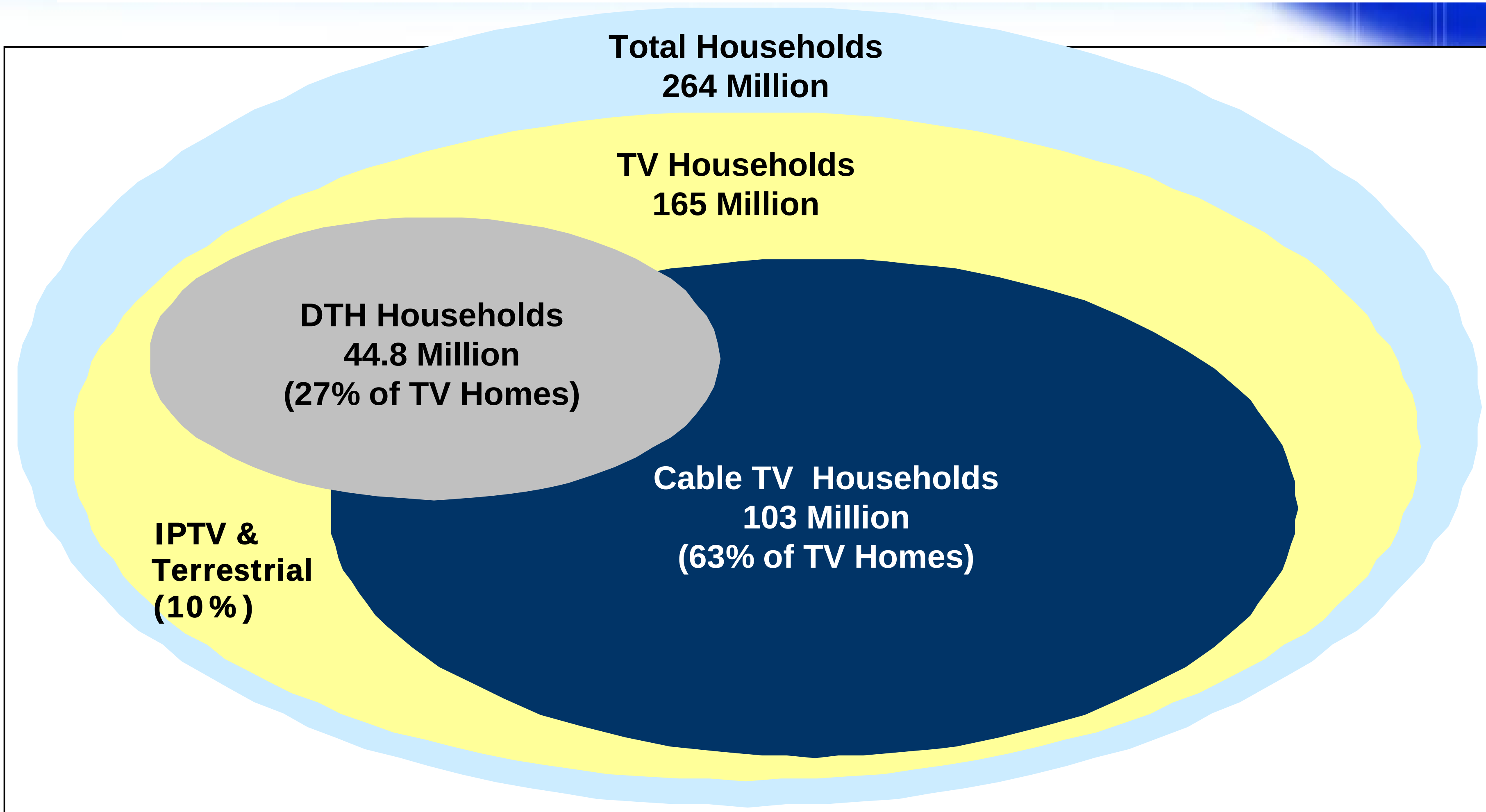


Source: KPMG Analysis, Industry discussions

March 2010

Estimates for the Indian TV Market in 2014

A Large Market With Cable Having a 2/3rd Market Share



Source: MPA Report, 2010

Cable & DTH - Viewer's Choice.. Upgraded Technology

Digital Cable is Robust and Superior...

	Digital Cable	DTH	Advantage
Content	• "Must Provide" clause applicable	"Must Provide" clause Applicable	**Cable, DTH**
Multiple Services	Quad/ Triple Play of offer through the same pipe	TV/ Video services only	**Cable**
Number of Channels	Upto 1000 Digital cable Channels in MPEG 2 and more in MPEG4!	Transponders requirement make difficult over 250 channels, even in MPEG 4	**Cable**
Viewing experience	High Picture quality and sound with HDTV possible. EPG. No distortion due to rainfall/weather	Better than Analog cable but poor connectivity under heavy rainfall and bad weather distorts quality. EPG	**Cable, DTH**
Customer choice	Ala Carte and Bouquet both possible.	Only Bouquet services..	**Cable**
Cost of setup	Overall cheaper set up possible ,when compared to DTH. Lowe costs to customers	Higher set up costs at customer end. Overall costlier than Digital cable	**Cable**
Customer service	**24 X7 Customer care and Quality of services high. No additional charge for customer services**	**Home services are charged online and call centre support services**	**Cable**

REGULATORY Update - Broadcasting and Cable

Digitalisation: The Future of Television

More Channels	High Quality	Control in Consumer's Hands
More Channels: Capacity to Support Large No. of Channels **Niche Channels**: Platform for Special Interest, Regional, Local Channels	**High Quality Broadcasts**: DVD Quality Picture & Sound **HDTV**: Choice of High Definition (HDTV) for LCD/ Plasma TV Owners **3D TV**: Coming soon!	**Parental Controls**: Putting viewers in control of what they want their children to watch **High Interactivity**: On-Demand Video, Games, Music, Shopping, from the Television Remote

Empowering the Indian Consumer With Choice & Quality

TRAI's Recent Recommendations ..

- Greater emphasis on network digitization, increased addressability and broadband penetration
- Incentives prescribed for Multi System Operators (MSOs) to introduce total digitized networks
- The registration for cable TV operator to be replaced by a comprehensive and supportive licensing framework
- Separate licensing frameworks for Cable TV operators (LCOs) and Multi System Operators (MSOs)
- Interconnect Regulations for Pay channels in any Digital Platform.
- TRAI's planned document (June 30, 2010)to Supreme Court and Government on Digital addressability and plan for complete conversion to digital cable(from present analogue)

IMCL's Future Growth Plan Strategy….

- Expansion and consolidation of key markets in Western and Southern India
- Increase in ARPU and direct points for various Value added and digital services
- Channel Aggregation, Channel Distribution and Movie Distribution synergies
- New Revenue generating units (RGUs) by providing services in areas of expertise
- Effective use of fibre network by leasing excess capacity
- Focus on expanding digital base through Digital Cable, Fibre based digitalization and if required explore opportunities in IPTV and HITS
- Digitalisation of cable networks ,based on new regulatory developments
- Moving towards Quad play-
  - Video, Voice, Data and E Commerce

Thank You