

*IndusInd Media & Communications  
Limited- (IMCL)*

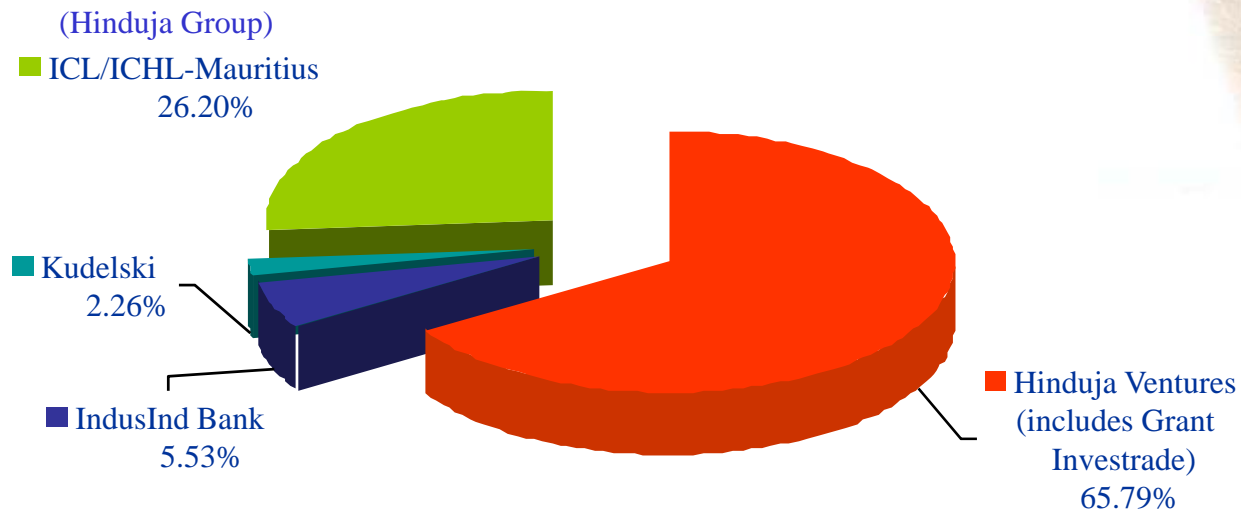
**HINDUJA GROUP**



# Shareholding Pattern

## IndusInd Media & Communications Limited (IMCL)

### Shareholding Pattern



■ Hinduja Ventures ( includes Grant Investrade)   ■ IndusInd Bank   ■ Kudelski   ■ ICL/ICHL-Mauritius



# Vision and Mission - IndusInd Media & Communications Ltd.( IMCL)

## OUR VISION

To be the preferred choice of the Consumer by providing superior service and quality content in the converged world of Video, Data and Voice

## OUR MISSION

To be customer centric by working in partnership with Global content & technology leaders to provide an enriching experience to the consumer.

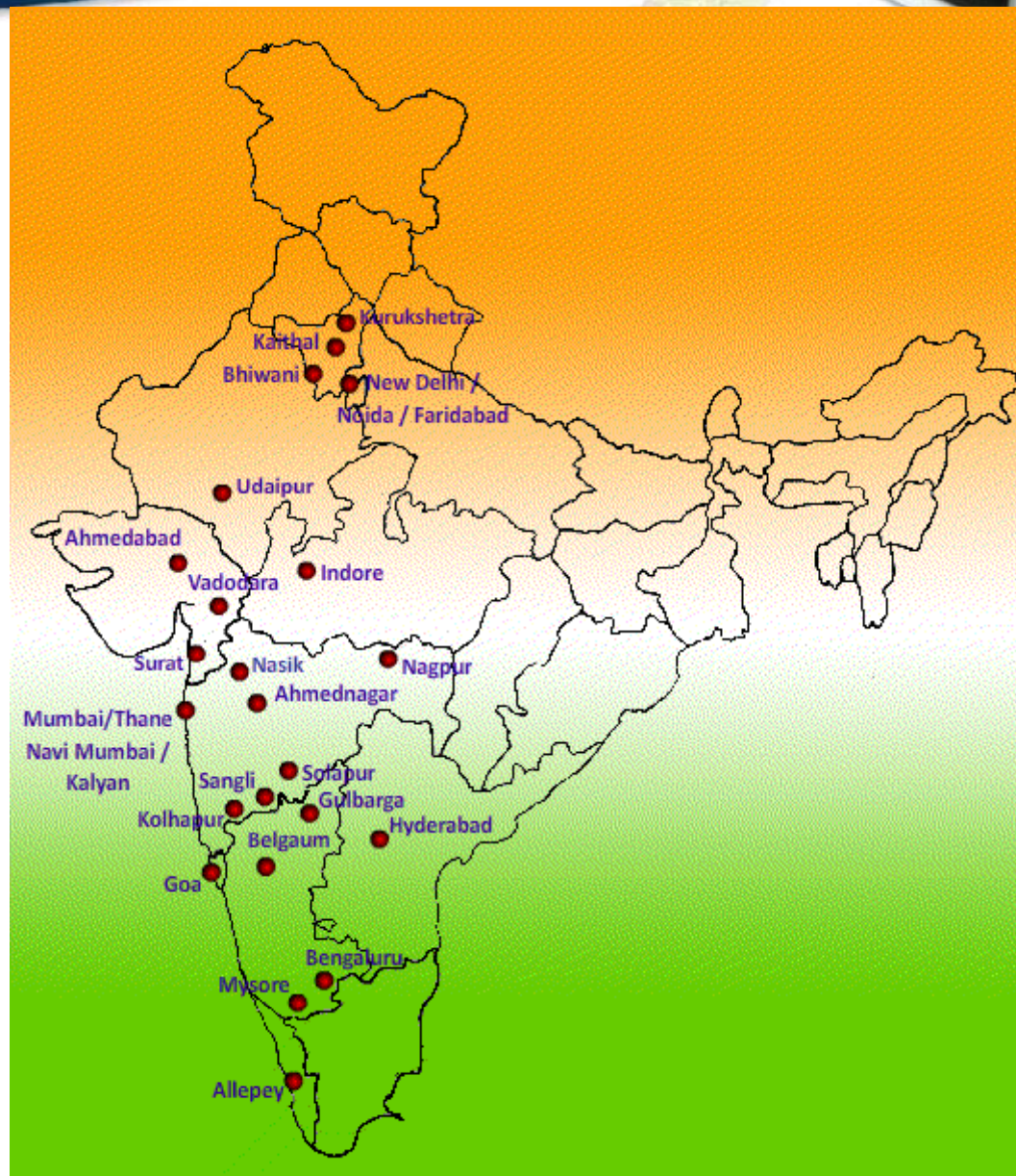




# IMCL – Geography & Reach

## Network\*

- 36 City centers ( Some smaller cities have 4-6 talukas)
- 18 Main Cities
- 19 Digital Cable cities /centres
- Reach approx 8.5 million homes
- Digital Cable subscribers: approx. 2.5 million
- 12 Broadband /Internet service cities



# Media- Services

## INDUSIND MEDIA AND COMMUNICATIONS LTD



Analog Cable



Internet on cable



Digital Cable



VOIP/ Internet  
Telephony

OTHER SERVICES: ( through Associate Company)

- Channel Aggregation
- Commercial Distribution of channels

## IN ENTERTAINMENT INDIA LTD

- Movie Distribution
- Production & Co- Production



Hindi Movie  
Channel



Shop 24Seven



# Infrastructure and Technology & People

## Introduction

- ▶ 10,000 kms of trunk and access HFC networks; 80% of the network is enabled for two way data transmission
- ▶ 2,000 kms of underground Fiber networks in key cities
- ▶ 12 digital head-ends enabling digital cable services in 21 cities
- ▶ 28 analog head-ends providing analog cable services in 34 cities
- ▶ Entire network 860 MHz enabled providing for scalability in channel delivery capacity (~1,000 channels)
- ▶ Experienced and qualified Management
- ▶ Over 2000 employees, over 3000 Franchisee , having over 18000 service people reach

## Technology Partners

Subscriber Management System (SMS)

**MagnaQuest**  
Committed to deliver value

CAS System

**NAGRAVISION**  
KUDELSKI GROUP

Set-top Boxes



**CHANGHONG**



Other technology partners



**TANDBERG**

See: performance

**BARGO**

## Network Components

Network Component	Description	Type	As a % of total network length	Ownership
Trunk network	▶ Intra-city backbone	▶ 100% Fiber	▶ ~15%	▶ 100% IMCL
Access network	▶ Network bifurcating from the Trunk network to the LCOs	▶ 70% Fiber, 30% coaxial	▶ ~20%	▶ 80% IMCL
Last mile network	▶ From LCO to the customers	▶ 20% Fiber (up to building cluster laid by operators), 80% coaxial	▶ ~65%	▶ 95% LCO, 5% IMCL for its direct points





# Digital channels- IMCL

- Offers 350 Digital SD channels
- Over 20 HD channels
- Radio channels
- Programme Guide and synopsis for over 400 channels ( all India)
- Server based channels



# Cable business – Future strategy

## Future strategy

- ▶ Planned consolidation in Maharashtra for a larger share; company targeting 75% share in Maharashtra alone
- ▶ Strategically cities added in UP (Mathura & Agra), AP (Hyderabad) and Haryana (Bhiwani, Kaithal, Kurukshetra), recent acquisition in Kolkata
- ▶ Further acquisitions planned in under-penetrated markets Andhra Pradesh, Madhya Pradesh and Uttar Pradesh where IMCL has a fibre presence
- ▶ To target primary points in new acquisitions; company plans acquiring at least 30% primary points from the new acquisitions

## Focus on VAS offerings

- ▶ Bandwidth monetizing potential through VAS services
- ▶ Plans to focus on regional content
- ▶ VAS services include:
  - ▶ PPV/NVOD
  - ▶ Broadcast of local and special events
  - ▶ Gaming/E-learning
  - ▶ New movie premier
    - ▶ Can leverage group expertise in film distribution and financing
    - ▶ India produces maximum number of films and not more than 20%-25% of the films reach the theatre
- ▶ Dedicated team for content acquisition

## Key geographical criteria for acquisitions

1

**Higher ARPU potential based on population demographics**  
*For eg. Maharashtra, Karnataka and Gujarat*

2

**Cities in the preferred TAM ratings list**

3

**Areas under-penetrated by IMCL where it has good fibre coverage**  
*For eg. cities like Indore, Nasik, Agra, Hyderabad, Noida and Nizamabad*

4

**Focus on direct points acquisitions**





# Broadband business

## Overview of broadband business

- ▶ Provides internet services on Cable and Ethernet across 12 cities
- ▶ Service portfolio includes: Internet access, VPNs, internet telephony, other VAS like email, DNS hosting etc.
- ▶ Customers across retail, commercial and corporate segments
- ▶ Bandwidth sourced from Bharti, Reliance, Tata and Tulip
- ▶ Adoption of GePON – EOC technology for future broadband offerings

## Key drivers for GePON technology adoption

### High ARPU

- ▶ Capability to deliver 8~10 mbps per home
- ▶ Capable of triple play offering Web TV / IPTV / VoIP

### Minimal capex

- ▶ Enables company to transmit broadband data on existing cable network infrastructure
- ▶ The company has one of the longest optical fibre network and would incur minimal incremental expenditure to extend optical fibre closer to last mile

### Technology benefits

- ▶ Network reliability high with all outdoor components like ONU and EMM
- ▶ Technology is agnostic to the type of last mile network
- ▶ Ease in migration to higher broadband speeds compared to Docsys technology adopted by other MSOs



# IMCL- Fibre Optic -Infrastructure Business

- Leasing and Maintenance of Fibre Optics
- Key Clients
  - Telcos - Aircel, Vodafone, Tulip, VSNL, MTN
  - Infrastructure providers - Railtel, PowerGrid
  - ISPs - SIFY, Blazenet, Spectranet
  - Competitors- WWIL, Digicable, DEN



# Key Objectives and Strategy- Growth

- IMCL has received the All India Digital Addressable Cable System License from the Ministry of Information & Broadcasting , Govt. of India
- Increase subscription in all the new markets and acquisitions
- Plan for a quantum subscription jump in digital addressable environment , likely from next year
- Launch of VAS services during first year of digitalisation with focus on interactivity
- Broadband enabled homes
- Creating stickiness by offering Triple play
- Increase of ARPU's by effective channel bundling and packaging
- Offering localised content





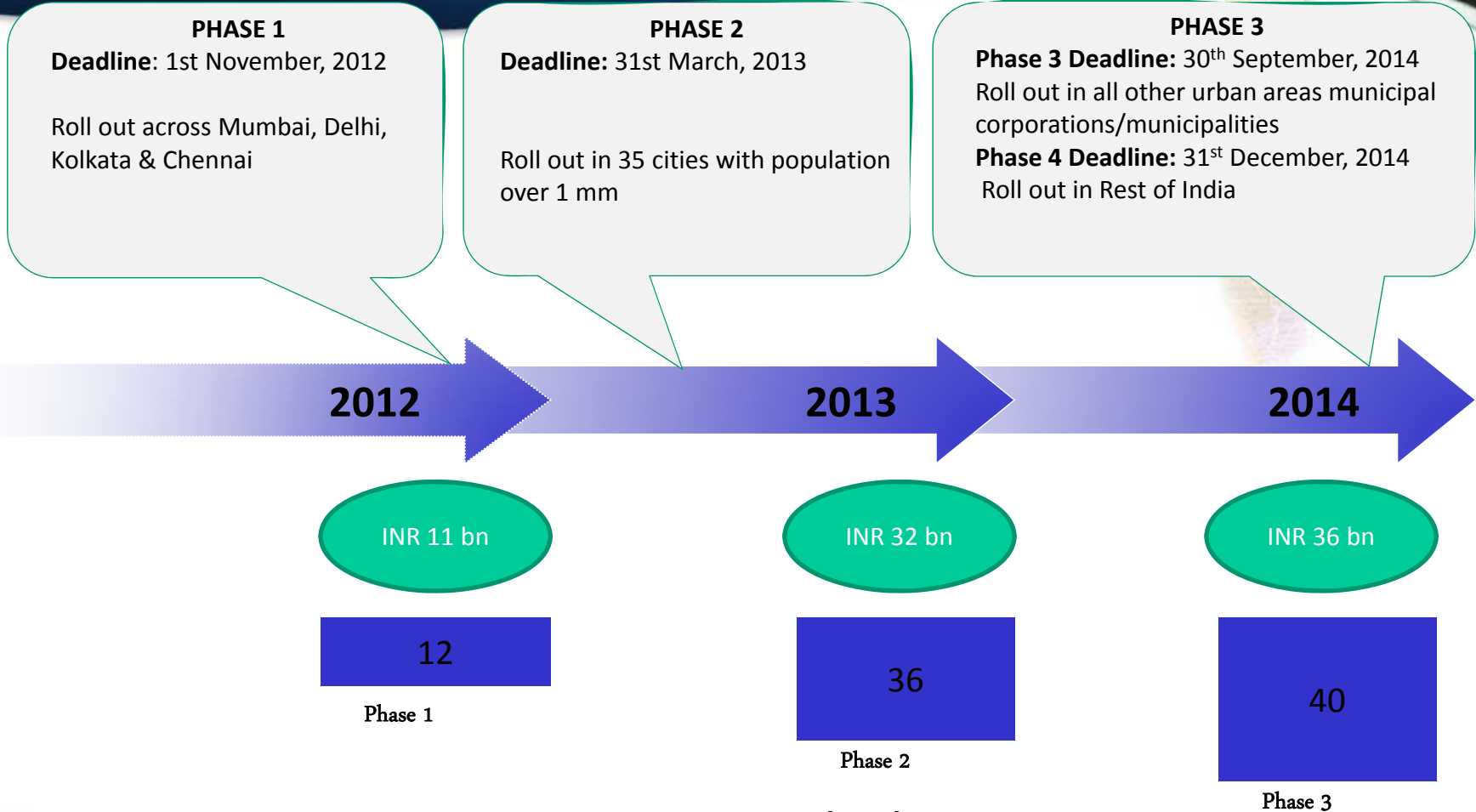
# ...pitching digital cable in direct competition with DTH



	Digital Cable	Direct To Home (DTH)
<b>Value added services</b>	<ul style="list-style-type: none"> <li>▶ Dual / Triple play capabilities</li> <li>▶ True Video On Demand (VOD)</li> </ul>	<ul style="list-style-type: none"> <li>▶ HDTV+DVR, Pay per view</li> <li>▶ No "return path" limiting scope for value added services</li> </ul>
<b>Customer connect</b>	<ul style="list-style-type: none"> <li>▶ May continue to use LCOs as 'feet- on-street'</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customer interface through call centers only</li> </ul>
<b>Channel carrying capacity</b>	<ul style="list-style-type: none"> <li>▶ 1,000-1,500 SD channels, assuming no accompanying analog signal</li> </ul>	<ul style="list-style-type: none"> <li>▶ 200-300 SD channels due to limitations in transponder availability</li> </ul>
<b>Transmission</b>	<ul style="list-style-type: none"> <li>▶ Uninterrupted transmission</li> </ul>	<ul style="list-style-type: none"> <li>▶ Transmission gets impacted due to weather conditions</li> </ul>
<b>Regional content</b>	<ul style="list-style-type: none"> <li>▶ Regional / local content will be a significant differentiator</li> </ul>	<ul style="list-style-type: none"> <li>▶ Fewer regional channels, available nationwide</li> </ul>
<b>Infrastructure cost</b>	<ul style="list-style-type: none"> <li>▶ Existing infrastructure can be leveraged</li> </ul>	<ul style="list-style-type: none"> <li>▶ Setup cost per new subscriber is relatively higher</li> </ul>
<b>Readiness</b>	<ul style="list-style-type: none"> <li>▶ Challenge for players who do not have necessary systems and processes in place for transition to digitisation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Already a digital addressable system: ready to capitalize on this opportunity</li> </ul>



# Digitisation sunset dates firmed up by the Government...



Target subscriber base (mm)

Digitisation of the existing 88 mm analog cable network across India is targeted to be completed by the end of CY14

\*TRAI – Telecom Regulatory Authority of India





Thank You

