QUANTUM SECURITIES PVT. LTD.

Dish TV

Buy

Industry	**Media Distribution**
Close Price	**Rs86**
52 Week H/L	**Rs142.8/Rs51**
Volumes (BSE)*	**63,977,086**
Shares O/S (Mn)	**428.2**
Market Cap (Rs Bn)	**Rs36,825.2mn**
Free Float	**42.06%**
Bloomberg	**DITV IN**
Reuters	**DSTV BO**
***3 month avg BSE**	

Share Holding Pattern		
Particulars	**No. of Shares**	**% Holding**
Promoter	**248.1mn**	**57.94%**
Institutions	**116.1mn**	**34.25%**
Public	**64.0mn**	**7.81%**
Total	**428.2mn**	**100%**

Date:17/12/2007

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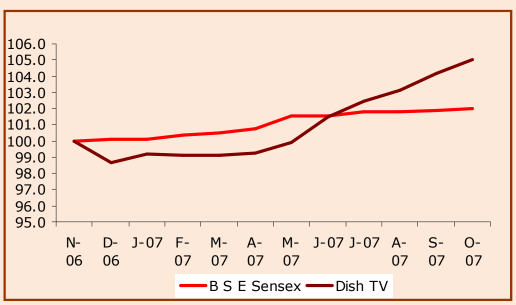


Financial Highlights

Y/E March 31 (Rs Mn)	Sales	Growth (%)	OPM (%)	PAT	EPS (Rs)
2006	315.0		(267.0%)	(2,077.9)	
2007	1,943.4	517%	(97.0%)	(2,518.7)	(5.3)
2008E	4,463.6	129.7%	(40.1%)	(3,287.2)	(7.0)
2009E	7,472.1	67.4%	(14.9%)	(4,198.1)	(8.9)
2010E	12,057.7	61.4%	2.7%	(4,674.4)	(9.9)

Source: Company and QS Research

Part of the Essel group, Dish TV is India's first direct to home entertainment service, providing digitalized broadcasting straight from the satellite to home. DTH - or Direct-to-Home TV, with its digital transmission capabilities and host of interactive features such as 'Movies-on-Demand', 'multi audio feed' and others, is increasingly becoming the new global standard of TV viewing & distribution.

Investment Rationale

High growth emerging market- DTH industry in India is on the verge of immense growth and is becoming increasingly popular both amongst subscribers as well as investors. From current size of 3.5mn subscribers, the industry is expected to grow to 5mn in FY08 and 27mn in FY11 and at 80% CAGR, the industry revenue is expected to grow to Rs100bn by 2011. Currently Dish TV has 2.4mn subscribers with over 63% of the market share.

Part of the Essel Group- Dish TV is promoted by the established Essel Group; which gives it an edge over its competitors mainly due to the widespread distribution and brand awareness across the country including the Tier II and Tier III cities.

Pioneer in DTH- Being the first player in DTH, it stands to gain due to its strong customer base. It will also break even faster than its competitors as the first 1mn subscribers were acquired at low cost. It enjoys over 63% of the market share currently.

Well laid infrastructure- It has a robust infrastructure in place with enough transponders to carry 225 channels by the end of this year. This is by far the highest capacity of any operator and would be a competitive advantage for Dish TV for another year and a half because of its ability to carry more channels and content.

Regional spread

Largest share of its revenue-36% comes from the Western region followed by North-24%, South-22% and East-18%. Top 15 cities contribute 20% of the revenue, top 50 cities 43% and top 200 cities give 60% of the revenue. Remaining comes from the other cities thus resulting in a PAN India spread.

Revenue Growth

The revenue growth is going to be driven by three factors:
1) ***Increasing customer base*** –This is expected to increase from 2.4mn right now to 5.5mn in FY10. 2) ***Increasing ARPU-*** Expecting 10-15% annual increase, we expect the ARPU by FY10 to be Rs204 3) ***Higher carriage fee from broadcasters-*** With scores of channels starting in the next few years and limited no. of transponders carrying limited number of channels, the broadcasters will have to pay higher carriage fee to air their channels through DTH platform. Hence this will result in incremental income for DTH service providers.

Capex going forward

To capture increasing share of the growing market and to maintain its position, Dish TV has earmarked Rs11,000mn for expansion which would include introducing new DTH related services and advertising. The company has raised Rs2,500mn through preferential allotment on December 5, 2007 and Rs1,250mn through warrants convertible into shares at Rs130 within 18 months.

Valuation & Outlook

Dish TV's growth in future will be driven primarily by the growth in the number of subscribers and incremental ARPU. Given the nature of business wherein the value unlocking will happen only with acquisition of subscribers, we value Dish TV using the **DCF model**. We estimate the total no. of subscribers at the end of FY17 to be 21.7mn and the ARPU to be Rs450. Assuming the EBITDA margin to stabilize at around 27% and taking a terminal growth rate of 3% after FY17, we arrive at a target of **Rs125.0** by FY09 which converts into an annualized return of 32.5% over the CMP of Rs86. We recommend **'Buy'** on the stock.

Investment Arguments

Part of the Essel Group- Strong promoter backing

Dish TV is promoted by the established Essel Group, which has a PAN Media presence. This gives Dish an edge over its competitors mainly due to the widespread distribution and brand awareness across the country including the Tier II and Tier III cities.

Pioneer in DTH- Established Customer Base

Dish TV has a market share of 63% currently

Digitalization is completely driving the distribution space and Dish TV being the pioneer has the first mover advantage and is placed well to benefit from this opportunity. With a subscriber base of 2.4mn, Dish TV has over 63% of the market share. The company has added 458,000 subscribers in the first two quarters of FY08. By 2011 the total market size is expected to increase to 27mn of which Dish TV is expected to have 7.4mn subscribers or 30% market share. It is expected that there would be some five players in the industry and clearly Dish TV would continue to be the leader as in India content exclusivity is not allowed. So there is nominal churn rate as against 18-20% churn rate globally. Its widespread and established presence has made the brand generic to DTH and enjoys top-of –the-mind recall and recognition.

Well laid infrastructure

Ready availability of transponders gives Dish TV edge over its competitors

Dish TV has a robust infrastructure in place with 9 transponders on NSS-6 and additional 3 transponders as DD Direct switches to INSAT 4B. It is getting two more transponders by the end of this year, giving it a capacity to beam 225 channels, which is by far the highest capacity of any operator and would be a competitive advantage for Dish TV for another year and a half because of its ability to carry more channels and content. Ready availability of transformers is a big advantage as unavailability of transponders is the biggest entry barrier for new entrants. Also, Dish TV has an extensive distribution network, of 400 distributors and 35,000 dealers covering over 4100 markets across India. It has technology partnership with multinational organizations that help in maintaining technological leadership.

Cost Conscious

The company has an extremely cost conscious culture and is one of the lowest cost service providers. Customer acquisition is the highest cost head for a DTH operator. However, Dish TV stands to gain as the initial 1mn subscribers added during the monopoly period were acquired at a comparatively lower cost. Currently the subscriber acquisition cost is close to Rs1800 which takes close to 18 months to be recovered.

Service & Content

Dish TV provides the widest range of channels with a total of 180 channels of which 10 have been recently added. 20 of these are radio channels. These are packaged and priced in a number of consumer friendly bouquets. Since the key differentiators in the DTH industry are 'service' and 'marketing', the company has invested heavily in improving the customer service and strengthening the brand. The only competitor right now- Tata Sky which provides only 140 channels

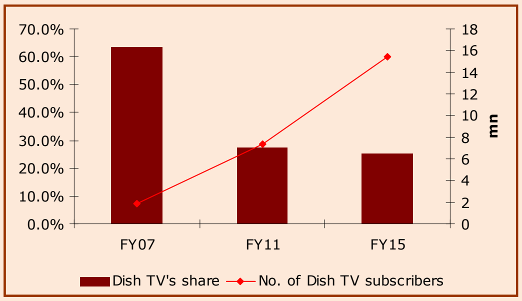
Revenue Growth

The revenue growth is going to be driven by three factors 1) Increasing customer base 2) Increasing ARPU 3) Higher carriage fee from broadcasters.

Increasing customer base- Dish TV is expected to have a customer base of 7.4mn by FY11 as against 2.4mn right now. This will result in robust revenue growth.

Increasing ARPU- Per month DTH ARPU in India is around Rs120 (H1 08) currently which is very low as compared to a standard of around $12 for comparable economies. Hence a 15% y-o-y growth Is expected in the ARPU going forward. This is because on the incremental subscriber base the ARPU would be appreciating. Also, while to acquire subscribers the ARPU may be lower, but when these subscribers come for renewal they are charged higher ARPU for their package.

Higher carriage fee-With scores of channels starting in the next few years and limited no. of transponders carrying limited number of channels, the broadcasters will have to pay higher carriage fee to air their channels through DTH platform. Hence this will result in incremental income for DTH service providers. While most of the upcoming channels will be pay channels in the cable market, they are likely to follow free-to–air model for the DTH platform. Under this model, these channels pay a technical/ placement fee to the DTH service provider. In addition, the DTH player does not share any subscription fee with the broadcaster.



Source: Industry Data; QS Research

	2007	2008
Players	2	5
Ad Spend/Yr (Rs mn)	3,000	10,000

Source: Industry Data; QS Research

Regional spread

Largest share of its revenue-36% comes from the Western region followed by North-24%, South-22% and East-18%. Top 15 cities contribute 20% of the revenue, top 50 cities 43% and top 200 cities give 60% of the revenue and the remaining comes from the other cities thus resulting in a PAN India spread.

Direct competition –Not a concern

By mid-2008 Sun, Reliance and Bharti would have commenced operations taking the total number of DTH players to five. While currently the joint advertising in DTH (Dish TV & Tata Sky) is close to Rs3,000mn/year, with other players coming into the market this is expected to increase to Rs10,000mn/year. However, it is believed that the market is big enough for a 5-operator play without them eating into each others' share. Dish TV has an edge over the new entrants as it takes nearly five years for a DTH operator to break even. Being the first entrant, Dish will break even at the operating level in FY10 while others will still be in the red.

Capex going forward

To capture increasing share of the growing market and to maintain its position, Dish TV has earmarked Rs11,000mn for expansion which would include introducing new DTH related services and advertising. It would be spending Rs100mn per month on brand promotion. The company would be funding this through a mix of debt and equity. It has raised Rs2,500mn through preferential allotment on December 5, 2007 and Rs1,250mn through warrants convertible into shares at Rs130 within 18 months. We expect the company to raise Rs3,500mn by way of equity towards the end of FY08 at a price of Rs100, thereby taking its equity to Rs528.2mn from current Rs428.2mn.

Recent Initiatives

- To further strengthen its distribution network Dish TV has entered into association with large and organized retail chains having a pan India presence like Spencer's, NEXT Retail India Ltd., Music World etc.
- It has recently launched 'Dish TV on Computer', being the pioneer once again. It has a special set top box which when connected to the desktop PC can alter between computer and Live TV. The technology is compatible to both computer and television.

C&S Industry

There are over 112mn television households in India. Of these 68mn are Cable & Satellite households. India is expected to become Asia's largest satellite market by 2008 and leading cable market by 2010 and the most lucrative pay television market by 2015 (due to the increasing ARPU). It was Asia's third largest pay TV market after Japan and China with a turnover of $3.6bn (from multichannel video -cable, satellite and IPTV) in 2006, but is expected to grow to $10.5bn by 2015 and join Japan as the largest. This combined with the expected 15-20% annualized appreciation in ARPU throws immense potential for all the players in the industry despite the increasing competition.

	FY07	FY11E	FY15E
No.of TV HHs	112	150	188
No. of C&S HHs	68	110	159
DTH Subscribers	3	27	61
Dish TV Subscribers	1.9	7.4	15.4

The no. of TV households in India is expected to grow at a CAGR of 6.7% from 112mn in FY07 to 188mn in FY15. During this period the total no. of C&S households are expected to increase at a CAGR of 11.2% from 68mn to 159mn and the no. of DTH subscribers at a CAGR of 45.7% from 3mn to 61mn. With new players coming in Dish TV's share in the DTH industry is likely to be 25.2% in FY15 as against 63.3% in FY07.

Digitization

Digitization in the television industry can be done in four ways:

(a) **CAS-** CAS is provided by MSOs in conjunction with LCOs. Under CAS viewers watch the channels they like and pay only for those channels. Due to digitization, it eliminates the under declaration and benefits the broadcasters. Cable operators pay the broadcasters part of the revenue collected only from the subscribers who have subscribed to their channels hence allowing the pricing of the channels according to the popularity.

(b) **DTH-** DTH involves the reception of satellite channels through personal dish in individual homes. DISH TV was the first to start DTH operations in India. The other player in DTH is Tata Sky. Bharti Group, ADAG and Sun Group are also expected to enter the market by next year.

(c) IPTV- In IPTV, the same service is used as in Internet Services. The TV channels are encoded in IP format and delivered to TV using electronic device. All three services- telephone, broadband and IPTV, work together.

(d) HITS (Head-end in the sky) - This involves delivery of satellite channels to the cable operators through a head-end in the sky (located on a satellite) rather than through an on-ground control room. HITS operator encrypts all TV channels at a common facility and uplinks them to a satellite. These are then beamed back to various digital cable head-ends from where they reach the consumer through cable.

Thus, apart from the direct competition from other DTH players, Dish TV may have to compete with players in the above mentioned platforms.

Key Negatives of DTH

-DTH service may not work properly in poor atmospheric conditions such as heavy rainfall. However cable transmission is not susceptible to poor atmospheric conditions. The biggest advantage that cable (CAS) has is the reverse path that does not exist in the satellite based DTH. The cable box is highly interactive and one can give commands for content that can be fetched from the server immediately. DTH operators will have to use a phone line for interactive commands. The only trouble is that MSOs in India have no experience in building special content and the reverse path advantage may be lost.

Changing regulatory scenario

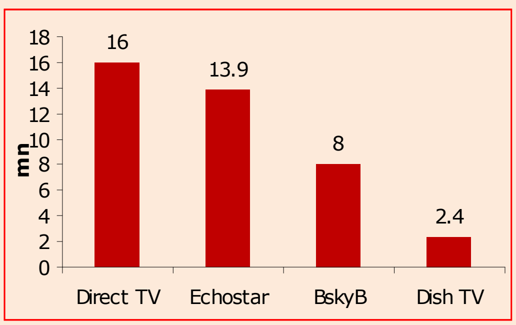
Recently, Telecom Regulatory Authority of India (TRAI), the regulator for the media sector, has issued a set of regulations pertaining to DTH broadcasting services. As per these regulations DTH operators can carry only the popular channels and refuse to carry the unpopular channels that are a part of the bouquet. Thus the DTH players will be able to offer DTH services at lower rates which may lead to a further reduction in the DTH subscription rates.

DTH growth in India to be driven by subsidy

	US	UK	India
ARPU	$60-70	£40	$5-7

Source:Industry Data;QS Research

No. of Subscribers



Source:Industry Data;QS Research

Global Comparison

Globally DTH has grown on the back of either content exclusivity or subsidy. In India DTH has to be driven by subsidies as content exclusivity is not allowed here. Though content exclusivity is not allowed in India, Goal TV and Euro Sports News are Dish TV's exclusive contents. Going forward there are talks for allowing partial content exclusivity to DTH operators which would is likely to make them more competitive.

Currently Dish TV provides a subsidy of 25% on the total package and Tata Sky provides a subsidy of 34%. The new players will have higher cost of acquiring customers as their cost of set top boxes ($54-57) is much higher than Dish TV ($34) and Tata Sky ($40). However this is because the new players would be using an advanced technology which would allow transponders to carry more number of channels.

Globally the main difference is in ARPU. While the ARPU in UK is in the range of £40, that in US is around $60-70 and in India is in the rage of $5-7. But the penetration in India is very fast. While BSkyB has 8mn subscribers in 12 years, Dish TV has added nearly 1mn subscribers in one year.

One of Dish TV's global parallel is Echostar Communication in the US. Currently it has close to 14mn subscribers. US is a developed market and there cannot be a direct comparison between Dish TV and Echostar. However, Echostar can be seen as a benchmark to gauge the potential for DTH players in India.

Echostar Communication (ttm as on 27 Nov 07)

Total Revenue	$10.78bn
Operating Margin	13.87%
Net Margin	6.81%
EV	$22.06bn
EV/Revenue	2.05x
EV/EBITDA	7.9x
EV/Subscriber	$1575.7
P/E	25.83
P/S	1.74

Source: Yahoo Finance

Valuation and Outlook

Dish TV's growth in the future will be driven primarily by the growth in the number of subscribers. We expect the number of subscribers to increase from current 2.4mn to 5.5mn by FY10. ARPU during this period is expected to grow annually at 10-15%. The topline is thus expected to be Rs4.4bn in FY08, Rs7.5bn in FY09 and Rs12.1bn in FY10.

It is expected that the company would break even at the operating level when it has a customer base of 4.5mn. This is because at this level its fixed cost e.g. the transponder cost would have been recovered and also the sales and marketing cost would be spread over a larger customer base and thus form a smaller percentage of the turnover. As per our estimates, this would happen in FY10.

However, the company would continue to be in red at the net level even in FY10. The company plans to make capital investment of Rs11bn over the next two years.

We expect the company to make a loss at the EBITDA level of Rs1.8bn in FY08 and Rs1.1bn in FY09. In FY10 we expect the company to have a positive EBITDA of Rs322.4mn. At the net level the company is estimated to incur loss of Rs3.3bn in FY08, Rs4.2bn in FY09 and Rs4.7bn in FY10.

DCF Valuation

Given the nature of business wherein the value unlocking will happen only with acquisition of subscribers, we value Dish TV using the DCF model. We estimate the total no. of subscribers at the end of FY17 to be 21.7mn and the ARPU to be Rs450. Assuming the EBITDA margin to stabilize at around 27% and taking a terminal growth rate of 3% after FY17, we arrive at get a target of **Rs125** by FY09 which converts into an annualized return of 35.2% over the CMP of Rs86.0. We recommend **'Buy'** on the stock.

Income statement (Rs Mn)					
Particulars	**FY06**	**FY07**	**FY08E**	**FY09E**	**FY010E**
Income	315	1943.4	4463.6	7472.1	12057.7
Direct Revenue	314.6	1909.4	4423.6	7422.1	11997.7
Other Income	0.40	34.00	40.0	50.0	60.0
Expenditure	**1154.44**	**3761.00**	**6195.8**	**8530.1**	**11675.3**
Cost of Goods sold	56.42	5.40	13.3	22.3	36.0
Operating	735.14	2242.6	3613.8	4863.4	6947.8
Personnel	21.50	148.70	376.0	630.9	1019.8
Administrative	18.8	339.3	376.0	630.9	1019.8
Selling & Distribution	322.58	1025.00	1816.7	2382.7	2651.9
Depreciation	18.3	575.3	1369.4	2856.6	4592.6
PBIT	**(858.1)**	**(2426.9)**	**(3141.7)**	**(3964.5)**	**(4270.3)**
Interest/Financial Expenses	16.731	117.8	185.6	283.6	464.1
PBT & Exceptional items	(874.5)	(2510.7)	(3287.2)	(4198.1)	(4674.4)
Exceptional Items	1203.4	0			
Taxes	0.32	2.5	0.0	0.0	
PAT	**(2078.2)**	**(2513.2)**	**(3287.2)**	**(4198.1)**	**(4674.4)**
Less: Prior Priod Adjustment	0.30	(5.50)	0	0.0	
Net Profit	(2077.89)	(2518.70)	(3287.22)	(4198.11)	(4674.4)
Equity		472.82	472.82	472.8	472.82
EPS		**(5.3)**	**(7.0)**	**(8.9)**	**(9.9)**

Balance sheet (Rs Mn)					
Particulars	FY06	FY07	FY08E	FY09E	FY010E
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	715.7	428.2	437.8	472.8	472.8
Reserves & Surplus	3728.3	1695.9	1695.9	1695.9	1695.9
Preference Shares			25.0	25.0	25.0
Share Premium Account			2475.0	5940.0	5940.0
	4444.0	2124.1	4633.7	8133.7	8133.7
Advance against share applctn money	740.0				
LOAN FUNDS					
Secured Loans	78.1	1444.7	3551.0	4551.0	7051.0
Unsecured Loans	5.7	306.3	306.3	306.3	306.3
TOTAL	5267.8	3875.1	8491.0	12991.0	15491.0
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	656.8	6170.2	12226.6	18226.6	24926.6
Less: Depreciation	50.9	673.7	2043.1	4899.7	9492.4
Net Block	605.9	5496.5	10183.5	13326.9	15434.2
WIP	536.5	1126.4	1000.0	1700.0	2540.0
INVESTMENTS	1068.7	944.5	200.0	100.0	300.0
Current Assets,Loans&Advances					
Inventories	4.7	11.4	25.5	35.1	48.0
Sundry Debtors	75.6	390.6	1222.9	2047.2	3303.5
Cash & Bank Balance	59.4	113.3	545.6	1112.8	617.1
Loans & Advances	1468.0	1869.5	1869.5	1869.5	1869.5
Less:Current Libilities					
Current Liabilities	1818.3	8577.0	12314.5	17139.1	23210.2
Provisions	1.4	18.9	47.5	65.4	89.6
Net Current Assets	-212.0	-6211.1	-8698.5	-12140.0	-17461.7
P&L A/C (Loss)	3268.7	2518.8	5806.0	10004.1	14678.5
TOTAL	5267.8	3875.1	8491.0	12991.0	15491.0

Cash Flow			
Y/E March	2008 E	2009 E	2010 E
PBT	-3287.2	-4198.1	-4674.4
Depreciation	1369.4	2856.6	4592.6
Other Income	-40.0	-50.0	-60.0
Dec / (Inc) in W. C.	2919.7	4008.7	4826.0
(Inc)/dec in receivables	-832.3	-824.3	-1256.3
(inc)/dec in inventories	-14.1	-9.6	-12.9
(Inc)/dec in loans and advances	0.0	0.0	0.0
Inc/(dec) in current liabilities	3737.5	4824.6	6071.1
change in other CA			
change in other CL	28.6	17.9	24.1
Cash from Operations	961.9	2617.2	4684.3
Tax	0.0	0.0	0.0
Net Cash From operating activities	961.9	2617.2	4684.3
Other income	40.0	50.0	60.0
Less net purchase of assets	-5930.0	-6700.0	-7540.0
Less net purchase of investments	744.5	100.0	-200.0
Cash from investing activities	-5145.5	-6550.0	-7680.0
Dividend	0.0	0.0	0.0
Net borrowings	2106.3	1000.0	2500.0
Share Capital	34.6	35.0	0.0
Share Premium	2475.0	3465.0	0.0
Advance against Share applctn money	0.0	0.0	
Cash from financing activities	4615.9	4500.0	2500.0
Change in Cash Equiv	432.3	567.2	-495.7
Adjustments	0.0	0.0	0.0
Net Change in Cash and Cash Eq.	432.3	567.2	-495.7
Opening Cash and Cash Equivalents	113.3	545.6	1112.8
Closing Cash and Cash Equivalents	545.6	1112.8	617.1

Ratios					
Liquidity Ratios	FY06	FY07	FY08E	FY09E	FY10E
Current Ratio	0.9	0.3	0.3	0.3	0.3
Quick Ratio	0.9	0.3	0.3	0.3	0.2
Leverage Ratios					
Total Debt/Networth	1.2	1.8	1.8	1.6	1.9
Working Capital/Sales	-0.9	-3.3	-2.1	-1.8	-1.5
Activity Ratios					
Inventory T/O Ratio	1.5	1.7	1.5	1.5	1.5
Debtors T/O Ratio	87.6	111.7	100.0	100.0	100.0
Creditors T/O Ratio	170.4	298.7	298.7	298.7	298.7
Profitability Ratios					
Operating Profit Margin	-267%	-97%	-40%	-15%	3%
Net Profit Margin	-660%	-119%	-130%	-74%	-56%
Return on Capital Employed	-60%	53%	85%	100%	60%
Return on Equity	-47%	-118%	-71%	-52%	-57%
Valuation Ratios					
No. of Shares		428.2	437.8	472.8	472.8
Book Value		5.0	10.6	17.2	17.2
EPS		-5.3	-7.0	-8.9	-9.9
Dividend Payout					
Dividend Yield					
P/E		-16.1	-12.4	-9.7	-8.7
Mcap		36825.2	37652.1	40662.1	40662.1
M.Cap/Sales		18.9	8.4	5.4	3.4
M.Cap/PBIDT		-19.9	-21.2	-36.7	126.1
EV		38463	40964	44407	47402
EV/Sales		19.8	9.2	5.9	3.9
EV/EBITDA		-20.8	-23.1	-40.1	147.0
Mkt Price		86.0	86.0	86.0	86.0

DCF

	2006A	2007A	2008E	2009E	2010E	20011E	2012E	2013E	2014E	2015E	2016E	2017E
Free Cash Flow Calculation												
EBIT	(858.1)	(2,426.9)	(3,141.7)	(3,964.5)	(4,270.3)	(3,320)	(3,343)	(2,205)	346	5,296	12,614	20,158
Plus: Depreciation	18.3	575.3	1,369.4	2,856.6	4,592.6	6,627.4	8,869.5	10,767.4	12,344.1	13,601.9	14,352.2	14,900.5
EBITDA	(840)	(1,852)	(1,772)	(1,108)	322	3,307	5,527	8,563	12,690	18,898	26,966	35,059
Less: Capex	(485)	(6,000)	(5,930)	(6,700)	(7,540)	(8,720)	(9,312)	(9,463)	(9,463)	(8,900)	(8,900)	(8,900)
Tax rate	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
EBITDA Less Capex	(1,325)	(7,852)	(7,702)	(7,808)	(7,218)	(5,413)	(3,785)	(900)	3,227	9,998	18,066	26,159
Less: Taxes on EBIT						1,096	1,103	728	(114)	(1,748)	(4,163)	(6,652)
Less: Changes in Working Capital		5,999	2,487	3,441	5,322	(21,853)	(17,772)	(1,404)	(1,652)	(1,999)	2,538	(989)
Unlevered Free Cash Flow	-1325	-1852	-5215	-4366	-1896	-26170	-20454	-1576.4	1461.0	6251.3	16442.0	18517.4

DCF Calculation

Terminal Value Growth Rate	3.0%
Projected Free Cash Flow	18,517.4
Discount Rate (WACC)	11.7%
Terminal Enterprise Value	213,189.4
Implied Term. Value EBITDA Multiple	7.9
Discounted Cash Flows at WACC	
Unlevered Free Cash Flow	(19,077.1)
Terminal Value	78,846.1
Total Discounted Cash Flows	59,768.9
Total discounted cash flows	**59,768.9**
Less Debt	(1,751.0)
Add cash	113.3
Add Investments	944.5
Equity Value	59,075.7
Shares in issue	472.8
DCF per share	**124.9**
Share Price	86.0
Upside/(Downside)	**45.3%**
Annualised	35.2%

DCF Value per Share

Terminal Growth	Discount Rate 10.7%	11.7%	12.7%
1.0%	121.3	93.7	71.8
2.0%	139.9	107.7	82.5
3.0%	163.5	124.9	95.4
4.0%	194.0	146.6	111.3
5.0%	235.4	174.8	131.3

Notes