

Press Release

Mumbai, October 28, 2015

Performance highlights for Q2 and H1 FY 2015-16

Next Mediaworks Limited reported its Q2 and H1 financials for FY 2015-16 in the Board Meeting held on October 28, 2015. The company operates 7 FM radio licences in the metro cities of Mumbai, Delhi, Bangalore, Kolkata, Chennai, Ahmedabad and Pune under the Radio One brand through its subsidiary Next Radio Limited and has seen tremendous response from listeners and advertisers for its differentiated programming format in each city.

The FM Phase III auctions concluded in the current quarter. Next Radio Limited has chosen a path of conservatism in the current choppy economic climate and declined to bid for unreasonably high metro frequencies. Instead, we are focused on renewing our existing licences for 15 years and maintaining a steady state of the business, continuing to grow revenues and margins through a strategy that has delivered consistent results over the past three years.

Consolidated Q2 FY 2015-16

- The key highlight for the quarter was the growth trajectory achieved by the business in an economically difficult time. Advertisement revenue for the Radio subsidiary grew by 22% from Rs.15.06 crores in Q2 last fiscal to Rs.18.37 crores, which is the best amongst comparable peers. Revenues for H1 have grown 20% from Rs 29.58 crores to Rs 35.58 crores
- Next Radio has exercised the option to migrate all 7 existing licenses by paying Nonrefundable One Time Migration fees to Ministry of Information and Broadcasting. These fees were funded by debt and through preference shares issued to new investor Rakesh Jhunjhunwala in the subsidiary company.
- EBIDTA is depressed in this quarter due to the impact of two significant events:
 - a. Annual fees payable for the FM licences have increased due to the high bids received for new licences in our cities of operation. We have taken the entire impact of increased fees for H1 (Rs 4.78 crores) in this current quarter
 - b. We undertook a fund raising programme to fund the migration fees. All costs related to this fund raise (Rs 1.89 crores) have been taken in this quarter

It is pertinent to note that in the absence of these two items, on a like-for-like comparison with Q2 of the last fiscal, the company would have grown EBIDTA by 34%. As it stands, all costs have been taken in this quarter for a true and fair representation of the financial position of the company.

7



Quote from Tarique Ansari, Chairman & MD, Next Mediaworks Ltd

The growth in our revenues at 20% for the first half of the current fiscal is extremely heartening. Our consistency in implementing a strategy of differentiation and innovation is clearly bearing fruit in a metro radio market which is growing in single digits. In normal circumstances our earnings would also have shown a significant rise but we have chosen to take the charge of an increased annual fee and fund raising in this quarter. The process of cleaning up the financials in order to take on Phase 3 with a clean slate will continue over the next few months. I am delighted to welcome a savvy new investor, Rakesh Jhunjhunwala, as a stakeholder in the business and we look forward to working with him to enhance value for all shareholders. By staying away from unremunerative bidding in the Phase 3 auctions and opting to stay the course of pragmatic and innovative growth we have ensured stability of the business at an uncertain time in the Indian economy. We are convinced that this approach will stand us in good stead as we embark on a new chapter in our history.

