Network 18

October 15, 2018

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Plot No. C/1,
G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051

Trading Symbol: **NETWORK18**

BSE Limited
Department of Corporate Services – Listing,
P J Towers, Dalal Street,
Mumbai – 400 001

SCRIP CODE: **532798**

Sub.: Investors' Update - Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2018

Dear Sir,

In continuation of our letter of today's date on the above subject, we send herewith a copy of the Investors' Update on the aforesaid financial results released by the Company in this regard.

The Investors' Update will also be available on the Company's website, www.nw18.com.

You are requested to take the same on record.

Thanking you

Yours faithfully,
For Network18 Media & Investments Limited

(Ratnesh Rukhariyar)
Group Company Secretary

Encl. As Above

Network 18

EARNINGS RELEASE: Q2 2018-19

Mumbai, 15th October, 2018 – Network18 Media & Investments Limited today announced its results for the quarter ended 30th September 2018.

Summary Consolidated Financials

(restated for current structure of ownership)	Q2FY19	Q2FY18	*Growth*
Consolidated Operating Revenue (Rs Cr)	1,237	1,138	9%
Consolidated Operating EBITDA (Rs Cr)	92	58	59%

Network18 reported a 59% jump in operating EBITDA to Rs. 92 crores in Q2FY19*, driven by improved performance of regional channels (both news and entertainment); despite gestation losses of Colors Tamil and new launch Colors Kannada Cinema. While headline operating revenue grew 9% (on a comparable basis), revenue ex-movies grew 14% YoY, underscoring tailwinds in broadcasting.*

Highlights for the quarter

- **The industry ad-environment has substantially improved compared with the previous year**, though certain pockets of the market (mobiles, auto, colas, etc) are yet to resume advertising full-throttle. Broad-based growth in regional markets and upcoming festive season are positives.

- **Broadcast subsidiary TV18 posted 17% revenue growth ex-movies on a comparable basis:**
  - Advertising revenue for TV18 grew at ~18% YoY overall. Regional channels across news and entertainment drove viewership growth and ad-revenues for the portfolio, reducing our dependence on national channels.
  - Subscription revenue for our entire bouquet grew 16% YoY. We are in negotiations with two of India's leading DTH players for long-term deals on terms commensurate with the strength of our channel bouquet.

- **TV18's News bouquet (20 channels) is #1; News viewership share rose to 10.7%**:
  - The viewership share of our regional news cluster has risen further to 5.7%, vs sub-2% two years ago.
  - Hindi News channel News18 India broke into the top two in urban HSM, driving revenues in tandem. Business news channels showed commendable growth amidst choppy markets.
  - Marketing campaigns around raising the profile of news channels and driving the "News18" brand were undertaken, which have continued to push viewership and mind-share.

  Regional News losses have shrunk sharply: Government/election-related ad-spends rose, substantially reducing the gestation losses of our multiple channels launched over FY15-17. The regional news + infotainment cluster slashed its operating losses by 70% YoY to Rs (8) Cr.

- **Viacom18 bouquet's (31 channels) share of entertainment viewership at 11.1%:**
  - TV18's entertainment bouquet revenue ex-movies grew 13%.
  - Regional entertainment channels have grown their viewership and monetization substantially across all our geographies.
  - FTA channels like Rishtey Cineplex & MTV Beats continued their strong performance in a fast-growing segment.

- Colors Kannada Cinema was launched in the last week of the quarter. The channel aims to solidify our existing leadership in the Kannada market, and already has an existing library to bank upon.

Business-as-usual margins continued to rise: A shift of some high-impact non-fiction programming towards the festive season in H2 was implemented to improve monetization, which impacted topline growth in Q2 but improved margins. Entertainment EBITDA includes operating loss of Rs 25 Cr on account of new initiatives - Colors Tamil (launched in mid-Q4FY18) and Colors Kannada Cinema (launched recently). Adjusting for operating losses of new initiatives (i.e. launches made over past 4 quarters), BAU margins for Entertainment grew to 12.1% from 8.9% in Q2FY18.

- **Network18 digital content properties reach 24% of total news consumption audience:** Network18's digital revenues from prime properties MoneyControl, News18 & Firstpost grew 12% YoY to Rs 35 Cr in Q2. The overall Network18 Digital, Print & Others revenue declined due to lower programming executed by 100%-owned content producer Colosceum.

- **BookMyShow completed US$ 100mn Series D funding:** Category-defining entertainment-ticketing platform BookMyShow raised Series D funding, adding TPG Growth as a new investor. Network18 also participated in the round, and remains the largest shareholder in BookMyShow.

- **HomeShop18 continued to face headwinds**, led by competition from e-commerce and issues around vendor supplies. Due to the stress on the home-shopping category and resultant P&L pains, an impairment study was undertaken. Based on the same, an impairment loss of Rs. 347 crores has been booked by Network18, which has been classified under "Exceptional Items" in the standalone P&L. This does not have any impact on the consolidated P&L.

Mr. Adil Zainulbhai, Chairman of Network18, said: *"Our regional properties across news and entertainment have shown significant improvements in viewership and monetization, cementing our belief that vernacular content will be a key growth driver. We continue to see opportunities in the Indian media space; and aim to create segmented offerings to deepen our presence.*

Financials for the quarter

Network18 Consolidated - restated for current structure of ownership

OPERATING REVENUES (Rs Cr)	Q2FY19	Q2FY18	*Growth*
A) Business + General News (TV18 standalone)	200	159	*26%*
B) Regional News (ex IBN-Lokmat) + Infotainment	95	70	*36%*
C) Entertainment (Viacom18+Indiacast)	903	855	*6%*
D) TV18 Consolidated	**1,198**	**1,084**	***11%***
includes: Subscription	347	300	*16%*
E) NW18 Digital, Print & Others	39	54	*-28%*
F) Network18 Consolidated	**1,237**	**1,138**	***9%***

OPERATING EBITDA (Rs Cr)	Q2FY19	Q2FY18	*Growth*
A) Business + General News (TV18 standalone)	31	28	*10%*
B) Regional News (ex IBN-Lokmat) + Infotainment	-8	-28	*NM*
C) Entertainment (Viacom18+Indiacast)	85	76	*12%*
D) TV18 Consolidated	**108**	**76**	***42%***
E) NW18 Digital, Print & Others	-16	-18	*NM*
F) Network18 Consolidated	**92**	**58**	***59%***

- In Q2FY19, the movie production/distribution revenue was Rs 43 Cr, vs Rs 94 Cr in Q2FY18

** Viacom18 & Indiacast became subsidiaries of TV18 from 28th February 2018 and are consolidated into TV18/Network18 financials from 1st March 2018. HomeShop18 has ceased to be a subsidiary of Network18 from 15th February 2018 as a result of its acquisition of ShopCJ through a share-swap (Link to press release). For a better understanding of group performance and comparability considering these corporate actions, the financials in this release are being restated and represented by consolidating Viacom18 & Indiacast and excluding HomeShop18 throughout.*

➢ Business Performance

■ Network18 - Television Operations

Network18's listed subsidiary TV18 owns and operates the largest network of channels – 54 in India spanning news and entertainment. We also cater to the Indian diaspora globally through 16 international channels.

○ News – National & Regional

- **TV18 News bouquet's overall viewership grew to 10.7%** of the news universe, maintaining its #1 position. The bouquet has the largest number of news channels in India, and it reaches an industry-leading 670 mn people.

- **CNBC TV18 maintained #1 rank** in the English Business News genre with 68% market share in Q2 FY19. During market hours (Weekdays, 8 AM to 4 PM) CNBC TV18 maintained an even higher share of 77% and was #1 in the genre.

- **CNBC Awaaz continued its leadership** in the Hindi Business News genre with 61% market share.

- **CNN News18 garnered 13% Market share in** All India & rose to #3. English News genre continues to face headwinds.

- **News18 India** was amongst the top 4 Hindi News Channels in HSM in Q2 FY19 with 12.5% market share, within a highly competitive and cluttered genre. In HSM in Evening Prime Time, it was a strong #3 player with a share of 14.5%. **The fast-growing channel is now the #2 player in HSM Mega Cities,** with a share of 16.7%.

- Our Regional News cluster has the **highest reach and viewership in the country;** with 479 Mn audiences tuning into the network and viewership share climbed to **5.7% of all news.** News18 Rajasthan continues to be the leader #1 in the genre, with more than 70% market share.

○ Entertainment – National, Regional & Digital

- Flagship Colors was #2 pay-GEC in Urban HSM**. During the quarter, the channel had ~18% viewership share in urban pay GECs**. Viewership across all GECs in Urban+Rural rose to 9.5%. 'Naagin Season 3' continues to be the #1 fiction show across Hindi GECs. 'Dance Deewane' is the #1 non-fiction show across Hindi GECs. Tentpole property Bigg Boss Season 12 was launched in mid-Sep '18, and has witnessed strong traction and monetization.

- **Rishtey Cineplex maintained it #3 rank** in the cluttered Hindi movie genre with a 9.1% viewership share, in line with channels that have much larger movie libraries. The channel was launched in Q1FY17 and has scaled up very well riding on smartly curated content (including dubbed content) and FTA delivery model; leading to a break-even within 1.5 years of launch.

- Nick continues to reign as #1 in the Kids genre, with a 17.2% share of viewership. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 27.7% market-share**. Nick and Sonic School Contact programs reached to 650 schools across 20 cities to drive engagement

- **In English entertainment genre, Viacom18 channels continue to occupy the top three positions**, with their combined viewership shares at 58%. Comedy Central and VH1 rank #1 (23%) and #2 (20%) respectively; while Colors Infinity has a ~15% share to rank #3.

- **MTV was the #1 youth channel among peers**, with 31% viewership share. Splitsvilla 11 was launched in Aug'18 with highest launch viewership till date.

- **MTV Beats** maintained its viewership share at 14% in a crowded category. Its steep growth has driven the channel to **break-even within 2 years of launch.**

- VOOT, Viacom18's Over The Top (OTT) exclusive digital video destination has seen gross downloads rise to ~100mn, with an **average daily viewership of 40+ minutes that is the highest amongst broadcaster-OTTs.** It is the first premium OTT player in APAC to go live on Watch Actions on Google Search.

- **Colors Kannada maintained its strong #1 position** in Kannada regional entertainment with a 31% viewership share. Colors Super (2nd Kannada GEC, launched in July 2016) continued its strong showing with 8% viewership share, taking the Viacom18 portfolio's genre share to a dominant ~39%. Colors Kannada Cinema was launched in the last week of the quarter to solidify our existing leadership, and already has an existing library to bank upon.

- Colors Marathi is a consistent #2 in the genre, with viewership share of 19.6%.

- Colors Bangla is the fastest growing Bengali GEC, maintaining its #3 spot.

- **Colors Tamil aims to ramp up programming** during the year, as it overcomes distribution challenges which have kept its viewership share <5%. From 1st Nov '18, BARC will stop measuring analog TV homes in TN/Pondicherry market.

- Viacom18 Motion Pictures successfully released Devadas (Telugu), thereby spreading its footprint into the southern market. It also successfully distributed Paramount Studio production Mission Impossible 6 (English).

- **Infotainment – Factual entertainment & Lifestyle**

  - History TV18 had a market share of 20% in prime time (20:00-24:00) and ranks 2nd in the Factual entertainment genre. History TV18 HD ranks #1 amongst HD channels in the genre, with a market share of 27%.

  - FYI TV18 ranked #1 channel in the Lifestyle genre, taking 37% market share.

  All viewership data is from BARC, in the respective time-periods and genres. All HD versions of channels have been added to their SD counterpart viewership.

Network18 - Digital

Digital Content

- Network18 Digital boasts of ~61 mn unique visitors (UVs) across devices spending a total of ~1.7 bn minutes. The cohort of sites reached 24% of total news consumption audience.

MoneyControl

- Moneycontrol has consolidated its position as India's leading business and finance destination in the digital landscape with a traffic of 16 mn MAU and 0.5 bn page views on web and M-site.
- Moneycontrol app continues to remain best-in-class, with a record ~3.5 mn MAU. The app continues to rank #1 in India with over 3x users compared to its closest competitor
- Moneycontrol Pro, a premium paid version of Moneycontrol App which provides users with an Ad free experience along with a host of other features has seen steady growth in its subscriber base since its launch last quarter

News 18.com

- News18.com continues to maintain #3 rank in general news category
- News 18 has presence across 9 languages; Regional languages have seen maximum traction with viewership growing at 37% over last quarter

Firstpost

- Firstpost with its digital-first orientation is the #6th most read digital news site across mobile and desktop

CNBCTV18.com

- Network18 launched CNBC TV18.com; the digital counterpart of its flagship business news brand CNBC-TV18 on 6th April, 2018. CNBC TV18.com is a premium digital platform offering a mix of original and smartly curated coverage of news, analysis and trends about the stock market, business and economy.

IN.com

- Entertainment portal IN.com was relaunched in Aug'18. It will be India's premiere destination with opinionated content around celebrities. Largely aimed at millennials, the language and content will be fresh and young.

All traffic information as per latest available Comscore data.

- **Digital Commerce**
  - **BookMyShow**
    - During the quarter, ~ 4.2 million bookmyshow apps have been installed.
    - BMS has entered into production with the world's largest live entertainment company Cirque De Soleil and is bringing their latest production "Bazzar" to Mumbai and Delhi in Nov '18.
    - BMS managed ticketing & operations for Carribean premie league in West Indies in Aug-Sep '18. It is also ticketing for 4 teams for the football event ISL 2018.
    - BMS has forayed into theatrical events and successfully managed season 2 of Disney Alladin in Delhi with an average occupancy of ~75%.
    - BMS is managing ticketing and operations for the prestigious Bryan Adams tour across 5 cities in India.
  - **HomeShop18**
    - HomeShop18 continues to face headwinds, as competitive pressure has been exacerbated by vendor supply issues. Nevertheless, the process of right-sizing of costs, integration of platforms after acquisition of ShopCJ, and focussing on contribution positive categories continues.
    - Due to the stress on the home-shopping category and resultant P&L pains, an impairment study was undertaken. Based on the same, an impairment loss of Rs. 347 crores has been booked by Network18, which has been classified under "Exceptional Items" in the standalone P&L. This does not have any impact on the consolidated P&L.

■ Network 18 - Print

Under its publishing division, Network18 operates 3 leading brands --'Overdrive', 'Better Photography' and 'Better Interiors', along with prestigious magazine 'Forbes India'.

Network18 Media & Investments Limited

Reported Consolidated Financial Performance for the Quarter ended 30th September, 2018

(₹ in crore)

	Particulars	Quarter ended			Half year ended		Year ended (Audited)
		30th Sep'18	30th Jun'18	30th Sep'17	30th Sep'18	30th Sep'17	31st Mar'18
1	**Income**						
	Value of sales and services	1,432	1,304	383	2,736	704	2,068
	Goods and Services Tax included in above	195	180	56	375	56	229
	Revenue from operations	**1,237**	**1,124**	**327**	**2,361**	**648**	**1,839**
	Other income	(37)	(30)	5	(67)	20	113
	Total Income	**1,200**	**1,094**	**332**	**2,294**	**668**	**1,952**
2	**Expenses**						
	Cost of materials consumed and traded goods sold	0	1	3	1	4	6
	Operational costs	554	517	62	1,071	124	577
	Marketing, distribution and promotional expense	198	189	87	387	178	418
	Employee benefits expense	274	271	136	545	269	570
	Finance costs	47	41	22	88	43	96
	Depreciation and amortisation expense	35	35	21	70	42	89
	Other expenses	119	128	73	247	153	311
	Total Expenses	**1,227**	**1,182**	**404**	**2,409**	**813**	**2,067**
3	**Profit/ (loss) before share of profit/ (loss) of associates and joint ventures, exceptional items and tax (1 - 2)**	**(27)**	**(88)**	**(72)**	**(115)**	**(145)**	**(115)**
4	Share of profit/ (loss) of associates and joint ventures	(16)	(14)	9	(30)	23	3
5	**Profit/ (loss) before exceptional items and tax (3 + 4)**	**(43)**	**(102)**	**(63)**	**(145)**	**(122)**	**(112)**
6	Exceptional items	-	-	-	-	-	-
7	**Profit/ (loss) before tax (5 - 6)**	**(43)**	**(102)**	**(63)**	**(145)**	**(122)**	**(112)**
8	**Tax expense**						
	Current tax	25	12	11	37	20	61
	Deferred tax	-	(1)	(3)	(1)	(2)	(0)
	Short provision for tax relating to earlier years	-	-	-	0	0	1
	Total tax expense	**25**	**11**	**8**	**36**	**18**	**62**
9	**Profit/ (loss) for the period (7 - 8)**	**(68)**	**(113)**	**(71)**	**(181)**	**(140)**	**(174)**
10	**Other Comprehensive Income**						
	(i) Items that will not be reclassified to profit or loss	(4)	(2)	2	(6)	6	5
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0	0	0	0	0	(0)
	(iii) Items that will be reclassified to profit or loss	24	20	4	44	3	2
	Total Other Comprehensive Income	**20**	**18**	**6**	**38**	**9**	**7**
11	**Total Comprehensive Income for the period (9 + 10)**	**(48)**	**(95)**	**(65)**	**(143)**	**(131)**	**(167)**
	Profit/ (loss) for the period attributable to:						
	(a) Owners of the Company	(100)	(113)	(67)	(213)	(120)	(154)
	(b) Non-controlling interest	32	(0)	(4)	32	(20)	(20)
	Other comprehensive income attributable to:						
	(a) Owners of the Company	11	9	4	20	9	5
	(b) Non-controlling interest	9	9	2	18	(0)	2
	Total comprehensive income attributable to:						
	(a) Owners of the Company	(89)	(104)	(63)	(193)	(111)	(149)
	(b) Non-controlling interest	41	9	(2)	50	(20)	(18)

TV18 Broadcast Limited

Reported Consolidated Financial Performance for the Quarter ended 30th September, 2018

(₹ in crore)

	Particulars	Quarter ended			Half year ended		Year ended (Audited)
		30th Sep'18	30th Jun'18	30th Sep'17	30th Sep'18	30th Sep'17	31st Mar'18
1	**Income**						
	Value of sales and services	1,389	1,264	267	2,653	486	1,665
	Goods and Services Tax included in above	191	176	40	367	40	190
	Revenue from operations	**1,198**	**1,088**	**227**	**2,286**	**446**	**1,475**
	Other income	3	8	7	11	15	29
	Total Income	**1,201**	**1,096**	**234**	**2,297**	**461**	**1,504**
2	**Expenses**						
	Operational costs	551	511	42	1,062	81	493
	Marketing, distribution and promotional expense	192	184	45	376	96	282
	Employee benefits expense	239	240	99	479	194	429
	Finance costs	23	18	5	41	9	27
	Depreciation and amortisation expense	33	33	15	66	30	69
	Other expenses	108	114	41	222	89	213
	Total Expenses	**1,146**	**1,100**	**247**	**2,246**	**499**	**1,513**
3	**Profit/ (loss) before share of profit of associate and joint ventures, exceptional items and tax (1 - 2)**	**55**	**(4)**	**(13)**	**51**	**(38)**	**(9)**
4	Share of profit of associate and joint ventures	8	7	26	15	45	69
5	**Profit/ (loss) before exceptional items and tax (3 + 4)**	**63**	**3**	**13**	**66**	**7**	**60**
6	Exceptional items	**-**	**-**	**-**	**-**	**-**	**-**
7	**Profit/ (loss) before Tax (5 - 6)**	**63**	**3**	**13**	**66**	**7**	**60**
8	**Tax expense**						
	Current tax	23	11	9	34	16	53
	Deferred tax	-	(1)	(3)	(1)	(2)	(1)
	Total tax expense	**23**	**10**	**6**	**33**	**14**	**52**
9	**Profit/ (loss) for the period (7 - 8)**	**40**	**(7)**	**7**	**33**	**(7)**	**8**
10	**Other Comprehensive Income**						
	(i) Items that will not be reclassified to profit or loss	(1)	1	1	-	(3)	0
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0	0	0	0	0	(0)
	(iii) Items that will be reclassified to profit or loss	20	19	4	39	3	1
	Total Other Comprehensive Income	**19**	**20**	**5**	**39**	**0**	**1**
11	**Total Comprehensive Income for the period (9 + 10)**	**59**	**13**	**12**	**72**	**(7)**	**9**
	Profit/ (loss) for the period attributable to:						
	(a) Owners of the Company	16	(12)	7	4	(5)	9
	(b) Non-controlling interest	24	5	(0)	29	(2)	(1)
	Other comprehensive income attributable to:						
	(a) Owners of the Company	19	20	5	39	0	1
	(b) Non-controlling interest	(0)	(0)	0	(0)	(0)	(0)
	Total comprehensive income attributable to:						
	(a) Owners of the Company	35	8	12	43	(5)	10
	(b) Non-controlling interest	24	5	0	29	(2)	(1)

INVESTOR COMMUNICATION:

Network18's ongoing investor communication endeavors to adopt best international practices and the quarterly investor updates are designed to regularly provide detailed information to investors. Each update covers information pertaining to the reporting period under review. If you would like to get a sequential and continued perspective on the company this report should be read along with the updates sent out earlier. The previous updates can be accessed on request from the contact persons mentioned below, or from the company's website www.network18online.com. This update covers the company's financial performance for Q2 FY19.

For further information on business and operations, please contact:
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E-mail: abhishek.agarwal@nw18.com

Further information on the company is available on its website www.network18online.com

Network 18

CNBC TV18 | CNBC आवाज़ | CNBC TV18 PRIME HD | CNBC बज़ार | CNN NEWS18 | NEWS18 इंडिया

NEWS18 اردو | NEWS18 मध्यप्रदेश छत्तीसगढ़ | NEWS18 उत्तरप्रदेश उत्तराखंड | NEWS18 ગુજરાતી | NEWS18 অসম NORTH EAST | NEWS18 ಕನ್ನಡ | NEWS18 ਪੰਜਾਬ हरियाणा हिमाचल | NEWS18 लोकमत

NEWS18 राजस्थान | NEWS18 बिहार झारखंड | NEWS18 ଓଡ଼ିଆ | NEWS18 বাংলা | NEWS18 കേരളം | NEWS18 தமிழ்நாடு

colors viacom18 | MTV | nick | SONIC nickelodeon | colors INFINITY | VH1 | voot

rishtey | MTV BEATS | rishtey CINEPLEX | COMEDY CENTRAL | viacom18 MOTION PICTURES

colors ଓଡ଼ିଆ | colors मराठी | colors ಕನ್ನಡ | colors ગુજરાતી | colors বাংলা | colors SUPER | colors தமிழ்

IndiaCast a TV18 & Viacom18 Venture | HISTORY TV18 | fyi, TV18

moneycontrol | NEWS18.COM | FIRSTPOST. | IN COM | CNBC TV18 CNBCTV18.COM

BookmyShow | HOME SHOP 18 | Capital 18

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