



EARNINGS RELEASE: Q2 2011-12

TV18 BROADCAST LIMITED

(Listed Subsidiary of Network18)

Steady quarter with consolidated revenues at Rs. 302 crores and an operating profit of Rs. 24.8 crores from continuing operations. (Rs. 6.1 crores on a reported basis)

- Consolidated Revenues were up 17% from Rs. 257 crores (proforma) against the corresponding quarter last year.
- Operating Profits stood at Rs. 24.8 crores during the quarter from continuing operations and Rs.6.1 crores on a reported basis

TV18 Consolidated Summary (Continuing Operations)					
<i>All figures in INR crores</i>	Q2 FY12	Q2 FY11	Q1 FY12	FY12 YTD	FY11
Revenues	**302.0	257	**266	**568	1110
News	146.0	121	130	276	558
Entertainment	157.5	136	138	296	552
Operating Profit	24.8	23	25	51	133
News	15.6	12.0	17.0	33	75
Entertainment	9.2	11.0	9.4	19	58
Operating Margin	8%	9%	9%	9%	12%
News	11%	10%	13%	12%	14%
Entertainment	6%	8%	7%	6%	11%

* Consolidated segmental numbers for TV18 are on a proforma basis and not audited.

The above does not include – Pre-operative expenses of AETN18 and pre-operative expenses/one-time write-offs in Viacom18.

** Inter-segmental revenues eliminated.

<i>All Values in Rs Cr</i>	Gross Debt			Cash & Equivalents (Liquid Mutual Funds)			Net Debt		
	Sep 30, 2011	June 30, 2011	Mar 31, 2011	Sep 30, 2011	June 30, 2011	Mar 31, 2011	Sep 30, 2011	June 30, 2011	Mar 31, 2011
TV18	798	846	NC	114	175	NC	684	671	NC

* NC implies 'Not Comparable' as the 'Scheme of Arrangement' has been implemented now.

I. News Operations

News Summary					
All figures in INR crores	Q2 FY12	Q2 FY11	Q1 FY12	YTD FY12	FY11*
Revenues	146.0	121	130	276	558
General News	72.2	53	61	134	252
Business News	73.7	68	68	142	306
Operating Profit	15.6	12.0	17.0	33	76
**General News	(0.7)	(9)	(0.46)	(1)	(11)
Business News	16.3	21	17.49	34	87
Operating Margin	11%	10%	13%	12%	14%
General News	-1%	-17%	-4%	-1%	-5%
Business News	22%	31%	26%	24%	28%

*Consolidated numbers for TV18 for the previous year and quarters are on a proforma basis and not audited. Numbers for the current year are not audited.

** National News operations are break-even; loss coming from Regional News operations

*** Does not include pre-operative expenses of AETN18

a. Business News Operations delivered a steady quarter and revenues increased by Rs. 6 crores (Q2FY12 over Q2FY11).

- Q2 FY12 revenues on a reported basis stood at Rs. 73.7 crores, up 8% against Rs. 68 crores against the corresponding quarter last year. Operating profit stood at Rs. 16.3 crores in Q2 FY12.
- Our Business News Channels – CNBC TV18 and CNBC Awaaz continued to be market leaders growing to 57% market share during the quarter.
- ‘Young Turks’ and ‘Storyboard’ celebrated a decade of leadership and path breaking business programming.

b. In the General News Operations, CNN IBN consolidated its leadership position as the channel of choice for English audiences in a highly competitive market.

- Q2 FY12 revenues grew 36% and on a reported basis stood at Rs. 72.2 crores against Rs. 53 crores in Q2 FY11.
- CNN-IBN was adjudged the Best English News Channel for the 5th time during the last 6 years in the ITA Awards 2011.
- IBN7 continued to have ratings traction and launched ‘Teekhi Baat Prabhu Ke Saath’ and a comedy take on events called ‘2G’.
- IBN Lokmat celebrated the 10 day long Ganpati Mahotsav with a host of well received special programmes.

c. History channel was successfully launched in October 2011. Rs. 5.7 crores of pre-operative expenses were incurred in the current quarter.

II. Entertainment Business

- Q2FY11 revenues for Viacom 18 on a reported basis stood at Rs. 315.1 crores, up 16% against Rs. 272 crores in the corresponding quarter last year. Our operating profit stood at Rs. 9.2 crores for the quarter excluding pre-operative expenses and one-time write-offs.
- Colors turned in a steady performance in the Hindi GEC space during the quarter in the backdrop of a highly competitive market environment. The channel continued to deliver ratings across programming categories: Fiction, Reality and Movies. Our existing fiction shows continued their strong run and the new fiction and reality launches, including the launch of the afternoon band have been positively received by the audience.
- MTV and Nick maintained their market leadership in the youth and kids genres respectively. MTV India continues to build and engage multi-platform youth communities. Nick's indigenous launch 'Keymon Ache' has been successful and a multi-platform franchise is being built around the brand.
- Viacom18 Motion Pictures released four movies in Q2 FY2012: 'Buddah Hoga Tera Baap', 'The Girl in Yellow Boots', 'Speedy Singhs' and a film from Paramount Pictures 'Captain America'.

III. Our subscription revenues are on track and partly reflected in the current quarter. The full impact of our contracts will be visible from the next quarter.

Additional Disclosure: TV18 – Put Option in Viacom18

- a. TV18 has a Put Option in Viacom18 exercisable from the Option Year commencing July 1, 2012.
- b. The Put Option gives TV18 the right to sell 10% of the company to Viacom each year for a period of five years. The Put Option is cumulative in nature for the 5 Option Years.
- c. The Put Option will be exercised at Fair Market Value as determined by a duly appointed global Investment Banker.
- d. There is no change in management rights till TV18 retains 40% or more in Viacom18.
- e. The Put Option and the details on its exercise are governed by the terms and conditions laid out in the agreement between MTV Asia Ventures (India) PTE. Limited and Television Eighteen Limited and other related parties and is subject to extant regulations.

TV18 Broadcast Limited
Consolidated Financial Performance for the Quarter Ended 30th September, 2011
(Rs. Cr)

<i>All figs in INR Crores</i>	Q2 FY12	Q2 FY11*	Q1 FY12		YTD FY12	FY11*
Operating Revenue	302.0	189	266		568	804
Operating Expenses	295.9	187	241		537	757
(a) Staff costs	53.4	29	44		98	120
(b) Marketing, distribution and promotional expenses	107.6	45	72		180	209
(c) Production Expenses and Other expenditure	134.9	113	125		260	429
Operating Profit (EBITDA)	6.1	2	25		31	47
Continuing Operations	24.8		26.4		51	48
Vicom18 Pre-op Losses/One-time Write-offs	(13.0)	-	-		(13)	-
Pre-operative Losses (AETN18)	(5.7)	-	(2)		(8)	(1)
Operating Margin (%)	2%	1%	9%		5%	6%
Continuing Operations	8%	1%	10%		9%	6%
Depreciation	7.6	5	7		15	18
ESOP Expenses	(0.1)	0	0		0	0
Exceptional Items including Prior Period Adjustments					-	
Interest	26.3	12	28		55	51
Other Income	19.9	4	34		54	9
Profit Before Tax	(7.8)	(11)	23		15	(13)
Provision for tax	1.5	2	2		4	4
Net Profit After Tax	(9.3)	(13)	21		12	(17)
Minority Interest	(1.3)	-	-		(1)	-
Net Profit After Tax and Minority Interest	(8.0)	(13)	21		13	(17)

Notes:

1. TV18 Consolidated Nos. includes 100% of TV18 Standalone and 50% share of Viacom18 and 50% share of IBN Lokmat accounted for line-by-line in the JV method.
2. Consolidated figure may not match the sum of TV18 Standalone, 50% of Viacom18 and 50% of IBN Lokmat on account of smaller subsidiaries not shown above.
3. Viacom18 numbers include subsidiaries.
4. Expenses above also include pre-operative expenses of AETN18 of Rs. 5.7 crores and one-time write-offs in the entertainment business
5. *Numbers for the previous year and quarters are for erstwhile IBN18 Standalone before implementation of the 'Scheme of Arrangement' and hence not comparable. Numbers for the current year are not audited.

Viacom18
Financial Performance for the Quarter Ended 30th September, 2011
(Rs. Cr)

<i>All figs in INR Crores</i>	Q2 FY12	Q2 FY11	Q1 FY12	YTD FY12	FY11
Operating Revenue	315.1	272	277	592	1,104
(a) Television	284.9	272	260	545	1,084
(b) Motion Pictures and TIFC**	30.2	0	17	47	20
Operating Expenses	322.8	249.6	258.0	581	985
(a) Staff costs	27.9	18	21	49	72
(b) Marketing, distribution and promotional expenses	111.8	48	67	179	234
(c) Production Expenses and Other expenditure	183.1	184	170	353	679
Operating Profit (EBITDA)	(7.7)	22	19	11	120
(a) Television	12.3	22	27	39	128
(b) Motion Pictures and TIFC	(20.0)		(8)	(28)	(8)
Operating Margin (%)	-2%	8%	7%	2%	11%
(a) Television	4%	8%	10%	7%	12%
(b) Motion Pictures and TIFC	-66%		-49%	-60%	-41%
Depreciation	1.7	2	2	4	8
Exceptional Items including Prior Period Adjustments*				-	
<i>Indemnity Income</i>	138.6			139	
<i>Accelerated amortisation of film rights</i>	(138.6)			(139)	
Interest	16.4	2	14	30	19
Other Income	0.5	0	1	1	2
Profit Before Tax	(25.3)	18	4	(22)	94
Provision for tax	3.1	4	1	4	9
Net Profit After Tax	(28.4)	14	2.58	(26)	85

*During the current quarter, Viacom18 (a joint venture entity) has charged one-time cost towards impairment of film rights amounting to Rs. 13,860.20 lakhs to reflect the realisable value of the film library held by its subsidiary company i.e. The Indian Film Company (Cyprus) Limited (TIFC). However, this is getting fully indemnified by Network18 Holdings Limited, Cayman Islands (Network18) (subsidiary of Network 18 Media & Investments Limited) and hence there is no impact on the profit and loss account. This has been done vide letter agreements dated 30 September, 2010 and 28 May, 2011 executed in favor of Roptonal Limited, holding company of TIFC, which clearly states that any diminution in the value of films rights would be indemnified by Network18. The receivable under the said letter agreements has been assigned to TIFC vide letter dated 30 September, 2011. The amounts receivable under the above letter agreements are receivable from Network18 within 30 days from 21 July, 2014. The one time impairment charge and the other income receivable from Network18 pursuant to the abovementioned letters are disclosed as Exceptional Items amounting to Rs. 6,930.10 lakhs in the consolidated financial results of the group, equivalent to Group share in the joint venture.

** Please note that the Film Business was consolidated only for 5 months in FY11

TV18 Broadcast Limited
Standalone Financial Performance for the Year Ended 30th September, 2011
(Rs. Cr)

Standalone TV18 comprises CNBC TV18 + CNBC Awaaz + CNN IBN + IBN7

<i>All figs in INR Crores</i>	Q2 FY12	Q2 FY11*	Q1 FY12		YTD FY12	FY11*
Operating Revenues	143.6	52	128		271	244
Operating Expenses	126.6	59	109		236	250
(a) Staff costs	36.9	19	32		69	80
(b) Marketing, distribution and promotional expenses	47.2	20	37		85	86
(c) Production Expenses and Other expenditure	42.5	20	40		83	83
Operating Profit (EBITDA)	17.0	(7)	18		35	(5)
Operating Margin (%)	12%	-13%	14%		13%	-2%
Depreciation	6.3	3	6		12	12
ESOP Expenses	(0.1)					
Exceptional Items including Prior Period Adjustments						
Interest	17.8	11	21		39	40
Other Income	14.8	4	34		48	8
Profit Before Tax	7.8	(17)	25		33	(49)
Provision for tax	0.0	0	1		1	0
Net Profit After Tax	7.8	(17)	23		31	(49)

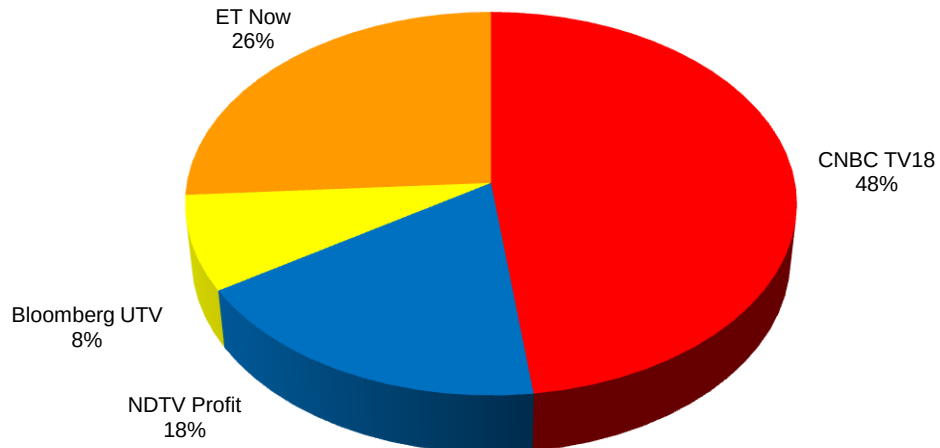
* Please note that numbers for the previous year and quarters are for erstwhile IBN18 Standalone before implementation of the 'Scheme of Arrangement' and hence not comparable.

IBN Lokmat
Financial Performance for the Quarter Ended 30th September, 2011
(Rs. Cr)

<i>All figs in INR Crores</i>	Q2 FY12	Q2 FY11	Q1 FY12		YTD FY12	FY11
Operating Revenue	4.7	3	4		8	16
Operating Expenses	7.4	7	6		14	29
(a) Staff costs	2.4	2	2		4	8
(b) Marketing, distribution and promotional expenses	2.1	3	2		4	10
(c) Production Expenses and Other expenditure	3.0	3	3		6	11
Operating Profit (EBITDA)	(2.7)	(4)	(3)		(5)	(14)
Operating Margin (%)	-57%	-118%	-69%		-62%	-87%
Depreciation	0.9	1	1		2	4
ESOP Expenses						
Exceptional Items including Prior Period Adjustments						
Interest	0.6	1	1		1	2
Other Income	0.0	0	0		0	0
Profit Before Tax	(4.1)	(6)	(4)		(8)	(20)
Provision for tax	0.0	0	0		0	0
Net Profit After Tax	(4.1)	(6)	(4)		(8)	(20)

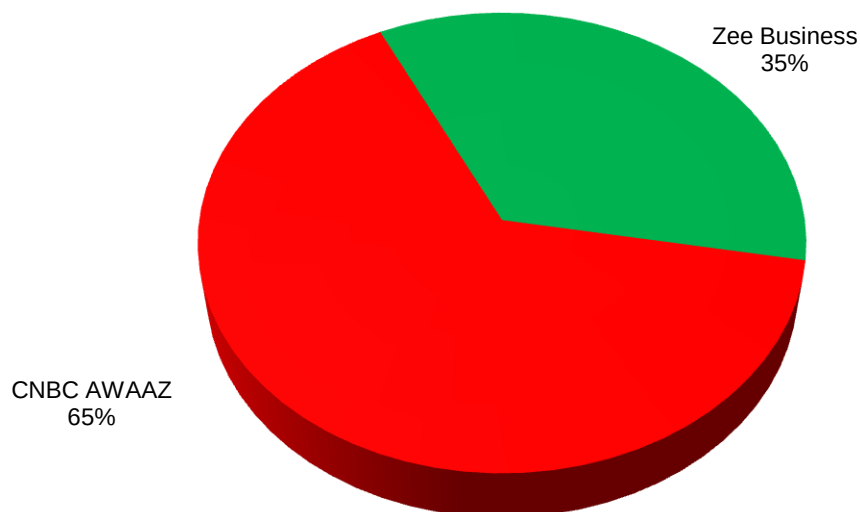
APPENDIX – Key Highlights for Q2 FY12 and Market Share Trends

CNBC-TV18: Continuing Leadership in English Business News



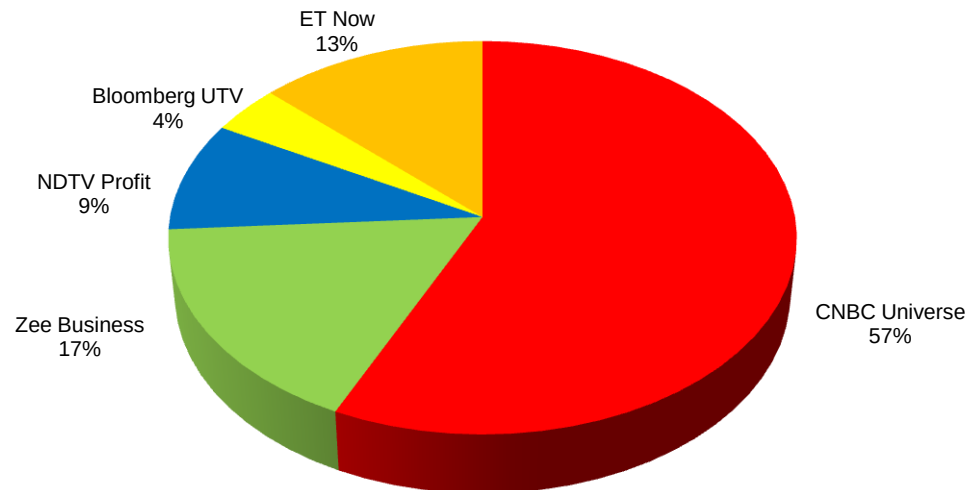
Source: TAM, Market Share
TG: CS AB Male 25+, Market: All India, Time Period: 1st July'11– 30th September'11, All Days 0600-2400 hrs

CNBC AWAAZ: India's No 1 Hindi Business News Channel



Source: TAM, Market Share
TG: CS AB Male 25+, Market: All India, Time Period: 1st July'11– 30th September'11, All Days 0600-2400 hrs

CNBC TV18 and CNBC AWAAZ – Continuing to Dominate Business News



Source: TAM, Market Share
 TG: CS AB Male 25+, Market: All India, Time Period: 1st July'11– 30th September'11, All Days 0600-2400 hrs

Out of Home: Please note that the existing TV viewership measurement mechanisms though essential do not capture the actual audience delivery for a media platform like CNBC TV18 and CNBC AWAAZ. The CNBC TV18 and CNBC AWAAZ services have a large out of home (OOH) viewership especially in corporate offices, institutions, business areas, markets, etc. We believe that the reach of the CNBC Universe is much higher when the above OOH viewership is taken into account.

CNN-IBN: A Favourite among Indian Audiences

Network **18**



CNN-IBN has been adjudged the Best English News Channel for the 5th time in the last 6 years at the Indian Television Academy Awards, 2011.



CNN-IBN
Best English News Channel

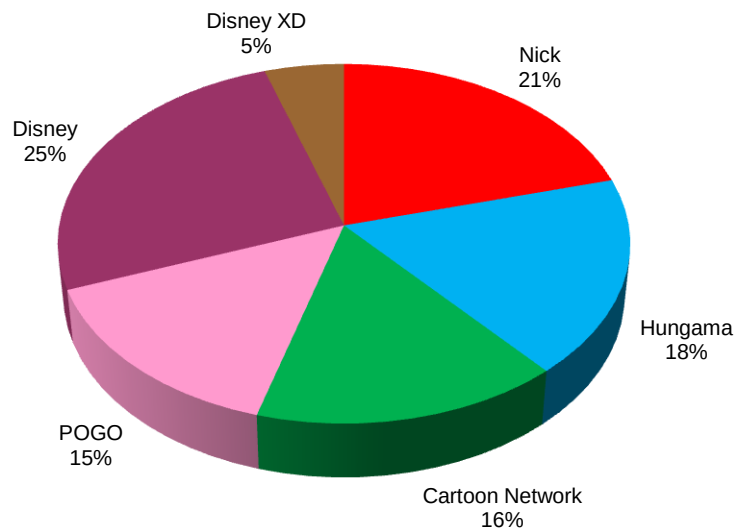
Also, CNN-IBN bagged four other prestigious awards.

Rajdeep Sardesai	Best Anchor - News/Current Affairs Show
Cyrus Broacha	Best Actor - Comedy - "The Week That Wasn't"
Secret Kitchen	Best Cookery Show
30 Minutes	Best TV Documentary - "Sampa's Diary"

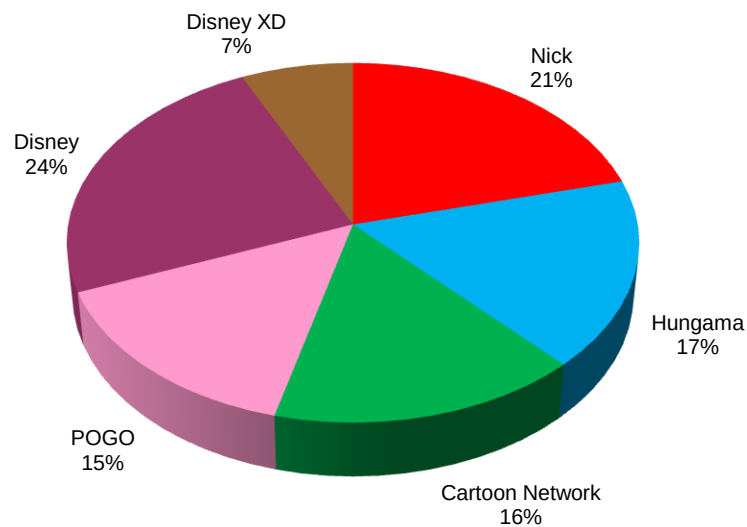
India's Most Awarded English News Channel



NICK: A Favourite among Kids

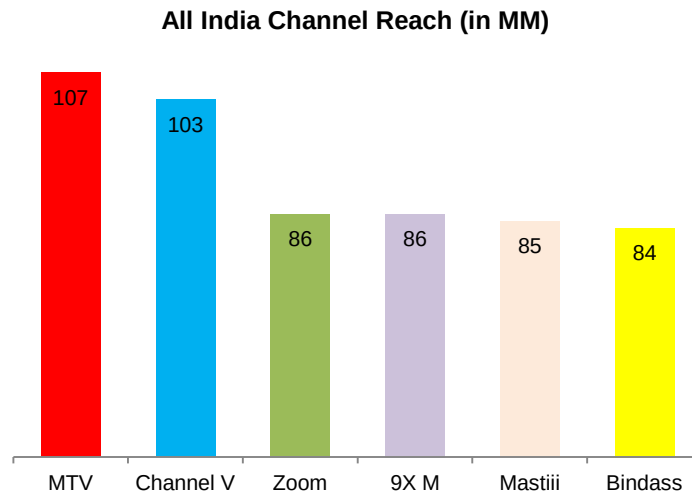


Source: TAM; Relative Market Share: HSM; TG: CS 4-14 ABC; Period: July 2011 – September 2011, Time: 0700-2200Hrs.



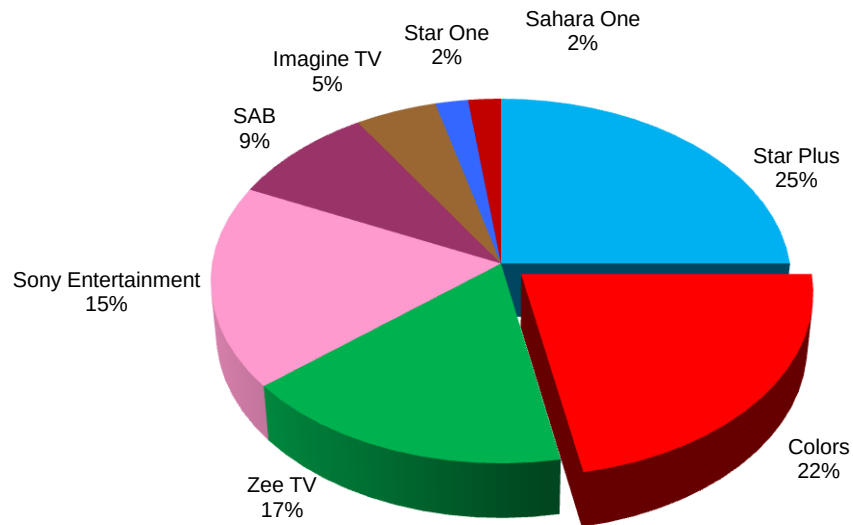
Source: TAM; Relative Market Share: HSM; TG: CS 4-14 ABC; Period: July 2011 – September 2011, Time: 0700-2200Hrs.

MTV: India's No. 1 Youth Brand



Strong Digital Media presence of the brand and its tentpoles - #1 youth community on Social Media

COLORS – A Preferred Choice for General Entertainment in India



Source: TAM; Hindi Speaking Markets; TG: CS 4+; Q2 FY2012: Prime Time Share 1900-2359 hrs, Monday-Friday

COLORS - Robust Performance across Fiction, Reality and Movies



Existing Fiction Shows Lead Their Respective Slots

New Fiction Launches have been successful!

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 FY 2011-12.

For further information on Business and Operations, please contact:

Haresh Chawla, Group CEO, Network18

Tel # 022-40019186; Fax # 022-66618984

e-mail: haresh.chawla@network18online.com

For further information on financials, please contact:

R D S Bawa, Group CFO, Network18

Tel # 0120-4341700; Fax # 0120-4324110;

e-mail: rds.bawa@network18online.com

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

Network **18**

