



A Listed Subsidiary of Network 18

EARNINGS RELEASE: Q1 2014-15

TV18 sustains growth in operating profitability

Consolidated quarterly operating revenues up 33% YoY at Rs. 527.7 crores

Consolidated PBT before exceptional items at Rs. 9.11 crores in Q1 FY15

One time exceptional adjustment to the Profit and Loss Account for the quarter of Rs.223.28 crores, which adjustment will not impact future operating profits and cash flow.

New Delhi, August 12, 2014 – TV18 Broadcast Limited announced its results for the quarter ending June 30, 2014, today.

Highlights of Operations

- Reported quarterly revenues on a consolidated basis are up 33% over Q1 FY14 to Rs. 527.7 crores.
- Reported quarterly operating profit was up 42%, to Rs. 18.2 crores, driven by sustained growth in the Entertainment operations; led by Colors and growth in the News operations aided by the General Elections. The company launched CNBC Bajar - India's first Gujarati language business channel on July 1, 2014.
- The loss before tax for the quarter ended 30th June 2014 is Rs. 214.2 crores after considering one time exceptional adjustments of Rs. 223.3crores. The adjustments made by way of exceptional items to the P&L account for the quarter ended June 30, 2014, is based on a review of the current and non-current assets of the company. These adjustments reflect the diminution in the value of certain tangible and intangible assets as well as write-offs and provisions for loans and advances and receivables. These adjustments, however, will not impact future operating profits and cash flow of the business of the company and its subsidiaries.

TV18 Broadcast Limited
Reported Consolidated Financial Performance for the Quarter Ended 30th June, 2014

Particulars (in Rs. crores)		Quarter ended			Year ended (Audited)
		Q1 FY15	Q4 FY14	Q1 FY14	FY14
1.	Income from operations				
	(a) Income from operations	527.7	563.3	393.9	1965.9
	(b) Other operating income	-	-	2.3	2.3
	Total income from operations (net)	527.7	563.3	396.2	1968.1
2.	Expenses				
	(a) Programming cost	165.7	155.3	87.0	508.6
	(b) Employee benefits expense	103.9	79.0	69.7	284.7
	(c) Marketing, distribution and promotional expense	102.2	150.5	140.2	597.4
	(d) Depreciation and amortisation expense	29.5	20.6	10.9	55.8
	(e) Other expenses	108.2	108.4	75.6	366.6
	Total expenses	509.5	513.8	383.4	1813.2
3.	Profit from operations before other income, finance costs and exceptional items	18.2	49.5	12.8	154.9
4.	Other income	5.8	9.0	7.0	32.4
5.	Profit from ordinary activities before finance costs and exceptional items	24.0	58.5	19.8	187.4
6.	Finance costs	14.9	13.2	15.0	60.5
7.	Profit from ordinary activities before exceptional items and tax	9.1	45.3	4.8	126.8
8.	Exceptional items (See Note 3)	223.3	17.1	0.0	27.4
9.	Profit / (loss) from ordinary activities before tax	(214.2)	28.2	4.8	99.4

Notes to the Consolidated Unaudited Financial Results:

1. Independent Media Trust (IMT), of which Reliance Industries Limited is the sole beneficiary, has acquired a controlling stake of the promoter group entities namely RB Mediasoft Private Limited, RRB Mediasoft Private Limited, Adventure Marketing Private Limited, Watermark Infratech Private Limited, Colorful Media Private Limited, RB Media Holdings Private Limited, and RB Holdings Private Limited (collectively referred to as 'Holding Companies') from Raghav Bahl and Ritu Kapur on 7 July, 2014. Pursuant to such acquisition, Raghav Bahl, Ritu Kapur and other existing promoters / promoter group of the Company (other than the 'Holding Companies' and Network18 Media & Investments Limited) have ceased to be promoters / promoter group of the Company from 7 July, 2014. Independent Media Trust, Reliance Industries Limited, the Holding Companies and Network18 Media & Investments Limited are the promoters of the Company w.e.f 7 July, 2014.
2. Pursuant to the enactment of the Companies Act, 2013 (the Act), the Group has, effective from 1st April 2014, reassessed the useful life of its fixed assets and has computed depreciation as provided in Schedule II to the Act. Consequently depreciation for the quarter ended 30 June 2014 is higher and the net profit is lower by Rs. 7.53 crores. Further, based on the transitional provision provided in Schedule II, an amount of Rs. 7.44 crores has been adjusted with the opening reserves.
3. During the quarter ended 30th June, 2014, based on a review of the current and non-current assets, the Group has accounted for (a) obsolescence/impairment in the value of certain tangible and intangible assets to the extent of Rs. 122.27 crores and (b) write-off and provisions of non-recoverable and doubtful loans/advances /receivables to the extent of Rs. 87.70 crores and the same has been disclosed as Exceptional Items in the consolidated accounts. Further, Exceptional Items also includes Rs. 13.31 crores towards severance pay and consultancy charges. However, these adjustments have no impact on the future operating profit and cash flows of the businesses of the Group.
4. Equator Trading Enterprises Private Limited ("Equator") including its subsidiaries Panorama Television Private Limited and Prism TV Private Limited had become wholly owned subsidiary of the Company with effect from 22nd January, 2014. Hence, the consolidated results of the current period include the results of these subsidiary companies. Eenadu Television Private Limited had also become an associate with effect from 22nd January 2014 and its results have been accounted as "Associate" under accounting standard 23 on Accounting for Investments in Associates in Consolidated Financial Statements. To this extent, the results of this period are not comparable with the corresponding previous period.

Business Highlights

■ **Business News Operations - CNBC-TV18, CNBC Awaaz, CNBC-TV18 Prime HD**

- CNBC TV18 and CNBC Awaaz maintained their leadership as the No.1 channels in the respective genres with 45%* and 56%** market shares respectively, this quarter. The channels lead in terms of viewership in both market and Pre-market hours.
- Business News Operations also saw the successful launch of CNBC Bajar, India's first Gujarati language business channel on July 1, 2014.

* (Source: TAM | All India | CS AB Males 25+ | All days, 24 hours | Average weekly gross TVTs)

** (Source: TAM | HSM | CS AB Males 25+ | All days, 24 hours | Average weekly gross TVTs)

(Source: TAM – CNBC TV18 – CS AB Males 25+ | All India | 24 hours / CNBC Awaaz – CS AB Males 25+ audience | HSM | 24 hours)

■ **General News Operations - CNN-IBN, IBN7, IBN Lokmat**

- **CNN IBN** sustained its strong viewership performance with a 26%* market share in the genre. This quarter witnessed focused coverage of General Elections 2014 through the launch of new shows like, 'Election Special', 'Young India Debates', 'Election Katha by Ram Guha' and special interviews with prominent newsmakers. On the counting day, CNN IBN was the No. 1 English News channel**.
- **IBN7**- The channel sustained its viewership performance reaching 65 million*** people in this quarter.
- **IBN Lokmat** completed 6 years of incisive reporting and comprehensive coverage in this quarter. The channel held the No.2 spot with a 30% market share# in the genre.

* (Source: TAM | CS AB 15+ | All India | 24 hrs)

** (Source: TAM | CS AB 25 – 54 | All India | 0800 – 1200 hrs)

*** (Source: TAM | Avg. Monthly Reach in Millions, CS 4+, AMJ'14, All Days, 24 Hrs, All India)

(Source: TAM | Avg. Weekly TVT 000s | CS 15+ | 24 Hrs | All Days, Maharashtra)

■ **Infotainment - HistoryTV18**

- History TV18, sustained its strong viewership this quarter with an 18% market share* and the highest time spent per viewer**, a lead it has maintained since launch. In an effort to increase viewer engagement, the brand also launched the HISTORY TV18 App, India's first truly second-screen channel app, enabling viewers to chat live on TV via a ticker. The App received a stupendous response with over 250,000 downloads within the first month of launch.

* (Source: TAM, CS AB 15+, 24 Hrs, All Days, All India)

** (Source: TAM, CS AB 15+, Wk 14'14-Wk26'14, All days, 24 Hrs, Time Spent Per Viewer (In Mins), 6 Metros)

■ **Entertainment Operations – Viacom18**

- Colors remained the undisputed leader during weekends with a 27% market share*. Non-fiction continued to create new milestones with, 'Jhalak Dikhlaja' being sampled by 123 million viewers* and 'Comedy Nights with Kapil' continuing to run as the No.1* non-fiction show in the genre. The channel also launched a new fiction show, 'Meri Aashiqui tumse hi'. Colors strengthened its digital engagement with the launch of its app on Android, iOS and Windows.
- MTV continued its leadership in viewership reaching 5.5 million viewers** and further cemented its position as India's No.1 youth brand in digital engagement with more than 27 million fans and followers on social media platforms.

- VH1 led the English entertainment genre with a 26% (source: TAM 15-34 AB Market: 7 Metros without Chennai, 7 AM to 11 PM) market share in the quarter. The channel created and aired 'Sound Nation', a multi-city award show for Indian artists in the quarter.
- Comedy Central, Nick and Sonic sustained their strong viewership in the quarter.
- Viacom18 Motion Pictures saw the successful release of "Transformers – Age of Extinction". Other releases in the quarter were, "Manjunath", Telugu film "Anamika" and Tamil film "Nee Enge En Anbe".

* (Source: TAM | CS4+Yrs | HSM)

** (Source: TAM | HSM | CS 15 – 24 AB | All Day | Average weekly reach for the quarter)

■ ETV News (Panorama Television Private Limited)

- ETV News saw the successful launch of ETV Gujarati bringing the total bouquet strength to nine channels; ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan, ETV Bihar, ETV Urdu, ETV Kannada, ETV Bangla, ETV Haryana. The channels sustained their strong viewership performance aided by the National General Elections.

■ ETV Entertainment (Prism TV Private Limited)

- ETV Kannada maintained its position at No.2* in the Karnataka market, and a No.1 position in Bangalore driven by a lineup of strong fiction and non-fiction properties in Q1 FY15.
- ETV Bangla continued to grow in a competitive regional market reaching out to 6.5 million** viewers in the quarter.
- ETV Marathi continued to innovate in non-fiction programming with the launch of "Zhunj Marathmoli" – a task based celebrity reality show. The channel reached out to 23.5 million viewers*** in this quarter.

* (Source: TAM | CS4+ | Total Karnataka | Week 14 - 27)

** (Source: TAM | CS4+ | All Bengal | Average monthly reach)

*** (Source: TAM | CS 4+ | Maharashtra | April – June 2014 : 02 - 25:59 | All Days)

INVESTOR COMMUNICATION:

TV18'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 Q1 FY2014-15.

For further information on business and operations, please contact:

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

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