EARNINGS RELEASE: Q3 2011-12

TV18 BROADCAST LIMITED

(Listed Subsidiary of Network18)

Steady quarter with consolidated revenues at Rs. 342.8 crores and an operating profit of Rs. 28.5 crores from operations excluding one-timers. (Loss of Rs. 33.9 crores on a reported basis)

- Consolidated Revenues were up 9% from Rs. 314.5 crores (proforma) against the corresponding quarter last year.
- Operating Profits stood at Rs. 28.5 crores during the quarter from continuing operations excluding one- time expenses. *Our subscription revenues stand at Rs. 65.2 crores for the current quarter and are on track.*
- We successfully launched four channels during the quarter – History TV18, Sonic, Colors HD and CNBC TV18 Prime HD. History TV18 has already emerged as the No. 2 channel in the genre and is challenging the leader.
- During the quarter, we also partially impaired our film library consequent to the deferment of the proposed Hindi movie channel.

TV18 Consolidated Summary *excluding one-timers*						
All figures in INR crores	Q3 FY12	Q3 FY11	Q2 FY12		FY12 YTD	FY11
Revenues	**342.8**	**314.5**	**302.0**		**910.7**	**1110.2**
News and Infotainment	167.2	153.1	146.0		442.7	558.0
Entertainment	182.3	161.4	157.5		478.2	552.2
Less: Inter Segmental Revenues	*(6.7)*		*(1.6)*		*(10.3)*	*0.0*
Operating Profit	**28.5**	**54.9**	**24.8**		**77.9**	**133.5**
News and Infotainment	9.2	29.6	15.6		39.9	75.0
Entertainment	19.3	25.3	9.2		37.9	58.5
Operating Margin	***16%***	***17%***	***8%***		9%	12%
News	6%	19%	11%		9%	13%
Entertainment	11%	16%	6%		8%	11%

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

The above does not include – Launch expenses of AETN18 and one-time costs and write-offs at Viacom18. At Viacom18, Rs. 39 crores of one-time expenses were incurred in relation to the deferment of the Hindi movie channel and Rs. 20 crores were incurred with respect to launch/pre-launch costs of Sonic, Comedy Central and Colors HD. In addition, we have taken write-offs at TIFC amounting to Rs. 14.6 crores. We also incurred launch costs and operating losses amounting to ~Rs. 25 crores towards our new channel History TV18.

*** Inter-segmental revenues eliminated.*

I. News Operations

News Summary						
All figures in INR crores	Q3 FY12	Q3 FY11	Q2 FY12		YTD FY12	FY11*
Revenues	**167.2**	**153.1**	**146.0**		**442.7**	**558.0**
General News	77.3	74.4	72.2		210.9	252.0
Business News	87.6	78.8	73.7		229.5	306.0
Infotainment (AETN18)	2.2	-	0.0		2.3	-
Operating Profit	**(16.2)**	**29.6**	**10.0**		**8.9**	**75.0**
General News	(1.6)	7.1	(0.7)		(2.8)	(11.2)
Business News	10.8	22.5	16.3		44.6	87.0
Infotainment (AETN18)	(25.3)	-	(5.7)		(32.9)	(0.8)
Operating Margin	***-10%***	***19%***	***7%***		***2%***	***13%***
General News	-2%	10%	-1%		-1%	-5%
Business News	12%	29%	22%		19%	28%
Infotainment (AETN18)						

**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*

a. Business News Operations delivered a steady quarter and our revenues increased by 11% (Q3FY12 over Q3FY11).

- Q3 FY12 revenues on a reported basis stood at Rs. 87.6 crores, up 11% against Rs. 79 crores against the corresponding quarter last year. Operating profit stood at Rs. 10.8 crores in Q3 FY12.
- Our Business News Channels – CNBC TV18 and CNBC Awaaz continued to be market leaders during the quarter.
- We launched CNBC-TV18 Prime HD, India's first HD enabled business news service, where viewers are offered live, unprecedented access to global markets through the day along with rich and in-depth live financial data and news alerts, through a unique '2 window' screen architecture.

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.

- Q3 FY12 revenues grew 9% and on a reported basis stood at Rs. 77.3 crores against Rs. 74.4 crores in Q3 FY11.
- CNN-IBN Indian of the Year 2011, India's most credible honour with a four-tier process in its 6th edition; felicitated the Indian(s) whose contribution to the country in a calendar year that has strengthened the foundation of our society and has helped build Brand India in the process.

- IBN7 continued to have ratings traction. Zindagi Live Awards in November 2011 were well received.
- IBN Lokmat celebrated the festive season with a host of well received special programmes and was also one of the winners at the Ramnath Goenka Awards for Excellence in Journalism.

c. **History TV18** was successfully launched in October 2011 with Salman Khan as its brand ambassador and is already the No. 2 in its genre, challenging the leader. It is available in 7 languages now.

II. Entertainment Business

- Q3FY11 revenues for Viacom 18 on a reported basis stood at Rs. 364.6 crores, up 13% against Rs. 323 crores in the corresponding quarter last year. Our operating profit stood at Rs. 38.4 crores for the quarter excluding one-time launch expenses and 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. Big Boss 5 got bigger this year with more than 110 million viewers. The first ever awards show for Colors – Colors Golden Petal Awards garnered a TVR of 5+, the highest for an awards show during the year. Colors HD was also launched during the quarter.
- 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 completed another year of being No. 1 in the kids' genre – Nick has been No. 1 for 3 years in a row now.
- Sonic – the channel for the action loving generation was launched on December 20th 2011 with Akshay Kumar as its brand ambassador. The channel has been well received by its target audience.
- Viacom18 Motion Pictures released two successful movies in Q3 FY2012: Paramount Pictures' - 'Mission Impossible – Ghost Protocol' and 'Puss in Boots'.

TV18 Broadcast Limited
Consolidated Financial Performance for the Quarter Ended 31st December, 2011
(Rs. Cr)

All figs in INR Crores	Q3 FY12	Q3 FY11*	Q2 FY12		YTD FY12	FY11*
Operating Revenue	**342.8**	**236.2**	**302.0**		**910.7**	**804.2**
(a) Income from operations	**334.9**	**232.4**	**293.3**		**863.2**	**761.8**
Advertising Revenues	*269.7*		*253.4*		*718.5*	
Subscription Revenues	*65.2*		*39.9*		*144.6*	
(b) Other operating income	7.8	3.8	8.6		47.5	42.4
Operating Expenses	**376.7**	**203.9**	**295.9**		**913.9**	**757.4**
(a) Staff costs	72.2	30.7	53.4		170.0	120.1
(b) Marketing, distribution and promotional expenses	118.6	47.0	107.6		298.2	208.5
(c) Production Expenses and Other expenditure	185.9	126.1	134.9		445.8	428.8
Operating Profit (EBITDA)	**(33.9)**	**32.3**	**6.1**		**(3.3)**	**46.8**
Continuing Operations	28.4	33.2	24.8		79.6	48.0
Viacom18 One-Time Costs/One-TimeWrite-offs**	(37.0)	(0.9)	(13.0)		(50.0)	0.0
AETN18 Launch and Operating/Pre-op Losses	(25.3)	0.0	(5.7)		(33.0)	(1.0)
Operating Margin (%)	**-10%**	**14%**	**2%**		**0%**	**6%**
Continuing Operations	**8%**	**14%**	**8%**		**9%**	**6%**
Depreciation	9.1	4.5	7.6		24.1	17.6
ESOP Expenses	0.2	0.1	(0.1)		0.4	0.5
Exceptional Items including Prior Period Adjustments					0.0	
Interest	30.2	14.6	26.3		84.9	50.9
Other Income	6.7	2.4	19.9		61.1	9.1
Profit Before Tax	**(66.7)**	**15.5**	**(7.8)**		**(51.4)**	**(13.1)**
Provision for tax	(0.1)	(4.3)	1.5		3.4	4.3
Net Profit After Tax	**(66.6)**	**19.8**	**(9.3)**		**(54.8)**	**(17.4)**
Minority Interest	(13.1)	0.0	(1.3)		(14.4)	0.0
Net Profit After Tax	**(53.5)**	**19.8**	**(8.0)**		**(40.4)**	**(17.4)**

Notes:
1. TV18 Consolidated Nos. includes 100% of TV18 Standalone and AETN18 and 50% share of Viacom18 and 50% share of IBN Lokmat accounted for line-by-line in the JV method.
2. Consolidated figures may not match the sum of TV18 Standalone, AETN18, 50% of Viacom18 and 50% of IBN Lokmat on account of smaller subsidiaries not shown above. Viacom18 numbers include subsidiaries.
3. **At Viacom18, Rs. 39 crores of one-time expenses were incurred in relation to the deferment of the Hindi movie channel and Rs. 20 crores were incurred with respect to launch costs of Sonic, Comedy Central and Colors HD. In addition, we have taken write-offs at TIFC of Rs. 14.6 crores. Only 50% of these numbers are reported above. We also incurred launch costs and operating losses amounting to ~Rs. 25 crores towards our new channel History TV18.
4. *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 31st December, 2011
(Rs. Cr)

All figs in INR Crores	Q3 FY12	Q3 FY11	Q2 FY12		YTD FY12	FY11
Operating Revenue	**364.6**	**323**	**315.1**		**957**	**1,104**
(a) Television	353.6	323	284.9		898	1,084
(b) Motion Pictures and TIFC**	10.9	0	30.2		58	20
Operating Expenses	**400.0**	**272**	**322.8**		**981**	**985**
(a) Staff costs	47.2	19	27.9		96	72
(b) Marketing, distribution and promotional expenses	92.6	45	111.8		272	234
(c) Production Expenses and Other expenditure	260.2	207	183.1		613	679
Operating Profit (EBITDA)	**(35.5)**	**51**	**(7.7)**		**(24)**	**120**
(a) Television	38.5	52	12.3		78	128
(b) Motion Pictures and TIFC**	(73.9)	(2)	(20.0)		(102)	(8)
Operating Margin (%)	**-10%**	**16%**	**-2%**		**-3%**	**11%**
(a) Television	11%	16%	4%		25%	12%
(b) Motion Pictures and TIFC**						
Depreciation	1.6	2	1.7		5	8
Exceptional Items including Prior Period Adjustments						
- Indemnity Income			138.6		139	
- Accelerated amortisation of film rights			(138.6)		(139)	
Interest	16.7	11	16.4		47	19
Other Income	0.3	0	0.5		2	2
Profit Before Tax	**(53.5)**	**37**	**(25.3)**		**(75)**	**94**
Provision for tax	(0.3)	(8)	3.1		4	9
Net Profit After Tax	**(53.2)**	**46**	**(28.4)**		**(79)**	**85**

**Motion Pictures and TIFC include amortisation of movie rights for the proposed film channel which was deferred. It also includes the new channel expenses.*

TV18 Broadcast Limited
Standalone Financial Performance for the Quarter Ended 31st December, 2011
(Rs. Cr)

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

All figs in INR Crores	Q3 FY12	Q3 FY11*	Q2 FY12		YTD FY12	FY11*
Operating Revenue	**162.8**	**72.0**	**143.6**		**434.0**	**244.4**
(a) Income from operations	155.1	71.4	135.5		406.5	237.0
(b) Other operating income	7.7	0.6	8.1		27.6	7.3
Operating Expenses	**152.3**	**63.9**	**126.6**		**388.2**	**249.8**
(a) Staff costs	46.3	20.0	36.9		115.1	80.1
(b) Marketing, distribution and promotional expenses	57.7	23.2	47.2		142.2	86.2
(c) Production Expenses and Other expenditure	48.3	20.6	42.5		130.8	83.5
Operating Profit (EBITDA)	**10.5**	**8.1**	**17.0**		**45.8**	**(5.4)**
Operating Margin (%)	**6%**	**11%**	**12%**		**11%**	**-2%**
Depreciation	6.0	3.0	6.3		18.2	11.7
ESOP Expenses	0.2	0.1	(0.1)		0.4	0.5
Exceptional Items including Prior Period Adjustments						
Interest	21.7	8.6	17.8		60.5	40.1
Other Income	3.6	2.2	14.8		52.1	8.4
Profit Before Tax	**(13.8)**	**(1.5)**	**7.8**		**18.9**	**(49.2)**
Provision for tax	0.0	0.0	0.0		1.4	0.0
Net Profit After Tax	**(13.8)**	**(1.5)**	**7.8**		**17.5**	**(49.2)**

** 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.*

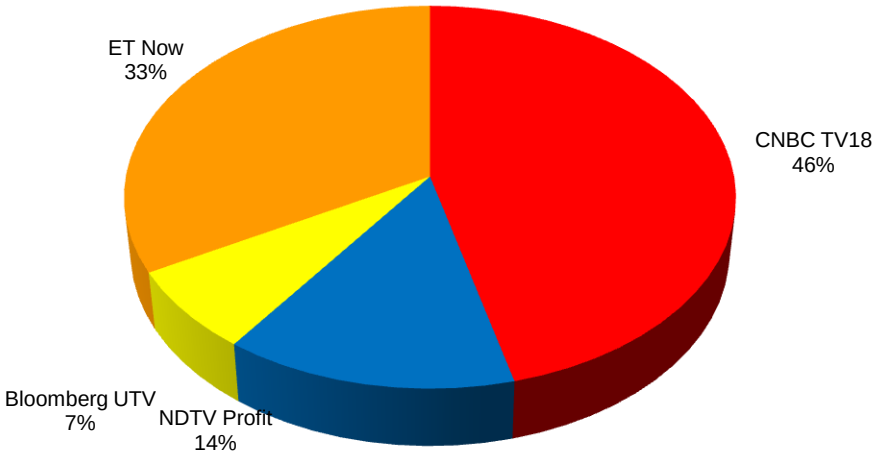
IBN Lokmat
Financial Performance for the Quarter Ended 31st December, 2011

(Rs. Cr)

All figs in INR Crores	Q3 FY12	Q3 FY11	Q2 FY12		YTD FY12	FY11
Operating Revenue	4.3	4.8	4.7		12.8	15.6
(a) Income from operations	4.3	4.8	4.5		12.5	15.6
(b) Other operating income	0.0	0.0	0.2		0.2	0.0
Operating Expenses	**7.1**	**6.4**	**7.4**		**20.7**	**29.2**
(a) Staff costs	2.1	2.1	2.4		6.5	8.2
(b) Marketing, distribution and promotional expenses	2.9	2.1	2.1		6.6	10.2
(c) Production Expenses and Other expenditure	2.0	2.2	3.0		7.6	10.8
Operating Profit (EBITDA)	**(2.7)**	**(1.9)**	**(2.7)**		**(8.0)**	**(13.6)**
Depreciation	0.9	0.9	0.9		2.7	3.7
ESOP Expenses	0.0	0.0	0.0		0.0	0.0
Exceptional Items including Prior Period Adjustments	0.0	0.0	0.0		0.0	0.0
Interest	0.5	0.6	0.6		1.7	2.4
Other Income	0.0	0.0	0.0		0.1	0.1
Profit Before Tax	**(4.12)**	**(3.4)**	**(4.1)**		**(12.3)**	**(19.7)**
Provision for tax	0.0	0.0	0.0		0.0	0.0
Net Profit After Tax	**(4.12)**	**(3.4)**	**(4.1)**		**(12.3)**	**(19.7)**

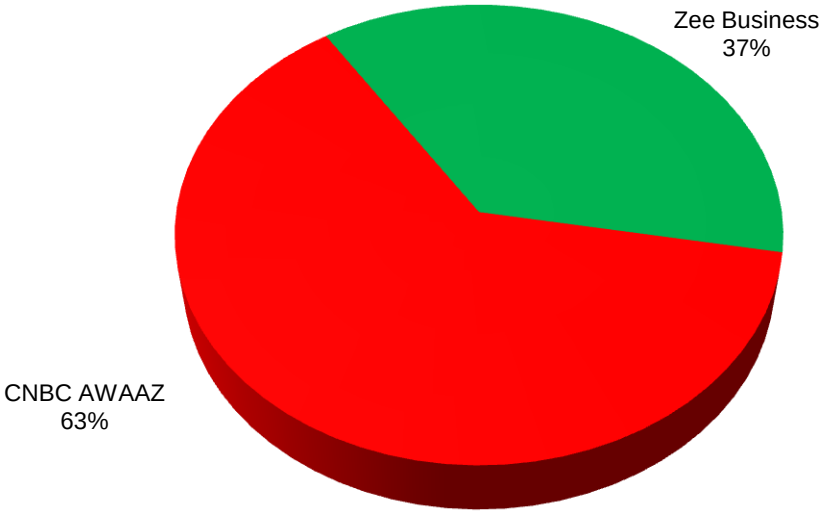
APPENDIX – Key Highlights for Q3 FY12 and Market Share Trends

CNBC-TV18: Continuing Leadership in English Business News



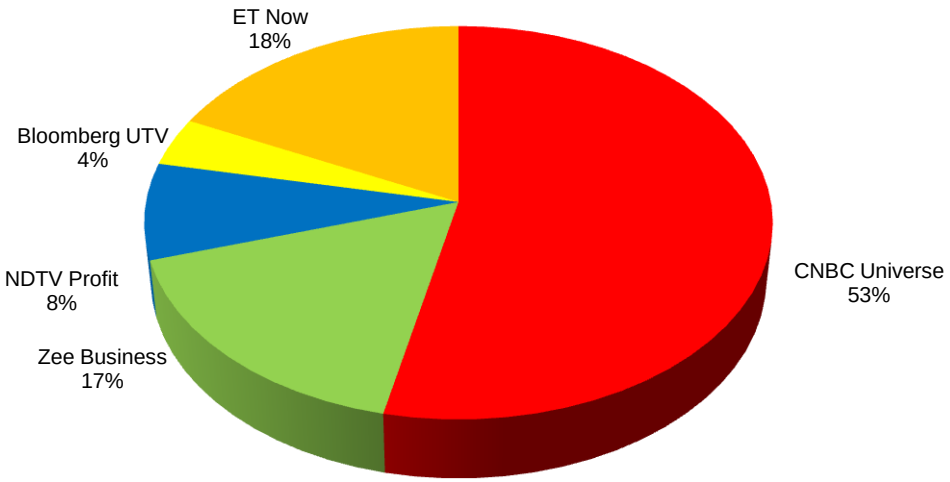
Source: TAM, Market Share
TG: CS AB Male 25+, Market: All India, *Time Period: 1st October '11– 31st December '11,* All Days 0600-2400 hrs

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



Source: TAM, Market Share
TG: CS AB Male 25+, Market: HSM, *Time Period: 1st October '11– 31st December '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 October '11– 31st December '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.

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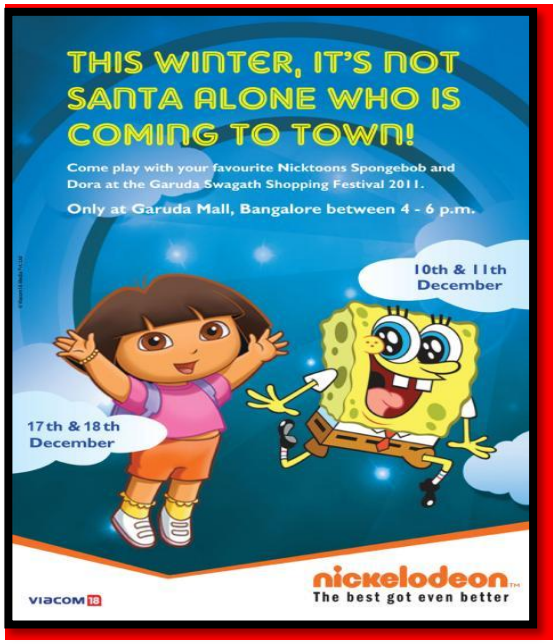
CNN-IBN: A Favourite among Indian Audiences

Network 18
good friday
INDIA POSITIVE
Amidst all the negativity that threatens to engulf us, there are beacons of hope.
These are stories of courage, compassion, integrity, triumph and positivity.
As part of our commitment to journalism for positive change, CNN-IBN brings you India Positive.
Positive stories for a Positive India.
Every Friday @ 8.30 PM
CNN
IBN
India's No.1 English News Channel

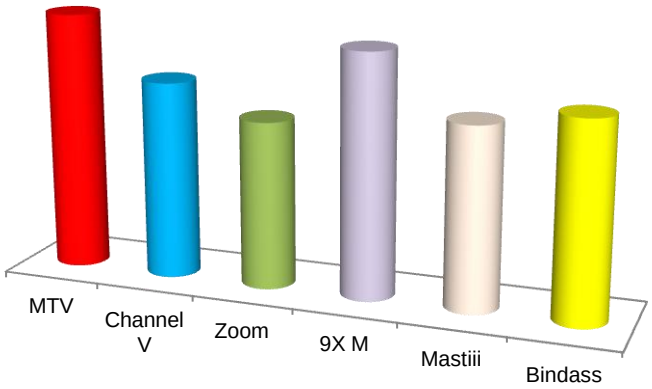
NICK: A Favourite among Kids



Sonic – For the Action Loving Generation

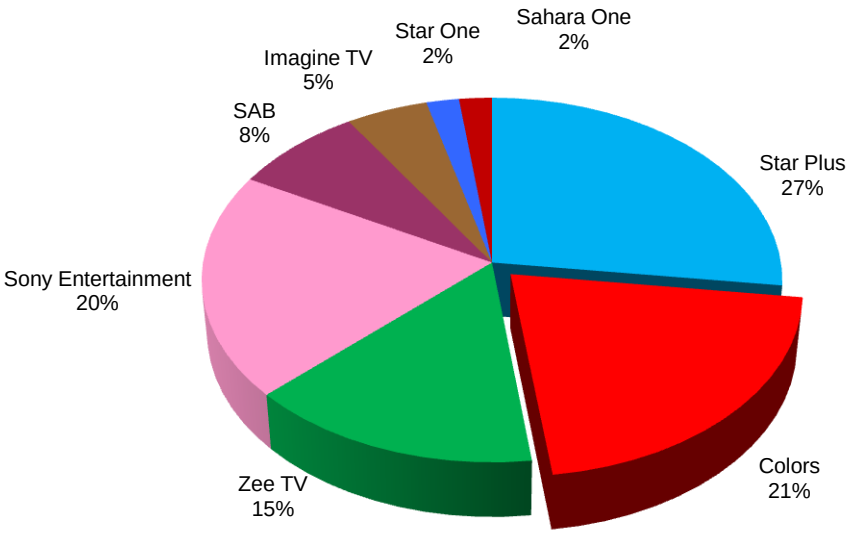
MTV: India's No. 1 Youth Brand

All India Channel Share for 2011



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+; Q3 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!

History – Redefining Factual Entertainment

INVESTOR COMMUNICATION:

TV18 Broadcast'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 Q3 FY 2011-12.

Kindly note that we are *temporarily discontinuing* our practice of holding a quarterly investor call in the light of our impending Rights Issue and our proposed acquisition announced on January 3, 2012. We will re-start regular quarterly calls once the process is completed. Our Investor Update read in conjunction with our Statutory Filings will continue to provide details of our operations.

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

Network 18