



**EARNINGS RELEASE: Q3 2014-15**

**Network18 delivers strong operating performance**  
**9M FY15 consolidated operating revenues up by 17% YoY, at Rs. 2,285.1 crore**  
**Q3 FY15 consolidated operating revenues up by 14% YoY, at Rs. 831.9 crore**  
**Q3 FY15 consolidated operating PBDIT up by 13% YoY, at Rs. 67.1 crore**  
**9M FY15 consolidated operating PBDIT up by 149% YoY, at Rs. 97.2 crore**

New Delhi, January 14, 2015 – Network18 Media & Investments Limited today announced its results for the quarter / nine months ended December 31, 2014. Highlights of the un-audited financial results as compared to the previous year are:

| Particulars (In Rs. Crore)  | Q3<br>FY15   | Q2<br>FY15 | Q3<br>FY14 | %<br>Change<br>w.r.t Q2<br>FY15 | %<br>Change<br>w.r.t Q3<br>FY14 | 9M<br>FY15     | 9M<br>FY14 | %<br>Change<br>w.r.t 9M<br>FY14 |
|---|--------------|------------|------------|---------------------------------|---------------------------------|----------------|------------|---------------------------------|
| Income from operations  | <b>831.9</b> | 744.8      | 727.6      | 11.7%                           | 14.3%                           | <b>2,285.1</b> | 1,954.1    | 16.9%                           |
| Operating PBDIT   | <b>67.1</b>  | 17.4       | 59.5       | 286.9%                          | 12.7%                           | <b>97.2</b>    | 39.0       | 149.3%                          |
| Profit Before Tax (before exceptional items and prior period items) | <b>22.4</b>  | -14.8      | 19.3       | -                               | 15.7%                           | <b>-36.4</b>   | -65.6      | 44.5%                           |

**Highlights of Operations**

- 9M FY15 operating revenues on a consolidated basis stood at Rs. 2,285.1 crore, up by 17% YoY, from Rs. 1,954.1 crore in 9M FY14.
- Operating revenues on a consolidated basis stood at Rs. 831.9 crore in Q3 FY15, up by 14% YoY, from Rs. 727.6 crore in Q3 FY14.
- 9M FY15 consolidated operating PBDIT stood at Rs. 97.2 crore, up by 149% YoY, from Rs. 39 crore in 9M FY14.
- Q3 FY15 consolidated operating PBDIT stood at Rs. 67.1 crore, up by 13% YoY, from Rs. 59.5 crore in Q3 FY14.
- Q3 FY15 consolidated Profit Before Tax (before exceptional items and prior period items) stood at Rs. 22.4 crore, up by 16% YoY, from Rs. 19.3 crore in Q3 FY14.

**Network18 Media & Investments Limited**  
**Reported Consolidated Financial Performance for the Quarter Ended 31<sup>th</sup> December, 2014**

| Particulars (In Rs. Crore)  | Consolidated  |              |              |                   |                |                      |
|---|---------------|--------------|--------------|-------------------|----------------|----------------------|
|   | Quarter ended |              |              | Nine months ended |                | Year ended (Audited) |
|   | 31 Dec'14     | 30 Sep'14    | 31 Dec'13    | 31 Dec'14         | 31 Dec'13      | 31 Mar'14            |
| 1. <b>Income from operations</b>  |               |              |              |                   |                |                      |
| (a) Income from operations  | 819.3         | 736.1        | 726.3        | 2,255.1           | 1,945.8        | 2,684.1              |
| (b) Other operating income  | 12.6          | 8.7          | 1.3          | 30.0              | 8.3            | 8.3                  |
| <b>Total income from operations (net)</b>   | <b>831.9</b>  | <b>744.8</b> | <b>727.6</b> | <b>2,285.1</b>    | <b>1,954.1</b> | <b>2,692.4</b>       |
| 2. <b>Expenses</b>  |               |              |              |                   |                |                      |
| (a) Programming cost  | 202.1         | 172.8        | 154.5        | 546.5             | 396.5          | 530.7                |
| (b) Distribution, advertising and business  | 214.0         | 220.7        | 221.3        | 626.6             | 660.7          | 893.2                |
| (c) Cost of materials consumed  | 1.6           | 1.5          | 1.9          | 4.6               | 8.3            | 8.0                  |
| (d) Employee benefits expenses  | 143.1         | 135.4        | 114.3        | 425.7             | 353.5          | 478.1                |
| (e) Depreciation and amortisation expense   | 23.8          | 19.4         | 19.5         | 80.9              | 54.4           | 82.8                 |
| (f) Other expenses  | 203.9         | 197.1        | 176.1        | 584.6             | 496.1          | 702.8                |
| <b>Total expenses</b>   | <b>788.5</b>  | <b>746.9</b> | <b>687.6</b> | <b>2,268.9</b>    | <b>1,969.5</b> | <b>2,695.6</b>       |
| 3. <b>(Loss)/profit from operations before other income, finance costs, exceptional items, prior period items and tax</b> | <b>43.4</b>   | <b>-2.1</b>  | <b>40.0</b>  | <b>16.2</b>       | <b>-15.4</b>   | <b>-3.2</b>          |
| 4. Other income   | 6.5           | 16.3         | 10.2         | 34.9              | 40.2           | 57.2                 |
| 5. <b>(Loss)/ profit before finance costs, exceptional item, prior period items and tax</b>                               | <b>49.9</b>   | <b>14.2</b>  | <b>50.2</b>  | <b>51.1</b>       | <b>24.8</b>    | <b>54.0</b>          |
| 6. Finance costs  | 27.5          | 29.0         | 30.9         | 87.5              | 90.4           | 122.5                |
| 7. <b>Loss after finance costs but before exceptional items, prior period items and tax</b>                               | <b>22.4</b>   | <b>-14.8</b> | <b>19.3</b>  | <b>-36.4</b>      | <b>-65.6</b>   | <b>-68.5</b>         |
| 8. Exceptional items- (expenses)/ income  | 5.2           | -            | 1.1          | -1,040.1          | 70.1           | 76.6                 |
| 9. <b>(Loss)/ profit after exceptional items but before prior period items and tax</b>                                    | <b>27.6</b>   | <b>-14.8</b> | <b>20.4</b>  | <b>-1,076.5</b>   | <b>4.5</b>     | <b>8.1</b>           |
| 10. Prior period (expense)/ income  | -             | -            | -0.5         | -63.5             | 6.8            | 8.0                  |
| 11. <b>(Loss)/ profit before tax</b>  | <b>27.6</b>   | <b>-14.8</b> | <b>19.9</b>  | <b>-1,140.0</b>   | <b>11.3</b>    | <b>16.0</b>          |

**Notes to the Consolidated Unaudited Financial Results:**

1. Pursuant to the enactment of the Companies Act, 2013 (the Act), the Group has, effective from 1 April, 2014, reassessed the useful life of its fixed assets and has computed depreciation with reference to the useful life of assets as recommended in Schedule II to the Act. Consequently, depreciation for the quarter and nine months ended 31 December, 2014 is higher by Rs 4.47 lakhs and Rs 1053.71 lakhs respectively and net loss is higher by Rs.4.47 lakhs and Rs 1053.71 lakhs respectively. Further, based on the transitional provision provided in Schedule II, an amount of Rs. 712.65 lakhs has been adjusted with the opening reserves during the nine months ended 31 December, 2014.
2. During the quarter ended 30 June, 2014, based on a review of the (i) investments, and (ii) other current and non-current assets, the Group has accounted for (a) diminution in the value of certain investments to the extent of Rs. 14,282.65 lakhs and goodwill Rs. 23,477.68 lakhs; (b) obsolescence/impairment in the value of certain tangible and intangible assets to the extent of Rs. 12,742.66 lakhs and (b) write-off and provisions of non-recoverable and doubtful loans/advances /receivables to the extent of Rs. 51,940.88 lakhs and the same has been disclosed as Exceptional Items. Further, Exceptional Items for the said quarter ended 30 June 2014 also includes Rs. 2,093.57 lakhs towards severance pay and consultancy charges. However, these adjustments will have no impact on the future operating profit and cash flows of the businesses of the Group. During the quarter ended 31 December, 2014, provision for doubtful advances to the extent of Rs 525.89 lakhs has been written back.
3. 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 22 January, 2014. Hence, the consolidated results of the current period includes the results of these subsidiary companies. Eenadu Television Private Limited had also become an associate with effect from 22 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.

**TV18 Broadcast Limited**  
**Reported Consolidated Financial Performance for the Quarter Ended 31<sup>th</sup> December, 2014**

| Particulars (In Rs. Crore) |  | Consolidated  |              |              |                   |                |                      |
|----------------------------|--|---------------|--------------|--------------|-------------------|----------------|----------------------|
|                            |  | Quarter ended |              |              | Nine months ended |                | Year ended (Audited) |
|                            |  | 31 Dec'14     | 30 Sep'14    | 31 Dec'13    | 31 Dec'14         | 31 Dec'13      | 31 Mar'14            |
| 1.                         | <b>Income from operations</b>  |               |              |              |                   |                |                      |
|                            | (a) Income from operations   | 607.2         | 553.7        | 525.5        | 1,688.6           | 1,402.6        | 1,965.9              |
|                            | (b) Other operating income   | -             | -            | -            | -                 | 2.2            | 2.2                  |
|                            | <b>Total income from operations (net)</b>  | <b>607.2</b>  | <b>553.7</b> | <b>525.5</b> | <b>1,688.6</b>    | <b>1,404.8</b> | <b>1,968.1</b>       |
| 2.                         | <b>Expenses</b>  |               |              |              |                   |                |                      |
|                            | (a) Programming cost   | 203.8         | 170.9        | 142.6        | 540.4             | 353.3          | 508.7                |
|                            | (b) Employee benefits expense  | 99.5          | 93.8         | 67.5         | 297.2             | 205.7          | 284.7                |
|                            | (c) Marketing, distribution and promotional expense                                    | 116.8         | 117.3        | 140.8        | 336.2             | 447.0          | 597.4                |
|                            | (d) Depreciation and amortisation expense  | 14.4          | 11.0         | 12.1         | 55.0              | 35.2           | 55.8                 |
|                            | (e) Other expenses   | 107.8         | 115.0        | 97.1         | 331.0             | 258.2          | 366.6                |
|                            | <b>Total expenses</b>  | <b>542.3</b>  | <b>508.0</b> | <b>460.1</b> | <b>1,559.8</b>    | <b>1,299.4</b> | <b>1,813.2</b>       |
| 3.                         | <b>Profit from operations before other income, finance costs and exceptional items</b> | <b>64.9</b>   | <b>45.7</b>  | <b>65.4</b>  | <b>128.8</b>      | <b>105.4</b>   | <b>154.9</b>         |
| 4.                         | Other income   | 4.0           | 12.8         | 6.0          | 22.6              | 23.5           | 32.5                 |
| 5.                         | <b>Profit from ordinary activities before finance costs and exceptional items</b>      | <b>68.9</b>   | <b>58.5</b>  | <b>71.4</b>  | <b>151.4</b>      | <b>128.9</b>   | <b>187.4</b>         |
| 6.                         | Finance costs  | 10.1          | 11.9         | 17.1         | 36.9              | 47.4           | 60.6                 |
| 7.                         | <b>Profit from ordinary activities before exceptional items and tax</b>                | <b>58.8</b>   | <b>46.6</b>  | <b>54.3</b>  | <b>114.5</b>      | <b>81.5</b>    | <b>126.8</b>         |
| 8.                         | Exceptional items  | 5.3           | -            | -            | (218.0)           | (10.3)         | (27.4)               |
| 9.                         | <b>Profit / (loss) from ordinary activities before tax</b>                             | <b>64.1</b>   | <b>46.6</b>  | <b>54.3</b>  | <b>(103.5)</b>    | <b>71.2</b>    | <b>99.4</b>          |

## Business Highlights

### ■ Network18 Digital Operations

Network18 is one of the largest digital media companies in India with a monthly average reach of approximately 25 million visitors for first two months in this quarter. *(Source: Comscore; Monthly average of Oct '14 – Nov'14; World)*

#### ▪ Digital Content

- **Business / Finance – Moneycontrol.com** completed 15 years of excellence in the digital space in this quarter. It continued to lead the business news category on the web, catering to an average of approximately 7 million unique visitors in the first two months of this quarter. *(Source: Comscore; Monthly average of Oct '14 – Nov'14; World)*
- **News – Iblive.com, Firstpost.com and News18.com:** Together our news offerings continued their strong performance by attracting approximately 5 million monthly unique visitors in Q3 FY15. Iblive.com launched 'FootballNext', the second in its sport specific brands in Q3 FY15 while Firstpost grew its digital engagement by growing its Twitter and Facebook base to over 200,000 during the quarter. *(Source: Comscore; Monthly average; Oc't14–Nov'14; World)*

#### ▪ Digital Commerce

- **Bookmyshow.com** closed the quarter with December recording the highest tickets sales and the highest monthly revenues till date. The average visits increased to over 46 million per month in Q3 FY15 as compared to 42 million in the previous quarter. The average pageviews grew by 26% to 928 million in Q3 FY15 over Q2 FY15.
- **Homeshop18** showed steady growth with average monthly orders increasing 24% in Q3 FY15 over Q3 FY14. Homeshop18's business journey appeared as a cover story in the Retailer magazine- December'14 issue.

### ■ Television Operations

- Business news operations (CNBC-TV18, CNBC Awaaz, CNBC Bajar and CNBC-TV18 Prime HD) sustained their leadership position in the genre. CNBC Bajar showed accelerated growth in viewership with a 182%\* increase in Q3 FY15 over Q2 FY15.
- CNN-IBN stood at No.2 position in the English General News category in Q3 FY15 with a market share of 25%\*\*.
- In the entertainment segment, Colors was the No.1 channel on weekend prime time with a market share of 28.3%# in Q3 FY15. VH1 led the English entertainment genre with a 41%## market share while Nick maintained the No.1### position in its genre in this quarter.
- The Regional Entertainment operations continued to grow with ETV Marathi and ETV Kannada emerging as the No.2#### channels in their respective markets in this quarter.
- ETV Rajasthan and ETV Bihar Jharkhand held the No.1 position in their respective markets with a market share of 26%^ and 44%^ respectively in Q3 FY15.
- History TV18 ended the year 2014 with No.1 position in December 2014 with a Market Share of 25%\*\*\* in 6 Metros and garnered the maximum time spent per viewer at 178 minutes\*\*\*\* in 6 Metros and 132\*\*\*\* minutes in all India.

*\*(Source: TAM |Gujarat | CS AB Males 25+| All days, 24 hours| 01st Oct – 27th Dec '14 | 30 min TVTs)*  
*\*\* (Source: TAM | CS AB 15-54 Yrs |All India| 01st Oct – 27th Dec '14 |All Days | 24 hrs |basis sum of 30 min TVTs)*  
*# (Source: TAM | CS4+Yrs |HSM| Weekend Sat-Sun |1900 – 2400 hrs)*  
*## (Source: TAM 15-34 AB| 7 Metros without Chennai| All days| 24 hrs| Wk 39'14 – Wk 52'14)*  
*### (Source: TAM| 4-14 ABC MF |All India C&S HHs|07:00 – 22:00| Average OND '14 TVTs)*  
*#### (Source: TAM | CS Females 15+ ABC | Maharashtra); (Source: TAM | CS 4+| Karnataka)*  
*^ (Source: TAM | CS 15+| Rajasthan| 1 million+ pop.| Week 40'14 – 52'14)*  
*^^ (Source: TAM | CS 15+| All Bihar| Week 40'14 – 52'14)*  
*\*\*\* (Source: TAM | CS AB 15+ | 6 Metros | All days, 24 hours| 1st – 24th Dec '14 |Market Share (Basis Sum of 30min TVTs))*  
*\*\*\*\* (Source: TAM | CS AB 15+ | All days, 24 hours| 1st Oct – 27th Dec '14 |Time Spent per viewer)*

**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](http://www.network18online.com). This update covers the company's financial performance for Q3 FY2014-15.

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Further information on the company is available on its website [www.network18online.com](http://www.network18online.com)

# Network 18

