



## EARNINGS RELEASE: Q4 2017-18

**Mumbai, 24<sup>th</sup> April, 2018** – Network18 Media & Investments Limited today announced its results for the quarter and financial year ended 31<sup>st</sup> March 2018.

**Network18 subsidiary TV18 Broadcast Ltd. took operational control and increased its stake in Viacom18 to 51% by acquiring 1% equity from JV partner Viacom Inc. ([Link to press release](#)).** This shall drive value addition and synergies across the multi-platform group comprising broadcast, digital, filmed and experiential entertainment and media businesses. Pursuant to this acquisition, Viacom18 and the distribution arm Indiacast are being consolidated into TV18 (and hence, Network18) financials from 1<sup>st</sup> March 2018.

### Summary Consolidated Financials

Viacom18 & Indiacast became subsidiaries of TV18 from 28<sup>th</sup> February 2018 and have now been consolidated into TV18/Network18 financials. HomeShop18 has ceased to be a subsidiary of Network18 from 15<sup>th</sup> 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.

<b>(restated for current structure of ownership)</b>	<b>Q4FY18</b>	<b>Q4FY17</b>	<b>Growth</b>	<b>FY18</b>	<b>FY17</b>	<b>Growth</b>
Operating Revenue (Rs Cr)	1,597	1,140	40%	5,027	4,333	16%
Operating EBITDA (Rs Cr)	48	43	12%	187	132	42%

**Network18 posted consolidated revenues of Rs. 5,027 crores in FY18, a 16% YoY growth (on a comparable basis). Q4FY18 revenue grew 40% YoY driven by film revenue and a broad-based recovery in advertising, off a low-base last year.**

### Highlights for the quarter

- **Revenue growth was driven by a broad-based recovery in advertisement spending, as well as a favourable base:** With the economy on a revival trend and temporary impact of GST implementation behind us, our broadcast portfolio benefitted from the improved advertising environment.
- **TV18 posted 41% revenue growth on a comparable basis:** Business News maintained its healthy growth while General News benefitted from strong performance of Hindi News channel News18 India, as both rankings and revenue rose, in a fast-growing genre. Regional News continued to increase its viewership but witness tepid revenues due to lack of government spends. Our entertainment portfolio demonstrated robust growth even as high-impact advertising recovers with a lag. General entertainment (both Hindi and English) and Kids were strong performers. Box-office success of marquee movie “Padmaavat” was a positive as well.
- **Network18 digital content properties reach 25% of total news consumption audience:** MoneyControl app has 3x the users of its nearest competitor. Network18’s digital revenues from prime properties MoneyControl, News18 & Firstpost have grown 34% YoY to Rs 45 Cr in Q4.
- **TV18’s News bouquet (23 channels) is #1 in reach; News viewership share rose to 9.5%.** Around events like Union budget, flagship CNBC TV18’s viewership even tops English General News channels which cater to a much larger market. Hindi News channel News18 India is a

strong top-5 channel now, and has often wrested the top viewership in primetime from the market-leader. Regional News portfolio contributes nearly as much viewership as our national channels, making them well-positioned to benefit from potential revival in rural economy and upcoming elections.

- **Viacom18 bouquet's (30 channels) share of entertainment viewership rose to 11.3%:** Colors solidified its position as the #1 urban GEC. With leading channels in niches like English, Youth and Music growing at a fast clip, and an impetus on regional and digital, a full-portfolio-play is in effect. Rishtey Cineplex is the #3 movie channel now, and also did a live telecast of the Nidahas trophy cricket tournament in partnership with Discovery Sports/Jio. The film business clocked revenues of Rs 329 Cr in Q4FY18 (vs Rs 72 Cr in Q4FY17) and Rs 450 Cr in FY18 (vs Rs 150 Cr in FY17).
- **Colors Tamil launched in mid-February:** Colors Tamil fills a vital whitespace in our regional entertainment portfolio, in a highly competitive market. Its fresh subjects and cinematic-quality content are being well-received. The channel launched with 22 hours of original programming per month, and will ramp-up in content and improve distribution over the year. It has garnered 5% viewership share, and made strong inroads in urban markets like Chennai. Investments into funding operating losses of this new initiative were Rs 45 Cr for the quarter.
- **Umbrella brand "News18" for all general News channels:** With the rebranding of remaining 5 ETV and IBN Lokmat regional channels, the process of having a unified brand "News18" for all 17 of our general news channels (in 15 languages covering 26 states) is complete.
- **CNBC TV18's digital destination CNBCTV18.com/CNBCTV18 app launched on 6<sup>th</sup> Apr-18.** This premium digital platform is the landing page for the flagship news channel. It offers news and information on business & economy as well as stock markets. It provides fresh perspectives on entrepreneurship and leadership, and also offers video-feed/clips of the TV channel.

**Mr. Adil Zainulbhai, Chairman of Network18, said:** "We are continuing our investments in digital and regional content, and seeing growth in most segments of our business."

## Financials for the quarter

restated for current structure of ownership

OPERATING REVENUES (Rs Cr)	Q4FY18	Q4FY17	Growth	FY18	FY17	Growth
A) Business + General News (TV18 standalone)	228	203	12%	735	667	10%
B) Regional News (ex IBN-Lokmat) + Infotainment	84	77	8%	297	316	-6%
C) Entertainment (Viacom18+Indiacast)	1,228	812	51%	3,781	3,160	20%
<b>D) TV18 Consolidated</b>	<b>1,540</b>	<b>1,092</b>	<b>41%</b>	<b>4,813</b>	<b>4,142</b>	<b>16%</b>
E) NW18 Digital and Print	57	48	18%	213	191	12%
<b>F) Network18 Consolidated</b>	<b>1,597</b>	<b>1,140</b>	<b>40%</b>	<b>5,027</b>	<b>4,333</b>	<b>16%</b>

OPERATING EBITDA (Rs Cr)	Q4FY18	Q4FY17	Growth	FY18	FY17	Growth
A) Business + General News (TV18 standalone)	50	63	-20%	157	122	29%
B) Regional News (ex IBN-Lokmat) + Infotainment	-26	-36	NM	-115	-91	NM
C) Entertainment (Viacom18+Indiacast)	38	17	120%	198	139	43%
<b>D) TV18 Consolidated</b>	<b>61</b>	<b>44</b>	<b>40%</b>	<b>240</b>	<b>170</b>	<b>41%</b>
E) NW18 Digital and Print	-1	-19	NM	31	10	193%
<b>F) Network18 Consolidated</b>	<b>48</b>	<b>43</b>	<b>12%</b>	<b>187</b>	<b>132</b>	<b>42%</b>

## Business Performance

### ■ Network18 - Television Operations

Network18's listed subsidiary TV18 owns and operates the largest network of channels – 53 in India spanning news and entertainment. We also cater to the Indian diaspora globally through 18 international feeds.

#### ○ News – National & Regional

- CNBC TV18 maintained #1 rank in the English Business News genre with 68% market share in Q4 FY18. During market hours (Weekdays, 8 AM to 4 PM) CNBC TV18 maintained an even higher share of 74% and was #1 in the genre. During the Budget speech at 1100-1300 hrs on 1st Feb'2018, **CNBC TV18 was about 4x the entire competition combined**, with a 79% market share in English Business News genre.
- CNBC Awaaz continues its leadership in the Hindi Business News genre with 73% market share. During Trading Hours (8 AM to 4 PM on weekdays), CNBC Awaaz maintained 80% market share in the genre.
- **CNN News18's market share rose to 10.2%**, leading to its rank improving to #4.
- News18 India market share in Hindi speaking markets (HSM) continued to rise, clocking 11.3%. The channel remains in the top 5. In HSM in Evening Prime Time, **News18 India was a strong #3 player with a share of 14.6% amongst competition; and even beat the market-leader in Urban and Megacities.**
- Our Regional News cluster (including News18 Lokmat) has the **highest reach in the country, with 540 Mn audiences tuning into the network in Q4 FY18**. Viewership grossed 4.5% of all news viewership, making it the largest regional news player by a wide margin. **News18 Rajasthan continues to be the leader #1** in the genre by far, with more than 80% market share.

#### ○ Entertainment – National, Regional & Digital

- Flagship pay-GEC Colors maintained its **#1 position in Urban HSM with ~19% viewership share**, and has a 9.5% overall viewership share (Urban+Rural). The channel leads in 5 out of 12 weekday primetime slots. Fiction series 'Bepannaah' opened with the highest viewership in the genre for FY'18.
- **Rishtey Cineplex continued its ascent, rising to #3 in the genre** (#1 in FTA Hindi Movies) with a 9.5% viewership share, up from 9% last quarter. The channel was launched in Q1FY17 with a relatively small movie-library; and has been able to scale up very well riding on traction for Bollywood content and FTA delivery.

- Nick continued its leadership in the Kids genre, with a 19.7% share of viewership, and 5 of the top 10 shows. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 30.6% market-share.**
  - **In English entertainment, Viacom18 channels occupy the top three positions**, with their combined viewership shares rising to ~60%. Comedy Central and VH1 rank #1 (24.9%) and #2 (18.6%) respectively; while Colors Infinity has garnered ~16.1% share to rank #3.
  - **MTV was the #2 youth channel among peers**, with 27.4% viewership. Flagship series' MTV Roadies Rising was launched in February.
  - MTV Beats launched last year (by replacing MTV Indies) continued on its growth trajectory as **the fastest growing Hindi music channel**. It has clocked 12.9% viewership share in a crowded category.
  - VOOT, Viacom18's Over The Top (OTT) exclusive digital video destination was commercially launched in May'16, and is amongst top 3 ad-supported VOD apps in the country. **VOOT gross downloads have risen to ~68mn, and average daily viewership is 40+ minutes.** VOOT Original 'Untag' won Best Brand Integration- Web Series at the VDONxt Awards. There is a strong focus on regionalization with launch of Colors Tamil on VOOT.
  - **Colors Kannada retained its strong #1 position** in Kannada regional entertainment with a 33.9% market share, and 6 of the top 10 shows. Colors Super (2<sup>nd</sup> Kannada GEC, launched in July 2016) adds another 9.9% viewership, taking the Viacom18 Kannada portfolio share to 43.8%.
  - Colors Marathi rose to #2 in the genre with 19.8 % viewership share, and Colors Bangla maintained its #3 spot even as viewership rose off a low-base.
  - **Viacom18 Motion Pictures' Magnum Opus 'Padmaavat' entered league of Top 5 Hindi films of all time.** The studio also successfully released 'Aapla Manus' (Marathi), 'House Next Door' (Hindi) & 'Daddy's Home 2' (English)
- **Infotainment – Factual entertainment & Lifestyle**
    - In Megacities, History TV18 had a market share of 19.5%, closely trailing the genre leader (Discovery – 21.4%).
    - In Megacities, FYI TV18 ranked #1 channel in the Lifestyle genre, taking 32% 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 content properties reach 25% of total news consumption audience.**

- Network18 solidified its leadership position in the News / Information industry amongst competition with 60.7 mn unique visitors spending a total of 1.92 billion minutes on Network18 properties in Feb 2018.
- Video views crossed 290 million on Facebook in Feb 2018 with regional contributing to ~85% of views.

### **Moneycontrol**

- Moneycontrol has consolidated its position as India's leading business & finance destination in the digital landscape with a monthly traffic of 21 million users and 0.5 billion page views
- Driven by strong Budget coverage, average monthly mobile user count in Q4 FY18 increased by 2X over the same period last year. On budget day Desktop and M-site traffic touched 3 mn users, while app users touched ~2.4 mn which is the highest ever on a single day.
- Moneycontrol app continues to remain best-in-class, with a record 4 mn MAU in Q4 FY18 which is the highest ever. Against competition, the app continues to rank #1 in India with 3x users compared to The Economic Times

### **News18.com**

- News18.com continues to maintain the growth momentum in Q4'FY18, with UV's growing by 13% Q-o-Q to ~72 mn, and page views reaching ~ 394 mn
- News18 vernacular surpassed incumbents like Navbharat Times, Aaj Tak etc to scale from #6 position in Q3'FY18 to #3 position in monthly users in Q4'FY18
- News 18 English is gradually emerging as video destination for news with 3 mn videos being played in Q4'FY18

### **FirstPost**

- Firstpost with its digital-first orientation continues to show growth in traffic and engagement. While the user base has been on an uptrend with 5% growth; engagement has increased by more than 75% as compared to previous quarter.
- Video consumption has grown by 30% in Q4'FY18 over Q3'FY18

## CNBCTV18.com

- Network18 launched CNBC TV18.com; the digital counterpart of its flagship business news brand CNBC-TV18 on 6<sup>th</sup> 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. It also offers fresh perspectives on entrepreneurship, leadership, start-ups and other finer aspects of business and economy in various multimedia formats.

## ○ Digital Commerce

### ○ BookMyShow

- During the quarter, over 3.7 million BookMyShow apps have been installed.
- BMS has successfully completed ticketing for all the matches of ISL Tournament 2017-18 and Nidahas triangular cricket tournament in Sri Lanka. It has gone live with online ticketing for 4 IPL Teams.
- BMS managed the prestigious Swan lake event, as well as the Arijit Singh tour across India. It also managed the season 2 theatrical musical event Mughl-e-Azam.

### ○ HomeShop18

- The board of directors had approved a combination of HomeShop18 with another leading TV shopping platform ShopCJ to improve their standing in the competitive digital commerce space; which has been completed. Multiple synergies (sourcing, marketing, distribution) can be exploited as a result of this combination, which has created the de facto largest TV shopping platform in India. While HomeShop18 has ceased to be a subsidiary of Network18 from 15<sup>th</sup> February 2018 as a result, Network18 continues as the largest shareholder in the combined entity ([Link to press release](#))
- Homeshop18's losses have been slashed through restructuring and cost optimizations, even as the business remains under pressure.

## ■ Network 18 - Print

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

Forbes India has substantially improved its circulation revenue.

**Network18 Media & Investments Limited**
**Reported Consolidated Financial Performance for the Quarter and year ended 31<sup>st</sup> March, 2018**

		(₹ in Crores)				
	Particulars	Quarter ended			Year ended	
		31st Mar'18	31st Dec'17	31st Mar'17	31st Mar'18	31st Mar'17
<b>1</b>	<b>Income</b>					
	Value of sales and services	939	425	388	2,068	1,491
	Goods and Services Tax included in above	114	59	-	229	-
	Revenue from operations	825	366	388	1,839	1,491
	Other income	20	73	47	113	55
	<b>Total Income</b>	<b>845</b>	<b>439</b>	<b>435</b>	<b>1,952</b>	<b>1,546</b>
<b>2</b>	<b>Expenses</b>					
	Cost of materials consumed and traded goods sold	1	1	1	6	3
	Marketing, distribution and promotional expense	159	80	107	418	516
	Employee benefits expense	175	127	124	570	493
	Finance costs	30	24	21	96	80
	Depreciation and amortisation expense	26	20	24	89	80
	Other expenses	460	150	135	888	617
	<b>Total Expenses</b>	<b>851</b>	<b>402</b>	<b>412</b>	<b>2,067</b>	<b>1,789</b>
<b>3</b>	<b>Profit/ (loss) before non-controlling interests/ share of profit/ (loss) of associates and joint ventures, exceptional items and tax (1 - 2)</b>	<b>(6)</b>	<b>37</b>	<b>23</b>	<b>(115)</b>	<b>(243)</b>
<b>4</b>	Share of profit/ (loss) of associates and joint ventures	(19)	(3)	(23)	3	(18)
<b>5</b>	<b>Profit/ (loss) before exceptional items and tax (3 + 4)</b>	<b>(25)</b>	<b>34</b>	<b>(0)</b>	<b>(112)</b>	<b>(261)</b>
<b>6</b>	Exceptional items	-	-	-	-	-
<b>7</b>	<b>Profit/ (loss) before tax (5 - 6)</b>	<b>(25)</b>	<b>34</b>	<b>(0)</b>	<b>(112)</b>	<b>(261)</b>
<b>8</b>	<b>Tax expense</b>					
	Current tax	19	22	20	61	31
	Deferred tax	0	1	1	(0)	2
	Short/ (excess) provision for tax relating to earlier years	1	-	2	1	(23)
	<b>Total tax expense</b>	<b>20</b>	<b>23</b>	<b>23</b>	<b>62</b>	<b>10</b>
<b>9</b>	<b>Profit/ (loss) for the period (7 - 8)</b>	<b>(45)</b>	<b>11</b>	<b>(23)</b>	<b>(174)</b>	<b>(271)</b>
<b>10</b>	<b>Other Comprehensive Income</b>					
	(i) Items that will not be reclassified to profit or loss	17	(17)	21	5	16
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0)	(0)	(0)	(0)	(1)
	(iii) Items that will be reclassified to profit or loss	7	(8)	(15)	2	(5)
	<b>Total Other Comprehensive Income</b>	<b>24</b>	<b>(25)</b>	<b>6</b>	<b>7</b>	<b>10</b>
<b>11</b>	<b>Total Comprehensive Income for the period (9 + 10)</b>	<b>(21)</b>	<b>(14)</b>	<b>(17)</b>	<b>(167)</b>	<b>(261)</b>
	<b>Profit/ (loss) for the period attributable to:</b>					
	(a) Owners of the Company	(46)	12	(33)	(154)	(233)
	(b) Non-controlling interest	1	(1)	10	(20)	(38)
	<b>Other comprehensive income attributable to:</b>					
	(a) Owners of the Company	20	(24)	13	5	14
	(b) Non-controlling interest	4	(1)	(7)	2	(4)
	<b>Total comprehensive income attributable to:</b>					
	(a) Owners of the Company	(26)	(12)	(20)	(149)	(219)
	(b) Non-controlling interest	5	(2)	3	(18)	(42)

The Group reported separate information about its two operating segments, namely, Media operations and Film production and distribution till quarter ended 31st December, 2017. In the current quarter, consequent to the changes in the structure of its internal organisation and the review of the operating results by the Group's Chief Operating Decision Maker and consideration of the aggregation criteria as stipulated in Ind AS 108 'Operating Segments', the Group has determined that it operates in a single reportable operating segment 'Media and Entertainment'. Hence there is no separate reportable segment as per Ind AS 108 'Operating Segments'.

**TV18 Broadcast Limited**
**Reported Consolidated Financial Performance for the Quarter and Year ended 31<sup>st</sup> March, 2018**

(₹ in Crores)

	Particulars	Quarter ended			Year ended	
		31st Mar'18	31st Dec'17	31st Mar'17	31st Mar'18	31st Mar'17
<b>1</b>	<b>Income</b>					
	Value of sales and services	863	316	279	1,665	979
	Goods and Services Tax included in above	105	45	-	190	-
	Revenue from operations	758	271	279	1,475	979
	Other income	7	6	18	29	43
	<b>Total Income</b>	<b>765</b>	<b>277</b>	<b>297</b>	<b>1,504</b>	<b>1,022</b>
<b>2</b>	<b>Expenses</b>					
	Marketing, distribution and promotional expense	142	44	57	282	208
	Employee benefits expense	142	93	86	429	332
	Finance costs	11	6	5	27	22
	Depreciation and amortisation expense	23	16	18	69	56
	Other expenses	435	102	109	706	408
	<b>Total Expenses</b>	<b>753</b>	<b>261</b>	<b>275</b>	<b>1,513</b>	<b>1,026</b>
<b>3</b>	<b>Profit/ (loss) before non-controlling interests/ share of profit of associate and joint ventures, exceptional items and tax (1 - 2)</b>	<b>12</b>	<b>16</b>	<b>22</b>	<b>(9)</b>	<b>(4)</b>
<b>4</b>	Share of profit of associate and joint ventures	6	19	4	69	35
<b>5</b>	<b>Profit before exceptional items and tax (3 + 4)</b>	<b>18</b>	<b>35</b>	<b>26</b>	<b>60</b>	<b>31</b>
<b>6</b>	Exceptional items	-	-	-	-	-
<b>7</b>	<b>Profit before Tax (5 - 6)</b>	<b>18</b>	<b>35</b>	<b>26</b>	<b>60</b>	<b>31</b>
<b>8</b>	<b>Tax Expense</b>					
	Current tax	19	18	18	53	24
	Deferred tax	(0)	1	2	(1)	1
	<b>Total Tax Expense</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>52</b>	<b>25</b>
<b>9</b>	<b>Profit/ (loss) for the period (7 - 8)</b>	<b>(1)</b>	<b>16</b>	<b>6</b>	<b>8</b>	<b>6</b>
<b>10</b>	<b>Other Comprehensive Income</b>					
	(i) Items that will not be reclassified to profit or loss	1	2	1	0	(2)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0)	(0)	(0)	(0)	(1)
	(iii) Items that will be reclassified to profit or loss	6	(8)	(15)	1	(5)
	<b>Total Other Comprehensive Income</b>	<b>7</b>	<b>(6)</b>	<b>(14)</b>	<b>1</b>	<b>(8)</b>
<b>11</b>	<b>Total Comprehensive Income for the period (9 + 10)</b>	<b>6</b>	<b>10</b>	<b>(8)</b>	<b>9</b>	<b>(2)</b>
	<b>Profit/ (loss) for the period attributable to:</b>					
	(a) Owners of the Company	(3)	16	8	9	19
	(b) Non-controlling interest	2	(0)	(2)	(1)	(13)
	<b>Other comprehensive income attributable to:</b>					
	(a) Owners of the Company	6	(6)	(14)	1	(8)
	(b) Non-controlling interest	1	-	(0)	(0)	0
	<b>Total comprehensive income attributable to:</b>					
	(a) Owners of the Company	3	10	(6)	10	11
	(b) Non-controlling interest	3	(0)	(2)	(0)	(13)

The Group reported separate information about its two operating segments, namely, Media operations and Film production and distribution till quarter ended 31st December, 2017. In the current quarter, consequent to the changes in the structure of its internal organisation and the review of the operating results by the Group's Chief Operating Decision Maker and consideration of the aggregation criteria as stipulated in Ind AS 108 'Operating Segments', the Group has determined that it operates in a single reportable operating segment 'Media and Entertainment'. Hence there is no separate reportable segment as per Ind AS 108 'Operating Segments'.



**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 Q4 FY18.

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

# Network 18

