



EARNINGS RELEASE: Q2 2014-15

Q2 FY15 consolidated operating revenues up 11% YoY, at Rs. 744.8 crore
Q2 FY15 consolidated PBDIT up 15% YoY, at Rs. 33.6 crore
H1 FY15 consolidated PBDIT up 514% YoY, at Rs. 58.3 crore

New Delhi, October 11, 2014 – Network18 Media & Investments Limited announced its results for the quarter / half year ending September 30, 2014, today. Highlights of the un-audited financial results as compared to the previous year are:

Particulars (In Rs. Crores)	Q2 FY15	Q1 FY15	Q2 FY14	% Change w.r.t Q1 FY15	% Change w.r.t Q2 FY14	H1 FY15	H1 FY14	% Change w.r.t H1 FY14
Income from operations	744.8	708.4	669.8	5.1%	11.2%	1453.2	1226.5	18.5%
PBDIT	33.6	24.7	29.3	36.2%	14.9%	58.3	9.5	514.3%
Profit Before Tax (before exceptional items, and prior period items)	-14.8	-43.9	-16.9	66.3%	12.6%	-58.7	-84.9	30.8%

Highlights of Operations

- Half-yearly operating revenue on a consolidated basis stood at Rs. 1453.2 crore in H1 FY15, up 18% YoY from Rs. 1226.5 crore in H1 FY14.
- Quarterly operating revenue on a consolidated basis stood at Rs. 744.8 crore in Q2 FY15, up 11% YoY from Rs. 669.9 crore in Q2 FY14.
- In H1 FY15, consolidated PBDIT at Rs. 58.3 crore, up 514% YoY from Rs. 9.5 crore in H1 FY14.
- In Q2 FY15, consolidated PBDIT at Rs. 33.6 crore, up 14.9% from Rs. 29.3 crore in Q1 FY15.

Network18 Media & Investments Limited
Reported Consolidated Financial Performance for the Quarter Ended 30th September, 2014

Particulars (In Rs. Crores)	Consolidated					
	Quarter ended			Half year ended		Year ended (Audited)
	Q2 FY15	Q1 FY15	Q2 FY14	H1 FY15	H1 FY14	FY14
1. Income from operations						
(a) Income from operations	736.1	699.7	668.9	1,435.9	1,219.5	2,684.1
(b) Other operating income	8.7	8.7	0.9	17.4	7.0	8.3
Total income from operations	744.8	708.4	669.8	1,453.3	1,226.5	2,692.4
2. Expenses						
(a) Programming cost	172.4	169.5	143.8	341.9	232.7	522.5
(b) Distribution, advertising and business promotion	220.7	191.9	233.8	412.6	439.4	893.2
(c) Cost of materials consumed	1.9	3.5	5.1	5.5	15.7	16.2
(d) Employee benefits expenses	135.4	147.2	117.8	282.6	239.2	478.1
(e) Depreciation and amortisation expense	19.4	37.8	18.4	57.2	34.9	82.8
(f) Other expenses	197.1	183.6	151.2	380.6	320.0	702.8
Total expenses	746.9	733.5	670.1	1,480.4	1,281.9	2,695.6
3. Loss from operations before other income, finance costs, exceptional items, prior period items and tax	(2.1)	(25.1)	(0.3)	(27.1)	(55.4)	(3.2)
4. Other income	16.3	12.0	11.2	28.3	30.1	57.2
5. Profit /(Loss) before finance costs, exceptional item, prior period items and tax	14.2	(13.1)	10.9	1.2	(25.4)	54.0
6. Finance costs	29.0	30.9	27.8	59.9	59.5	122.5
7. Loss after finance costs but before exceptional items, prior period items and tax	(14.8)	(43.9)	(16.9)	(58.7)	(84.9)	(68.5)
8. Exceptional items- (expenses)/ income	0.0	(1,045.4)	(23.2)	(1,045.4)	69.0	76.6
9. (Loss)/ profit after exceptional items but before prior period items and tax	(14.8)	(1,089.3)	(40.1)	(1,104.1)	(15.9)	8.1
10. Prior period (expense)/ income	-	(63.5)	10.4	(63.5)	7.3	8.0
11. (Loss)/ profit before tax	(14.8)	(1,152.9)	(29.8)	(1,167.6)	(8.7)	16.0

Notes to the Consolidated Unaudited Financial Results:

1. 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 with reference to the useful life of assets as recommended in Schedule II to the Act. . Consequently Depreciation for the quarter and half year ended 30th September is higher by Rs.116.09 lakhs and Rs.978.23 lakhs respectively and net loss is higher by Rs. 116.09 lakhs and Rs.978.23 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 half year ended 30th September 2014
2. During the quarter ended 30th 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 30th 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.
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 22nd 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 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.

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

Particulars (In Rs. Crores)		Consolidated					
		Quarter ended			Half year ended		Year ended (Audited)
		Q2 FY15	Q1 FY15	Q2 FY14	H1 FY15	H1 FY14	FY14
1.	Income from operations						
	(a) Income from operations	553.7	527.7	483.2	1,081.4	877.1	1,965.9
	(b) Other operating income	-	-	-	-	2.3	2.2
	Total income from operations (net)	553.7	527.7	483.2	1,081.4	879.4	1,968.1
2.	Expenses						
	(a) Programming cost	170.9	165.7	123.8	336.6	210.8	508.6
	(b) Employee benefits expense	93.8	103.9	68.5	197.7	138.2	284.7
	(c) Marketing, distribution and promotional expense	117.3	102.2	166.0	219.5	306.2	597.4
	(d) Depreciation and amortisation expense	11.0	29.5	12.2	40.5	23.0	55.8
	(e) Other expenses	115.0	108.2	85.4	223.2	161.1	366.6
	Total expenses	508.0	509.5	455.9	1,017.5	839.3	1,813.2
3.	Profit from operations before other income, finance costs and exceptional items	45.7	18.2	27.3	63.9	40.1	154.9
4.	Other income	12.8	5.8	10.4	18.6	17.4	32.4
5.	Profit from ordinary activities before finance costs and exceptional items	58.5	24.0	37.7	82.5	57.5	187.4
6.	Finance costs	11.9	14.9	15.3	26.8	30.3	60.5
7.	Profit from ordinary activities before exceptional items and tax	46.6	9.1	22.4	55.7	27.2	126.8
8.	Exceptional items	-	223.3	10.3	223.3	10.3	27.4
9.	Profit / (loss) from ordinary activities before tax	46.6	(214.2)	12.1	(167.6)	16.9	99.4

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 unique visitors for the first two months in this quarter (Source: Comscore; Monthly average of July' 2014 - August' 2014; World).

▪ Digital Content

- **Business / Finance – moneycontrol.com:** Moneycontrol.com continued to lead the business news category on the web reaching an average of approximately 8 million monthly unique visitors for the first two months in this quarter (Source: Comscore; Monthly average of July' 2014 - August' 2014; World).
- **News – Iblive.com, Firstpost.com and News18.com:** Together, our news offering attracted approximately 9 million monthly unique visitors for the first two months in this quarter (Source: Comscore; Monthly average of July' 2014 - August' 2014; World).

▪ Digital Commerce

- **Bookmyshow.com** closed an exceptional quarter with September grossing the highest monthly revenues till date with a significant increase in pageviews over last quarter.
- **Homeshop18** showed growth with average monthly orders increasing 70% in Q2 FY15 over Q2 FY14. The business reached a new milestone in Aug '14, receiving over 1 million orders across TV, web and mobile platforms - an all time high.

■ Television Operations

- Business news operations (CNBC-TV18, CNBC Awaaz, CNBC Bajar and CNBC-TV18 Prime HD) sustained leadership position in their genres. CNBC-TV18 and CNBC Awaaz were also the most watched channels in their respective genres during the Budget Day, Budget Week and the Finance Minister's speech. CNBC Awaaz witnessed a peak market share of 80%^{###} during market hours in Q2 FY15.
- CNN-IBN was the market leader in the English news category in Q2 FY15 with a market share of 30%^{**}.
- History TV18 sustained viewer engagement while Pawn Stars continued to lead the Factual Entertainment Genre with 34%[#] market share.
- The Entertainment Operations, led by Colors, sustained strong viewership in the quarter. The Non-fiction show 'Bigg Boss 8' was launched in the quarter with 71 million viewers sampling the show in the first week. VH1 led the English entertainment genre with a 23%^{##} market share and Nick attained the No.1^{###} position in its genre in this quarter.
- The Regional Entertainment operations at ETV continued to deliver strong viewership performance.

^{*}(Source: TAM HSM | CS AB Males 25+|Wk 39'14|9:15 – 15:30 |Sum of 30 min TVTs)

^{**}(Source: TAM | CS AB 15-54 Yrs |All India| 01st Jul– 27th Sep '14 |All Days | 24 hrs |Sum of 30 Min TVTs)

[#](Source: TAM |CS AB 15+ |Wk 27'14-Wk39'14|All days, 24 Hrs | Time Spent Per Viewer (In Mins)| 6 Metros)

^{##}(Source:TAM 15-34 AB Market: 7 Metros without Chennai, 6 AM to 11 PM)

^{###}(Source: TAM| 4-14 ABC MF |All India C&S HHs|07:00 – 22:00| Average JAS '14 TVTs)

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 FY2014-15.

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

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