

A Listed Subsidiary of Network 18

EARNINGS RELEASE: Q2 2013-14

TV18 delivers strong operating performance - EBITDA up ~3X YOY to Rs. 40 Crores PAT at Rs. 10 Crores vs. loss of Rs. 40 Crores in Q2FY13

New Delhi, October 28, 2013 – TV18 Broadcast Limited announced its results for the quarter ending September 30, 2013, today.

Reported revenues for the television (including IndiaCast) and motion pictures business stood at Rs. 483.2 crores for the quarter. At a consolidated level, advertising revenues grew 4% year on year. While the general news and niche genres witnessed continued softness, our advertising revenues from entertainment led by Colors grew strongly. Net Distribution Income continued to grow steadily to Rs. 39.1 crores this quarter. Reported operating profit (EBITDA) for the quarter stood at Rs. 39.6 crores, up 178% over previous year. The company turned in a profit after tax of Rs. 10.1 crores for the quarter.

Announcing the results, Raghav Bahl, Managing Director, Network18 said, "Even though the macroeconomic environment continued to be uncertain, the media and entertainment industry is well poised to deliver robust growth. At TV18, we are confident of maintaining our growth trajectory to create value for our stakeholders. During the current quarter our broadcasting operations turned in strong operating profits. We are particularly heartened by the doubling of operating profits in the first half of the current financial year as compared to previous year."

Commenting on the results for the quarter, B. Saikumar, Group CEO, said, "During the current quarter, we turned in robust operating profits for both our broadcasting and motion pictures businesses. We embarked on an operational restructuring programme to realise synergies across the news network which will be instrumental in creating sustained value. Our entertainment business turned in an excellent quarter and IndiaCast continued on its growth trajectory. The advertising environment continues to be lackadaisical especially for news and other niche genres but we remain confident of delivering a strong year ahead."



TV18 Consolidated Summary										
All figures in INR crores	Q2 FY14	Q2 FY13	Q1 FY14		FY14 YTD	FY13 (Audited)				
Revenues	483.2	365.1	396.2		879.4	1699.0				
News and Infotainment	119.7	121.7	119.0		238.7	591.3				
Entertainment - Television	174.5	128.5	151.8		326.3	613.2				
Entertainment - Motion Pictures	62.0	22.1	18.8		80.8	176.2				
IndiaCast (75% from Current Year)	182.5	95.0	147.9		330.4	390.2				
Less: Inter Segmental Eliminations	(55.6)	(2.1)	(41.3)		(96.9)	(71.9)				
Operating Profit	39.6	14.2	23.8		63.4	112.1				
News and Infotainment	8.4	4.0	14.7		23.0	77.9				
Entertainment - Television	24.7	13.7	15.2		40.0	36.8				
Entertainment - Motion Pictures	3.7	(7.4)	(8.4)		(4.7)	(2.1)				
IndiaCast (75% from Current Year)	1.0	3.9	2.3		3.3	(0.5)				
Inter Segmental Eliminations	1.8	0.0	0.0		1.8	0.0				
Operating Margin	8%	4%	6%		7%	7%				
News and Infotainment	7%	3%	12%		10%	13%				
Entertainment - Television	14%	11%	10%		12%	6%				
Entertainment - Motion Pictures	6%	-34%	-45%		-6%	-1%				
IndiaCast (75% from Current Year)	1%	4%	2%		1%	0%				

IndiaCast is a 50-50 joint venture between TV18 and Viacom18 and has been consolidated as such. IndiaCast commenced operations on July 1st 2012 and as such, is consolidated only from Q2 FY13. For the previous year it was consolidated as a 100% subsidiary. TV18 moved to the Net Distribution Income methodology of accounting for carriage and subscription from Q2FY13. Q1FY13 results had been regrouped to ensure comparability. For Q1FY13, gross subscription and carriage numbers are included in the audited results of FY13. From the current year; we have stopped reporting new operations separately given their vintage. Segmental numbers are based on management accounts and are not audited.

Net Distribution Income

For the second quarter of FY14, our Net Distribution Income stood at Rs. 39.1 crores. The historical context of this key metric is provided in the table below.

2012	2013						2014	
FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD
-101.2	-16	-12.5	17.8	26.4	15.7	34.9	39.1	74

Effective 1st July 2012, IndiaCast is now managing TV18's and Viacom18's distribution operations. Pursuant to this development, broadcasting operations of TV18, are now reporting net revenues from distribution starting Q2 FY13. Net Distribution Income may be understood as subscription revenues earned by the company minus carriage/placement fees or any promotions/commission paid. Please note that the Net Distribution Income differs from the Subscription Revenues in our consolidated numbers because a few of our entities are still in negative territory and hence, net expenses on account of carriage form a part of the marketing and distribution expenses.



News and Infotainment Operations

	News and Infotainment Summary											
All figures in INR crores	Q2 FY14	Q2 FY13	Q1 FY14	YTD14	FY13 (Audited)							
Revenues	119.7	121.7	119.0	238.7	591.3							
General News	49.0	60.3	55.2	104.2	256.7							
Business News	65.2	51.9	57.3	122.5	295.1							
Infotainment (AETN18)	5.6	9.4	6.5	12.1	39.5							
Operating Profit	8.4	4.0	14.7	23.0	77.9							
General News	(8.2)	(3.3)	(1.4)	(9.7)	3.2							
Business News	18.3	16.9	17.5	35.7	100.8							
Infotainment (AETN18)	(1.6)	(9.5)	(1.4)	(3.0)	(26.1)							
Operating Margin	7%	3%	12%	10%	13%							
General News	-17%	-6%	-3%	-9%	1%							
Business News	28%	33%	30%	29%	34%							
Infotainment (AETN18)	-29%	-101%	-21%	-25%	-66%							

a. Business News Operations

- Operating profit for the current quarter stood at Rs. 18.3 crores with an operating margin of 28%. Operating Revenues for the current quarter stood at Rs. 65.2 crores.
- Our Business News Channels CNBC TV18 and CNBC Awaaz continued to be market leaders during the quarter.

b. General News Operations

In the backdrop of a lackluster advertising environment, our general news operations had an operating loss of Rs. 8.2 crores for the quarter.

c. History TV18

Q2FY14 revenues were down as compared to last year. The genre continued to see weak advertising spends for the current quarter also. However, our losses were contained at Rs. 1.6 crores.





Entertainment Business

- Q2FY14 revenues for Viacom 18 stood at Rs. 546.7 crores, a growth of 34% over previous quarter.
- Operating Profits grew strongly to Rs. 57.5 crores as against Rs. 12.6 crores in the previous year.
- Television Broadcasting revenues for the current quarter were Rs. 349.1 crores as against Rs. 257 crores in the previous year. Operating profits from our Television business stood at Rs. 49.4 crores and grew by 80% over previous year. The growth was driven by both strong advertising and distribution revenues.
- Colors was the No. 2 channel during the current quarter and the No. 1 channel during prime time for the last four weeks of the quarter. While our fiction line-up continued to perform, our line-up was strengthened by a spectacular season of 'Jhalak Dhikla Jaa' and the overwhelming success of our weekend show 'Comedy Nights with Kapil'.
- Viacom18 Motion Pictures released 5 movies during the quarter under review. The slate had three Hindi titles 'Bhaag Milkha Bhaag', 'Luv U Soniyo' and 'Madras Café' and two Marathi titles '72 Miles' and 'Kumari Gangubai Non Matric'. 'Bhaag Milkha Bhaag' and 'Madras Café' were critically acclaimed and runaway hits. Operating profits from the business stood at Rs. 7.5 crores for the quarter.

ETV News and Entertainment (Non – Telugu)

l	100% Basis		Q2 FY14		YTD FY14			FY13			
	All figures in INR Crores	Revenues	EBITDA	Operating Margin	Revenues	EBITDA	Operating Margin	Revenues	EBITDA	Operating Margin	
	ETV News	35.8	16.7	47%	63.6	25.6	40%	107.2	29.8	28%	
	ETV Entertainment	58.9	-35.5	-	116.4	-78	-	260.1	24.8	10%	

Net Debt Position

All Values in Rs Cr	Gross Debt			and (Cash Cash Equiva	alents	Net Debt			
	Sep 30, 2013	Mar 31, 2013	Mar 31, 2012	Sep 30, 2013	Mar 31, 2013	Mar 31, 2012	Sep 30, 2013	Mar 31, 2013	Mar 31, 2012	
TV18	401	560	967	188	364	99	213	197	868	





TV18 Broadcast Limited Consolidated Financial Performance for the Quarter Ended 30th September, 2013

All figs in INR Crores	Q2 FY14	Q2 FY13	Q1 FY14	YTD14	FY13 (Audited)
Operating Revenues	483.2	365.1	396.2	879.4	1,699.1
(a) Income from operations					
Advertising Revenues	254.5	245.5	227.5	482.0	1,048.3
Subscription Revenues	39.7	3.1	35.4	75.1	118.4
Motion Pictures and TIFC	62.0	22.1	18.8	80.8	130.7
Distribution Revenues (IndiaCast - 75% from CY)	182.5	95.0	147.9	330.4	390.2
Less Inter Segmental Eliminations	(55.6)	(2.1)	(41.3)	(96.9)	(65.2)
(b) Other Operating Income (including HMC)	-	1.5	8.0	8.0	76.7
Operating Expenses	443.6	350.9	372.4	816.0	1,587.0
(a) Staff Expenses	59.1	61.3	61.7	120.9	255.2
(b) Marketing, Distribution and Promotional Expenses	55.6	124.1	52.9	108.4	584.2
(c) Production Expenses and Other Expenditure	203.0	165.5	153.6	356.6	712.2
(d) HMC Expenses	-	-	-	-	35.5
(e) Indiacast (75% from CY)	181.5	-	145.6	327.1	-
Less Inter Segmental Eliminations	(55.6)	-	(41.3)	(96.9)	-
O (I D (II (EDITOA)	20.0	440	20.0		110.1
Operating Profit (EBITDA)	39.6	14.2	23.8	63.3	112.1
Television	34.8	17.7	29.9	64.7	114.6
Distribution Operations - Indiacast	1.0	3.9	2.3	3.3	(0.5)
Motion Pictures and TIFC	3.7	(6.8)	(8.2)	(4.5)	(7.1)
Discontinued Operations - HMC	(0.0)	(0.7)	(0.2)	(0.2)	5.0
Operation Massis (0/)	00/	40/	C 0/	70/	70/
Operating Margin (%)	8%	4%	6%	7%	7%
Depreciation	12.2	10.9	10.9	23.1	41.9
ESOP Expenses	0.1	(0.2)	0.1	0.2	0.1
Exceptional Items	10.3	-	-	10.3	-
Interest	15.3	49.1	15.0	30.3	143.6
Other Income	10.4	3.9	7.0	17.4	43.9
Caro moone	10.7	0.5	7.0	17.7	40.0
Profit Before Tax	12.1	(41.7)	4.8	16.9	(29.7)
Provision for tax	4.5	4.6	0.9	5.4	12.6
Net Profit After Tax	7.6	(46.3)	3.9	11.5	(42.3)
Minority Interest	(2.5)	(5.7)	(2.1)	(4.6)	(16.8)
Net Profit After Tax	10.1	(40.6)	5.9	16.1	(25.5)





Notes:

- TV18 Consolidated Nos. includes 100% of TV18 Standalone and AETN18, 50% share of IndiaCast, Viacom18 and IBN Lokmat accounted for line-by-line in the JV method.
- 2. IndiaCast is a 50-50 joint venture between TV18 and Viacom18. All prior entities/teams involved with collecting subscription and/or paying carriage and placement have been subsumed as part of IndiaCast. IndiaCast came into operation on July 1st 2012 and as such, is consolidated only from Q2 FY13. TV18 moved to the Net Distribution Income methodology of accounting for carriage and subscription from Q2FY13. For Q1 FY13, gross subscription and carriage numbers are included in the audited results.
- 3. Since 50% share of IndiaCast is also consolidated at Viacom18, the net consolidation at TV18 is 75%. For Q2, Q3 and Q4 FY13, IndiaCast was consolidated as a 100% subsdiary.
- 4. Consolidated figures may not match the sum of TV18 Standalone, AETN18, 50% of Viacom18, 75% of IndiaCast and 50% of IBN Lokmat on account of smaller subsidiaries not shown above. Viacom18 numbers include subsidiaries
- Operating Revenues at IndiaCast include Subscription Revenues earned on behalf of all channels in the IndiaCast bouquet. Operating Expenses include Carriage Fees paid on behalf of all channels, IndiaCast expenses, and the License Fees paid to the channels in the IndiaCast bouquet.
- 6. Subscription Revenues do not equal Net Distribution Income because some of our entities are still negative on Net Distribution Income. Wherever negative, they form part of the expenses.
- 7. In the current quarter, a section of our workforce became redundant post restructuring to realise operational synergies across the news network. Severance compensation on account of the above has been accounted under exceptional items.





Viacom18 Financial Performance for the Quarter Ended 30th September, 2013

All figs in INR Crores	Q2 FY14	Q2 FY13	Q1 FY14	YTD14	FY13 (Audited)
Operating Revenue					
(a) Television	349.1	257.0	303.6	652.7	1,317.7
(b) Motion Pictures and TIFC	124.1	44.2	37.6	161.7	261.3
(c) Indiacast - 50%	121.7	0.0	98.6	220.2	0.0
Less Inter Segmental Eliminations	(48.1)	0.0 301.1	(31.5)	(79.6)	0.0
	546.7	301.1	408.3	955.0	1,579.0
Operating Expenses					
(a) Staff Expenses	37.8	31.0	41.9	79.7	130.6
(b) Marketing, Distribution and Promotional Expenses	80.3	27.8	76.7	157.0	289.2
(c) Production Expenses and Other Expenditure	298.2	229.8	208.9	507.1	1,018.7
(d) HMC Expenses	0.0	0.0	0.0	0.0	71.1
(e) Indiacast - 50%	121.0	0.0	97.1	218.0	0.0
Less Inter Segmental Eliminations	(48.1)	0.0	(31.5)	(79.6)	0.0
	489.2	288.6	393.0	882.3	1,509.6
Operating Profit (EBITDA)	57.5	12.6	15.2	72.7	69.4
(a) Television	49.4	27.4	30.5	79.9	73.6
(b) Motion Pictures and TIFC	7.5	(13.5)	(16.5)	(9.0)	(14.2)
(c) Discontinued Operations - HMC	(0.1)	(1.4)	(0.3)	(0.4)	10.0
(d) Indiacast - 50%	0.7	0.0	1.5	2.2	0.0
Operating Margin (0/)	11%	40/	40/	00/	40/
Operating Margin (%)	11%	4%	4%	8%	4%
Depreciation	3.7	3.7	3.7	7.4	14.5
ESOP Expenses	0.0	0.0	0.0	0.0	0.0
Zoon Zaponoso	0.0	0.0	0.0	0.0	0.0
Interest	20.3	24.7	17.6	37.9	83.6
Other Income	6.9	1.7	2.3	9.2	10.3
Profit Before Tax	40.4	(14.1)	(3.8)	36.6	(18.4)
Provision for tax	6.9	5.6	0.6	7.5	22.1
Minority Interest	0.2	0.0	0.1	0.3	0.0
Net Profit After Tax	33.3	(19.8)	(4.5)	28.8	(40.6)





TV18 Broadcast Limited Standalone Financial Performance for the Quarter Ended 30th September, 2013

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

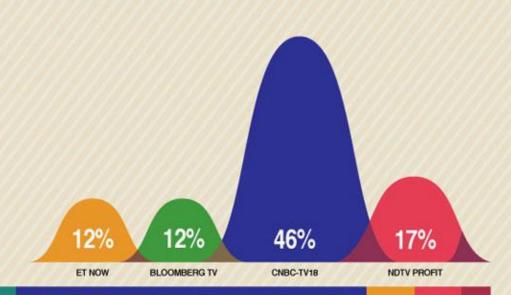
All figs in INR Crores	Q2 FY14	Q2 FY13	Q1 FY14	YTD14	FY13 (Audited)
Operating Revenue					
(a) Income from operations	110.8	108.4	107.4	218.2	511.1
(b) Other operating income	0.0	1.5	2.3	2.3	30.4
	110.8	109.9	109.6	220.4	541.5
On anoting Francisco					
Operating Expenses	20.4	07.0	20.0	70.4	450.4
(a) Staff Expenses(b) Marketing, Distribution and Promotional	38.1	37.0	38.3	76.4	156.4
Expenses	12.2	15.0	9.3	21.5	94.5
(c) Production Expenses and Other Expenditure	50.7	43.2	46.0	96.7	184.1
	101.0	95.2	93.5	194.5	435.0
Operating Profit (EBITDA)	9.8	14.7	16.1	25.9	106.5
Operating Margin (%)	9%	13%	15%	12%	20%
				40-	00.0
Depreciation	5.4	5.7	5.3	10.7	22.9
ESOP Expenses	0.1	(0.2)	0.1	0.2	0.1
Exceptional Items *	10.3	0.0	0.0	10.3	0.0
Interest	5.0	36.5	6.0	11.0	101.0
Other Income	4.1	2.1	3.7	7.8	28.9
Other income	4.1	۷.۱	3.1	1.0	20.9
Profit Before Tax	(6.8)	(25.2)	8.3	1.5	11.4
Provision for tax	0.3	0.0	0.0	0.3	1.2
Net Profit After Tax	(7.1)	(25.2)	8.3	1.2	10.2





TV 13

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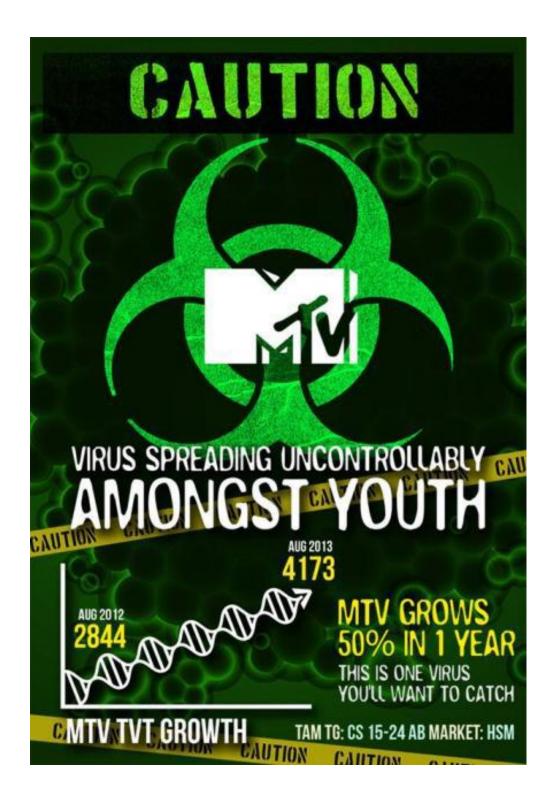
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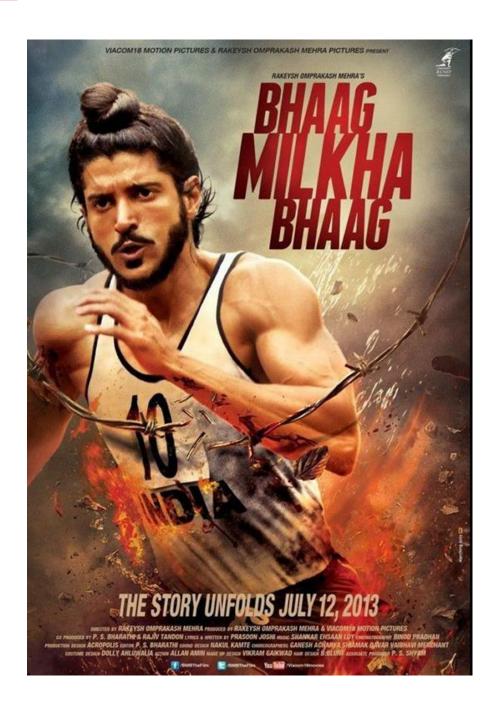
















INVESTOR COMMUNICATION:

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 Q2 FY2013-14.

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

































