

January 15, 2019

<b>National Stock Exchange of India Limited</b> Listing Department Exchange Plaza, Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051	<b>BSE Limited</b> Department of Corporate Services- Listing P J Towers Dalal Street Mumbai – 400 001
Trading Symbol: <b>TV18BRDCST</b>	SCRIP CODE: <b>532800</b>

**Sub: Investors' Update - Unaudited Financial Results (Standalone and Consolidated) for the quarter and nine months ended December 31, 2018**

Dear Sirs,

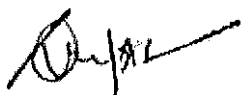
In continuation of our letter of today's date on the above subject, we send herewith a copy of the Investors' Update on the aforesaid financial results released by the Company in this regard.

The Investors' Update will also be available on the Company's website, [www.nw18.com](http://www.nw18.com).

You are requested to take the same on record.

Thanking you,

Yours faithfully,  
For **TV18 Broadcast Limited**



**Deepak Gupta**  
Company Secretary

Encl. As Above



A listed subsidiary of Network18

## **EARNINGS RELEASE: Q3 2018-19**

Mumbai, 15<sup>th</sup> January, 2019 – TV18 Broadcast Limited today announced its results for the quarter ended 31<sup>st</sup> December 2018.

### **Summary Consolidated Financials**

<b>(restated for current structure of ownership)</b>	<b>Q3FY19</b>	<b>Q3FY18</b>	<b>Growth</b>	<b>9mFY19</b>	<b>9mFY18</b>	<b>Growth</b>
Consolidated Operating Revenue (Rs Cr)	1,475	1,211	22%	3,761	3,273	15%
Consolidated Operating EBITDA (Rs Cr)	115	82	41%	262	174	50%

**TV18 reported a 41% YoY jump in operating EBITDA to Rs. 115 crores in Q3FY19, despite continuing investments into recent launches Colors Tamil and Colors Kannada Cinema. Operating revenue rose 22% YoY led by advertising tailwinds, successful movies like “Andhadhun”, and healthy growth in subscription income. Operating leverage drove profitability, especially led by continued strong performance of regional channels across both our news and entertainment portfolios.**

### **Highlights for the quarter**

- **The industry ad-environment was buoyant during the past quarter**, though ad-spends were more concentrated around festive season and strong properties than previous years.
- **TV18 posted 22% revenue growth on a comparable basis:**
  - Growing ad-spends in regional channels (news, led by regional elections; and entertainment, driven by rising consumption and value-perception) was a consistent theme for the TV18 channel portfolio.
  - Subscription revenue for our entire bouquet grew 13% YoY. Compelling bouquets have been created and advertised along with a-la-carte channel pricing, as per the new TRAI tariff order which promises to increase transparency in the broadcast value-chain.
- **News bouquet (20 channels) cemented its #1 position, with TV18’s viewership share in news rising to a highest-ever 11.5%:**
  - News revenue grew at a robust 16%. Regional news revenue grew 27% YoY led by the viewership share of our regional news cluster rising further to 6%, vs 2.5% two years ago.
  - Hindi News channel News18 India solidified its #2 ranking, emerging as the primary engine of growth. The overall English news genre continued to face pressure.
  - Our genre-defining Business news channels maintained top positions amidst choppy markets.

Regional News losses have shrunk 68% YoY to Rs 9 Cr: Rise in Government/ election-related ad-spends substantially pruned gestation losses of our 8 regional channels launched over FY15-17. Active cost control and efficiencies of scale also played a key role in reducing the drag.
- **Entertainment bouquet (Viacom18’s 31 channels + AETN18’s 4 infotainment channels) is #3 amongst national players, with share of entertainment viewership maintained at 11.2%:**
  - Entertainment portfolio revenue grew 23% YoY. As stated in previous quarters, some high-value-and-impact Hindi GEC programming at Viacom18 was strategically shifted from H1 to H2, to coincide with market-appetite. This has resulted in improved topline growth, and has expectedly also partially limited the margin-expansion for the quarter. The Movie production

& distribution revenue under Viacom18 motion pictures was Rs 106 Cr, vs a low base of Rs 20 Cr in Q3FY18.

- Regional entertainment channels continued their viewership and monetization improvements across most of our geographies.

Business-as-usual margins continued to rise: Entertainment EBITDA includes operating loss of Rs 31 Cr on account of new initiatives - Colors Tamil (launched in mid-Q4FY18) and Colors Kannada Cinema (launched in late-Q2FY19). Adjusting for operating losses of these new initiatives (i.e. launches made over past 4 quarters), BAU margins for Entertainment grew to 8.3% from 6.4% in Q3FY18. Entertainment EBITDA also encapsulates investments into projects planned for launch in coming quarters, as well as properties that were launched more than 1 year ago but are still under gestation.

- The scheme of arrangement for the merger by absorption of wholly-owned direct and indirect subsidiaries of TV18 with the parent has been approved by the National Company Law Tribunal (Mumbai bench). The scheme has become effective from 1<sup>st</sup> November 2018, the appointed date being 1<sup>st</sup> April 2016. Accordingly, comparatives have been restated to include the financials of the transferor companies. The income-tax provision for the current quarter and nine months ended 31st December 2018 includes the impact of merger.

**Mr. Adil Zainulbhai, Chairman of Network18, said:** “TV18 has further solidified its leadership in as the top news player in the country, and our fast-growing entertainment portfolio is expanding our offerings as well as its core operating margins. Regional content consumption continues to be a key driver of growth across the board. We intend to continue investing to capture whitespaces and emerge as a leading, pipe-agnostic player in the broadcasting space.”

### Financials for the quarter

OPERATING REVENUES (Rs Cr)	Q3FY19	Q3FY18	Growth	9mFY19	9mFY18	Growth
a1) National News (Business + General)	220	196	12%	593	506	17%
a2) Regional News (ex IBN-Lokmat)	70	55	27%	198	154	29%
<b>A) News (TV18 Standalone) @</b>	<b>290</b>	<b>251</b>	<b>16%</b>	<b>791</b>	<b>660</b>	<b>20%</b>
B) Entertainment (Viacom18+AETN18+Indiacast) *	1,185	960	23%	2,970	2,613	14%
<b>C) TV18 Consolidated #</b>	<b>1,475</b>	<b>1,211</b>	<b>22%</b>	<b>3,761</b>	<b>3,273</b>	<b>15%</b>
includes: Subscription	328	292	13%	940	835	13%

OPERATING EBITDA (Rs Cr)	Q3FY19	Q3FY18	Growth	9mFY19	9mFY18	Growth
a1) National News (Business + General)	56	49	13%	115	103	11%
a2) Regional News (ex IBN-Lokmat)	-9	-29	NM	-54	-97	NM
<b>A) News (TV18 Standalone) @</b>	<b>47</b>	<b>20</b>	<b>130%</b>	<b>61</b>	<b>6</b>	<b>853%</b>
B) Entertainment (Viacom18+AETN18+Indiacast) *	68	61	11%	201	168	20%
<b>C) TV18 Consolidated #</b>	<b>115</b>	<b>82</b>	<b>41%</b>	<b>262</b>	<b>174</b>	<b>50%</b>

There have been realignments in corporate structure for group simplification, as outlined below. The above representation assumes the current status of ownership throughout, for comparability; and hence will not match reported financials.

@ TV18's 100% subsidiary Panorama housed 13 regional news channels, which has now been merged into parent.

# Viacom18 and Indiacast became subsidiaries of TV18 from 1st March 2018.

\* Both Viacom18 and AETN18 are 51% entertainment subsidiaries of TV18, while pure-distribution-arm Indiacast is a 50:50 JV of TV18 and Viacom18. TV18's 24.5% minority stake in Telugu entertainment associate Eenadu TV is not included here.

## Business Performance

TV18 owns and operates the largest network of channels – 55 in India spanning news and entertainment. We also cater to the Indian diaspora globally through 16 international channels.

- **News – National & Regional** (20 domestic channels)
  - **TV18 News bouquet's overall viewership grew further to 11.5%** of the news universe, cementing its #1 position. The bouquet has the largest number of news channels in India, and reached 573 mn people in Q3.
  - **CNBC TV18 maintained #1 rank** in the English Business News genre with 67% market share in Q3 FY19. During market hours (Weekdays, 8 AM to 4 PM) CNBC TV18 maintained an even higher share of 76% and was #1 in the genre.
  - **CNBC Awaaz continued its leadership** in the Hindi Business News genre with 62% market share.
  - **CNN News18 garnered 12.3% Market share** in All India & maintained its #3 rank. English News genre continues to face headwinds.
  - **News18 India rose to the #2 rank in Hindi News Channels** in HSM in Q3 FY19 with 13.9% market share, within a highly competitive and cluttered genre. In Evening Prime Time, it was the #1 ranked channel in metros.
  - Our Regional News cluster has the **highest reach and viewership in the country**; with 536 Mn audiences tuning into the network and viewership share at **6% of all news**. News18 Rajasthan and Bihar/Jharkhand continued their #1 and #2 rank in their respective regions. Substantial improvements in viewership were witnessed by our channels in important territories of Madhya Pradesh/Chhattisgarh, Punjab/Haryana/HP, and Tamil Nadu.
  - TV18 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.
- **Entertainment – National, Regional & Digital** (31 domestic channels)
  - Flagship GEC Colors was #3 pay-GEC in Urban HSM, **with a ~16% viewership share**. Viewership share across all GECs in Urban+Rural was maintained at 9.5%. 'Naagin Season 3' continues to be the #1 fiction show across Hindi GECs. 'Tentpole property Bigg Boss Season 12 was launched in mid-Sep '18, and has witnessed strong traction and monetization.
  - **Rishtey Cineplex maintained it #3 rank** in the cluttered Hindi movie genre with a 9.3% viewership share, in line with channels that have much larger movie libraries. The channel was launched in Q1FY17 and has scaled up very well riding on smartly curated content (including dubbed content) and FTA delivery model; leading to a break-even within 1.5 years of launch.

- Nick continues to reign as #1 in the Kids genre, with a 18.2% share of viewership. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 27.1% market-share.**
  - **In English entertainment genre, Viacom18 channels continue to occupy the top three positions**, with their combined viewership shares at 56%. Comedy Central and VH1 rank #1 (22%) and #2 (20%) respectively; while Colors Infinity has a ~13% share to rank #3.
  - **MTV Beats** has a 13% viewership share in a crowded category, which is seeing some competitor channels exit. Its steep growth which drove the channel to **break-even within 2 years of launch is continuing.**
  - VOOT, Viacom18's Over The Top (OTT) exclusive digital video destination has seen gross downloads rise to ~115mn, with an **average daily viewership of 45+ minutes that is the highest amongst broadcaster-OTTs.**
  - **Colors Kannada maintained its #1 position** in Kannada regional entertainment with a 31% viewership share. Colors Super (2<sup>nd</sup> Kannada GEC, launched in July 2016) continued its strong showing with 10% viewership share. **Colors Kannada Cinema was launched in late-Q2 to solidify our existing leadership, and has garnered an additional 4% share** (#1 with 15% share in Kannada movies). Our multi-channel approach resulted in the Viacom18 Kannada portfolio's genre share rising to a dominant ~45%.
  - Colors Marathi is a consistent #2 in the genre, with viewership share of 18%.
  - **Colors Tamil is ramping up programming** during the year, as it steadily overcomes distribution challenges which have kept its viewership share <5%.
  - Viacom18 Motion Pictures release 'Andhadhun' received both rave reviews and box office success. Other releases of the quarter included 'Baazaar', 'Jalebi' and 'Ani...Dr.Kashinath Ghanekar' (Marathi).
- **Infotainment – Factual entertainment & Lifestyle** (4 channels)
    - **History TV18 had a market share of 19% in prime time** (20:00-24:00) and ranks 2nd in the Factual entertainment genre. History TV18 HD ranks #1 amongst HD channels in the genre, with a market share of 23%.
    - **FYI TV18 ranked #1 channel in the Lifestyle genre**, taking 42% market share. An HD feed of the channel was launched during the quarter.

*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.*

## TV18 Broadcast Limited

Reported Standalone Financial Performance for the Quarter ended 31<sup>st</sup> December, 2018

(₹ in Crores)

	Particulars	Quarter ended			Nine months ended		Year ended (Audited)
		31 <sup>st</sup> Dec'18	30 <sup>th</sup> Sep'18	31 <sup>st</sup> Dec'17	31 <sup>st</sup> Dec'18	31 <sup>st</sup> Dec'17	31 <sup>st</sup> Mar'18
1	<b>Income</b>						
	Value of sales and services	341	315	292	928	737	1,074
	Goods and Services Tax included in above	51	46	41	137	77	128
	<b>Revenue from operations</b>	<b>290</b>	<b>269</b>	<b>251</b>	<b>791</b>	<b>660</b>	<b>946</b>
	Other income	8	(6)	6	1	20	26
	<b>Total Income</b>	<b>298</b>	<b>263</b>	<b>257</b>	<b>792</b>	<b>680</b>	<b>972</b>
2	<b>Expenses</b>						
	Operational costs	50	59	53	150	129	185
	Marketing, distribution and promotional expense	44	44	35	132	113	177
	Employee benefits expense	103	102	89	307	277	367
	Finance costs	16	11	7	36	16	23
	Depreciation and amortisation expense	11	11	10	32	31	42
	Other expenses	46	48	54	141	135	184
	<b>Total Expenses</b>	<b>270</b>	<b>275</b>	<b>248</b>	<b>798</b>	<b>701</b>	<b>978</b>
3	<b>Profit/ (Loss) before tax (1 - 2)</b>	<b>28</b>	<b>(12)</b>	<b>9</b>	<b>(6)</b>	<b>(21)</b>	<b>(6)</b>
4	<b>Tax Expense</b>						
	Current tax	(87)	6	18	(76)	34	53
	Deferred tax	3	-	1	3	(1)	-
	Total tax	(84)	6	19	(73)	33	53
5	<b>Profit/ (Loss) for the period (3 - 4)</b>	<b>112</b>	<b>(18)</b>	<b>(10)</b>	<b>67</b>	<b>(54)</b>	<b>(59)</b>
6	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to profit or loss	(9)	(1)	2	(9)	(1)	(1)
7	<b>Total Comprehensive Income for the period (5+6)</b>	<b>103</b>	<b>(19)</b>	<b>(8)</b>	<b>58</b>	<b>(55)</b>	<b>(60)</b>

The National Company Law Tribunal, Mumbai Bench, has approved the Scheme of Merger by Absorption ("the Scheme") for the merger of the Company's direct/ indirect wholly owned subsidiaries, namely, Equator Trading Enterprises Private Limited, Panorama Television Private Limited, RVT Media Private Limited and ibn18 (Mauritius) Limited ("transferor Companies") into the Company with appointed date as 1st April, 2016. The Scheme has become effective on 1st November, 2018. The merger has been accounted in accordance with Appendix C of Ind AS 103 'Business Combinations' and accordingly, results of all the prior periods have been restated by including results of the transferor companies from the beginning of the previous year i.e. 1st April 2017. Current tax for the quarter and nine months ended 31st December, 2018 includes the effect on tax expense consequent to the aforesaid merger.

## TV18 Broadcast Limited

Reported Consolidated Financial Performance for the Quarter ended 31<sup>st</sup> December, 2018

(₹ in crore)

	Particulars	Quarter ended			Nine months ended		Year ended (Audited)
		31 <sup>st</sup> Dec'18	30 <sup>th</sup> Sep'18	31 <sup>st</sup> Dec'17	31 <sup>st</sup> Dec'18	31 <sup>st</sup> Dec'17	31 <sup>st</sup> Mar'18
1	<b>Income</b>						
	Value of sales and services	1,708	1,389	316	4,361	802	1,665
	Goods and Services Tax included in above	233	191	45	600	85	190
	<b>Revenue from operations</b>	<b>1,475</b>	<b>1,198</b>	<b>271</b>	<b>3,761</b>	<b>717</b>	<b>1,475</b>
	Other income	10	3	6	20	22	29
	<b>Total Income</b>	<b>1,485</b>	<b>1,201</b>	<b>277</b>	<b>3,781</b>	<b>739</b>	<b>1,504</b>
2	<b>Expenses</b>						
	Operational costs	770	551	55	1,832	136	493
	Marketing, distribution and promotional expense	235	192	44	612	142	282
	Employee benefits expense	243	239	93	721	287	429
	Finance costs	30	23	6	71	16	27
	Depreciation and amortisation expense	33	33	16	98	46	69
	Other expenses	112	108	54	334	138	212
	<b>Total Expenses</b>	<b>1,423</b>	<b>1,146</b>	<b>268</b>	<b>3,668</b>	<b>765</b>	<b>1,512</b>
3	<b>Profit/ (loss) before share of profit of associate and joint ventures, exceptional items and tax (1 - 2)</b>	<b>62</b>	<b>55</b>	<b>9</b>	<b>113</b>	<b>(26)</b>	<b>(8)</b>
4	Share of profit of associate and joint ventures	10	8	19	26	64	69
5	<b>Profit/ (loss) before exceptional items and tax (3 + 4)</b>	<b>72</b>	<b>63</b>	<b>28</b>	<b>139</b>	<b>38</b>	<b>61</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit/ (loss) before Tax (5 - 6)</b>	<b>72</b>	<b>63</b>	<b>28</b>	<b>139</b>	<b>38</b>	<b>61</b>
8	<b>Tax expense</b>						
	Current tax	(77)	23	18	(43)	34	53
	Deferred tax	2	(0)	1	1	(0)	(1)
	<b>Total tax expense</b>	<b>(75)</b>	<b>23</b>	<b>19</b>	<b>(42)</b>	<b>34</b>	<b>52</b>
9	<b>Profit/ (loss) for the period (7 - 8)</b>	<b>147</b>	<b>40</b>	<b>9</b>	<b>181</b>	<b>4</b>	<b>9</b>
10	<b>Other Comprehensive Income</b>						
	(i) Items that will not be reclassified to profit or loss	(9)	(1)	2	(9)	(1)	0
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0	(0)	(0)	-	0	(0)
	(iii) Items that will be reclassified to profit or loss	(0)	(0)	0	(0)	(0)	(0)
	<b>Total Other Comprehensive Income</b>	<b>(9)</b>	<b>(1)</b>	<b>2</b>	<b>(9)</b>	<b>(1)</b>	<b>0</b>
11	<b>Total Comprehensive Income for the period (9 + 10)</b>	<b>138</b>	<b>39</b>	<b>11</b>	<b>172</b>	<b>3</b>	<b>9</b>
	<b>Profit/ (loss) for the period attributable to:</b>						
	(a) Owners of the Company	134	17	9	139	7	10
	(b) Non-controlling interest	13	23	(0)	42	(3)	(1)
	<b>Other comprehensive income attributable to:</b>						
	(a) Owners of the Company	(9)	(1)	2	(9)	(1)	(1)
	(b) Non-controlling interest	0	(0)	-	(0)	(0)	1
	<b>Total comprehensive income attributable to:</b>						
	(a) Owners of the Company	125	16	11	130	6	9
	(b) Non-controlling interest	13	23	(0)	42	(3)	(0)

Consequent to Viacom18 Media Private Limited and IndiaCast Media Distribution Private Limited becoming subsidiaries with effect from 1st March 2018, the figures for the current quarter and nine months are not comparable with those of the corresponding periods.

The National Company Law Tribunal, Mumbai Bench, has approved the Scheme of Merger by Absorption ("the Scheme") for the merger of direct/ indirect wholly owned subsidiaries of TV18 Broadcast Limited ("the Company"), namely, Equator Trading Enterprises Private Limited, Panorama Television Private Limited, RVT Media Private Limited and ibn18 (Mauritius) Limited into the Company with appointed date as 1st April, 2016. The Scheme has become effective on 1st November, 2018. Consequent to the merger, current tax for the quarter and nine months ended 31st December, 2018 includes the effect on tax expense.

**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](http://www.network18online.com). This update covers the company's financial performance for Q3 FY19.

For further information on business and operations, please contact:

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Further information on the company is available on its website [www.nw18.com](http://www.nw18.com)



# TV18

